



Press release

Statistics Netherlands

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Inflation averaged 2.6% in 2000

Consumer prices were 2.6% higher on average in 2000 than in 1999. This is the highest annual average inflation rate since 1994. The rate increased in the course of the year, from around 2% in the first quarter to nearly 3% in the last quarter according to figures from Statistics Netherlands. Higher energy prices were the main cause of inflation.

The rate of inflation for December last year was 2.9%, 0.1 of a percent point higher than in November. Price increases for energy products are levelling off, putting their effect on inflation at 1.0 percent point, while prices for other items are increasing.

Energy prices significant for inflation in 2000

Higher prices of energy products were one of the main causes of inflation in 2000. Motor fuels and electricity cost 17% more and gas was on average 12% more expensive than in 1999. The direct contribution by these energy products to the inflation rate in 2000 was 1.1 percent points.

Although the higher prices of energy products were mainly caused by higher prices on the world oil market, higher energy tax rates and an increase on excise duty on motor fuels also constituted a substantial part of the price increase in this sector (0.3 of a percent point). It should be mentioned in this respect that prices of motor fuels have dropped sharply in the last two months.

Prices of other items increased in the course of 2000

Prices of non-energy products accounted for an average 1.5 percent points of inflation in 2000. In 1999 their contribution was still as high as 1.9 percent points. On average, food and soft drinks cost 0.9% more. In 1999 prices of these products rose by 1.3%. Clothing and footwear were slightly cheaper in 2000 than in 1999, and rent increases were smaller. Lastly, inflation in 2000 was curbed by the abolition of the TV licence fee. The effect of this, which will have worn off in figures from January 2001, was around 0.4 of a percent point.

The share of non-energy items in inflation did show a clearly upward trend in the course of 2000. In January 2000 their share was 1.0 percent point, while in December it had risen to 1.9 percent points. Half of this increase was caused by increasing food prices, in particular for potatoes and vegetables. These products were substantially cheaper in the first half of 2000 than in the first half of 1999, when they

Statistics Netherlands
Press Office

P.O. Box 4000
2270 JM Voorburg
The Netherlands
tel. +31 70 337 58 16
fax +31 70 337 59 71
e-mail:
persdienst@cbs.nl

Statistics Netherlands
is a department of
the Ministry of
Economic Affairs

were relatively high. In the second half of 2000 prices of vegetables and potatoes were higher than in the previous year.

Inflation 2.9% in December

The rate of inflation for December last year was 2.9%, down from 3.0% in November. With 3.1%, October had the highest monthly rate of inflation last year. Lower petrol prices pushed down inflation in the last two months of the year.

Prices down by an average 0.4% in December.

On average, consumer prices fell by an average 0.4% between November and December 2000. Price decreases are quite usual in December. Clothes and shoes were 6.5% cheaper because of the winter sales, and consumers also had to pay less for petrol and fruit. The special December stamps reduced the rates for postal services. Fresh vegetables and margarine were more expensive,

Derived consumer price index

The derived index for low-income employee households in 2000 was on average 2.1% higher than in 1999. This index is often used to adjust charges for public services, and for wage agreements and other contracts. The higher energy taxes accounted for 0.3 of a percent point of the difference between the derived index and total average inflation. Another 0.1 of a percent point is the consequence of the different basket of goods and services in this index.

The derived consumer index for employee households in the low income bracket was 2.6% higher in December than one year previously.

Harmonised consumer price index

In addition to the national consumer price index, Statistics Netherlands also calculates the European harmonised consumer price index for the Netherlands. This index is a component of the Eurozone inflation rate, the official guideline for the monetary policy of the European Central Bank. In 2000 inflation in the Netherlands according to the harmonised index was on average 2.3%.

In December the Dutch rate according to the harmonised index was 2.9%. In November, too, it was 2.9%, the same as the average for the Eurozone in November.

The December figures for the Eurozone and for all the countries in the European Union will be published by Eurostat on 22 January.

For further information, please contact J. Walschots, tel. + 31 70 337 55 11; e-mail: jwas@cbs.nl.