

Brussels, 24 June 2009

Over 1,500 textile workers in Portugal to receive help worth €832,800 from European Globalisation Fund

The European Commission has approved an application from Portugal for assistance from the European Globalisation adjustment Fund (EGF). The application will now be sent to the European Parliament and Council for decision. If approved, the €832,800 requested will help 1,504 redundant workers in the textile sector back into employment as quickly as possible.

EU Employment Commissioner Vladimír Špidla said: "In the Portuguese textile sector, 97.8% of unemployment is concentrated in the Norte and Centro regions. I am therefore glad that the Portuguese authorities have chosen to apply for EGF funding, which will help to get these workers back onto the labour market as quickly as possible."

The Portuguese application concerns workers made redundant in 49 small- and medium-sized enterprises in the two neighbouring regions of Norte and Centro. The northern region of Portugal is the most specialised in the EU in the textile and clothing sector. In terms of employment in this region, the sector represents over 14% of the total labour force. In the Centro region, the textile and clothing industries represent 15% of industrial employment.

Following the end of the World Trade Organisation Multi-Fibre Arrangement at the end of 2004, imports of textile and clothing articles into the EU from lower-cost countries almost doubled. EU producers, including those in Portugal, were faced with a very competitive market. In addition, much production has relocated from the EU to low-cost countries (China and India in particular).

The total estimated cost of the package of EGF assistance, which will include career guidance, vocational training, support for entrepreneurship and skills recognition and certification for the redundant workers is €1,6 million, of which the European Globalisation adjustment Fund has been asked to fund €832,800.

Background

There have been 21 applications to the EGF so far, for a total amount of over €112 million, helping over 30,000 workers. The Norte and Centro application is the eighth concerning the textile sector approved by the Commission for presentation to the European Parliament and the Council. Other applications have concerned the automotive sector, mobile phones 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 December 2008, the European Commission proposed to revise the EGF to strengthen its role as an early intervention instrument as part of Europe's response to the financial and economic crisis (see [IP/08/1985](#)). The revised EGF Regulation will enter into force shortly and will apply to all applications received as from 1 May 2009 onwards.

Further information

EGF website

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

Video News Releases:

Europe acts to fight the crisis: the European Globalisation Fund revitalised

http://ec.europa.eu/avservices/video/video_prod_en.cfm?type=details&prodid=9847&src=1

Facing up to a globalised world – The European Globalisation Fund

http://ec.europa.eu/avservices/video/video_prod_en.cfm?type=detail&prodid=4096&src=4