Statistics Netherlands

Press release

PB12-061
8 November 2012
15:00 hrs

Inflation rises sharply to 2.9 percent

- **Highest inflation for four years**
- **Effect of VAT increase clearly visible**
- **Dutch inflation considerably higher than in eurozone**

According to figures released by Statistics Netherlands today, inflation in the Netherlands rose to 2.9 percent in October. This is the highest rate of inflation in the last four years. In September consumer prices were on average 2.3 percent higher than twelve months previously.

The main reason for the rise in inflation is the increase in the highest rate of VAT, from 19 to 21 percent. This pushed up prices of gas, petrol and telephone and internet services among other things. Not all products falling under the highest VAT rate cost more. The increase was not always passed on to consumers. Just over 42 percent of household spending is on products in the 21 percent VAT category.

In addition to the increase in VAT, food prices also contributed to the rise in inflation. As a result of disappointing crops, prices of fruit, vegetables and potatoes are higher than last year.

Inflation measured in accordance with the European harmonised method (HICP) rose to 3.3 percent for the Netherlands, the highest level for ten years. Inflation in the eurozone was 2.5 percent in. As a result of the VAT increase, inflation in the Netherlands is now considerably higher than that in the eurozone.

www.cbs.nl