



EUROPEAN COMMISSION

PRESS RELEASE

Brussels, 19 October 2012

Employment: Commission proposes €5.3 million from Globalisation Fund for former Nokia workers in Finland

The European Commission has today proposed to provide Finland with €5.3m from the European Globalisation Adjustment Fund (EGF) to help 1000 workers made redundant by Nokia plc with their return to employment. The proposal now goes to the European Parliament and the EU's Council of Ministers for their approval.

László Andor, European Commissioner for Employment, Social Affairs and Inclusion commented *"World production patterns of mobile phones are changing, as European manufacturers move their facilities closer to the fastest growing markets, now located in Asia"*. He added: *"Today's decision will support the former Nokia workers on the road to new jobs through training and business creation to give them the necessary support and new job opportunities"*.

The Finnish application relates to 1000 people made redundant by Nokia plc (Salo). All the redundant workers are expected to participate in the EGF co-funded measures. The package aims to help the workers by offering them job-search counselling, career guidance, vocational and competence mapping, work-capacity evaluations training and retraining, steering towards entrepreneurship and services for new entrepreneurs (as well as support for starting independent business operations), pay subsidies and mobility assistance.

The total estimated cost of the package is approximately €10.6 million, of which the EGF would provide half, i.e. €5.3 million.

The Commission has also proposed today to offer support from the EGF to workers made redundant by Nokia in Romania (see IP/12/). In both cases the redundancies are driven by a transfer of production from Europe to Asia.

Background

The primary reason for the redundancies is the transfer of mobile phone assembly to countries in Asia (China, South Korea, India and Vietnam, where a new Nokia plant is under construction). Component manufacture and subcontracted production had already been transferred out of Europe. Following the direction taken by production, both design and product development have been, or are being, offshored now.

The area mostly affected by the redundancies is around Salo, near the coast of South-West Finland, some 50 km from the provincial centre Turku, and 100 km from Helsinki.

The province of South-West Finland is one of the most export-driven provinces of the country. The region rose to its highly productive status during the 1990s, with the strong growth of Nokia, which was then becoming the world's leading mobile phone manufacturer. As Nokia's position weakened and the global financial and economic crisis struck, the situation in Salo has deteriorated in terms of employment and production, and it suffered more than other regions of Finland.

Before the start of the recession in 2008, the unemployment rate in the Salo area was about 6 %. This had doubled to 12 % by the end of 2009 and has seen a slightly rising trend since then. With the current redundancies and the expected second wave later this year, there is a risk that the unemployment rate may rise to approximately 15 – 17 % by the end of 2012.

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 entered into force on 2 July 2009 and applied to all applications received from 1 May 2009 to 30 December 2011.

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](#)

Video News Releases:

[Europe acts to fight the crisis: the European Globalisation Fund revitalised](#)

[Facing up to a globalised world – The European Globalisation Fund](#)

Subscribe to the European Commission's free e-mail newsletter on employment, social affairs and inclusion: <http://ec.europa.eu/social/e-newsletter>

Follow László Andor on Twitter: <http://twitter.com/LaszloAndorEU>

Contacts :

[Nadège Defrère](#) (+32 2 296 45 44)

[Jonathan Todd](#) (+32 2 299 41 07)