

Galicia wearing apparel



Reference	EGF/2017/006 ES Galicia wearing apparel
Member State	Spain
Sector	Wearing apparel
Submitted to European Commission	19 July 2017
Total budget planned	€1 200 000
EGF contribution	€ 720 000
Intervention criterion	Article 4 (2) Regulation (EU) No 1309/2013
Reference period	30 July 2016 – 30 April 2017
Redundancies during reference period	303 in five enterprises in the NUTS level 2 region Galicia(ES11)
Active employment measures	To be provided for all redundant workers and include: <ul style="list-style-type: none"> - Welcome and information sessions, - Occupational guidance, - General training, re-training and vocational training, - Intensive job-search assistance, - Various types of incentives, contributions and allowances.

BACKGROUND

- The liberalisation of trade in textiles and clothing — following the expiry of the World Trade Organisation Multifibre Arrangement at the end of 2004 — has led to radical changes in the structure of world trade. In 2016 imports of clothing into the EU-28 increased by 37,9 % compared to 2008 and by 83,2 % compared to 2004.
- Over the same period, EU28 exports grew as well, although at a lesser extent. Clothing exports increased by 28,3 % in 2016 compared to 2008 and by 75,1 % compared to 2004. This resulting in an increasing negative EU trade balance in clothing.
- The increase of imports into the EU put a downward pressure on prices which had a negative effect on the financial position of enterprises in the textiles sector in the EU and triggered a general trend in the textiles and clothing industry to off-shore production to lower cost countries outside the EU, such as Morocco, Tunisia, China and various Asian countries. In Galicia, this has resulted in a constant decrease in the number of clothing companies (-26 % over the period 2010-2016) and thus in redundancies
- The territory affected by the redundancies is Ordes where the clothing enterprises (most of them SMEs and cooperatives) are the economic driver. Ordes has been suffering from the decline in the number of clothing enterprises resulting from end of activities or production off-shore, which has been following the increase in imports of wearing apparel into the EU.
- The redundancies are expected to put an enormous strain on the territory. The impact of the layoffs is linked to the difficulties of redeployment, due to the scarcity of jobs (the territory is away from the major industrial centres); the low educational background of the dismissed workers; vocational skills developed in a sector now in decline; and the high number of job seekers.