



Press release

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Inflation down again in February

Inflation was 3.8% in the Netherlands in February 2002, 0.2 of a percent point lower than in January. The fall was caused by lower prices for fresh vegetables, and a smaller increase in the prices of clothes and shoes than in February last year, according to Statistics Netherlands consumer price index.

Inflation according to the European harmonised index was 0.4 of a percent point lower at 4.5%.

The Netherlands no longer had the highest rate of inflation in the European Union in January. It was second with 4.9 percent, behind Ireland where inflation was 5.2%.

Various reasons for fall in inflation

Consumer prices were on average 3.8% higher in February 2002 than twelve months previously. In January this difference was 4.0%. There were various reasons for the fall. Fresh vegetables were cheaper than in January: although they still cost 19% more in February than in the same month last year, in January this difference was 24%.

Clothing and footwear, too, pushed inflation down last month. In 2001 clothes and shoes were on average 1.8% more expensive than in 2000. In December 2001 and January 2002 prices of these items fell by less than twelve months previously, so that prices in January 2002 were more than 7% higher than in January 2001. This is probably down to the late start of the end-of-year sales. In February the summer collection was already being introduced in many shops and the price increase on an annual basis was down to just over 5%.

Tobacco and petrol cost about the same in February, while last year prices for these articles rose in the same month. As these price increases no longer contribute to inflation from February onwards, this resulted in a 0.1 percent point fall.

Prices rose by 0.4 percent in February

Prices rose by an average 0.4 percent between January and February 2002. The largest part of this increase can be attributed to higher prices for clothing. This is quite usual in February as the summer collections are introduced in the shops.

Prices of fresh vegetables fell by nearly 9%. Fresh fruit, flowers and plants

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cost more, however. Higher prices were also reported in restaurants, cafés and bars. Holiday accommodation was also more expensive, which is also quite usual because of the half-term holidays.

Derived consumer price index

Inflation in terms of the derived consumer price index for low-income employee households was 3.7% in February 2002, 0.3 of a percent point down on January. This index is often used to adjust tariffs of public services, and for wage negotiations and other contracts.

Inflation according to the European norm

Statistics Netherlands not only compiles the national consumer price index, but also the European harmonised consumer price index for the Netherlands (HICP). This index is used for the inflation rate of the Eurozone which is an official guideline for the monetary policy of the European Central Bank.

In February 2002 inflation in the Netherlands according to the HICP was 4.5%, 0.4 of a percent point lower than in January. This is a larger decrease than according to the national definition, mainly because of the developments in prices of articles bought outside the Netherlands: these are included in the package of goods and services of the national consumer price index, but not that for the HICP.

Inflation in the Netherlands according to the HICP fell from 5.1% to 4.9% between December 2001 and January 2002. In the same period inflation in the Eurozone increased from 2.0 to 2.7%. This contradictory development was partly caused by the removal of the effect of the increase in VAT and ecotax in January 2001 from the Dutch figure.

In the whole of 2001 except March the Netherlands had the highest inflation in the Eurozone. This is no longer the case. The Netherlands is now in second place behind Ireland where inflation was 5.2% in January.

Eurostat, the statistical office of the European Union, will publish January rates for all individual EU countries, the EU and the Eurozone on 18 March. It expects inflation in the Eurozone to be 2.5 percent in February.

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