

Linak A/S



Reference	EGF/2009/031 DK/Linak A/S
Member State	Denmark
Sector	Manufacture of machinery and equipment
Submitted to European Commission	8 September 2009
Total budget planned	€1 866 936
EGF contribution	€1 213 508
Intervention criterion	Article 2 (c) Regulation (EC) No 1927/2006
Period of reference	01/03/2009 – 30/06/2009
Redundancies during period of reference	198
Active employment measures	To be provided for 139 workers and include: <ul style="list-style-type: none"> - Education and training: training in tourism and energy technology, education and training in business management and remedial education. - Employment incentives, such as incentives for persons who wish to change career; company-based training; and internships and mentoring. - Several Incentives for business start-ups.

BACKGROUND

- The global economic and financial crisis exacerbated an already difficult situation for enterprises in the engineering sector. Cost pressures had been exerting pressure on enterprises in high-cost countries, and the abrupt deterioration of demand for mechanical and electronic machinery as a result of the economic crisis and associated recession added such an extra pressure that the company decided to dismiss 198 of its workers.
- Linak is based in Sønderborg, a municipality of approximately 76 000 people in a relatively isolated part of Denmark.
- In the first nine months of 2009 registered unemployment climbed by more than 300 % in Sønderborg, an area where the unemployment rate was already higher than the Danish average.
- The redundancies in Linak A/S coincide in time and place with another significant redundancy event that is the subject of a separate EGF application (EGF/2009/015 DK/Danfoss Group).
- As the iron and metal industry represents around 25 % of all employment in Sønderborg and the engineering sector was the largest single sector in the area, the combined job losses in Linak A/S and in the Danfoss Group will not be easily absorbed by other enterprises.