



Press release

Statistics Netherlands

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Inflation rate in 2001 highest since 1982

The Dutch inflation rate in 2001 averaged 4.5%, the highest annual average since 1982. In 2000 the inflation rate according to the consumer price index by Statistics Netherlands averaged 2.6%.

The introduction of the euro did not have much of an impact on inflation during the year 2001.

The inflation rate in December 2001 was 4.4%, a 0.2% increase on November. Statistics Netherlands attributes the increase mainly to a number of incidental factors.

Inflation rate in 2001 high and stable

In 2001 the inflation rate averaged 4.5%. The last time a higher inflation rate was observed was in 1982 when the rate was 6.0%. Between 1983 and 2001 the inflation rate averaged 2.1%. The extremes were -0.2% in 1987 and 4.0% in 1990.

During 2001 the inflation rate was quite stable. The lowest monthly figure was 4.2%, observed in January and November. The highest rate observed was 4.9% in April and May. During the fourth quarter the inflation rate was slightly lower than in the second and third quarters.

Higher price rises across the board in 2001

Prices in most product groups increased faster in 2001 than they had in 2000. The fastest price increases were observed for food and non-alcoholic beverages. Here the prices rose from an average of 0.9% in 2000 to 7.0% in 2001. Alcoholic beverages and tobacco prices increased by an average of 6.7% in 2001 against 2.8% in 2000. Furniture, soft furnishings, and household appliances went from a 1.8% increase in 2000 to a 5.3% increase in 2001.

Exceptions to the rule were car fuels, which became 1% cheaper in 2001 and coffee prices, which fell by 4%.

Several causes of inflation

There were a number of causes for the inflation in 2001. Very specific causes such as the rise in VAT and Ecotax, price rises in gas and electricity and higher rents for dwellings. Furthermore there were the bad harvests, problems on the meat markets, and higher prices of goods bought abroad.

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Car fuels were cheaper of average in 2001 than in 2000. These specific causes explain over half of the inflation, namely 2.4% of it. More general causes of inflation are the passing on of wage increases, energy costs, rent prices for shops and so on. These causes explain the remaining 2.1% of inflation. The passing on of the costs pertaining to the introduction of the euro may be responsible for part of the inflation rate. If these costs were already passed on in 2001 their contribution to inflation is very limited.

Higher inflation in December than in November

In December inflation was slightly higher than in November, namely 4.4% instead of 4.2%. The increase is mainly attributed to incidental causes. The exceptionally great price decrease of car fuels that took place in December 2000 – compared to November 2000 – and the pressure it caused, will no longer be influencing the inflation rate as of December 2001. Clothing and shoe prices did not fall as much in December 2001 on November 2001 as they did in December 2000 on November 2000. A price drop for shoes and clothes is not unusual for the time of the year. Fresh fruit on the other hand, became more expensive in December.

Derived consumer price index (CPI)

The derived CPI for low income households was 3.6% higher in 2001 than the 2000 average. The average increase of 2000 on 1999 was 2.1%. The derived CPI does not include the effects of indirect taxes, such as VAT and Ecotax. The index is often used to adjust government rates, wage rates and other contracts.

Inflation according to European standards

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

In December 2001 Dutch inflation according to the HICP increased by 0.3% to 5.1%. On 4 January Eurostat, the European statistical office, published an estimate about inflation in the Eurozone in December. The estimate is 2.0%, down 0.1 on November and the lowest rate for the Eurozone since May 2000.

The difference in the developments between the Netherlands and the Eurozone is mainly caused by the specific effects of changes in energy price changes on the world market on the Dutch gas and electricity rates. Apparently the effect came later, making the Dutch inflation rate lower in 2000 and higher in 2001.

Eurostat will publish the December figures for the Eurozone and the European Union on 22 January.

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