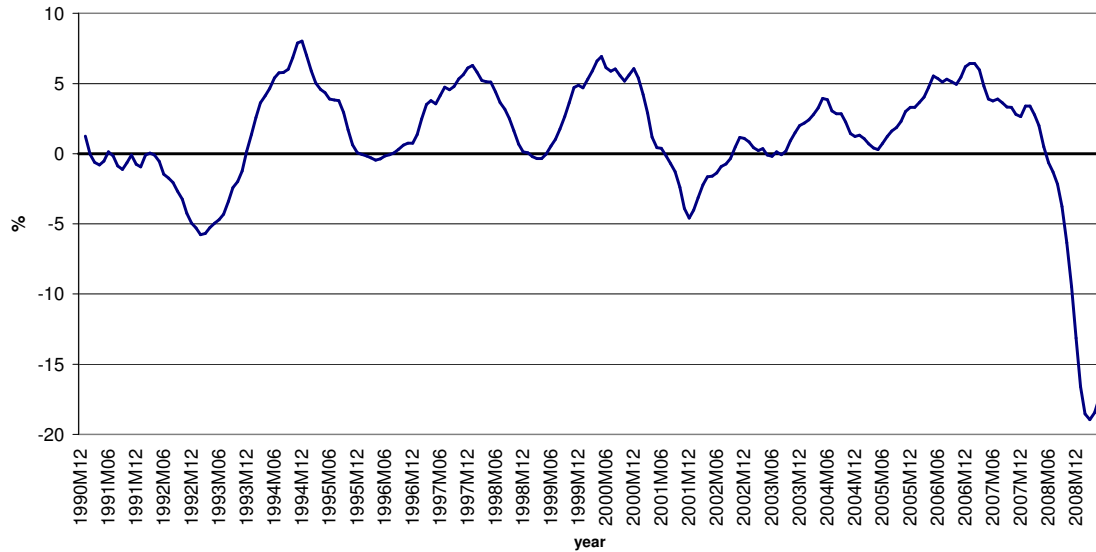


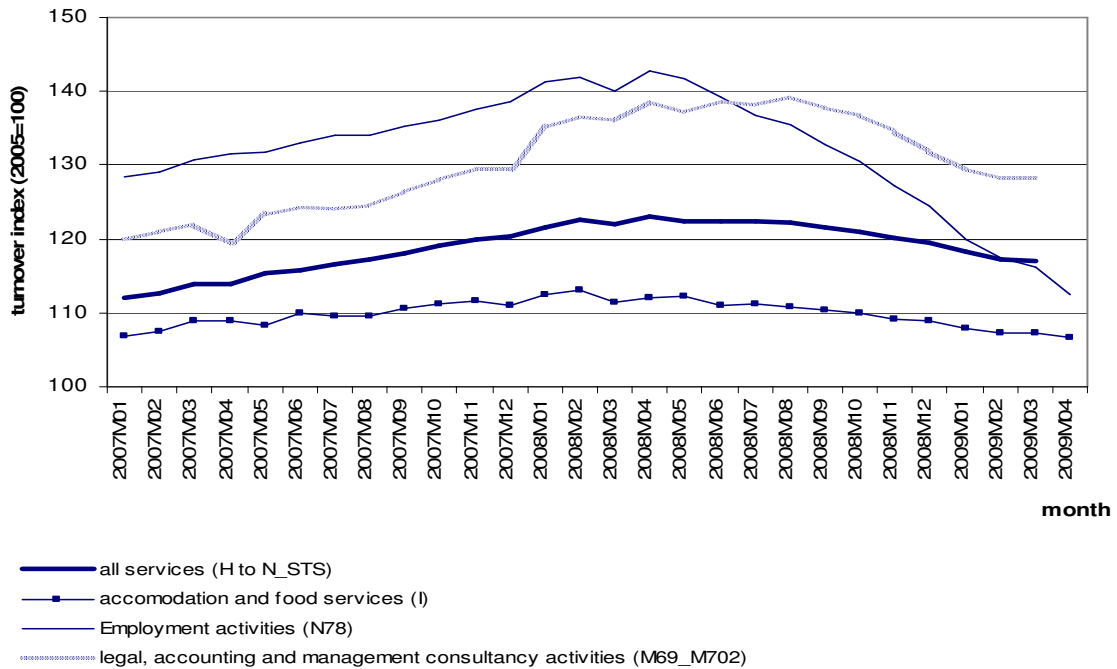
ANNEX

Chart 1: EU27 manufacturing production growth rate - % change in comparison to the corresponding period of the previous year – trend cycle



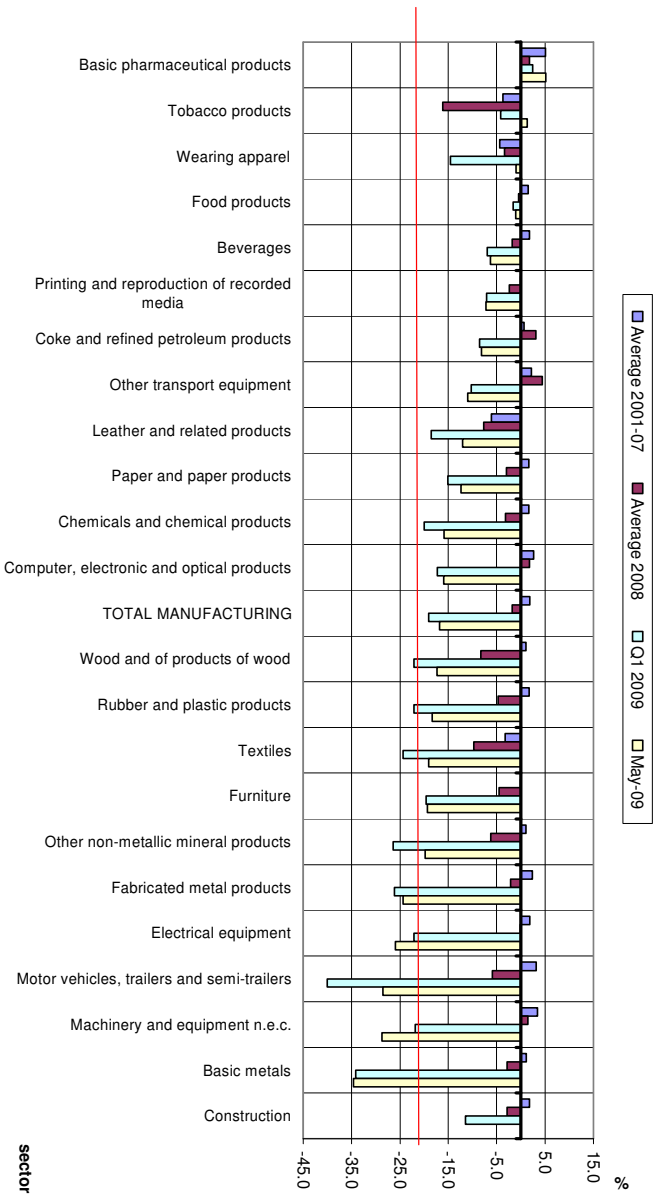
Source: Eurostat, SEC(2009)1088

Chart 2: EU27 services turnover index (2005=100) – seasonally adjusted data



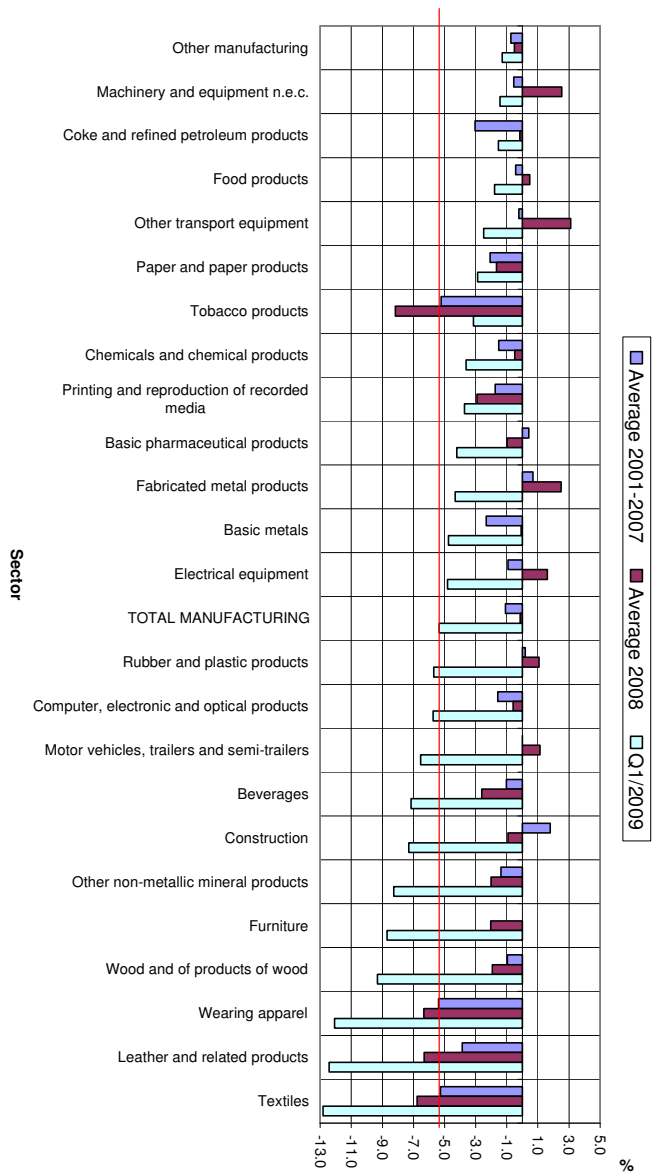
Source: Eurostat, SEC(2009)1088

Chart 3: EU27 manufacturing and construction growth rate - % change in comparison to the corresponding period of the previous year – working day adjusted data)



Source: Eurostat, SEC(2009)1088

Chart 4: EU27 employment growth rate by sector of manufacturing - % change in comparison to the corresponding period of the previous year – gross data



Source: Eurostat, SEC(2009)1088

Impact of the financial and economic crisis in key manufacturing and service sectors

SECTOR	IMPACT	SPECIFIC SECTORAL DEMANDS + REFERENCE TO CCMI WORKS IN THE SECTOR
Aerospace	Sector currently marginally less affected by the crisis but expecting a downturn in civil aircraft manufacturing to hit trading by the end of 2009. One of the main concerns for industry at the moment is that airlines might not be able to take delivery of new aircraft or are not able to finance the down payments to order new aircraft due to the credit crunch ¹ . Major aircraft manufacturing Member States responded to this liquidity bottleneck by preparing the launch of special funding schemes for banks to finance export credits. The impact of the crisis is felt hardest by subcontractors. New aircraft orders, which amounted to 777 for Airbus in the whole year 2008, are reported to have declined to only 68 over the first six months (90 orders and 22 cancellations). The military and space sectors have so far stayed immune from the crisis in Europe as government expenditure has not yet been affected. It can be expected however, that the crisis will impact on the level of future defence budgets.	CCMI WORKS: CCMI/047 - The European aeronautics industry: current situation and prospects ² CCMI/048 - European Space Policy (supplementary opinion) ³ Public hearing on "The European aeronautics industry: current situation and prospects", Toulouse, France, 28 March 2008 ⁴
Agri-food and drink	The food industry is typically much less affected by cyclical factors. This is confirmed by the data on the industry's output that was only 1.1% lower in May than a year before. Also in the previous months there was no significant decline in food production. ⁵	High-Level Group meeting on the future competitiveness of the agro-food industry ⁶ CCMI WORKS: CCMI/050 - Developments in the retail industry and impact on suppliers and consumers ⁷
Automotive	Total vehicle production in May 2009 was 28.5% lower than a year earlier, as a result of continuing contraction of both domestic and foreign markets. There has been now 13 successive months of decline in the production in comparison to the year before. The contraction is, however, slightly less pronounced than in the first months of 2009 due to rising orders for small cars benefiting from scrapping schemes. The industry forecasts project a fall of 20% in vehicle production in 2009 before a potentially sluggish recovery in 2010 and 2011 ⁸ . Although much of the workforce has been subject to	CCMI WORKS: CCMI/067: Responding to the crisis in the automotive industry ⁹ CCMI/059 -The components and downstream markets of the automotive sector - (Own-initiative opinion) ¹⁰

¹ Wall Street Journal of 26 June 2009, Lack of down-payment financing may trip up aircraft deals (SEC(2009)1088)

² http://www.eesc.europa.eu/sections/ccmi/opinions_reports/industrial_sectors/defence/index_en.asp

³ http://eescregistry.eesc.europa.eu/viewdoc.aspx?doc=%5C%5Cesppub1%5Cesp_public%5Cces%5Cccmi%5Cccmi048%5Cen%5Cces1358-2007_fin_as_en.doc

⁴ http://www.eesc.europa.eu/sections/ccmi/Hearingsandconferences/Thepast/Toulouse/index_en.asp

⁵ SEC(2009)1088

⁶ http://ec.europa.eu/enterprise/sectors/food/competitiveness/high-level-group/documentation/index_en.htm

⁷ http://www.eesc.europa.eu/sections/ccmi/opinions_reports/industrial_sectors/retail/index_en.asp

⁸ SEC(2009)1088

⁹ http://eesc.europa.eu/sections/ccmi/opinions_reports/industrial_sectors/automotive/index_en.asp

	short-time arrangements, it is estimated that over a million temporary agency and fixed-term workers have already been lost from the sector, many companies have restructuring plans underway.	CCMI/046 - The automotive sector in Europe: current situation and prospects ¹¹ Hearing on "The components and downstream markets of the automotive sector" - 4 March 2009 Brussels ¹²
<i>Passenger vehicles</i>	There is evidence that scrapping and other car purchase schemes introduced in 12 member states have had a significant impact in stemming the fall in passenger car demand in the EU market in recent months (particularly in Germany). In contrast to the continuous fall in vehicle production, the most recent figures on new EU passenger car registrations show for the first time a modest rise of 3 % in June 2009 (y/y). This is the first rise in 14 months. The overall figures from the first half of 2009 show a decline of 10.8% (y/y). The crisis has accentuated pre-existing structural problems in the sub-sector, particularly related to the 'Detroit 3'.	
<i>Light commercial</i>	Over the first five months the demand for light commercial vehicles (<3.5t) dropped by 37.4% compared to a year ago.	Access to scrapping schemes
<i>Trucks/ Buses</i>	The sub-sector has been much harder hit. Sales 37.8 % lower in the period January-March than in the previous year. The first five months of 2009, demand for heavy commercial vehicles fell by 41.3%. Output has fallen to 60% since the end of 2008, and is expected to average at 50% for 2009.	Access to scrapping schemes and the promotion of fleet renewal programmes
<i>Motorcycles</i>	Registrations for the European powered two-wheelers (PTWs) market have been dropping sharply since the last quarter of 2008 (-34%). About 10% of the PTW suppliers present a bankruptcy risk, while others have already ceased their activity. During the first quarter of 2009 the European PTW market declined by 39% ¹³ .	Access to scrapping schemes
Cement		
Chemical	The economic crisis is affecting the sector in an unprecedented, severe and profound manner, especially base chemicals, polymers and speciality chemicals related to downstream automotive and construction demand. In the first quarter of 2009 output in the EU chemicals industry (excluding pharmaceuticals) experienced a decline of 21.5% compared to the first quarter of 2008 and European chemical sales (excluding pharmaceuticals) were 24.1% down compared to the same period in 2008.	High Level Group on the competitiveness of the chemicals sector's final report ¹⁵ Joint position from sectoral social partners on impact of the crisis and proposals (13 May 2009) ¹⁶

¹⁰ http://www.eesc.europa.eu/sections/ccmi/opinions_reports/industrial_sectors/automotive/index_en.asp

¹¹ http://www.eesc.europa.eu/sections/ccmi/opinions_reports/industrial_sectors/automotive/index_en.asp

¹² http://www.eesc.europa.eu/sections/ccmi/Hearingsandconferences/Thepast/04_03_2009/index_en.asp

¹³ http://www.acem.eu/cms/det_pressreleases.php?det=1320

	However, most subsectors of the industry seem now to have reached the bottom and some early signs of improvement are beginning to appear, such as the reopening of plants and production lines ¹⁴ .	CCMI WORKS: The CCMI has conducted extensive work on the subject, please consult the following website: http://www.eesc.europa.eu/sections/ccmi/Actuality/Chemicals/index_en.asp
Commerce	Commerce is no exception: food and non food traders need short and long term financing to secure manufacturing, supply, shipment of goods that will eventually be sold at a later stage. They are also dependent on the continued purchasing power of their customers. At times of rising uncertainty and falling consumer confidence customers typically become more price sensitive and shift demand more towards hard discounters as compared to the rest of supermarket chains.	Joint position from the European sectoral social partners (18 December 2008) ¹⁷ CCMI WORKS: CCMI/050 - Developments in the retail industry and impact on suppliers and consumers ¹⁸ Hearing on Retail industry: Developments and Impact, 24 September 2008, Brussels ¹⁹
Construction	The most recent data confirm the significant downturn in the construction sector which fell by 11.4% in the EU27 in the first quarter of 2009 compared with the previous year. Building construction was mostly affected (-13.4%) mainly due to the decrease in private investment in the residential sector, but civil engineering was not spared (-2.9%). The latest month-on-month data indicates that in May the output in civil engineering fell again after it had recovered in April in comparison to March ²⁰ .	
Domestic appliances (White Goods)	In 2008, nearly all producers of household appliances were hit by severe cutbacks in production, and the subsequent closing of production capacity in Europe. Major restructuring and job losses have been announced in a number of companies.	CCMI WORKS: CCMI/054 - Evolution of the household appliance industry (white goods in Europe) ²¹
Energy	Less demand for electricity limits the capacity of this industry to renew in period where major changes are needed. The building of an integrated European market requires significant investment, especially in interconnectors. There is expected to be a significant impact of European and national stimulus packages, in terms of the promotion of renewable energy sources and development of electricity infrastructure. However, paradoxically significant job losses have been announced, especially in the renewables sectors (e.g. delocation of Vestas production of wind turbines and blades	Investment is of central importance, in terms of: - new generation – 300 GW new power needed by 2020 - clean coal technologies, especially CCS - development of smart distribution grids and smart metering

¹⁵ http://ec.europa.eu/enterprise/chemicals/hlg/hlg2/hlg_index.htm

¹⁶ http://ec.europa.eu/employment_social/dsw/public/actRetrieveText.do;jsessionid=KpH2gj8yGGf82TQ4TryGBTNnyJYmfv7d6XGTBpSTVTCdd9byLFLt!127219338?id=8769

¹⁴ SEC (2009) 1088

¹⁷ <http://www.eurocommerce.be/content.aspx?PageId=41403>

¹⁸ http://www.eesc.europa.eu/sections/ccmi/opinions_reports/industrial_sectors/retail/index_en.asp

¹⁹ http://www.eesc.europa.eu/sections/ccmi/Hearingsandconferences/Thepast/HVR/index_en.asp

²⁰ SEC(2009)1088

²¹ http://www.eesc.europa.eu/sections/ccmi/opinions_reports/industrial_sectors/manufacturing/index_en.asp

	to China and the US).	- higher voltage interconnectors between countries CCMI WORKS: CCMI/052 - Impact of the ongoing development of energy markets on industrial value chains in Europe ²²
Finance	Not surprisingly, given that the sector has been at the epicentre of the financial and economic crisis, jobs in financial services around the world have been strongly affected, with announced global layoffs totalling 325,000 between August 2007 and 12 February 2009 ²³ . These figures almost certainly understate the real situation, as announcements of job cuts are not always forthcoming. Redundancies are expected in front, middle and back-office roles, and are likely to involve most occupations, including management, sales, human resources, office and administrative support, clerks and machine operators. Even information technology specialists, exempted from previous major redundancy waves, such as those related to merger and acquisition rationalizations, expect to incur extensive job cuts. The investment banking industry, for example, is expected to see thousands of job cuts as mergers are completed and companies prepare for a slowdown in business. IT support is likely to be hit hard as firms scale down for lower business volumes and merging firms cut out overlapping roles. Main focus of European and national recovery programmes has been on recapitalising and underpinning national and international financial institutions, as well as developing new financial market regulation.	UNI-Europa has laid out its recommendations for re-regulation of the financial services industry ²⁴
Glass and ceramics	The glass and ceramics industries have had a production reduction of between 25% and 40% in some particular branches. This is closely linked to the impact the crisis had on the automotive and construction industries. This led the industries to hard restructuring measures, layoffs and even closures of plants all cross Europe (IT, ES, BEL, HOL, FR, UK). Approximately 15% of the workforce, mainly temporary workers, lost their job immediately and approximately 40% of the workforce has been subject to short time work. According to trade union experts in these branches, the restructuring measures will continue, and there will be further layoffs before the end of 2009. It is expected that a large number of those workers who benefit from short time work will lose their jobs.	
Health	Health sector constitutes 10% of EU GDP. Health services and related bodies are among the largest	Warning of dire impact – detrimental to factors

²² http://www.eesc.europa.eu/sections/ccmi/opinions_reports/environment/index_en.asp

²³ http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/meetingdocument/wcms_103263.pdf

²⁴ http://www.uniglobalunion.org/Apps/iportal.nsf/pages/20090205_yeqkEn

	employers in the European Union. Concerns over cuts in public spending effecting health care leading to delays and lower standards, including in safety at work and environmental protection. Number and duration of hospital admissions increases. Increased social and health inequalities within and between states.	that affect health. EPSU and EU Health Policy Forum ²⁵ stress investment in health capacities, knowledge and infrastructures (including e-health) as part of efforts to stimulate economic recovery. “Prioritising, protecting and providing for the health of people, not sacrificing health for short term financial gains or economic panaceas. Short-term solutions of cutting health and social expenditure proposed in some Member States are short-sighted and will damage the economic recovery prospects for Europe as a whole.
ICT	Even before the crisis, the ICT industry was undergoing a transformation from manufacturing towards services, and towards new generation production methods. A consequence of the financial crisis is an increased difficulty in finding funding and credit, leading to a potential decrease in innovation and R&D related business development. A number of EU member states have included ICT innovations, such as broadband networks, in economic stimulus proposals.	
Industry-related services	Decreasing manufacturing activity is negatively affecting services. These are hit by the crisis through multiplier effects from manufacturing and deterioration of final demand. One sector on which most other sectors have a high multiplier effect is business services, which account for over 8% of total employment in the EU. Total manufacturing, with a share in GDP of 17%, a high multiplier, and a strong decrease in output, is clearly spreading the impact of the crisis throughout the economy, including market services. The channels through which the crisis will affect sectors vary according to their demand destination. Sectors such as other business services and renting of machinery respond mainly to the intermediate demand by other sectors and their development will therefore be driven by the fate of their clients. On the other hand, developments in other sectors such as insurance and pension services, real estate, hotels and restaurants or retail trade are more directly related to consumer demand. For these sectors, income evolution and possible changes in consumption/saving behaviour due to uncertainty and expectations on future income flows will be crucial. Furthermore, computer and related services will see their developments tied to profit expectations and consequent investment plans of their client sectors. The services sector is typically more labour intensive than industry, which means that difficulties to expand capital stock, related to problems to obtain credits from financial institutions, may be less acute in services than in manufacturing. But it may also imply	

²⁵<http://www.epsu.org/a/4808>

	<p>that output reductions have stronger negative consequences for employment in services. In summary, experience so far would seem to suggest that on the whole the outsourcing sector is proving the truth of the view that it is generally counter-cyclical and thus able to benefit from the desire of clients to contain or even cut costs during times of economic difficulty. It is clear however that the industries within the sector are seeing a shift in their client base, with strong demand in those industries which deliver essential services and a declining base in more discretionary areas. It is yet to be seen what the impact will be on the providers of essential services if the recession proves to be as long and deep as some predict but for the time being at least the outlook of those working in the business services sector remains cautiously optimistic. The security services industry takes a cautious view, suggesting that in a sector where contracts are often set up on a long-term basis it is still too soon to draw general conclusions. The same pattern of a changing customer base, with some clients reducing their budgets while others are renewing contracts with an even bigger budget, is noted here as in other industries within the sector. Architects have already been badly hit by the decline in the construction sector. Engineering consultancy contracts are, for the most part, based on longer term investments and have yet to experience the full impact of the downturn, though this is already being seen in the private sector and is likely to affect public sector contracts too in the longer term. The temporary work sector is one which should benefit from the eventual upturn, and should indeed be able to assist in creating new work opportunities even in these difficult times, although it has been badly affected in the early stages of the downturn as employers look to cut their cost base by cutting back on temporary and agency staff.</p>	
<p>Non-Ferrous Metals</p>	<p>As a key supplier of processed metals to other sectors, especially in the automotive industry (aluminium), production of white goods (aluminium) and ICT sector (precious metals), the non-ferrous sector is dependent on the performance of the sectors that are the main users of its products. At the moment the reduced consumer demand for the so called ‘big ticket’ items, such as automobiles and white goods is lowering the demand for non-ferrous metals, especially aluminium. In terms of social measures, several non-ferrous metal companies have announced mass layoffs.</p>	<p>Industry is calling for:</p> <ul style="list-style-type: none"> - full compensation for indirect costs of EU ETS - action ensuring the availability and conditions of long-term electricity contracts <p>CCMI WORKS: CCMI/056 - Non-energy mining industry in Europe²⁶ CCMI/060 - Opinion on Communication from the Commission to the European Parliament and the Council: The raw materials initiative -</p>

²⁶ http://www.eesc.europa.eu/sections/ccmi/opinions_reports/industrial_sectors/mining/index_en.asp

		meeting our critical needs for growth and jobs in Europe, COM(2008) 699 final ²⁷ Hearing on "The Competitiveness of the metal industries – A contribution to the EU's growth and jobs strategy", Brussels, 30 September 2008 ²⁸
Mechanical Engineering	<p>The situation in the sector is generally worsening. By April this year, production levels fell by 28.7% and 26% for mechanical and electrical engineering respectively compared to the same period in 2008. All sub-sectors have experiencing lower incoming orders, compared to the extraordinarily good situation in 2008. Construction machinery and tool machinery are particularly badly hit by the collapse in industrial production and the construction sector.</p> <p>The situation of the sector is dominated by small and medium-sized companies, and therefore directly impacted by the credit-crunch and difficulties in accessing loans. Business cycles in the Mechanical Engineering sectors have always been very cyclical, and therefore, tools to manage the volatility in a flexible manner are well in established. However, the situation in the construction machinery sub-sector is exceptional.</p>	<p>Industry has called for:</p> <ul style="list-style-type: none"> - flexibility in the application of recent directives requiring significant investments - Fast-track implementation of the recommendations of the <i>Factory of the Future</i> ETP - Aggressive energy performance targets for buildings and binding regulation on energy efficiency to stimulate demand in the construction and transport industries <p>The EMF has presented its recommendations to tackle the crisis in the mechanical engineering sector²⁹.</p> <p>CCMI WORKS: CCMI/020 - Industrial change in the mechanical engineering sector³⁰ CCMI/042 - Simplification of the regulatory environment for the machinery sector³¹, which is a complementary opinion to INT 347³², bearing the same title</p>
Municipal sector	Local and regional authorities (municipalities) are also confronted with the impact of the crisis on society. Municipalities have to take measures to ensure social stability and to prevent social exclusion	EPSU and CEMR Employers Platform issued a joint position http://www.epsu.org/a/4870 They

²⁷ http://www.eesc.europa.eu/sections/ccmi/opinions_reports/industrial_sectors/mining/index_en.asp

²⁸ http://www.eesc.europa.eu/sections/ccmi/Hearingsandconferences/Thepast/metal_industries/index_en.asp

²⁹ <http://www.emf-fem.org/Industrial-Sectors/Mechanical-Engineering/The-EMF-Mechanical-Engineering-Committee-s-position-on-the-economic-crisis-EN-FR-DE-ES/Position-paper-of-the-EMF-Mechanical-Engineering-Committee-on-the-economic-crisis-EN>

³⁰ http://www.eesc.europa.eu/sections/ccmi/opinions_reports/industrial_sectors/manufacturing/index_en.asp

³¹ http://eescregistry.eesc.europa.eu/viewdoc.aspx?doc=%5C%5Cesppub1%5Cesp_public%5Cces%5Cccmi%5Cccmi042%5Cen%5Cces694-2007_fin_as_en.doc

³² http://eescregistry.eesc.europa.eu/viewdoc.aspx?doc=%5C%5Cesppub1%5Cesp_public%5Cces%5Cint%5Cint347%5Cen%5Cces1238-2007_ac_en.doc

	(unemployment directly effects local communities) At the same time tax and other revenues are hit impacting on the finances and the investment capacity of cities, municipalities and regions. This in turn leads to a further deterioration of the economy. Adequate financial resources for local and regional authorities are therefore necessary to meet growing and new demands brought about by the crisis. Many measures of the EU's recovery plan need to be implemented at local level. The financial crisis and the risky and fraudulent (Icelandic banks e.g.) policies of banks has effected investment funds of individual municipalities.	stress positive impact on employment of municipalities; need for adequate funding to play role and provide work arrangements for specific groups, such as older workers, people with migrant background, persons with reduced abilities, etc. and that support gender equality and the reconciliation of professional and family responsibilities in all sectors of the economy. Need for measures that ensures long-term planning and sustainable approach, which embraces the economic, social and environmental dimension.
Pharmaceutical	Companies in the pharmaceuticals sector continue to be less directly affected by the economic crisis than most other industries since demand for health care is relatively independent of the economic cycle. Due to its R&D intensity, long investment periods, and the risks associated to such investments, smaller speciality pharmaceutical and biotechnology companies in this sector have already had difficulties in obtaining access to affordable equity finance ³³ . Significant job losses have been announced (e.g. GlaxoSmithKline and AstraZeneca).	
Public sector	The financial crisis has affected Member States to differing degrees with services being reduced and large groups of public service workers being threatened with job losses, wage freezes and wage cuts. Funding is curtailed while demands increases for employment services, tax offices, ministries, training bodies and other government agencies to help address the crisis. Given that many women work in healthcare, education and social services, imposed pay restraint on the public sector is likely to undo years of work to reduce pay gaps. Loans of the IMF and EU impose cuts in public spending and public sector. These have led to severe reductions in pensions and healthcare spending.	EPSU's position paper (www.epsu.org/a/5540) argues that public sector is central to getting EU out of the crisis through investment in public services and public infrastructure. Public services play a key role in protecting people from the worst effects of the economic down turn. Investment in healthcare, education and a Green and Social new deal will increase the long-term prospects of societies to recover from the crisis, reduce poverty and ensure environmentally sustainable growth.
Pulp and Paper	Overall, EU and global demands for goods have dropped, with some product groups being hit harder. This is the case for: wood products related to construction, for graphics and packaging paper grades and for some printed products like newspapers ³⁴ . The market for wood products has reduced by between 25-35%. There have been significant job losses announced in a number of member states	CCMI WORKS: CCMI/058 - Communication from the Commission to the Council and the European Parliament on innovative and sustainable forest-

³³ SEC(2009)1088

³⁴ http://ec.europa.eu/enterprise/forest_based/advisory_committee_20090423_minutes.pdf

	dependent on the primary industry, and in many member states in the newspaper/media sector.	based industries in the EU - A contribution to the EU's Growth and Jobs Strategy ³⁵
Shipbuilding	The demand for ships in the so-called mass market (tanker, container, dry bulk etc.) has dried up and is expected to remain very weak. European shipbuilders are mainly active in niche markets (e.g. high value-added passenger vessels) and have only a small share in the mass market. The outlook for new orders is bleak with a substantial number of new building orders cancelled. The situation in Turkey is particularly severe with 140 cancellations due to the crisis and about 50% of the total 35.000 employees laid off. The shipbuilding industry association, CESA ³⁶ anticipates that the current demand and financing gap will lead to "structural damage" in the European maritime industry. The marine equipment association, EMEC ³⁷ stresses that SMEs - which constitute the bulk of its membership - are facing severe and in some cases fatal, challenges. The EMF ³⁸ has also issued a strong warning about the damaging effects of the downturn on employment in the sector with significant further redundancies looming in the coming months and years.	Industry ³⁹ and the EMF ⁴⁰ have made suggestions on tackling the impact of the crisis in the sector and discuss jointly within the social dialogue. A high-level LeaderSHIP 2015 stakeholder meeting will be held on 11 September to develop necessary policy responses. CCMI WORKS: CCMI/011 - LeaderSHIP 2015 ⁴¹ Public hearing on the European shipbuilding industry: "Bright present, anticipating uncertain future" (Hotel SAS Radisson, Turku, Finland, 16 November 2006) ⁴²
Steel	In the first five months of 2009, the production of crude steel in the EU-27 fell by 44.4 % compared to the same period of previous year, while a contraction in world steel output reached 22.4 %. The crisis impacted fiercely on all the largest steel producing countries of the EU. For example, steel production decreased significantly in Germany (- 44.1 %), France (- 42.2 %), Italy (- 42.7 %), Spain (- 38.6 %) and the U.K (- 42.7 %) in the first 4 months of 2009. Other major non-EU steel producing regions that experienced a double-digit decrease in crude steel production were the C.I.S. (-33.3 %), North America (-49.3 %) and South America (-35.9 %). The decline was less significant in Asia (-8.8 %) and the production of China even slightly increased (+0.4 %). Most steel producers have attempted to ride out the collapse of demand and maintain their skilled workforces, through short-time arrangements, economic unemployment/chômage partiel, and obligatory use of holidays. Thousands of temporary agency workers and subcontractors were the first to fall victim to the crisis. A number of companies have launched wide-reaching cost-cutting exercises. EUROFER estimates that 27 % of the overall EU steel industry employment is impacted by reduction measures which include announced	Short term measures to increase liquidity are needed, alongside increased investment and support for climate-related R&D (e.g. ULCOS II and recommendations of ESTEP), effective application of EU trade defence policies and EU action on protectionist measures implemented by key steel producing nations (notably China, India and Russia). The EMF has also called for corporate social responsibility in the crisis ⁴⁴ . CCMI WORKS: CCMI/057 - Opinion on the Communication from the Commission to the Council and the

³⁵ http://www.eesc.europa.eu/sections/ccmi/opinions_reports/industrial_sectors/forest/index_en.asp

³⁶ Community of European Shipyards Associations

³⁷ European Marine Equipment Council

³⁸ European Metalworkers Federation

³⁹ http://www.cesa-shipbuilding.org/download.phtml?document_id=ZWRqMTw0bWA%3D=

⁴⁰ <http://www.emf-fem.org/Press/Press-releases/Avoid-Redundancies-Safeguard-Competitiveness-Enter-New-Markets>

⁴¹ http://www.eesc.europa.eu/sections/ccmi/opinions_reports/industrial_sectors/shipbuilding/index_en.asp

⁴² http://www.eesc.europa.eu/sections/ccmi/Hearingsandconferences/Thepast/Turku/index_en.asp

	redundancies (24,400 people), effective temporary lay-offs (22,300) and short-time working (80,000) ⁴³ .	European Parliament on the competitiveness of the metals industries – A contribution to the EU's growth and jobs strategy COM(2008) 108 final – SEC(2008) 246 ⁴⁵
Textiles and clothing	The decline in textiles production registered in the second half of 2008 has accelerated in 2009. In addition, production in the clothing sub-sector, which resisted better in 2008, started to decline. In the first quarter of 2009, textiles and clothing production fell by more than 20% compared to a year earlier, although this has fallen to 19% in May. The trade deficit in the first quarter of 2009 showed a sharp increase of 19%, mainly due to a strong reduction in exports to all trade partners and in particular to the most important ones, such as the USA, Japan, Russia and Turkey (20% on average) ⁴⁶ .	Industry is calling for flexible implementation of recent legislation (e.g. REACH, ETS, IPPC), effective application of trade defence rules, as well as evaluation of state aid rules for affected companies. CCMI WORKS: The CCMI has conducted extensive work on the subject, please consult the following website: http://www.eesc.europa.eu/sections/ccmi/textile/brochure/index_en.asp
Tourism	The impact of the present economic situation seems to be slower on the tourism industry than on other branches. There has been a considerable decline in international arrivals, revenues are decreasing and this has led to a subsequent reduction in the competitiveness of individual companies operating within this sector. It is necessary to take into account a number of specific factors influencing this sector. These are the seasonal dependence, domination by SMEs (small and medium sized enterprises) and different staff structure. The support thus requires a specific approach. It is not possible to expect that tourism will be able to recover from the impact of this crisis alone. Various development scenarios exist and will require appropriate skills. The support measures for this sector must be performed at the EU level and at the level of individual EU Member States as well.	EFFAT issued a set of recommendations in June 2009 ⁴⁷ .
Waste	Significant reduction in most waste flows (especially industrial waste) and collapse of price for recycled materials, linked to reduced demand for these products; recyclables most affected are products from poor quality waste streams (low quality paper and plastic wastes for example) waste and recyclables accumulating in warehouses; companies have reduced staff including in the major European wide operating ones. Public image of recycling under pressure as addressed by Council of Ministers of Environment. Financing of projects for infrastructure under pressure while at same time	FEAD (waste industry) has argued for reduced VAT for recycled materials; more obligations to use recyclables; more control and reduction of shipments of waste outside of EU; assistance with promoting image of recycling industry.

⁴⁴ <http://www.emf-fem.org/Press/Press-releases/A-New-European-Deal-for-Steel>

⁴³ SEC(2009)1088

⁴⁵ http://www.eesc.europa.eu/sections/ccmi/opinions_reports/industrial_sectors/steel/index_en.asp

⁴⁶ SEC(2009)1088

⁴⁷ http://www.effat.org/files/47134bf6c2ff6bc1ba7f322059191095_1238768454.pdf

	risk of diverting from waste hierarchy.	EPSU supports waste hierarchy. Importance of continued separation of different waste streams; attention to ensure quality service over low cost with consequences for health and safety and environmental protection ⁴⁸
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⁴⁸ <http://www.epsu.org/a/2957>