



# Press release

Statistics Netherlands

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## Consumer price index July 1999

Consumer prices in the Netherlands did not change much on average in July, according to Statistics Netherlands. There were several major price rises, such as the 3.1% rent increase for housing. On the other hand, clothing, shoes, fresh vegetables and potatoes became much cheaper.

The inflation rate, that is the price developments compared to a year ago, is down slightly to 2.1%. According to the European standards, however, the Netherlands has one of the highest inflation rates in the European Union.

### Rents raised less than in 1998

The annual rent increase on 1 July was on average lower than in the previous years. The preliminary figures for 1999 are 3.1% against 3.4% in 1998. This means that the trend to lower rent increases continues. The percentage changes in rent paid for housing on 1 July were:

Year	rent increase
July 1992	5.6%
July 1993	5.4%
July 1994	5.1%
July 1995	4.5%
July 1996	4.1%
July 1997	3.8%
July 1998	3.4%
July 1999	3.1%

### Clothing and vegetables cheaper; petrol more expensive

Apart from rent increases July saw increases in petrol price and holiday accommodations.

On the other hand there were major drops in the prices of clothing and shoes, which became almost 10% cheaper. This is normal for the time of the year. Fresh fruit and vegetables and potatoes also became cheaper. Fresh vegetables had been quite expensive since October 1998, but fell in price by some 20% in the last two months. Potatoes, which had been very expensive since November became about 20% cheaper this last month.

Furthermore there were lower rates for gas and telephone.

### Inflation down somewhat

Dutch inflation is measured by comparing the consumer price index in one month with that of the same month the year before. In July the inflation rate dropped to 2.1%, while it had been 2.3% in June. The main causes are the price changes of potatoes, vegetables and fruits, the telephone rates and the rent.

### Derived consumer price index

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The derived CPI of statistics Netherlands shows the effect of changes in rates without the effects of indirect and consumption based taxes. The derived CPI for all households was down 0.1 in July on June and 1.5% up on July 1998.

### **Harmonised consumer price index**

In March 1997 Statistics Netherlands introduced the harmonised CPI for the purpose of comparison with other EU countries for the Netherlands, while continuing the normal national CPI. The harmonised CPI is not as good an indicator of the national inflation rate.

In June the average inflation rate for the EU countries was 1.0% and for the Euro zone 0.9%. In June the Dutch inflation rate according to the harmonised index was 2.1%. This placed the Netherlands, together with Spain, Portugal and Ireland, among the highest inflation rates in the Euro zone. The four EU member states that do not yet belong to the Euro zone had lower inflation rates than the Netherlands between June 1998 and 1999.

It is the first time since the harmonised CPI started that the Netherlands had the highest inflation rate observed. Statistics Netherlands has to add that the inflation rate in the country has been stable for months, whereas inflation fell in some other European countries including Greece, Ireland and Portugal.

The harmonised index for the Netherlands in July was down 0.6% on June. According to the harmonised CPI the Dutch inflation rate fell to 1.8%. There is no data on July available for the other European countries yet.