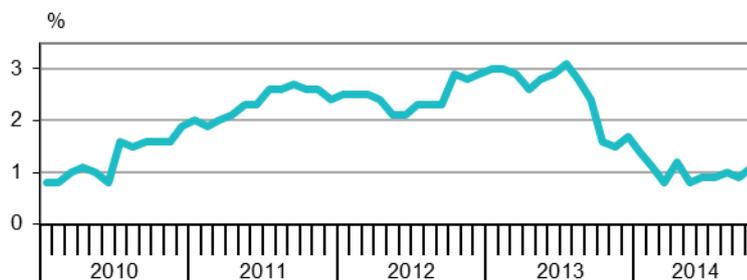


Statistics Netherlands: Inflation edges up to 1.1 percent

- **October's inflation rate at 1.1 percent**
- **Price developments smartphones contribute to higher inflation**
- **Dutch inflation equals eurozone rate**

Statistics Netherlands announced today that the inflation rate climbed to 1.1 percent in October. In September, the average price increase on an annual basis was 0.9 percent. Since the beginning of this year, the rate has varied around 1 percent. The eurozone inflation rate also remained low in October.

Inflation



Source: CBS

Price developments smartphones contribute to higher inflation

Smartphone retail prices had an upward effect on inflation in October. New, more expensive models were introduced on the consumer market; smartphone retail prices were more than 6 percent higher in October than in the same month last year. In September, retail prices for smartphone were distinctly below the level of one year previously. Food prices also contributed marginally to the higher inflation rate in October.

Motor fuel cheaper

Petrol prices fell in October to an average price level of 1.68 euros per litre, mainly because crude oil prices dropped to the lowest level in almost four years. The price reduction was partially offset by the devaluation of the euro against the US dollar.

Low inflation on a par with collectively negotiated wage increase

Inflation remained low in October 2014. After a long period during which the collectively negotiated wage increase was below the level of inflation, the two have been almost equal since the beginning of this year. If collectively negotiated wages rise less rapidly than inflation, this does not necessarily imply that employees lose purchasing power, as net wages also depend on social security contributions, wage tax and the contributions employees pay into their pension schemes.

Inflation in the Netherlands the same as in the eurozone

The European harmonised consumer price index (HICP) is used to compare the inflation rates in the various EU countries. A major difference with inflation calculated according to the Dutch method is that costs related to house ownership are not incorporated in the HICP.

In October, Dutch inflation calculated according to the HICP method was 0.4 percent, the same as the average rate across the eurozone. In the eurozone's largest economy, Germany, inflation is higher than in the Netherlands. In Italy, the inflation rate is marginally lower and Spain has a negative inflation rate. According to the ECB, prices are stable, if the inflation rate is below, but close to, 2 percent. During the past twelve months, the eurozone inflation rate has been below 1 percent.