

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.



Press release

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Inflation down in January

According to Statistics Netherlands consumer price index, inflation was 2.5 percent in January, considerably lower than the 3.2 percent in December. 0.2 percent point of the 0.7 percent point decrease is the result of a base shift: the consumption package of 1995 has been adjusted to 2000. If this effect is left out of account, inflation is 0.5 of a percent point lower than in December.

Inflation figure slightly lower because of base shift

Part of the decrease in the rate of inflation can be attributed to the base shift. The December figure was based on price developments in the consumption package of 1995. Statistics Netherlands has now adjusted the package to reflect consumption in 2000. Consumers bought more than 15 percent more goods and services in 2000 than in 1995, especially more computers, telecommunications, clothes and transport in particular. The prices of these products have risen less sharply than the prices of products in the consumption package of 1995. This means that average inflation based on the 2000 package of goods and services is slightly lower. For December, inflation was 3.2 percent according to the 1995 package and 3.0 percent according to the new package.

Inflation in new series 0.5 percent point down

Within the new series based on the 2000 consumption package, inflation fell from 3.0 percent in December 2002 to 2.5 percent in January 2003. The decrease in inflation was mainly caused by price developments for food, especially vegetables and potatoes, clothes and shoes, energy, communications and hotels and restaurants.

Food cost 2.0 percent more in December 2002 than in December 2001. In January this difference fell to 0.4 percent. Vegetables and potatoes were 6.7 percent cheaper than in December 2001, while in January they were 12.9 percent cheaper than twelve months previously.

Clothes and shoes were cheaper in January 2003 because of the sales. The sales started later in January 2002, so prices were still relatively high. Prices were 1.4 percent lower in December than twelve months previously, in January they were 4.2 percent lower than in January last year.

Prices of eating and drinking out were higher in January 2003 but did not increase by as much as in January last year; the increase was 5.9 percent in

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December on the figure for December 2001, while in January this was 3.5 percent higher than twelve months previously. In the communications sector, too, prices increased by less than last year, pushing down inflation.

Only for gas and electricity is the contribution to inflation greater in January 2003, as rates rose by more in January 2003 than in January 2002.

Statistics Netherlands notes that the strong decrease in the rate of inflation is to an important extent the consequence of high price levels of a number of article groups in January 2002, among other things, fresh vegetables and clothes and shoes. In the months following January 2002 these prices fell back again, however. It is therefore too early to conclude that inflation has definitely fallen to the level of this month.

January prices 0.5 percent up on December

Prices rose by 0.5 percent from December 2002 to January 2003. This is a smaller increase than in the two previous years.

Food was more expensive, especially potatoes and vegetables. Spirits were also more expensive, following an increase in excise. Gas prices went up, household appliances were more expensive, among other things because of the abolition of subsidies on a number of low-energy appliances. Transport cost more, both because of higher fuel prices and higher prices for public transport.

Prices of cd's also rose strongly. In the second half of 2002 cd prices were reduced, but in January 2003 they were back at the level of January last year.

Consumption-related taxes and rates for public services rose by an average 3.3 percent. These rate increases varied from zero for motor vehicle tax to increases of 5 to 6 percent for property tax, and sewerage rates.

In January prices in hotels, restaurants, cafés and pubs were only 0.5 percent higher than in December. In January 2002 they were 2.8 percent higher than in December 2001.

Price decreases were reported for clothes and shoes. The January sales pushed prices of these articles down by more than 10 percent compared with December.

Derived consumer price index

Inflation according to the derived consumer price index all households in the low income bracket was 2.4 percent in January. In December, this was 3.2 percent, based on the 1995 package. 0.3 of a percent point of this decrease was caused by the change in the package of goods and services.

Based on the 2000 package, the derived consumer price index in December was 2.9 percent. Within this series, inflation according to the derived index fell by 0.5 of a percent point.

The derived consumer price 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, but also the European harmonised consumer price index (HICP) for the

Netherlands. 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 January 2003 inflation in the Netherlands according to the HICP was 2.9 percent, 0.6 of a percent point lower than in December.

Average inflation in the Eurozone was 2.3 percent in December. Eurostat expects inflation for the Eurozone as a whole in January to fall to 2.1 percent. The January figures for the individual countries of the Eurozone and of the European Union will be published by Eurostat, the statistical office of the EU, on 28 February.

On average inflation in the Eurozone was 2.2 percent in 2002. In the Netherlands it was 3.9 percent according to HICP. After Ireland, the Netherlands had the highest average rate of inflation in Europe, together with Greece. The rate did fall more quickly in the Netherlands in the course of the year than in the rest of the Eurozone. In December 2002 inflation in the Netherlands was lower than in Ireland, Spain and Portugal, and the same as in Greece.