

EGF Fact sheet

Reference: EGF/2007/002

Case: Renault SA (RSA) suppliers

Member State: France

Sector: Car manufacturing

Total budget planned: €2 516 060

Amount requested from EGF: €1 258 030

Submitted to European Commission: 23 March 2007

Intervention Criterion: Article 2(a) Regulation (EC) No 1927/2006

Period of reference: 1 December 2006 – 31 March 2007

Redundancies during period of reference: 1057, in 10 different suppliers to RSA

Active employment measures: Targeted at 628 redundant employees in Renault supplier in judicial liquidation, *Cadence Innovation*, with production sites in Burhaupt-le-Haut (Alsace, 80 redundancies), Vernon (Haute Normandie, 161 redundancies), Noeux-les-Mines (Nord-pas-de-Calais, 303 redundancies) and Pouancé (Pays de la Loire, 84 redundancies).

Background/globalisation context:

- Direct and increased competition with the EU in the small car market, from Asia in particular. Japanese and Korean manufacturers in particular gaining in competitiveness on European market, increasing imports into the EU by 27% over the period 2001-2005.
- 2001-2005 annual world car production up by 14% while EU production rose by 5%.
- Imports of cars manufactured outside of the EU rose from 9.3% to 13.9% between 2002 and 2006.
- The increasing numbers of imports of small cars from Asia into the EU and greater competition in the world car market has contributed to a reduction in the activities of RSA in France by 3.8% in 2005 and 14.7% in 2006.
- No large-scale redundancies in RSA as a result, but several thousand temporary and contract jobs have disappeared. Firms that supply RSA – in the context of reduced activity and pressure on component prices – have suffered from uncertainties and have been affected by redundancies.