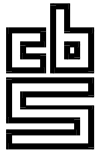


Consumer price index

In its [press announcement of 5 August 2003](#) Statistics Netherlands reported that the figures for the period June 2002 to June 2003 are incorrect. Therefore the CPI figures in this publication are incorrect.

The [press release of 9 September](#) contains the corrected figures for the series for all households, and for the harmonised consumer price index.



Statistics Netherlands

Press release

PB02-164
9 August 2002
9:30 AM

Inflation slightly on the increase in July

Figures from Statistics Netherlands show that the Dutch rate of inflation was 3.5 percent in July, 0.1 percent point higher than in the previous month. In June, inflation also rose slightly by 0.1 percent point. The average yearly rent increase in July 2002 was 2.9 percent.

According to the European harmonised index, Dutch inflation was 0.1 percent point down in July at 3.8 percent.

Inflation somewhat higher

Inflation rose slightly from June 2002 to reach 3.5 percent in July. In the first five months of this year, inflation dropped each month; from 4.4 percent in December to 3.3 percent in May, but in June as well as in July inflation went up, both months by 0.1 percent point.

The minor increase in July could, to a large extent, be attributed to the price of fresh vegetables, which went up 6 percent, in sharp contrast with July 2001, when the price of fresh vegetables dropped by 11 percent. Additionally, the price of motor fuels rose by approximately 1 percent, whereas last year the price fell by 5 percent. Lastly, a more substantial rent increase also contributed to a higher inflation rate.

Conversely, inflation was curbed by the fall in the price of fresh fruit and the price development of potatoes. In July 2001, the price of potatoes was 36 percent higher than in the previous month whereas this year's price of potatoes rose by a mere 2.6 percent in the same period. Inflation was also curbed because the rise in gas and electricity rates was less significant in July 2002 than in July 2001.

Rents on average 2.9 percent up

The average yearly rent increase on 1 July was 2.9 percent, i.e. 0.2 percent point higher than in the same month last year, according to the preliminary results of the rent survey conducted by Statistics Netherlands. Just like last year, the rent increase was below the average rate of inflation.

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Prices in July 0.2 percent higher

From June to July 2002, prices increased by an average 0.2 percent. Food, in particular fresh vegetables, became more expensive, gas and electricity rates and the price of motor fuels also went up, whereas clothes, shoes, fruit and banking services, notably money withdrawals in foreign countries, became cheaper.

Derived consumer price index

Inflation according to the derived price index for employee households in the low income bracket was 3.4 percent in July, i.e. 0.1 percent point higher than in June. This index is often used to adjust government rates, collective wage agreements and other contracts.

Inflation according to the European norm

Statistics Netherlands not only compiles the national consumer price index (CPI), but also the European harmonised consumer price index (HICP) for the Netherlands. This index makes up part of the inflation rate in the Eurozone, an official guideline for the monetary policy of the European Central Bank. In July 2002, the inflation rate in the Netherlands according to the HICP, was 3.8 percent, 0.1 percent point lower than the adjusted result for June.

A simultaneous decrease of the inflation rate according to the HICP and an increase of the inflation rate according to the CPI may have various causes.

The increase is partly caused by a higher rent increase in July 2002 than in July 2001. Since privately owned houses are not included in the consumer basket of the HICP, the CPI is more affected than the HICP. A second cause is the freeze on the contributions in the Medical Exceptional Expenses Act for residents of homes for the elderly and for other intramural facilities. This causes the inflation rate according to the HICP to fall slightly. These contributions are not included in the CPI basket. Lastly, roundings partly account for the difference.

In June the average inflation in the Eurozone was 1.8 percent, a drop by 0.2 percent point compared to May and the lowest result since January 2000. After Ireland, the Netherlands had the highest rate of inflation in the European Union.

The July figures for the individual countries of the Eurozone and the European Union will be published by Eurostat, the statistical office of the EU on 19 August. Eurostat expects inflation for the Eurozone as a whole to increase from 1.8 to 1.9 percent in July.

July 2002	Rent increase
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%
2002	2.9% *)

*) Preliminary figure

Source: Statistics Netherlands