

Statistics Netherlands: inflation remains low

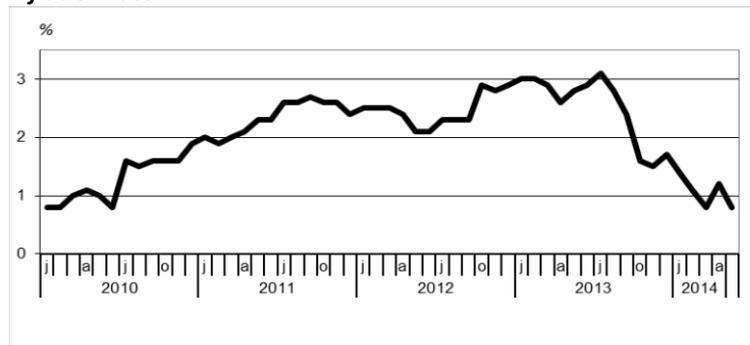
- Inflation rate 0.8 percent in May
- Holidays and food products cheaper
- Prices motor fuels up

Today, Statistics Netherlands announced that the Dutch inflation rate was 0.8 percent in May. After going up in April, the rate is now back at the level of March. Cheaper holidays and food products contributed to the lower inflation rate. Motor fuel prices rose in May.

Inflation rate back to the level of March

On average, Dutch consumer prices rose 0.8 percent in May 2014 relative to May 2013. In April, the rate jumped to 1.2 percent as a result of the higher demand for airline tickets and holiday accommodations during the Easter weekend. In May, the demand fell off and prices dropped. May's inflation rate is currently back at the level of March. In recent months, inflation has varied around 1 percent. This has not occurred since early 2010.

Inflation rate



Source: CBS

Food products cheaper, motor fuel prices up

Food products had a downward effect on inflation. Fresh vegetables and fruit in particular were on average cheaper than twelve months previously. Last year, fruit and vegetable prices had been relatively high due to the cold winter. During the last winter period, the weather was mild, resulting in lower prices compared to the previous winter period.

Motor fuel prices had an upward effect on inflation in May. Petrol prices have not been this high since September 2013.

Inflation rate in the Netherlands below eurozone level

To facilitate comparison, the inflation rates across the various EU countries are also calculated on the basis of the European harmonised consumer price index (HICP). The Dutch inflation rate according to the HICP fell to 0.1 percent in May, i.e. below the average eurozone inflation level of 0.5 percent. According to the European Central Bank (ECB), prices are stable if the inflation rate is close to 2 percent. The eurozone inflation rate has been below 2 percent since February 2013. The low level of inflation in the recent past has prompted the ECB to lower its interest rates on Thursday 5 June.