

Nokia



Reference	EGF/2009/002
Member State	Germany
Sector	Mobile phones
Submitted to European Commission	6 February 2009
Total budget planned	€11 107 700
EGF contribution	€5 553 850
Intervention criterion	Article 2(a) Regulation (EC) No 1927/2006
Reference period	30 July 2008 to 29 November 2008
Redundancies	1 337 redundancies in one enterprise, Nokia GmbH located in Bochum, during the reference period
Active employment measures	Targeted at 1 316 workers, include: <ul style="list-style-type: none"> -short-time allowance - basic and specific qualifications - group qualifications and peer groups - entrepreneurship support - support for international job applications - support at the start of employment and aftercare

BACKGROUND

- There is a general trend amongst mobile phone manufacturers towards relocation of their production to 'emerging' markets' in the Asia Pacific region, which are characterised by high growth rates in demand for mobile phones. Low-wage countries in the Asia Pacific region have also become attractive as a location for R&D activities related to mobile phones.
- Despite this general trend, the redundancies in the German Nokia production plant in Bochum were unforeseen. The information coming from the Nokia Group gave the impression that the production capacity in Bochum would be maintained, in particular taking into account that in 2007 its operations were profitable. Moreover, the land of North Rhine Westphalia had provided considerable financial support for the promotion of this production plant.
- The redundancies fall within the responsibility of 4 local employment offices: Bochum, Gelsenkirchen, Recklinghausen and Dortmund, all of which traditionally have an unemployment rate significantly higher than in other parts of North Rhine Westphalia or in Germany.
- In the context of the current economic and financial crisis, the employment situation in the affected areas seems particularly vulnerable, given the presence of the automotive (Opel) and steel industry in Bochum and Dortmund, the still ongoing conversion from coal mining to other labour-intensive sectors in Gelsenkirchen and the dependence of employment in Recklinghausen on one big supplier to the car industry (Hella) and the manufacture of synthetic materials for the automotive industry.