

Zalco



Reference	EGF/2011/021 Zalco
Member State	Netherlands
Sector	Basic metals
Submitted to European Commission	28 December 2011
Total budget planned	EUR 2 298 474
EGF contribution	EUR 1 494 008
Intervention criterion	Article 2 (a) Regulation (EC) No 1927/2006
Period of reference	1 to 27 December 2011
Redundancies during period of reference	616 in 3 enterprises in the NUTS II region Zeeland (NL34).
Active employment measures	To include (for 616 targeted workers): <ul style="list-style-type: none"> - Personal intake - Occupational guidance/assessments - Training and re-training - Outplacement services - Entrepreneurship promotion - Measures to stimulate older workers

BACKGROUND

- The European aluminium sector experienced a sudden drop in consumer demand (a reduction by 25,7% in average EU aluminium usage between 2008 and 2009).
- The construction and automotive sectors in the EU saw demand plummet as a result of the global financial and economic crisis.
- Zalco Aluminium Zeeland Company NV was part of the trend described above as almost their entire output of extrusion billets was used for the construction and transport / automotive industries.
- Zalco's income also suffered from the severe slow-down in aluminium production (between 2008 and 2009) and the rise in energy costs (in particular between April 2010 and October 2011).
- Despite its attempts to reduce the impact of the global financial and economic crisis, Zalco went bankrupt in December 2011.
- The territory concerned by the redundancies (NUTS II region of Zeeland) is limited by its geographical location (with limited access and mobility in this peripheral island area with huge sections under water).
- The consequence on the regional labour market will be an increase in unemployment because available vacancies are already limited and expected to continue decreasing in the region.
- The social partners expect that other workers in upstream or downstream enterprises will also be made redundant as a direct result of the Zalco's bankruptcy and will need to be helped.