



EUROPEAN COMMISSION

PRESS RELEASE

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Employment: Commission proposes €1.3 million from Globalisation Fund for former Flextronics workers in Denmark

The European Commission has today proposed to provide Denmark with €1.3m from the European Globalisation Adjustment Fund (EGF) to help 153 workers made redundant by Flextronics International Denmark A/S, a provider of design and electronic manufacturing services for original electronic equipment manufacturers. The proposal now goes to the European Parliament and the EU's Council of Ministers for their approval.

European Commissioner for Employment, Social Affairs and Inclusion László Andor stressed the importance of supporting the redundant workers in their efforts to find new jobs as quickly as possible, saying *"This proposal for 1.3 million euros from Europe's Globalisation Fund would help to prepare them for new job opportunities in other promising sectors. Helping these workers to manage these difficult transitions is important and the Globalisation Fund is an instrument that has proved its worth over the years."*

The Danish application relates to 303 redundancies from Flextronics International Denmark A/S, a provider of design and electronics manufacturing services for original electronic equipment manufacturers. Of the total number of redundant workers, 153 with the biggest difficulties for their re-integration into the labour market would benefit from measures backed by the EGF.

The package aims to help the workers by offering them assessment of acquired competences and qualifications; vocational training, technical courses and education activities which will be tailor-made to suit the skills of the workers; individual outplacement and entrepreneurship promotion; as well as the necessary subsistence allowances. These measures have been carefully designed to help the workers find jobs in sectors with a promising future.

The total estimated cost of the package is approximately €2 million, towards which the EGF would provide €1.3 million.

Background

Flextronics International Denmark A/S was created in 2004 as part of Flextronics International Ltd., which itself was registered in 1990 in Singapore, having grown from an originally US American company founded in Silicon Valley in 1969. Flextronics in 2011 was ranked, according to CircuitsAssembly.com, as the second global electronics manufacturing services (EMS) company by revenue.

Flextronics Denmark was an important producer of printed circuit boards (PCBs) which are ubiquitous components of any electronic equipment such as smart cards, electronic gaming, digital cameras, mobile phones, personal computer electronics, etc. With the company outsourcing this production to a subsidiary company Multek, one of the best-known PCB suppliers in the world, providing one-stop interconnect solutions in the electronic industry, the output of Flextronics Denmark and the relevant European PCBs market was no longer of interest to Flextronics International Ltd.

The redundancies at Flextronics Denmark are a direct consequence of the major structural changes in world trade patterns in the area of services provided by Flextronics Denmark. The recent trend in electronic equipment production of moving facilities to Asia was also followed by Flextronics, as the Singapore headquarters decided to close the Danish enterprise while at the same time expanding outside Europe.

The territory most concerned by the redundancies is the municipality of Skive. Skive is located in the north-west of the region of Midtjylland. Although this is a rural region, industry has played a major role, with three out of ten employees in the private sector working in industry. However since 2006, major industries such as Metallic, Nørhaven, Jamo, Royal Greenland, Bodisen and Danish Crown have either closed or left the municipality and Skive has lost approximately 2000 industrial jobs between 2008 and 2010.

There have been 101 applications to the EGF since the start of its operations in 2007. Some €443.3 million has been requested to help about 92,000 workers. EGF applications are being presented to help redundant workers in a growing number of sectors, and by an increasing number of Member States.

More open trade with the rest of the world leads to overall benefits for growth and employment, but it can also cost some jobs, particularly in vulnerable sectors and affecting lower-skilled workers. This is why Commission President Barroso first proposed setting up a fund to help those adjusting to the consequences of globalisation. The EGF was established at the end of 2006 and was designed to demonstrate solidarity from the many who benefit from openness to the few who face the sudden shock of losing their jobs. In June 2009, the EGF rules were revised to strengthen the role of the EGF as an early intervention instrument forming part of Europe's response to the financial and economic crisis. The revised EGF Regulation, which entered into force on 2 July 2009 and applied to all applications received from 1 May 2009 to 30 December 2011, raised the EU co-financing rate from 50 % to 65 %.

Building on the experience acquired with the EGF since 2007 and its value added for the assisted workers and affected regions, the Commission has proposed to maintain the Fund also during the 2014-2020 multiannual financial framework, while further improving its functioning.

Further information

László Andor's website: http://ec.europa.eu/commission_2010-2014/andor/

[EGF website](#)

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