

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

PB03-129
10 July 2003
9:30 AM

Inflation rate down again in June

The Dutch inflation rate in June 2003 reached 2.2 percent. This is down 0.1 percent on May, and the lowest inflation rate since April 2000. The decrease in June can be contributed entirely to the price developments of clothing and shoes. This is shown by the latest consumer price index of Statistics Netherlands.

Cheaper clothes lower the inflation rate

June is the start of summer sales. In June of this year the drop in the price of summer clothes was greater than in June last year. Clothing and shoes were 5.1 percent cheaper than a year ago. In May this was 1.5 percent.

The price development in food, on the other hand, reduces the drop of the inflation rate. Food was 4.2 percent more expensive than in June 2002. In May food was 3.2 percent more expensive than in May 2002.

The drop in the inflation rate was also reduced by the price development of car fuels. These were almost 1 percent cheaper than a year ago. As the difference in May was over 3 percent, this reduced the downward pressure on the inflation rate.

Inflation rate continues to fall

The inflation wave reached its peak in 2001 when prices were 4.2 percent higher on average than in 2000. The inflation rate has been falling ever since, from 4.0 percent in January 2002 to 2.2 percent in June 2003.

Despite the drop in the inflation rate consumers feel that price increases are high. The consumer survey showed that 69 percent of the respondents in June felt that prices have increased strongly since June last year. This must be attributed to the price hikes for everyday shopping articles, such as food.

Prices in June down 0.4 percent on May

Between May and June prices fell by an average of 0.4 percent. Clothing and shoes became 7.0 percent cheaper. This is a stronger decrease than in the same period last year. Computers and audio-visual equipment also became cheaper, as did flowers and plants. Food, including meat and fish, became more expensive this month. Cigarettes, wine and car fuels went up in price.

Derived consumer price index

The derived CPI for all households was 2.0 percent higher in June this year than in June 2002. This is 0.1 percent lower than the price development of May 2003 on May 2002. Derived CPI figures are often used in collective wage negotiations and in adjusting rates and other contracts.

Price development according to European standards

Statistics Netherlands calculates the national consumer price index, as well as the European harmonised consumer price index for the Netherlands (HICP). The index is part of the inflation rate figure for the Eurozone, which is the official guideline for the monetary policy of the European Central Bank. In June 2003 the Dutch inflation rate according to the HICP fell to 2.5 percent. This brings the increase in the HICP back to the level of April 2003, when the HICP reached its lowest level since August 2000. In May 2003 the outcome was 2.7 percent.

In May 2003 the inflation rate in the Eurozone averaged 1.9 percent. This is slightly lower than in April this year. The Dutch inflation rate was 0.8 percentage points higher than the Eurozone average. The lowest inflation rates were found in Germany, Belgium and Austria.

Eurostat, the European statistical bureau, expects that the June inflation rate in the Eurozone as a whole will be 2.0 percent. Eurostat will publish the outcomes of the individual countries of the Eurozone the European Union on 16 July.