

Nokia Salo -- Finland

Reference	EGF/2012/006 FI/Nokia Salo
Member State	Finland
Sector	Mobile phones
Submitted to European Commission	4 July 2012
Total budget planned	€10 692 000
EGF contribution	€5 346 000
Intervention criterion	Trade related globalisation
Period of reference	1.3.-1.7.2012
Redundancies during period of reference	1 000
Active employment measures	<p>To be provided for all workers and include:</p> <ul style="list-style-type: none"> - job-search counselling - training and retraining - entrepreneurship guidance and business creation using Protomo services - mobility assistance - pay subsidies - various guidance and advisory services and databases to help the workers find suitable jobs as quickly as possibly

BACKGROUND

- The primary reason for the redundancies is the transfer of functions within the mobile phone sector to countries outside Europe. Assembly of mobile phones, previously carried out in Salo, has been offshored to Asia (China, South Korea, India and Vietnam, where a new Nokia plant is under construction).
- Component manufacture and subcontracted production have already been transferred out of Europe. Following the direction taken by production, both design and product development have also been, or are being, offshored.
- Nokia's plan is to transfer the assembly of devices to its Asian plants, where most of the component suppliers operate. The purpose of the transfer of assembly operations to Asia is to expedite the entry of devices into the market. By working closer to the subcontractors, it will be able to bring new innovations to the market more rapidly and improve its competitiveness.
- The Salo region has been highly dependant on the employment and revenue provided by Nokia and its suppliers. Apart from the 1 000 Nokia Salo redundancies in this application, further Nokia Finland redundancies have already been announced, and all these will in turn affect a number of suppliers important to the economic fabric of the region and beyond.
- The proposed measures include a range of Protomo activities designed to promote enterprise creation in the region with the help of expert advice, group work and a database of ideas for new business ventures.