Qimonda

Reference	EGF/2009/023 Qimonda
Member State	Portugal
Sector	Computers, electronic and optical products
Submitted to European Commission	17 December 2009
Total budget planned	€ 3 701 032
EGF contribution	€ 2 405 671
Intervention criterion	Article 2 (a) Regulation (EC) No 1927/2006
Period of reference	08.06.2009 - 08.10.2009
Redundancies during period of reference	519
Active employment measures	To be provided for 839 workers and include: - Skills recognition, validation and certification. - Vocational training. - Grant for training due to personal initiative. - Support to self-placement and hiring incentive. - Entrepreneurship training and support to business creation. - Practice in the workplace.

BACKGROUND

- The insolvency of the German multinational Qimonda AG was due to the financial crisis, causing a contraction of the global economy and, in the case of Qimonda, the additional effect of reducing its capacity to invest in innovation and production equipment and the excess capacity in the Dynamic Random Access Memory (DRAM) market, which created enormous pressure on prices, forcing various companies to reduce production.

- Qimonda Portugal applied for a state of insolvency as a result of the total stoppage of production at the German Qimonda factory, which was the supplier of raw materials to Portuguese unit, together with the failure to find an agreement with potential investors who would have continued production in Portugal.

- The loss of Qimonda adds close to 1,000 workers to the job-seekers in the Norte region, which is suffering higher rates of unemployment than the country as a whole, and affects the future prospects of a region, which had been looking to this company as a success story in its efforts to introduce innovation, technological development and internationalisation.