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

2010/0003(BUD) - 30/11/2009 - 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 651 redundancies in AB Snaig, a manufacturer of refrigerators, and two of its suppliers, who were made redundant during a period slightly longer than the normal reference period of four months.

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 the market for refrigerators and refrigerating equipment. Snaig has seen its sales in the EU and in the rest of Europe plummet since mid-2008, with the inevitable consequence of redundancies. The steep drops in sales are consistent with trends seen elsewhere in the EU, where manufacture of electrical equipment has suffered declines of over 22% in the first quarter of 2009 and a further drop of 27.5% in April 2009 alone.

Accordingly, the Commission’s analysis leads it to conclude that it will approve **EGF/2009/010 LT/Snaig** presented by Lithuania relating to the redundancies in AB Snaig and two of its suppliers, 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 258 163** from the EGF.