

Galicia shipbuilding ancillary sectors - Spain



Reference	EGF/2020/001 ES/ Galicia shipbuilding ancillary sectors
Member State	Spain
Sector	Shipbuilding ancillary sectors
Submitted to European Commission	13 May 2020
Total budget planned	EUR 3 424 000
EGF contribution	EUR 2 054 400
Intervention criterion	Article 4(2) of the EGF Regulation, derogating from Article 4(1)(b)
Period of reference	23 May 2019–23 February 2020
Redundancies during period of reference	960
Active employment measures	To be provided for 500 workers and include: <ul style="list-style-type: none"> - Information sessions and preparatory workshops; - occupational guidance; - training and re-training; - intensive job-search assistance; - promotion of entrepreneurship; - tutoring after reintegration into work; - allowances (participation incentives, contributions to the cost of careers, outplacement incentives.

BACKGROUND

- Within 15 years, Europe has lost its merchant shipbuilding (i.e. the building of tankers, bulkers and containerships) to East-Asia. This has led to a considerable shift in the global production from Europe towards Asia.
- In 2002, Europa represented 22.5% of the global shipbuilding, while Europe's market share had fallen to only 6.8% in 2018.
- European shipbuilding is mostly made up of small and medium shipyards (60-150 ton ships), with an estimated subcontracting of 80% of the value and 89% of employment. The Galician shipbuilding follows this subcontracting pattern. The subcontractors have a high level of specialisation and therefore a high degree of dependence on the main shipyard. When the main shipyard has economic difficulties, the ancillary shipbuilding industry is severely affected.
- The redundancies in the Galician shipbuilding ancillary sectors have a serious impact on the regional economy. The concentration of all Galician commercial shipyards (seven in 2019) in a small territory, the Vigo ria, multiply the negative effects of the declining turnover and job losses in the Galician shipbuilding industry. In 2019, the unemployment rate in Vigo was 16.3%, almost five p.p. higher than the regional average (11.7%).