



Press release

Statistics Netherlands

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Inflation rises to 4.6% in March

According to figures from Statistics Netherlands, inflation rose to 4.6% in March from 4.5% in February. This high rate of inflation in the Netherlands is caused by price rises in several areas. The increase in March was caused mainly by higher prices for meat and fresh vegetables. Motor fuels were cheaper in March.

The rate of inflation according to the European harmonised index was 4.9% in March, the same as in February when the Netherlands had the highest rate of inflation in the European Union.

Inflation caused by across-the-board price rises

The highest prices rises compared with one year ago were for alcoholic beverages and tobacco: these cost 7.2% more.

On average, food and soft drinks cost 6.8 % more than twelve months previously. Within this group potatoes and vegetables in particular were more expensive, with price rises of 13.6%. Fish cost over 10% more, fruit 9% more.

Meat prices rose by an average 8.8%. The strongest increase was for pork (15%); while the prices of beef and veal rose by relatively less (6% and 2% respectively).

Furniture, soft furnishings and household appliances were on average 5.5% more expensive. This increase is substantially above the average in the previous five years.

The increase in total living costs was also above the average rate of inflation, at 5.3% in the last twelve months. This was caused mainly by increases in the prices of gas and electricity: 17.5%.

For a number of article groups the price rises were clearly below the average rate of inflation. The prices of communication, especially those for telephone communication, have fallen in the last twelve months, and clothes and footwear were less than one per cent more expensive than in March last year. The increase in rates of consumption-related taxes and prices of public services were relatively modest (1.9%).

Price increases for transport (3.4% in the last twelve months) were lower than average inflation, and prices of motor fuels were only 1.5% higher than one year previously.

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Food prices push up inflation

Inflation rose by 0.1 of a percent point between February and March from 4.5 to 4.6%. This increase was nearly completely caused by higher food prices, mainly those of meat and fresh vegetables. The increase was curbed by a decrease in the price of motor fuels.

Prices 1.0% higher than in February

On average, consumer prices rose by an average 1.0% between February and March. The largest increase was reported for clothing and footwear; this is quite usual for this time of year. Food cost an average 2.0% more in March, prices of vegetables, fruit, meat and fish in particular increased. It should be noted that as the prices are surveyed around the middle of the month, the effects of the foot-and-mouth outbreak is not yet reflected in the March figures.

Prices of motor fuels were lower in March. A reduction in excise duties meant that consumers had to pay less for diesel in particular, but petrol and LPG also cost less than in February.

Dutch inflation highest in Europe

In addition to the national consumer price index, Statistics Netherlands also calculates the European harmonised consumer price index for the Netherlands. This index is a component of the Eurozone inflation rate, the official guideline for the monetary policy of the European Central Bank.

In March 2001 Dutch inflation according to this harmonised index was unchanged at 4.9%. The March figures for the Eurozone and for all the countries in the European Union will be published by Eurostat on 19 April.

In February the Netherlands had the highest rate of inflation in the European Union, together with Portugal. Dutch inflation was well above the average for the Eurozone, which was 2.6% in February.

Derived consumer price index

The derived index for employee households in the low income bracket was 3.6% higher on average in March than in March 2000. For February this was 3.5%. This index is used to adjust government tariff rates, in collective agreement procedures and for other legal contracts.

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