



Budgets committee approves €5 million in aid to redundant workers in Spain and Italy

Committees Committee on Budgets [01-04-2014 - 10:35]

1400 Italian and Spanish workers should get EU support to try and get back on to the labour market after losing their jobs. Parliament's budgets committee approved €5 million from the European Globalisation Adjustment Fund on Tuesday. The decision still needs to be endorsed by Parliament as a whole and the Council of Ministers.

Less demand for Italian television sets

The Italian television manufacturer VDC Technologies had to shut down its plant in Frosinone as a result of fierce competition from China. This led to the forced lay-off of 1,218 employees at VDC Technologies and another 54 in Cervino Technologies. The authorities will receive €3,010,985 to help 1,146 workers facing the greatest difficulties find a new job. An equivalent amount will be allocated by the Italian authorities themselves.

VDC Technologies and Cervino are not the only companies in the Lazio region to have suffered from the combined effects of the economic crisis and shifting global trade patterns. Both economic activity and employment have fallen as a result of globalization, the Italian authorities say. Unemployment is rising (up to 10.8% in 2012 from 8.5% in 2009) and exports from the region's main industrial sectors are shrinking.

The Italian package was approved with 22 votes in favour and 1 against.

Spanish car manufacturer comes to a standstill

The Spanish car manufacturer Grupo Santana, which is situated in the crisis-hit Jaen region, had to lay off 330 workers. The EGF support of €1,964,407 is intended to reintegrate 285 of the redundant workers into employment. An equivalent amount will be allocated by the Spanish authorities themselves.

Grupo Santana is not the only EU car manufacturer in distress. Many EU manufacturers have seen their market share decline over recent years and the automotive sector has been the subject of numerous EGF applications.

The Spanish package was approved with 21 votes in favour and 1 against.

Background

The European Globalisation Adjustment Fund contributes to packages of tailor-made services to help redundant workers find new jobs. The annual ceiling of the fund is €150 million.

Redundant workers are offered measures such as support for business start-ups, job-search assistance, occupational guidance and various kinds of training. In most cases, national authorities have already started the measures and will get their costs reimbursed from the EU when their applications are finally approved.

Parliament is expected to cast its vote in the plenary session on 16 April. The Council will also need to approve the package.

Procedure: Budgetary procedure - Mobilisation of funds

Press release

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