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## Foreword

European Union of Fifteen annual inflation stood at 3.1% in September 1995 for the third month in a row.

European Union of Fifteen seasonally-adjusted unemployment stood at 10.5% in September 1995.

The European Union of Fifteen industrial production trend was 1% up in May to July 1995 compared to the previous three months.

In 1994, the European Union's of Twelve trade balance went down to a deficit of ECU 1 billion compared to 1993 when the imports and the exports flows were almost in equilibrium (only a small ECU 0.1 billion deficit).

The Deutschemark was generally stronger against other currencies during October 1995.

The first part of this month's 'Data of the month' section is devoted to *Atypical work in the European Union*, and the second part to a study on *Acquiring citizenship through naturalisation in the European Union*, which was based on *Statistics in focus – Population and social conditions* N°11/95.

## European economy at a glance



	Period	B	DK	D	GR	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EUR15
GDP, seasonally adjusted volume trends, T/T-1 %	11/95	: -0.5	0.2	:	0.7	0.4	:	-0.4	:	0.1	0.5	:	0.6	1.2	0.6	0.3	
GFCF, seasonally adjusted volume trends, T/T-1 %	IV/94	:	2.27	1.61	:	1.68	0.99	:	1.46	:	-3.04	1.42E	:	1.66	-1.73E	2.20	1.22
Production index 1990=100 total, seasonally adjusted <sup>(2)</sup>	7/95	:	115	97.7	100.3	103.8	104.9	151.3	109	107.3	106.5	115.6	95.4	119.8	113.9	100.3	103.7
Consumer price index T/T-12 %	9/95	1.2	2.1	1.8 <sup>(1)</sup>	8.4	4.4	2.0	2.5	5.6p	1.6	1.5	2.1	4.0	0.3	2.5	3.9	3.1p
Conversion rate I ECU=... monthly average	10/95	38.5	7.26	1.9	307.5	162.0	6.53	0.82	2123	38.5	2.09	13.2	196.9	5.64	9.0	0.8	:
Exchange rate I USD=... monthly average	10/95	29.1	5.49	1.4	232.6	122.5	4.94	0.6	1606	29.1	1.58	9.96	149.0	4.3	6.8	0.6	:
Money supply, M1 T/T-12 %	7/95	-0.6	:	3.4	18.0	1.9	0.7	8.5	-1.1	:	3.1	6.4	17.7	6.0	:	:	:
Yield on public sector long-term bonds %	9/95	7.0	8.1	6.6	15.8	10.8	7.4	8.0	11.6	6.0	6.6	6.1	11.1	8.0	9.6	7.9	:
Unemployment rate seasonally adjusted %	9/95	10.3	6.8	8.4	:	22.2	11.4	15.0	11.3	3.8	6.6	:	7.1	17.0	9.1	8.2	10.5
Extra-EU Trade balance BN ECU	12/94	-0.1*	0.3	2.4	-0.1	-0.4	2.0	0.1	1.8	-0.1*	-1.5	:	-0.2	:	:	-1.6	2.7 <sup>(1)</sup>

Data in italics are not necessarily for the indicated period but are the latest available (usually the previous month or quarter)

\* BLEU

<sup>(1)</sup> EUR 12

<sup>(2)</sup> Excluding construction

## Inflation rate

European Union of Fifteen annual inflation : three months at 3.1%.

European Union of Fifteen annual inflation stood at 3.1% in September 1995 for the third month in a row. In September last year it was 3.0%.

Inflation was below the European Union of Fifteen average in ten Member States. Finland had the lowest rate:

	<u>Sept 95</u> Sept 94	<u>Sept 94</u> Sept 93		<u>Sept 95</u> Sept 94	<u>Sept 94</u> Sept 93
Finland	0.3%	1.9%	Ireland**	2.5%	2.5%
Belgium	1.2%	2.5%	Sweden	2.5%	2.7%
Netherlands	1.5%	2.7%	United Kingdom	3.9%	2.2%
Luxembourg	1.6%	2.2%	Portugal	4.0%	4.7%
Germany*	1.8%	2.7%	Spain	4.4%	4.5%
France	2.0%	1.6%	Italy	5.6% <sup>P</sup>	3.9%
Denmark	2.1%	2.0%	Greece	8.4%	11.9%
Austria	2.1%	3.1%			
EUR 15	3.1% <sup>P*</sup>	3.0%			

\* This rate relates to the unified Germany (including the new "Länder")

\*\* August 95/August 94 and August 94/August 93

<sup>P</sup> Provisional

## Unemployment

European Union of Fifteen jobless rate same for three months.

European Union of Fifteen seasonally-adjusted unemployment stood at 10.5% in September 1995.

This is the same as the revised levels in July and August. Up to then the rate had fallen slowly but gradually from spring last year when it was 11.3%.

The levelling applies equally to men and women and those under and over 25.

Luxembourg continues to enjoy the European Union of Fifteen's lowest rate (3.8%) followed by the Netherlands

(6.6% – August) and Denmark (6.8 – also August).

Eurostat estimates that around 17.4 million people were unemployed in the EU in September. This is a seasonally-adjusted figure in line with ILO criteria.

The unemployment rate and numbers of unemployed are estimated according to ILO recommendations after taking account of the differences between national methods of recording unemployment.

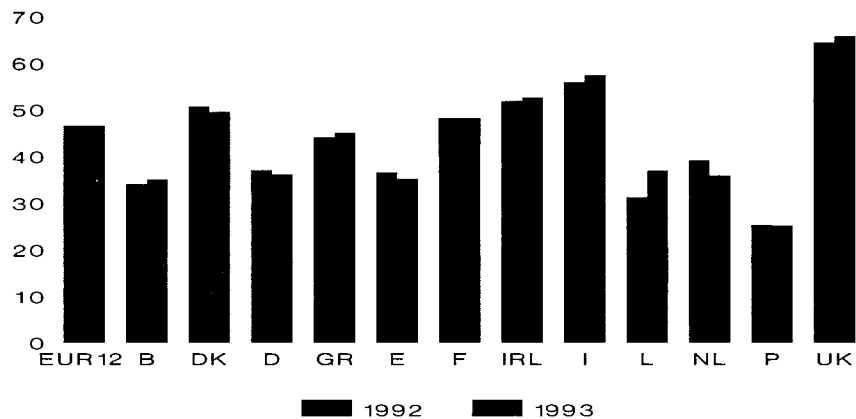
# Data of the month

## Atypical work in the European Union

Almost half of the employees in the European Union of Twelve were performing atypical work, i.e. weekend work or home working, in 1992 and 1993.

In 1993, this trend was most common in the United Kingdom, where almost 66% of employees were involved. The Italians (approx. 57%) and the Irish (approx. 53%) came next. The employees least affected were the Portuguese, with slightly over 25%.

Employees performing atypical work (% of total employees)



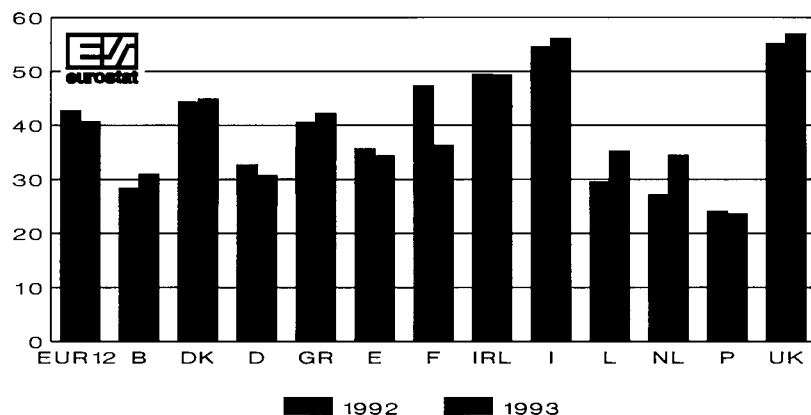
Employees performing atypical work (% of total employees)

	EUR 12	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK
1992	46.7	34.1	50.8	37.1	44.1	36.6	48.3	51.9	55.9	31.3	39.2	25.4	64.5
1993	46.7	35.1	49.6	36.2	45.1	35.3	48.2	52.7	57.5	37.0	36.0	25.2	65.9

The high percentage of employees working on Saturdays (around 40% compared with 21% on Sundays in 1993) shows that Saturday is no longer considered a full public holiday for all workers.

In all the Member States, over 20% of employees worked on Saturdays. Saturday working was particularly prevalent in the United Kingdom and Italy (over 50%).

Employees working on Saturdays (% of total employees)



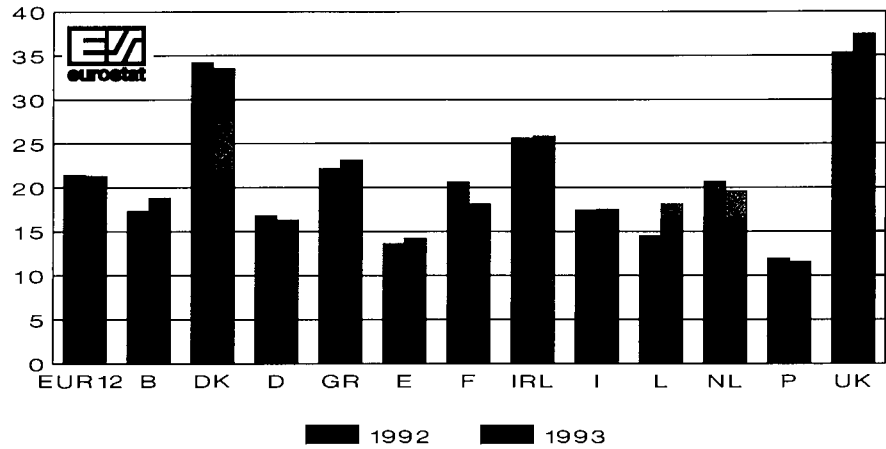
Employees working on Saturdays (% of total employees)

	EUR 12	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK
1992	42.7	28.3	44.3	32.6	40.6	35.6	47.3	49.4	54.5	29.5	27.1	24.0	55.1
1993	40.7	30.9	44.9	30.6	42.2	34.3	36.3	49.3	56.1	35.2	34.4	23.6	56.9

**Taking the European Union of Twelve as a whole, 21% of the total number of employees worked on Sundays in 1993.**

Sunday working was very common in the United Kingdom and Denmark, where over 35% of employees were involved. This contrasts with Portugal, where the figure was under 12%. However, the practice frequently involved around 20% of employees in the individual Member States.

Employees working on Sundays (% of total employees)



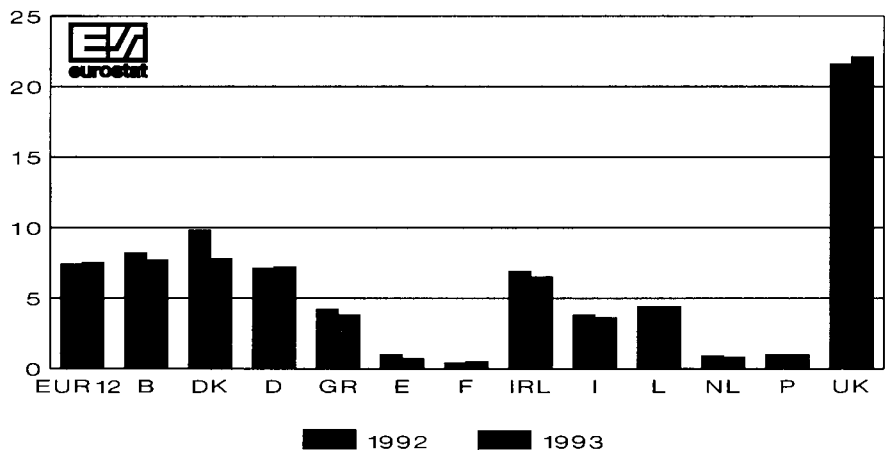
Employees working on Sundays (% of total employees)

	EUR 12	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK
1992	21.4	17.3	34.2	16.8	22.1	13.6	20.6	25.6	17.4	14.5	20.7	11.9	35.3
1993	21.3	18.8	33.5	16.3	23.1	14.2	18.1	25.8	17.5	18.1	19.6	11.5	37.4

**In 1993, of the 9 million employees working at home, i.e. 7.5% of the total number of employees in the EU, 4% stated that it was their usual place of work.**

22% of employees in the United Kingdom usually or occasionally worked at home. This was about three times higher than in the countries immediately below the United Kingdom, i.e. Denmark, Belgium, Germany and Ireland. In France this type of work concerned only 0.5% of employees.

Employees working at home (% of total employees)



Employees working at home (% of total employees)

	EUR 12	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK
1992	7.4	8.2	9.8	7.1	4.2	1.0	0.4	6.9	3.8	4.4	0.9	1.0	21.6
1993	7.5	7.7	7.8	7.2	3.8	0.7	0.5	6.5	3.6	4.4	0.8	1.0	22.1

## Acquiring citizenship through naturalisation in the European Union

One million new citizens of the European Union of Fifteen between 1990 and 1993.

France granted the largest number of naturalisations (233 000) between 1990 and 1993, followed by the United King-

dom (218 000), the Benelux countries (204 000), Germany (129 000) and Sweden (116 000) (see Table 1).

Table 1

### Number of naturalisations 1990-1993



	1990	1991	1992	1993
EUR 15	197 610	237 015	295 665	290 658
B	8 657	8 457	46 368	16 379
DK	3 028	5 484	5 104	5 037
D	20 078	27 162	36 906	44 999
GR	1 090	886	1 204	1 802
E	7 033	3 752	5 226	8 348
F	54 381	59 684	59 252	60 013
IRL	383	373	347	318
I	5 256	4 542	4 408	6 469
L	893	748	739	800
NL	12 794	29 112	36 237	43 069
A	8 980	11 137	11 656	14 131
P	97	43	117	2
FIN	899	1 236	876	839
S	16 770	27 663	29 389	42 659
UK	57 271	56 736	57 836	45 793

In 1993 the European Union of Fifteen had 11.6 million residents without the nationality of one of the Member States.

In 1993, only just under 26 000 persons who were already citizens of one of the Member States acquired another European Union nationality. This represented a fall of two-thirds since 1981 and accounted for only 9% of all naturalisations in 1993. Now that the free movement of the citizens of the European Union has become established, 'acquisition of the nationality of another Member State of the European Union of Fifteen is not particularly attractive'. However, 'for non-EU citizens, it is', and nearly 300 000 became naturalised in 1993.

Certain nationalities strongly represented in the countries of the European Union of Fifteen do not usually become naturalised – for instance, Filipinos in Italy or Iranians in Germany. 'The explanation seems simply to be that these are recent waves of immigrants – as is the case with the ex-Yugoslavs, whose arrival is still too recent to be reflected in the naturalisation figures'.

'Although there were more than 400 000 United States citizens living in Europe in 1993, very few have acquired the nationality of one of the Member States'.

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*Most of those naturalised are Moroccans, Turks or ex-Yugoslavs.*

In 1993, 43 000 Turks acquired the nationality of one of the Member States of the European Union of Fifteen, 18 000 of them in the Netherlands – 6 000 more than in Germany, where three-quarters of the Turks in the European Union of Fifteen live – and 4 000 in Sweden. Moroccans accounted for 31 000 naturalisations – 13 000 in France and nearly 8 000 in the Netherlands. Of nearly 26 000 ex-Yugoslavs, almost 11 000 acquired Swedish

nationality, nearly 4 000 German nationality and more than 2 000 Dutch nationality.

Of the citizens of the European Union of Fifteen, it is the Portuguese who are most numerous in acquiring the another nationality of the Union (6 500, 80% of them in France). Of the nearly 4 000 Italians who acquired another nationality, half chose French or German nationality.

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*The ratio of naturalisations to the resident foreign population is highest in the Netherlands and Sweden.*

In 1993, it was Sweden and the Netherlands which naturalised the largest proportion – 7% and 5%, respectively – of their resident foreign population. In the Netherlands, the figure for naturalisations was a fifth of that for all births, and in Sweden it was more than one-third.

In France and Germany, which are traditional destinations for foreign workers, the naturalisation rates for the largest groups (Algerians, Moroccans and Portuguese in France, and Turks in Germany) remained low.

There was a sharp rise in the number of Asians naturalised in Sweden, where most of them had arrived as refugees, but this trend was not reflected elsewhere in the European Union of Fifteen. They accounted for more than 11 000 naturalisations in 1993 – more than 18% of all naturalisations of Asians in the European Union of Fifteen. However, it is the United Kingdom which has the highest figures for the naturalisation of Asians – more than 18 000 persons, i.e. one-third of the total for the European Union of Fifteen.

## Industrial production

*Industrial production rises 1% in May to July 1995.*

The European Union of Fifteen industrial production trend\* was 1% up in May to July 1995 compared to the previous three months. Investment goods recorded a 1.4% rise but consumer goods were up by only 0.3%.

Eurostat comments on the figures: 'These growth rates seem to be too

Sweden	3.4
Austria	2.8
Finland	2.1
Italy	1.4
Germany	1.3
Netherlands	1.2 E

modest to have any positive impact on employment in the industrial sector.'

Figures (in %) for Member States, where available, are (E = estimate):

(May/July '95 compared to February/April '95)

Spain	0.9
Greece	0.9
France	0.8 E
United Kingdom	0.3
Denmark	0.2 E
Portugal	-0.1 E

\* 'Trend' means adjusted for both seasonal and irregular fluctuations.

## External trade

*The European Union of Twelve's imports increased by slightly more than exports during 1994 (+0.2 percentage points).*

In 1994, the European Union's of Twelve\* trade balance went down to a deficit of ECU 1 billion compared to 1993 when the imports and the exports flows were almost in equilibrium (only a small ECU 0.1 billion deficit).

This performance is the result of a clear upturn in extra-EU imports (10.8% growth rate against the stagnation registered in 1993), together with the one percentage point reduction in the exports annual growth rate (10.6% compared to 11.7% in 1993).

In 1994, Germany registered both the largest extra-EU surplus among the EU member states (ECU 25.6 billion) and the most important improvement compared to the previous year (ECU 5.6 billion).

The Italian trade balance improved its surplus by ECU 1.7 billion, reaching ECU 12.7 billion, from ECU 11 billion recorded in 1993.

The Dutch extra-EU deficit recorded the most important deterioration between 1993 and 1994 (ECU 9.9 billion) and became the largest among the EU countries (ECU 22 billion).

In 1994, the United Kingdom was the EU country that experienced the second largest trade deficit, totalling ECU 20.5 billion.

France's extra-EU trade surplus improved by ECU 1.4 billion in 1994 compared to a year earlier (from ECU 9.4 billion to ECU 10.8 billion).

The BLEU and Greece improved their external trade accounts: the Greek trade deficit went down to ECU 2.8 billion from the ECU 4.3 billion registered in 1993, and the BLEU's trade balance reduced its deficit by ECU 1.7 billion.

The external trade surpluses of Denmark and Ireland reduced slightly compared to 1993: to ECU 2.5 billion and ECU 0.8 billion respectively in 1994.

The external positions of Spain and Portugal were almost stable between 1993 and 1994: their extra-EU deficits registered in 1994 ECU 4.3 billion and ECU 2.7 billion respectively.

\* Due to frequent revisions of the monthly figures sent by the member states, the data shown is not necessarily identical to that presented in the previous publications.

## Money and finance

*Renewed Deutschemark strength.*

### Exchange rates

The Deutschemark was generally stronger against other currencies during October 1995. The dollar suffered further weakness, falling to around 1.40 against the DM late in the month, little above its all-time low of DM 1.35 (London market closing rate) recorded in April. There was little movement, however, in the yen / dollar rate, which stayed around ¥100. The rising trend of the DM against the yen seen since the spring of this year therefore continued: by late October it had exceeded ¥72.5, the highest level since February 1993.

Within the EMS exchange rate mechanism, too, the DM was stronger, rising against the French franc, Irish punt, Spanish peseta, and Portuguese escudo. In response to downward pressure on the franc, the Bank of France suspended its 5-10 day lending facility and raised the 'repo' rate from 6.15% to 7.25% in early October, though this was cut to 7% a week later as the pressure subsided. The Irish punt's weakness within the ERM was partly a reflection of the pound sterling's depreciation against the DM, close to its all-time low of DM 2.18 reached in May.

The Italian lira also weakened slightly against the DM in October, in volatile trading conditions, partly resulting from uncertainty over the passage of the 1996 budget. So, too, did the Greek drachma, following several months of little movement in the drachma / DM rate. The fall of the Austrian government in October had very little effect on the schilling, which has been closely tied to the Deutschemark for many years.

One currency which strengthened against the DM in October was the Swedish krona, which reached a new high for the year of SKR 4.72 on 27 October. The Finnish markka, meanwhile, was almost unchanged against the DM, at around FMK 3.0.

Apart from the interest rate rise in France, October was relatively quiet in terms of official interest rate changes. The German 'repo' rate was cut marginally to 4.03%, and rates were adjusted downwards in the Netherlands and Denmark. In Finland the one-month tender rate was lowered by 0.5 percentage points to 5.5% on 5 October.

### Latest Eurostat publications

- ✓ **Europe in figures** - Fourth edition
- ✓ **Unemployment** - Monthly Bulletin No 11/95
- ✓ **Eurostatistics** - Data for short-term economic analysis No 12/95
- ✓ **Eurostat Yearbook '95** - A statistical eye on Europe 1983 - 1993

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