



# Press release

Statistics Netherlands

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## ***Inflation rate in July at 4.6%***

In July the inflation rate increased slightly to 4.6% from the 4.5% in June. This is shown by the latest consumer price index of Statistics Netherlands.

Rents in July went up by 2.7%, which is well under the level of inflation but higher than last year.

Apart from the national consumer price index (CPI) Statistics Netherlands also calculates a European harmonised CPI for the Netherlands. According to the latter the Dutch inflation rate in July was 5.2 %, up 0.2% on June. During the first six months of 2001 the Netherlands had the highest inflation rate in the European Union.

### ***Rent increases 2.7%***

The yearly rent increase on 1 July came out at 2.7% this year, according to the preliminary results of the rent survey conducted by Statistics Netherlands. In July 2000 rents went up by 2.6%, which was slightly below the inflation rate for the first time since 1980. Although the rent increase is higher than last year, it stays well below this year's inflation, since the inflation rate itself went up substantially.

### ***Inflation rate rising again***

In July 2001 the Dutch inflation rose to 4.6%. The inflation rate increased substantially from 2.9% in December 2000 to 4.9% in April and May. In June the inflation rate fell to 4.5% but this drop did not continue in July.

The inflation this month was due to the rent increase, more expensive potatoes, higher energy rates and higher prices for dairy products. The inflation rate also increased slightly because clothing and shoes did not come down in price as much as they did in July last year. These causes each have their own very limited influence on the inflation rate, but together they raised the inflation rate just slightly.

The price developments for fresh vegetables and car fuels brought the inflation rate down a bit, but did not cancel out the joint effect of the above-mentioned increases.

### ***Prices up by 0.2% in July***

Dutch consumer prices rose by an average of 0.2% in July 2001 compared to June. The cost of living went up due to the rent increase

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and higher gas and electricity rates. Potatoes became much more expensive. Postage, dairy products and soft drinks also went up in price.

On the other hand, car fuels and fresh vegetables became cheaper. The summer sales meant a reduction in the price of shoes and clothing from the summer collection.

### ***Derived consumer price index***

The derived CPI for employee households on a low income was up by an average of 3.7% in July compared to July a year ago. This index is often used in adjusting government rates, collective agreements and other contracts.

In the derived index the effects of the VAT and Ecotax rate increases as of 1 January have been eliminated

### ***Dutch inflation rate higher than European average***

Statistics Netherlands not only calculates the national CPI, but also the European harmonised CPI for the Netherlands. This index makes up part of the inflation rate of the Eurozone, which is the official guideline for the monetary policy by the European Central Bank.

In June the inflation rate in the Eurozone averaged 3.0 % whereas the Dutch inflation rate according to the harmonised CPI was 5.0%. This made it the highest inflation rate in the European Union. The Dutch inflation rate was the highest for five out of the first six months of this year. Only in March did the Portuguese inflation rate come out higher than the Dutch figure.

Both the Dutch and the European June figure meant a 0.4% drop in the inflation rate compared to May. In July 2001 the Dutch inflation rate had crept up to 5.2% according to the harmonised index.

Eurostat will publish the July figures on the Eurozone and on the European Union member states on 17 August.

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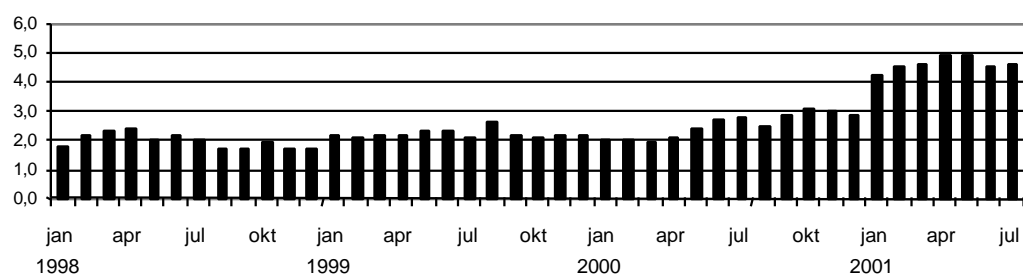
For more information about the inflation rate please contact Jan Walschots, tel. (070) 337 55 11.

<b>July</b>	<b>Rent increase</b>
1991	5.9%
1992	5.6%
1993	5.4%
1994	5.1%
1995	4.5%
1996	4.1%
1997	3.8%
1998	3.4%
1999	3.0%
2000	2.6%
2001	2.7% *)

\*) Preliminary figure

Source: CBS

#### Year on year percentage change CPI-ALL HOUSEHOLDS



Source: Statistics Netherlands