



Press release

Statistics Netherlands

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Inflation rate 2.8% in July

The Dutch inflation rate went up to 2.8% in July, 0.1% higher than in June. The increase was mainly due to a price increase in gas, according to the consumer price index (CPI) by Statistics Netherlands.

Rents increased by an average of 2.6% in July, the smallest rent increase since 1986. In July 1999 the rent increased by 3.0%. This year's rent increase was below the inflation rate for the first time in 20 years.

Compared to June the prices went up by 0.1% in July. Price drops for clothing, shoes and petrol counteracted the rent and gas price increases.

Inflation up due to energy prices

The inflation rate in the Netherlands is calculated in terms of the increase in the consumer price index on the same period the previous year. In July the inflation rate stood at 2.8%, 0.1% up on June.

Car fuel prices are still the main cause of inflation, despite the fact that they were falling in July. Compared to July a year ago car fuels were 19% more expensive, which contributed 0.7% to the inflation rate. Gas became a lot more expensive this month, and the rate for electricity went up slightly. The price increase for gas is mainly an adjustment to the higher market prices for gasoil in the period November 1999 through April this year. Gas and electricity are both about 17% more expensive than a year ago, contributing 0.8% to inflation.

Dutch inflation is moderated due to the cancellation of radio and television rates earlier this year.

Rent increase below the inflation rate

The annual rent increase on 1 July averaged 2.6% this year. This was shown by the rent survey conducted by Statistics Netherlands. Last year's rent increase averaged 3.0%. Rent increases have been falling ever since 1991, from an average of 5.9% in 1991 to 2.6% in 2000.

This year's rent increase is below the inflation rate for July. A rent increase under the inflation rate had not occurred since July 1980.

Derived consumer price index

In the derived CPI by Statistics Netherlands the effect of indirect and consumer-related taxes has been eliminated from the price developments. The derived CPI for July 2000 was up 2.4% on July 1999.

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Prices in July up slightly

On average consumer prices rose by 0.1 from July on June 2000. Apart from the rent increases and higher energy rates prices of potatoes, tea, furniture and holiday accommodation went up.

Clothing and shoes became far less expensive. Such a price drop is normal for July when the summer sales start for summer fashion. This year prices fell by more than last year, so that clothing and shoes came under last year's price level.

Fresh vegetables also became cheaper this month, but they are still far more expensive than a year ago. Petrol became cheaper, but diesel and LPG were more expensive. Telephone rates also went down.

Harmonised consumer price index

Statistics Netherlands started its calculation of the harmonised CPI for the Netherlands in March 1997 for comparison within the European Union. The harmonised CPI is not the best instrument to show national inflation.

In June the average inflation rate in the 15 EU countries was 2.1%, while in the 11 Eurozone countries an average inflation rate of 2.4% was observed. By this European standard, the Dutch inflation rate in June was 2.5%, slightly higher than the European average, just like it was in May. In the first three months of the year the Netherlands had one of the lowest inflation rates in Europe.

In July the Dutch inflation rate went up to 2.8% according to the European standard. There are July no figures yet on the other European countries.

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Year on year percentage changes on the CPI all households

