

Dutch inflation continues its slow downward trajectory in December

Dutch headline inflation fell from 2.6% in November to 2.5% in December, helped by lower fuel, accommodation and entertainment ticket inflation. Core inflation is slowly moving in the right direction, but it remains elevated. This makes energy prices the main driver of a further expected deceleration of HICP inflation in 2026



Lower fuel, accommodation and entertainment prompted a drop in the headline rate, but core inflation remains elevated in the Netherlands

Services and beverages keep headline elevated

Services inflation is the main reason that inflation in the Netherlands is not yet where it should be. This measure, however, dropped from 4.1% year-on-year in November to a still-elevated 3.7% in December. Food and beverages also explain why headline inflation is not at the target yet in the Netherlands, and didn't even contribute to the deceleration, with food, beverages and tobacco inflation remaining at 3.1% YoY. This is yet again higher than the average in the eurozone, as is the case in all the main categories.

At the same time, non-energy industrial goods inflation increased from a low 0.5% to a still modest 0.9% in December. Energy and fuel inflation dropped from a 0.8% YoY increase in November to a price fall of -0.4% YoY in December.

Deceleration thanks to fuel, accommodation and tickets for cinemas, theatres and concerts

Zooming in on specific products, fuel, accommodation, and recreational and cultural services such as tickets for cinemas, theatres and concerts provides the largest contribution to the deceleration of inflation. Fuel and holiday resorts were even cheaper than in December 2024, which was also the case for a lot of electronic equipment, telephone services and vegetables. On the other hand, jewellery, clocks and watches, car insurance and beverages increased most in price – all more than 10%.

Energy to the rescue in 2026

Core inflation dropped slightly, from 2.7% YoY in November to 2.6% in December. While this indicates further improvement in underlying price pressures, it also shows that the cooling is not yet enough for a durable transition below the 2% target for the eurozone. Selling price expectations of Dutch businesses for the months ahead still remain above long-term averages, according to the European Commission's survey of December. At the start of this year, the government raised the VAT rate on accommodation from 9% to 21% and hiked the fuel tax.

Going forward, the expected negative contribution of energy prices, in particular, will prompt headline HICP inflation to approach the 2% target in our baseline forecast for 2026.

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