



EUROPEAN COMMISSION

PRESS RELEASE

Brussels, 28 January 2014

Employment: Commission proposes €840,000 from Globalisation Fund to help redundant textile 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 textile sector in Comunidad Valenciana (Spain) to find new jobs. The funds, requested by the Spanish authorities, would help former workers from 198 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 textile 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 find new opportunities".

Spain applied for support from the EGF following the dismissal of 560 workers in 198 small and medium sized textile enterprises in the region of the Comunidad Valenciana. The dismissals were the result of increased competition from textiles manufactured elsewhere in the world, compounded by the economic crisis. China increasingly dominates the world textile market, while other Far Eastern countries continue to increase their production.

The measures co-financed by the EGF would help the 300 workers facing the greatest 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 half.

Background

Since the closure of the World Trade Organization's (WTO) ten-year transitional Agreement on Textiles and Clothing (ATC) at the end of 2004, the European Union market for textiles has been open to far more global competition, particularly from China and other Far Eastern countries.

Over the period 2004-2012, the EU trade balance in textiles deteriorated substantially. There was a 17% increase in imports of textiles into the EU over the period whilst the export of textiles from the EU to the rest of the world decreased by 3%. The EU trade balance for textiles decreased from a surplus of €1,107 million in 2004 to a deficit of €3,067 million in 2012. Furthermore, whilst the share in world exports of textiles of the EU decreased from 10% to 8% over the period 2000-2011, the share in world exports of textiles of China increased from 10% to 32%.

The Spanish textile industry has undergone extensive restructuring and modernisation in response to increased competition that followed the expiry of the World Trade Organisation's Multifibre Arrangement and the Agreement on Textiles and Clothing which succeeded it. However, redundancies linked to the restructuring of the textile industry have been compounded by the overall negative effect of the economic crisis on employment. The unemployment rate in the region increased rapidly, rising from 9.61% in the first quarter of 2008 to 29.19% in the same quarter of 2013.

Last year, the Commission also proposed to mobilise EGF resources to help redundant workers in the manufacture of building materials in the region ([IP/13/835](#)).

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's President Barroso first proposed setting up a fund to help those adjusting to the consequences of globalisation. Since the start of its operations in 2007, the EGF has received 117 applications. Some €500 million has been requested to help more than 105,000 workers. EGF applications are being presented to help in a growing number of sectors, and by an increasing number of Member States. Last year alone, it provided more than €73.5 million ([IP/13/1076](#)).

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 and the value added by the EGF for the assisted workers and affected regions, the Fund continues during the 2014-2020 period as an expression of EU solidarity, with further improvements to its functioning. Its scope has been expanded to include again workers made redundant because of economic crisis, as well as fixed-term workers, the self-employed, and young people not in employment, education or training in regions of high youth unemployment.

Further information

[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](#)

[László Andor's website](#)

[Follow @László AndorEU on Twitter](#)

Contacts :

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

[Cécile Dubois](#) (+32 2 295 18 83)

For the public: **Europe Direct** by phone **00 800 6 7 8 9 10 11** or by [e-mail](#)