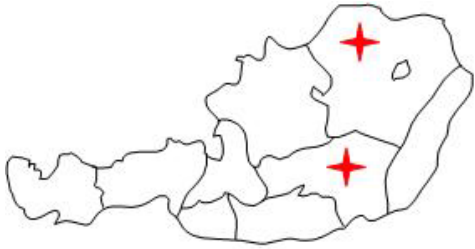


Steiermark and Niederösterreich - Basic metals



Reference	EGF/2010/007 AT/Steiermark and Niederösterreich
Member State	Austria
Sector	Basic metals
Submitted to European Commission	9.3.2010
Total budget planned	€12 746 013
EGF contribution	€8 284 908
Intervention criterion	Article 2 (b) Regulation (EC) No 1927/2006
Period of reference	1.4.2009 – 31.12.2009
Redundancies during period of reference	1 180 (in 54 enterprises)
Active employment measures	to be provided for 356 workers, and to include: <ul style="list-style-type: none"> - occupational orientation - various options of training, including corporate internships and entrepreneurship training - active job search - various allowances for the duration of the training and job search activities

BACKGROUND

- The crisis had a severe adverse impact on the European metal sector and the largest steel producing countries of the EU. During the year up to the first quarter of 2009, the production of crude steel in the EU-27 fell by 43,8 %, compared with a contraction in world steel output by 22,8 % over the same period. Many European steel manufacturers had to reduce their working time, and some 32 800 redundancies were announced by major steel groups in 2009, according to figures from the European Confederation of Iron and Steel Industries.
- Almost 80 % of Austria's metal production is exported, and metal accounts for almost 9 % of the country's total export volume, a higher share than the EU-27 average (6,1 %). The global drop in demand for metal as a result of the crisis had a particularly serious impact on Austria's metal exports (ferrous and non-ferrous) and thus on its metal output and employment: the sector's previous growth stopped abruptly in the fourth quarter of 2008, leading to a 38,6 % drop in metal exports for the period January - July 2009 compared to the previous year.
- The territories concerned by the redundancies are the Land of Steiermark (AT22) and the Land of Niederösterreich (AT12). 60 % of the 1 180 redundancies occurred in Niederösterreich (704 redundancies) and 40 % occurred in Steiermark (476 redundancies).
- Unemployment increased sharply in the second quarter of 2009: +39,9 % in Steiermark and +31,3 % in Niederösterreich, significantly higher than for Austria as a whole. The decline in demand for metal had a strong negative impact on both regions' labour markets, as job losses in their metal enterprises were higher than elsewhere in Austria. In addition, the number of workers on short-time working schemes (Kurzarbeit) increased sharply.
- Steiermark is also affected by other mass redundancy cases, for which EGF applications have been submitted to the Commission: EGF/2009/009 relates to the automotive sector (744 redundancies) and EGF/2010/008 relates to electronic equipment (167 redundancies).