

Malta



Reference	EGF/2007/008
Member State	Malta
Sector	Apparel
Submitted to European Commission	12 September 2007
Total budget planned	€ 1 362 414
EGF contribution	€ 681 207
Intervention criterion	Article 2(c) 'small labour market' Regulation (EC) No 1927/2006
Period of reference	19 June 2007 – 30 October 2007
Redundancies during period of reference	675 redundancies: 562 in VF (Malta) Ltd. and 113 in Bortex Clothing Ind.Co. Ltd
Active employment measures	Include: <ul style="list-style-type: none"> - occupational guidance, - training/re-training, - aid for self-employment, - job-search allowance - redeployment schemes.

BACKGROUND

- Redundancies follow a general trend in the clothing and accessories industry in the EU towards delocalisation of production to lower-cost non-EU countries such as China, India and Turkey.
- Before accession, Malta's textile exports went mostly to EU Member States. Increased pressure on the EU textiles sector has put Malta's manufacturers under pressure.
- The volume of clothing imports into the EU has risen more rapidly than exports. Between 2004-2006, the volume of clothes imported into the EU showed an annual increase of about 10%, mostly on the back of increased Chinese imports, following the end of the WTO Multifibre Arrangement in 2004. Chinese imports make up more than one-third of total clothes imports into the EU.
- Malta has the lowest active population of the EU-27. A relatively small number of redundancies will therefore have a great impact on an already compact labour market.
- The redundancies in VF and Bortex were unexpected and occurred despite recent investment by both companies in human resources and machinery. Production at the VF site in Malta was delocalised completely to Asia. Bortex closed a part of its production (sewing).