

SHARP RISE IN EURO-ZONE INFLATION

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inflation rates above 5%.

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Eurostat, the statistics agency of the European Union, has released its [inflation flash estimate for March](#). Annual inflation for the euro area is now at 7.5%, a significant increase from 5.9% in February.

Energy prices led the inflation spike, with an annual increase of 44.7%. Food prices rose by 5%, with prices on unprocessed food inflating by 7.8% and processed food by 4.1%. Inflation for industrial products outside of energy was 3.4%. Services, which account for almost 42% of the price index, experienced an inflation rate of 2.7%.

All euro-zone member states except Malta now have annual inflation rates above 5%. The rate exceeds 10% in four countries: Lithuania (15.6%), Estonia (14.8%), Netherlands (11.9%), and Latvia (11.2%). This is up from two countries in February (Lithuania at 14% and Estonia at 11.6%). The lowest inflation rates in March were recorded in Malta (4.6%), Portugal (5.5%) and Finland (5.6%).

In March 2021, Luxembourg had the highest inflation rate (2.5%) followed by Austria and Germany (2.0%). Ireland, Malta, Portugal, and Slovenia had the lowest inflation rates at 0.1% while Greece was experiencing deflation (-2.0%).

European inflation is now at U.S. levels. According to the Bureau of Labor Statistics, consumer-price inflation was 7.5% in January and 7.9% in February. While still rising modestly, U.S. inflation is showing signs of having reached a peak. Producer-price inflation has remained at approximately 20% since July last year.

Inflation figures for the U.S. economy for March will be released by the Bureau of Labor

Statistics on April 12th and 13th.