



Statistics Netherlands

# Press release

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## ***Inflation falls to 3.3 percent in May***

Inflation in the Netherlands fell to 3.3 percent in May 2002, 0.3 of a percent point lower than in April, according to Statistics Netherlands consumer price index.

According to the European harmonised index, Dutch inflation was 0.4 of a percent point lower at 3.8 percent.

### ***Lowest inflation since beginning of 2001***

Inflation fell from 3.6 percent in April to 3.3 percent in May, the lowest value since January 2001. In 2001 Inflation was 4.5 percent on average, with a peak of 4.9 percent in May 2001. Since December 2001 inflation has fallen gradually, from 4.4 to 3.3 percent; the rate is 1.6 percent points lower than in May last year.

### ***Price rises last year curb inflation in May***

Inflation in May mainly fell because a number of strong price rises in May last year no longer had any influence in May this year. This effect was especially strong for food and motor fuels. Food rose by a modest 0.2 percent, while last May these products cost 0.9 percent more than in April. Prices of motor fuels were practically unchanged on April while last year they rose by 2.1 percent in May compared with April.

The contribution of food and non-alcoholic drinks to inflation fell further in May 2002. In the whole of 2001 and the first months of 2002 this was the category with the highest price increases and thus contributed for a large part to inflation. The price increases were caused by among other things higher meat prices - because of foot-and-mouth disease and BSE - and higher prices of fruit, vegetables and potatoes. In April and May 2002 the price increases were substantially smaller. In May meat cost just as much as a year ago, fresh vegetables are even 9 percent cheaper than twelve months ago.

This Monday (English version on Tuesday) a webmagazine article will be published on [www.cbs.nl](http://www.cbs.nl) which examines a number of aspects of how consumers perceive inflation.

[www.cbs.nl](http://www.cbs.nl)

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### ***May prices unchanged on average***

On average, prices remained unchanged between April and May 2002. Hardly any price increases or decreases were observed in this period. Alcoholic drinks and tobacco products, household textiles, potatoes and fish cost slightly more, while CDs, clothes and footwear were cheaper.

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

Inflation according to the derived consumer price index for low-income employee households was 3.2 percent in May, 0.3 of a point lower than in April. This is the index used to adjust government tariffs, collective wage agreements and other contracts.

### ***Inflation according to the European norm***

Statistics Netherlands not only compiles the national consumer price index, but also the European harmonised consumer price index (HICP). This index makes up part of the inflation rate of the Eurozone, an official guideline for the monetary policy of the European Central Bank. In May 2002 inflation in the Netherlands according to the HICP was 3.8 percent, 0.4 of a percent point lower than in April.

In April 2002 inflation in the Netherlands according to the HICP was 4.2 percent, after 4.3 percent in March. In the Eurozone as a whole, too, inflation fell slightly in this period from 2.5 to 2.4 percent.

The May figures for the individual countries of the Eurozone will be published by Eurostat, the statistical office of the EU, on 18 June. Eurostat expects inflation for the Eurozone as a whole to decrease from 2.4 to 2.0 percent .