Toscana

Reference	EGF/2008/001
Member State	Italy
Sector	Textiles
Submitted to European Commission	12 February 2008 and last complemented by additional information on 9 June 2008
Total budget planned	€ 7 708 400
EGF contribution	€ 3 854 200
Intervention criterion	Article 2(b) Regulation (EC) No 1927/2006
Period of reference	1 March 2007 – 30 November 2007
Redundancies during period of reference	1 558 redundancies in 461 companies in the Province of Prato (NUTS III – ITE15), in the Tuscany Region.
Active employment measures	Include: - occupational guidance, - counselling, - job-search assistance, - entrepreneurship promotion, and - incentives to stimulate disadvantaged or older workers to remain in the labour market.

BACKGROUND

- Since the early 1990s, the European textiles, clothing and footwear sector has undergone large-scale restructuring; this has included an almost one-third reduction in the workforce.

- The Multifibre Arrangement (MFA) expired on 1 January 2005. Since then, exports from low-cost countries to the main markets have increased considerably. The effects of the ending of the MFA on the Italian textile industry were not unforeseen, but the impact on specific regions was greater than foreseen.

- Italian manufacturers have been unable to compete on cost, and have depended upon niche markets and relatively low production volumes.

- Italian textile producers have lost market share in the main western markets (USA, Canada, EU).

- There has been a reduction in exports of Italian textiles since 2002, and an increase in imports (mostly from China but also from India and Turkey). This is reflected in a reduction in the number of firms and jobs in the sector.

- While there is little evidence of delocalisation, it is clear that aggregate production has delocalised from the EU to low-cost countries (China and India in particular).

- Between 2002-2005, textile production in Prato Province dropped by 15%. Between 2002-2006, 1,500 textile companies went out of business with the loss of about 7,000 jobs.