



# Press release

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## ***Inflation rate up to 1.8 percent in August***

The Dutch inflation rate in August 2005 reached 1.8 percent, up 0.2 percent point on June and July. Then prices were 1.6 percent higher than the year before according to the consumer price index of Statistics Netherlands. The increase is mainly due to price developments in petrol, gas, electricity, potatoes, vegetables and flowers.

The Dutch inflation rate according to the European harmonised method was 1.6 percent; 0.1 percent point higher than in July.

### ***Price rise of 0.4 percent in August***

In August consumer prices rose on average by 0.4 percent on July. Car fuels, gas and electricity became more expensive. The prices of vegetables, flowers and plants went up substantially. The prices of clothes and shoes increased because summer sales ended and the winter collection was introduced.

### ***Energy main cause of inflation***

The increase in consumer prices in August compared to July was larger this year than in 2004. Because of this, the inflation rate in August 2005 rose to 1.8 percent.

The price development of energy contributed even more to the inflation rate. In August gas, electricity and car fuels contributed 1.2 percent point. This was 1.0 percent point in July. The other articles contributed 0.6 percent point to the inflation rate.

Car fuels were on average 12.3 percent more expensive in August than in August 2004. In July this was 10.7 percent. After a rate increase in August, gas became 18.8 percent more expensive than a year ago and electricity 8.9 percent.

Fresh vegetables were 19.3 percent more expensive in August this year than in August 2004 and potatoes over 5 percent. Flowers were over 9 percent more expensive than the year before. In July fresh vegetables were only 3.1 percent more expensive than in July 2004, while potatoes were 12.1 percent cheaper and flowers 0.8 percent.

The inflation rate was reduced because of the price developments of clothes and shoes. The prices of these products increased in August compared to July, but not as much as in previous years. This made the price of clothing and shoes over 5 percent less than in August 2004.

### ***Dutch inflation rate stays low in the international context***

The Dutch inflation rate according to the European harmonised method (HICP) reached 1.6 percent in August 2005. This is 0.1 percent point higher than in June and July. Eurostat, the European statistical bureau, expects a lower inflation rate in the Eurozone in August, reaching an average of 2.1 percent. In July the inflation rate in the Eurozone was 2.2 percent.

The Netherlands again has one of the lowest inflation rates in Europe. In de Eurozone only Finland had a lower inflation rate in July 2005.