

## STX Shipyard in Rauma (Finland)

**Reference** EGF/2014/008 FI/STX Rauma

**Member State** Finland

**Sector** Shipbuilding

**Submitted to European Commission** 27 May 2014

**Total budget planned** 2 378 000

**EGF contribution** 1 426 800

**Intervention criterion** Trade related globalisation

**Period of reference** 7.11.2013 - 7.3.2014

**Redundancies during period of reference** 577

**Active employment measures**

To be provided to 565 workers and will include :

Coaching and preparatory measures

Services at a service point

Training and retraining

Entrepreneurship promotion and expert services

Enterprise survey

Pay subsidies

Allowances for travel, overnight and removal costs

### BACKGROUND

- The global maritime industry changed dramatically in recent years. Resulting from the explosive growth of the order book in the period 2002 to 2008, new shipyards were built, most of them in Asia. However, the global economic and financial crisis meant that the order book was halved between 2007 and 2013. As a result of the reduced orders and the significant expansion by Asia in the shipbuilding market, the sector is currently suffering from global overcapacity leading to tough competition.
- As part of this trend, the EU market share has plummeted. Measured by production volume, the EU market share in shipbuilding was 5 % in the first three quarters of 2013, down from 13 % in 2007. The equivalent share of China, South Korea and Japan combined was 86 % in the first three quarters of 2013, while in 2007 this same share had been 77 %.
- The Korean STX Group, which owned the shipyard, got into difficulties in early 2013. In September 2013, STX Finland unexpectedly announced that the operations of the Rauma shipyard would be discontinued and that the company would concentrate its operations in Turku.
- More than 40 % of the dismissed workers are over 55 years of age, an age group which in the region is particularly threatened with long-term unemployment. It is therefore essential to provide the workers with high-quality high-intensity support and to prepare them to work in new sectors, to start their own businesses and if necessary to move to a new residence and work place.