

## **1,300 German mobile phone workers (NOKIA) to receive help from EU Globalisation Fund**

*The European Commission has today approved an application by Germany under the Globalisation Adjustment Fund (EGF) for €5.5 million to help more than 1,300 workers made redundant by Nokia back into employment. The application will now be put before the European Parliament and the Council of the European Union for decision. The application was submitted to the Commission on 6 February 2009.*

"I am happy to put this application forward because it will help over 1,300 workers to return to employment," said Employment Commissioner Vladimír Špidla. "In the context of the current financial and economic crisis, the employment situation in the affected areas is particularly vulnerable. I am glad that the affected workers can be supported by the safety net which the EGF can provide."

The application relates to 1,337 redundancies in the Nokia production plant in Bochum in the German region of North Rhine Westphalia after Nokia decided end production in this plant. The redundancies occurred in an area which traditionally has an unemployment rate of 3 to 4 percentage points higher than that of Germany as a whole. The funding will help the 1,316 most disadvantaged among these dismissed workers to return to employment.

There is a general trend amongst mobile phone manufacturers towards shifting production for mobile phones and accessories, mostly to 'emerging' markets in Asia. This is not only because mobile phones are cheaper to produce there, but also because of the proximity of the fast-growing consumer market and of technology partners. Despite this general trend, the redundancies at Nokia Bochum were unforeseen, as in 2007 operations were profitable.

The package of EGF assistance for the ex-workers of the Nokia production plant in Bochum will include basic and specific qualifications, entrepreneurship support, group qualifications and peer groups, support at the start of employment and aftercare, short-time allowances and support for international job applications. The total estimated cost of this package is €11.1 million, of which the European Globalisation adjustment Fund has been asked to fund €5.5 million. This application for assistance is the last to be assessed under the original rules of the EGF Regulation.

### **Background**

There have been 23 applications to the EGF so far, for a total amount of over €130 million, helping about 29,000 workers. The Nokia application is the third concerning the mobile phone sector approved by the Commission for presentation to the European Parliament and the Council. Other applications relate to the automotive sector, textiles, electrical equipment, computers and domestic appliances.

The EGF was established by the European Parliament and the Council at the end of 2006 to provide help for people who have lost their jobs due to the impact of globalisation. In June 2009, the EGF rules

were revised to strengthen the role of the EGF as an early intervention instrument. It forms part of Europe's response to the financial and economic crisis. The revised EGF Regulation entered into force on 2 July and applies to all applications received since 1 May 2009. The Nokia application is the last of those received before 1 May 2009 to be approved by the Commission.

The recent annual report on the EGF showed that 10,000 people received assistance from the EGF in 2008 and that some 69 percent of those aided during 2007 had found a new job by the end of the support.

#### **Further information**

EGF website: <http://ec.europa.eu/egf>

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