

Mobilisation of the European Globalisation Adjustment Fund: redundancies in buildings construction industry in Lithuania

2010/0002(BUD) - 18/01/2010 - Document attached to the procedure

In this document, the Commission gives a detailed analysis of the reasons for which it is proposing the mobilisation of the European Globalisation Adjustment Fund in favour of Lithuania.

The Lithuanian application relates to 1 612 redundancies in the buildings construction industry during the reference period of nine months between 16 October 2008 and 15 July 2009. In order to establish the link between the redundancies and the financial and economic crisis, Lithuania argues that the global economic and financial crisis has had a serious impact on construction demand and activity in Lithuania, as well as severely reducing the industry's access to financial credits. As a result, the volume of construction activity in Lithuania has decreased. The slow-down in construction activity in Lithuania in the first quarter of 2009 was the worst in any of the EU-27 Member States.

These steep drops in construction activity are consistent with trends seen elsewhere in the EU, where the industry has suffered declines of 2.9 % in 2008 and 11.5% in the first quarter of 2009 compared with the corresponding periods of the previous year.

The Commission's assessment leads it to conclude that it will approve application EGF/2009/017 LT /Construction of buildings submitted by Lithuania, relating to the 1612 redundancies in the buildings construction industry, as evidence of a direct and demonstrable link has been provided that these redundancies result from the global economic and financial crisis. A co-ordinated package of eligible personalised services has been proposed. It is proposed to deploy **EUR 1 118 893** from the EGF for application EGF/2009/017 LT/Construction of buildings.