

Danfoss Group



Reference	EGF/2009/015 DK/Danfoss Group
Member State	Denmark
Sector	Manufacture of machinery and equipment
Submitted to European Commission	8 September 2009
Total budget planned	€13 682 057
EGF contribution	€8 893 336
Intervention criterion	Article 2 (a) Regulation (EC) No 1927/2006
Period of reference	01/03/2009 – 30/06/2009
Redundancies during period of reference	588
Active employment measures	To be provided for 1,010 workers and include: <ul style="list-style-type: none"> - Education and training: training in tourism and energy technology, education and training in business management and remedial education - Employment incentives, such as incentives for persons who wish to change career; company-based training; and internships and mentoring. - Several Incentives for business start-ups.

BACKGROUND

- The redundancies in Danfoss A/S, Sauer Danfoss ApS and Danfoss Drives A/S are a direct consequence of the abrupt deterioration of demand for mechanical and electronic machinery as a result of the economic crisis and associated recession.
- The global economic and financial crisis exacerbated an already difficult situation for enterprises in the engineering sector. Cost pressures had been exerting pressure on enterprises in high-cost countries, and the reduction in demand and thus production that the crisis brought caused the Danfoss Group to close its loss-making production facilities.
- The Danfoss Group is based mainly in Sønderborg, a municipality of approximately 76 000 people in a relatively isolated part of Denmark.
- In the first nine months of 2009 registered unemployment climbed by more than 300 % in Sønderborg, an area where the unemployment rate was already higher than the Danish average.
- As the iron and metal industry represents around 25 % of all employment in Sønderborg and the engineering sector was the largest single sector in the area, the job losses in the Danfoss Group will not be easily absorbed by other enterprises.