



Press release

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Inflation unchanged at 1.1 percent in August

According to Statistics Netherlands' consumer price index, consumer prices were on average 1.1 percent higher in August 2004 than in August 2003. This is the same rate as in July. Cheaper potatoes, vegetables and petrol curbed inflation while prices of clothes pushed it up.

Inflation according to the European harmonised index also remained at the same level in August as in July: 1.2 percent.

Prices slightly higher in August than in July

Consumer prices rose by 0.3 percent from July to August 2004. This is a usual increase for this time of year. Consumers had to pay more for clothes in particular. As the sales are coming to a close and the winter collections are entering the shops, prices of clothes and shoes are rising. Diesel and LPG also cost more, while petrol prices decreased.

Food was cheaper in August. There were substantial price decreases for fresh vegetables and potatoes, and prices of meat, fish, fruit and eggs were also slightly down.

Inflation remains low, food cheaper

Although inflation in August was the same as in July, 1.1 percent, the contribution of some categories of items did change.

Food and non-alcoholic drinks were 5.1 percent cheaper in August than twelve months previously. As they were only 3.9 percent cheaper in July, this had a restricting effect on inflation. Prices of potatoes and vegetables in particular had an important effect. Potatoes were 22 percent cheaper than twelve months previously. In July they cost 18 percent more than in July last year. Fresh vegetables were also cheaper in August than in August 2003, namely 16 percent. In July they were only 4 percent cheaper.

Petrol prices also had a restricting effect on inflation. Petrol was 7.9 percent more expensive than twelve months previously, but in July it cost 10.4 percent more.

On the other side of the balance, clothes prices pushed up the inflation rate. In August the price of clothes and shoes was only 0.5 percent higher than in the same month last year. In July this category was 3.5 percent cheaper.

Dutch inflation well below Eurozone average

According to the European harmonised index, Dutch inflation was 1.2 percent in August 2003. This, too, is the same rate as in July. Eurostat, the statistical

office of the EU expects inflation in the Eurozone to be 2.3 percent in August, again the same as in July.

In July inflation in the Netherlands according to the EU index was 1.2 percent. This was the second lowest rate of inflation in the Eurozone. Only in Finland was inflation lower.