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)  

**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:

- 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 loses in Linak A/S and in the Danfoss Group will not be easily absorbed by other enterprises.