

PR99-5 February 1999 10.30 hrs

Consumer price index January 1999

Dutch consumer prices were on average 2.2% higher in January than one year ago, according to figures from Statistics Netherlands. Between December 1998 and January 1999 they rose by an average 0.1%. In addition to a substantial fall in the prices of clothes and shoes, a number of prices went up, partly in connection with government measures.

Consumer prices 0.1% higher in January

Consumer prices rose by an average 0.1% between December 1998 and January 1999. Water, electricity and gas rates were significantly higher, and other fuel prices also went up. These price rises are mainly the consequence of the increase in VAT on water and the higher ecotax and fuel taxes on electricity and gas. Consumer taxes went up and prices of government services were also higher. Higher excise duty pushed up petrol prices, and consumers also had to pay more for fresh vegetables, potatoes and fruit, and newspapers and magazines. Potato and vegetable prices are high compared with one year ago. Lastly, personal care has become more expensive, particularly the services of hairdressers.

On the other side of the coin, clothes and shoes were much cheaper because of the sales. Communication also became cheaper, especially by telephone.

Inflation up to 2.2%

In January prices were on average 2.2% higher than in January 1998. This is this first time since last June that inflation is above 2%. The increase in the inflation rate is result of the 0.1% price rise in January, while in January 1998 prices fell by 0.4%. Three factors play an equal part in this difference: higher petrol prices, higher gas and electricity rates, and the smaller decrease in the prices of clothes and shoes, - 11% this January compared with –13% last January. The increase in water rates also affected the increase in inflation although, it was curbed somewhat by the decrease in telephone rates and the smaller rise in consumer tax rates.

Derived consumer price index

The derived consumer price index eliminates the effects of rate changes of indirect and consumer-related taxes. The derived index for all households for January 1999 was 1.7 % higher than one year ago.

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Statistics Netherlands is a department of the Ministry of Economic Affairs So 0.5% of the total inflation rate of 2.2% can be attributed to the two above-mentioned tax categories. In December this was only 0.2%.

Harmonised consumer price index

The harmonised consumer index compiled for the European Union was 1.5% higher in December 1998 than in December 1997. The average inflation in the 15 EU countries in December was 1.0%. For the 11 countries in the Eurozone, the average was 0.8%. So Dutch inflation was nearly twice as high as that for the total Eurozone at the end of last year

The average harmonised price index for 1998 was 1.8% higher than in 1997. For the 15 EU countries it was 1.3% higher, for the 11 Eurozone countries 1.1%.

In January 1999 the harmonised index for the Netherlands was 2.1 % higher than in January 1998.

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