



# Press release

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## ***Inflation down again in May***

The rate of inflation in the Netherlands was 1.3 percent in May. This is 0.2 of a percent point lower than in April, when consumer prices were 1.5 percent higher than twelve months previously. According to Statistics Netherlands' consumer price index, the decrease was mainly accounted for by lower prices for motor fuels.

Dutch inflation according to the European harmonised calculation fell from 1.3 percent in April to 1.1 percent in May.

### ***Prices in May just as high as in April***

On average consumer prices did not change from April to May. Motor fuels were 2.1 percent cheaper and telephone calls cost less. On the other hand prices for food, non-alcoholic and alcoholic drinks cost slightly more.

### ***Inflation at lowest level since December***

Prices rose by 0.2 percent between April and May last year, while this year they remained the same for these two months. Prices were 1.5 percent higher in April than twelve months previously, in May they were 1.3 percent higher. This is the lowest rate of inflation up to now this year. In 2004 inflation was 1.2 percent on average.

The decrease in inflation in May was mainly caused by developments in the prices of motor fuels. Last year the prices of petrol and diesel rose from April to May, while this year they fell in the same period. This meant that motor fuels were only 2.4 percent more expensive in May 2005 than in May 2004. In April this difference was 8.6 percent.

Lower telephone rates also contributed to the lower inflation. The slight increases in prices of food and drink, on the other hand, had an opposite effect on inflation.

### ***Dutch inflation still low in international perspective***

Dutch inflation calculated according to the European harmonised method (HICP) was 1.1 percent in May. This is 0.1 of a percent point lower than in April. Eurostat, the statistical office of the European Union, expects inflation in the Eurozone to be 2.0 percent on average in May. In April it was 2.1 percent.

The Netherlands is still one of the countries in Europe with the lowest inflation. In the Eurozone inflation was only lower in Finland in April 2005; outside the Eurozone, Sweden also has lower inflation.