



Press release

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Inflation drops to 1.1 percent in February

Inflation in the Netherlands fell to 1.1 percent in February. This is 0.2 of a percent point down on January. In that month consumer prices were 1.3 percent higher than twelve months previously. According to Statistics Netherlands' consumer price index, the decrease is the consequence of developments in the prices of motor fuels, fresh vegetables and clothes.

Inflation according to the European harmonised method (HICP) was 1.4 percent in February.

Lower petrol prices curb inflation

Inflation was tempered by the prices of motor fuels in particular. Prices of petrol and LPG fell in February. The downward effect this had on inflation was intensified because the prices of these products rose substantially in February 2005. In February 2006 motor fuels cost 9.3 percent more on average than twelve months previously, but in January this was 14.0 percent.

Prices of clothes and clothing fabrics, too, had a downward effect on inflation. Although the prices did increase as the new summer collections arrived in the shops in February, the price increase was larger in February last year. As a result clothes and fabrics were 2.5 percent cheaper than twelve months ago.

Lastly, inflation fell as a result of prices of fresh vegetables. These cost 1.1 percent less in February than one year previously. In January they cost 6.3 percent more than twelve months previously.

Higher prices for non-alcoholic drinks and for flowers and pot plants had an upward effect on inflation.

Inflation according to European method 1.4 percent

Dutch inflation calculated according to the European harmonised method (HICP) was 1.4 percent in February. In January it was still 1.8 percent. Eurostat, the statistical office of the European Union, expects inflation in the eurozone to be 2.3 percent in February. In January it was 2.4 percent.

The Netherlands is one of the countries with the lowest rates of inflation. Only in Finland, Austria, Poland and Sweden was inflation lower in January. Dutch inflation has been below the eurozone average for two and a half years now.