



**EUROPEAN COMMISSION**

**PRESS RELEASE**

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## **Employment: Commission proposes one million euros from Globalisation Fund to help redundant workers in the metal sector in Spain**

The European Commission has proposed to provide Spain with €1,019,184 from the European Globalisation Adjustment Fund (EGF) to help 300 workers made redundant in the metal sector in the Comunidad Valenciana 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 one million euros from Europe's Globalisation Adjustment Fund the Commission has proposed demonstrate EU solidarity towards those who have lost their jobs as a consequence of the economic and financial crisis. The employment situation in Comunidad Valenciana is a matter of great concern but the region has made good use of the opportunities offered by the EGF, which I witnessed when visiting Valencia in March this year. I trust the concrete measures proposed today would help the redundant workers find suitable new jobs."*

Spain applied for support from the EGF following the dismissal of workers employed by 142 manufacturers of fabricated metal products in Comunidad Valenciana, as a result of the economic and financial crisis. The sector of fabricated metal products is a key provider of inputs to a wide range of manufacturing industries, in particular shipbuilding, construction and automotive sectors. All of these were significantly impacted across the European Union by the economic crisis.

The measures co-financed by the EGF would help the 300 workers facing the greatest difficulties in finding new jobs by providing them with intensive job-search assistance and job placement; 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 €1.7 million, of which the EGF would provide 60%.

### **Background**

Between 2000 and 2007 — before the financial and economic crisis — the average annual growth of the industrial production index in the EU-28 had been approximately 1.7%; the index reaching its maximum level in the first quarter of 2008 (112.8). Between April 2008 and April 2009, industrial production in the EU-28 dropped by more than 22 percentage points. Afterwards, however, a relatively dynamic recovery set in for about two years. Since May 2011, industrial production has fallen again. The EU's average industrial production index for 2013 is comparable to the level of 2003.

In Spain, the average annual growth of the industrial production index followed the same trend as the EU-28 until 2007. However, between April 2008 and April 2009, industrial

production in Spain declined by almost 27 percentage points (five points more than for the EU-28). Since then, industrial production has not recovered and there has been a relatively steady decline. Spain's average industrial production index for 2013 is comparable to the level in 1994.

The decrease of production in the industry had consequences for employment. Spain thus lost almost 600,000 jobs in the industry between 2008 and 2012, of which 150,000 in the sector of manufactured metal products. These job losses represent respectively 24% of total employment in the industry and 35% of total employment in the metal sector.

Early this year, the Commission proposed to mobilise EGF resources to help redundant textile workers in the same region ([IP/14/81](#)). The region had previously received EGF support for another seven mass redundancy cases in the manufacture of building materials ([IP/13/835](#)), construction sector ([IP/12/616](#), [IP/12/137](#) [IP/10/543](#)), footwear industry ([IP/12/448](#)) and [textile and stone sectors](#).

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 128 applications. Some €523 million has been requested to help more than 111,000 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**

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