



Press release

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Dutch inflation rate rising fast in October

According to the latest consumer price index by Statistics Netherlands, the Dutch inflation rate rose to 1.4 percent in October. That is 0.4 percent points higher than in September. The increase is mainly due to price developments in car fuels, fresh vegetables and fruit, clothing and shoes, and flowers and plants. This sharp increase in the inflation rate in October follows a long period of decreases. Last month Statistics Netherlands reported that the inflation rate was at a fifteen year record low.

The inflation rate according to the European harmonised index also increased by 0.4 percent points in October, reaching 1.5 percent.

Inflation rate in October 1.4 percent

The rising inflation can be attributed in part to the average October on September 2004 price increases of 0.1 percent. The price increase of car fuels by 2.7 percent is the most striking: car fuels in October were 15.0 percent more expensive than in October 2003. In September the price difference was 11.3 percent on the previous year. Clothing and shoes were 0.4 percent more expensive than in October last year. In September there had been a 1.2 percent price decrease on the previous year.

Furthermore, the inflation rate increased because the substantial price drops in October 2003 on September of vegetables, fruit, flowers and plants no longer contribute to the inflation rate. Fresh vegetables were 9 percent cheaper in October this year than they were last year, but the difference in September on September last year was over 20 percent. In fresh fruit, flowers and plants the price decrease on last year fell sharply.

Inflation rate in Eurozone on the rise

The Dutch inflation rate according to the European accounting rules reached 1.5 percent in October 2004, up 0.4 percent on September. Eurostat, the European statistical bureau, expects a 0.4 percent increase in the inflation rate in the Eurozone in October, which then stands at 2.5 percent.

In September the Dutch inflation rate according to the European accounting rules was 1.1 percent. Only Finland had a lower inflation rate. The other Eurozone countries had substantially higher inflation rates. The average for the Eurozone was 2.1 percent, a full percent point higher than in the Netherlands. The difference can be attributed mainly to falling food prices in the Netherlands.