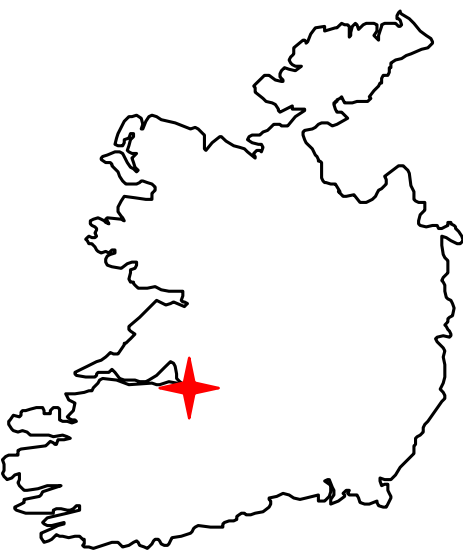


Dell



Reference	EGF/2000/008
Member State	Ireland
Sector	Manufacture of computers
Submitted to European Commission	29 June 2009
Total budget planned	€22 817 000
EGF contribution	€14 831 050
Intervention criterion	Article 2 (a) Regulation (EC) No 1927/2006
Period of reference	From 3 February 2009 to 2 June 2009
Redundancies during period of reference	1 135 redundancies
Total redundancies covered by this case	2 840 redundancies
Active employment measures	To be provided to 2 400 workers, include: <ul style="list-style-type: none"> - occupational guidance - different types of training courses - training allowances and grants - 3rd level degree courses - 3rd level courses – student allowances and grants

BACKGROUND

- The redundancies are a consequence of the global financial and economic crisis.
- World trade in desktop computers has been significantly impacted by this crisis. The expected reduction in sales of desktops was accelerated by the crisis, while sales of mobile PCs remained relatively strong. The previous decision by Dell to transfer their production of mobile PCs to Asia meant that the Dell site in Limerick would no longer have the economies of scale to be economically viable, and thus all production of desktop PCs was ceased.
- Global trade in PCs is increasingly dominated by the mobile PC segment (laptops, notebooks and netbooks), which are smaller and easier to transport. Most mobile PCs are manufactured in Asia where the component manufacturers are located, and where costs are lower. In addition, the Asian market is itself becoming an important market for computers.
- Desktop PCs used to dominate the computer industry, and were customised by Dell near to their markets. This segment has declined faster than anticipated as a result of the economic crisis and the redundancies in Dell area direct consequence.