



Press release

Statistics Netherlands

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Cheaper oil products curb prices in manufacturing industry

Prices of Dutch manufactured products were 0.4% lower in December 1998 than one month earlier. This fall took prices down to below the average price level of 1990 for the first time since December 1994.

Products manufactured by the oil industry in particular were substantially cheaper, but lower prices were also observed for products of chemical and basic metal industries. Prices of food, drink and tobacco rose slightly in December.

Provisional figures released by Statistics Netherlands show further that export prices fell by 0.6% in December 1998 on November. Prices on the domestic market were 0.2% lower. Compared with December 1997 the price level of manufactured products was 5.0% lower.

Oil product prices have far-reaching effects

Prices of oil products dropped sharply in December from November 1998 (-8.2%) under the influence of global price developments. In this sector, domestic market prices were 5.4% down while export prices took a dive of 10.3%, leaving the overall price level in the oil industry just over 31% lower than in December 1997.

If we leave oil product prices out of consideration, prices of Dutch manufactured products would have been 0.1% higher in December than in November 1998.

Prices in chemical and basic metal industries down as well

Products manufactured by the chemical and basic metal sectors of the Dutch manufacturing industry were also lower. According to Statistics Netherlands' figures chemical products were 0.4% cheaper in December than in November 1998; synthetic materials and chemical raw materials in particular were cheaper.

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Prices of basic metal products were still under the pressure (-1.7%) of cheap foreign steel products.

In some sectors, prices rose in December: food products were more expensive, especially those containing pork.

Raw materials cheaper too

The overall price level of raw materials and semi-manufactures used by the manufacturing industry was 0.4% lower than in November 1998.

Manufacturers paid 1.3% more for raw materials and semi-manufactures bought on the domestic market, but 1.8% less for those they imported.

Compared with December 1997 overall prices of raw materials and semi-manufactures were 9% lower; 7% lower for domestic items 11% for those imported.

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