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PRESS RELEASE

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Employment: Commission proposes €700,000 from Globalisation Fund to help redundant workers in the carpentry sector in Spain

The European Commission has proposed to provide Spain with €700,000 from the European Globalisation Adjustment Fund (EGF) to help 400 workers made redundant in the carpentry and joinery sector in the Castilla y León region to find new jobs. 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: *"The Spanish society and economy have been hard hit by the financial crisis and the employment situation in the region of Castilla y León is a matter of great concern, 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 in the same or other sectors"*.

Spain applied for support from the EGF following the dismissal of 587 workers in three businesses operating in the joinery and carpentry sector in the region of Castilla y León. The workers primarily make doors and window frames used in the construction of buildings. These dismissals were the result of the shrinking market for wooden doors and window frames worldwide and the decline in the volume of exports of these goods from Spain during the past years.

The measures co-financed by the EGF would help the 400 workers facing the greatest difficulties in finding new jobs by providing them with intensive job-search assistance, counselling and guidance, general training and re-training, vocational training, promotion of entrepreneurship and a variety of allowances and incentives.

The total estimated cost of the package is €1.4 million, of which the EGF would provide half.

Background

The market for joinery and carpentry products for the building sector is shrinking globally and the volume of worldwide exports of this commodity decreased by 3.4% from 14.2 billion US dollars in 2008 to 13.7 billion US dollars in 2011. Between 2008 and 2011 the volume of EU-27 exports of these products decreased by 10.33 % and its market share dropped from 17.24% to 16%.

During the same period the Philippines almost doubled its market share (which rose from 6.31% to 12.13%) and other Far Eastern countries also increased their share although to a lesser extent – China for instance increased its market share by 15% and Malaysia by 37%.

This decline in the EU-27 market share led to the closure of a number of enterprises operating in the sector, with negative consequences for employment. As noted in the staff working document accompanying the Commission's communication on [A new EU forest strategy for forest and the forest based sector](#), the number of enterprises in the manufacture of wooden and timber products decreased by 8% between 2003 and 2010, while employment in the sector decreased by 20% in the period 2000-2011.

Employment in Castilla y León has been severely affected by the crisis. The unemployment rate in the region increased rapidly from 8.2% in the first quarter of 2008 to 22.70% in the same quarter of 2013. The redundancies in the manufacture of wood and timber products will further magnify the unemployment situation, since the affected territory, Pinares (literally 'pine groves'), is highly dependent on the wood sector and the pine trees constitute the main economic resource, which has resulted in an industrial area of primary and secondary processing of wood.

The region already received EGF support for another mass redundancy case in the automotive industry ([IP/09/233](#)).

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. Since the start of its operations in 2007, the EGF has received 125 applications. Some €518 million has been requested to help more than 112,000 workers. EGF applications are being presented to help workers in a growing number of sectors, and by an increasing number of Member States. In 2013 alone, it provided more than €53.5 million in support.

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 the economic crisis, as well as fixed-term workers, the self-employed, and, by way of derogation until the end of 2017, young people not in employment, education or training in regions of high youth unemployment.

Further information

[EGF website](#)

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Contacts :

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

[Cécile Dubois](#) (+32 2 295 18 83)