

EGF/2013/003 DE/First Solar



Reference	EGF/2013/003 DE/First Solar
Member State	Germany
Sector	Solar energy
Submitted to European Commission	12 April 2013
Total budget planned	EUR 4 610 715
EGF contribution	EUR 2 305 357
Intervention criterion	Trade related globalisation
Period of reference	15.11.2012 - 15.3.2013
Redundancies during period of reference	959
Active employment measures	
<p>These include training courses leading to new qualifications, training management, workshops and peer groups, support services and international job search, advice for business start-ups, job matching, an activation grant, follow-up and aftercare, as well as subsistence allowances for the duration of the active measures.</p>	

BACKGROUND

- First Solar Manufacturing GmbH is a branch of the US-owned First Solar company, which set up two plants manufacturing solar modules in Frankfurt (Oder) in 2007. In 2011, a collapse in prices by 40 % caused the company to decide to close the site. Following negotiations, this was done in 2013, with redundancies spread between 1 January and 1 June.
- First Solar Manufacturing GmbH is only one of many European solar enterprises that have become insolvent, quit the solar business, shut down production wholly or partially, or sold out to Chinese investors over the past couple of years (2010 to 2012). Between 2005 and 2011, the overall revenue share of China increased from 11 % to 45 %, while that of Germany fell from 64 % to 21 %.
- China has built up huge overcapacities in solar modules, which neither its own consumers nor the world markets can absorb; this coupled with the worldwide decline in demand has led to a collapse in prices.
- The closure of First Solar is having a major impact on employment opportunities in the Frankfurt (Oder) region, where the economy is fragile, but which had been attempting to create a solar energy hub. The redundancies in First Solar led to an immediate increase in the local unemployment rate by 4 %.
- The workers made redundant by First Solar are in general well qualified, but may lack work experience in the fields of their qualifications. The measures planned for them will therefore mostly help them with upskilling and refreshing of existing skills, as well as providing in-depth counselling and advisory services.