

Norte-Centro Automotive industry



Reference	EGF/2011/005 Norte-Centro Automotive Industry
Member State	Portugal
Sector	Automotive industry
Submitted to European Commission	6 June 2011
Total budget planned	2,336,100
EGF contribution	1,518,465
Intervention criterion	Article 2(b) Regulation (EC) No 1927/2006
Period of reference	1.7.2010 – 1.4.2011
Redundancies during period of reference	726
Active employment measures	To be provided for all workers and include: <ul style="list-style-type: none"> - Information, profiling and guidance. - Recognition, validation and certification of competences. - Vocational training and grant for training at personal initiative. - Entrepreneurial support and support to business creation. - Support for self placement and hiring incentive.

BACKGROUND

- As a consequence of the crisis, demand for new motor vehicles in the EU decreased in 2009 by 5,6 % compared to 2008 and by 13,3 compared to the pre-crisis year 2007. Faced with this drop in demand, manufacturers of motor vehicles reduced their production even more drastically. In 2009, the production of motor vehicles in the EU decreased by 17 % compared to 2008 and by 23 % compared to 2007. The production of motor vehicles in the EU in the first three quarters of 2010 was 14 % below that of the same period in 2008.
- The fall in demand for electrical equipment for cars, which followed the decline in car manufacturing, combined with the impossibility of further reducing production costs and/or accessing to credit, resulted in the closedown of Krombert & Schubert Portugal, Lda and the Lear production plant in Guarda. The closure of Leoni Wiring Systems Viana, Lda; was due to the combination of a difficult economic situation due to the crisis and the relocation of the production plant to Morocco.
- The territory concerned by the redundancies are the regions of Norte and Centro. The Norte region of Portugal has the lowest per capita income and the highest rate of unemployment in the country. Both the Norte and Centro regions have a population with relatively low education and qualification levels.