



**EUROPEAN COMMISSION**

**PRESS RELEASE**

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## **Employment: Commission proposes €840,000 from Globalisation Fund to help redundant building materials workers in Spain**

The European Commission has proposed to provide Spain with €840,000 from the European Globalisation Adjustment Fund (EGF) to help 300 workers made redundant in the manufacture of building materials in Comunidad Valenciana (Spain), to find new jobs. The funds, requested by the Spanish authorities, would help former workers from 140 small and medium-sized businesses. The proposal now goes to the European Parliament and the EU's Council of Ministers for approval.

EU Commissioner for Employment, Social Affairs and Inclusion László Andor commented: *"Workers in the Spanish building materials industry have been hard hit by rising global competition and the economic crisis. The Spanish labour market is particularly challenging, but I am convinced that the proposed support from Europe's Globalisation Adjustment Fund would help the workers who lost their jobs to quickly find new opportunities"*.

Spain applied for support from the EGF following the dismissal of 630 workers in 140 small and medium sized companies making building materials such as plasterboard and concrete products in the region of the Comunidad Valenciana. The dismissals were the result of increased competition from building materials produced elsewhere in the world, compounded by the economic crisis. China increasingly dominates the world market in building materials, with countries such as India continuing to increase their production.

The EGF co-financed measures would help the 300 workers facing most difficulties in finding new jobs by providing them with one-to-one counselling and guidance; skills assessment and outplacement; general training and re-training; individual vocational training; entrepreneurship promotion and support; outplacement incentives, job-search allowance and a contribution to commuting expenses.

The total estimated cost of the package is €1.68 million, of which the EGF would provide €840,000.

## **Background**

At worldwide level, production of various non-metallic mineral products used in construction doubled from 2001 to 2011 (3,055.6 million tonnes). In 2001, China was the largest producer (661 million tonnes) and the EU the second largest (329 million tonnes). Ten years later China's production had increased by 312 % while EU production fell by 12 %.

The decline in the production of these non-metallic mineral products in the EU has been accompanied by a loss of worldwide market share. The EU-27's market share of world production of such non-metallic mineral products fell from 22.36 % in 2001 to 9.48 % in 2011, while China's market share grew from 45 % to 67.5 % and India's market share remained stable at around 7 %.

The manufacture of these non-metallic mineral products in Spain followed the same negative trend as shown for the EU. However, the decline in production in Spain has become steeper since 2008 with the collapse of the construction bubble.

Furthermore, over the period 2001-2011 there has been a substantial increase in imports of these non-metallic mineral products into the EU. By 2010 imports had tripled compared to 2001, despite a decrease in imports experienced in 2008 and 2009 due to the impact of the financial and economic crisis on the construction sector.

The employment situation in the region of the Comunidad Valenciana is particularly fragile, given the impact of the crisis on various other sectors, such as construction, furniture, textiles, footwear and toys, which under other circumstances could have offered alternative employment for former building material manufacturing workers. The support of the EGF is therefore all the more essential, as it can help these workers to explore new and different opportunities.

The EGF was first proposed by Commission President Barroso to help those adjusting to the consequences of globalisation and to demonstrate solidarity from the many benefiting from more open world trade. Since the start of its operations in 2007, there have been 110 applications to the EGF. Some €471.2 million has been requested to help more than 100,000 workers. EGF applications are being presented to help dismissed workers in a growing number of sectors, and by an increasing number of Member States.

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 the crisis criterion applied to all applications received from 1 May 2009 to 30 December 2011.

Building on this experience, the Commission has proposed to maintain the Fund also during the 2014-2020 multiannual financial framework, while further improving its functioning.

## **For more information**

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