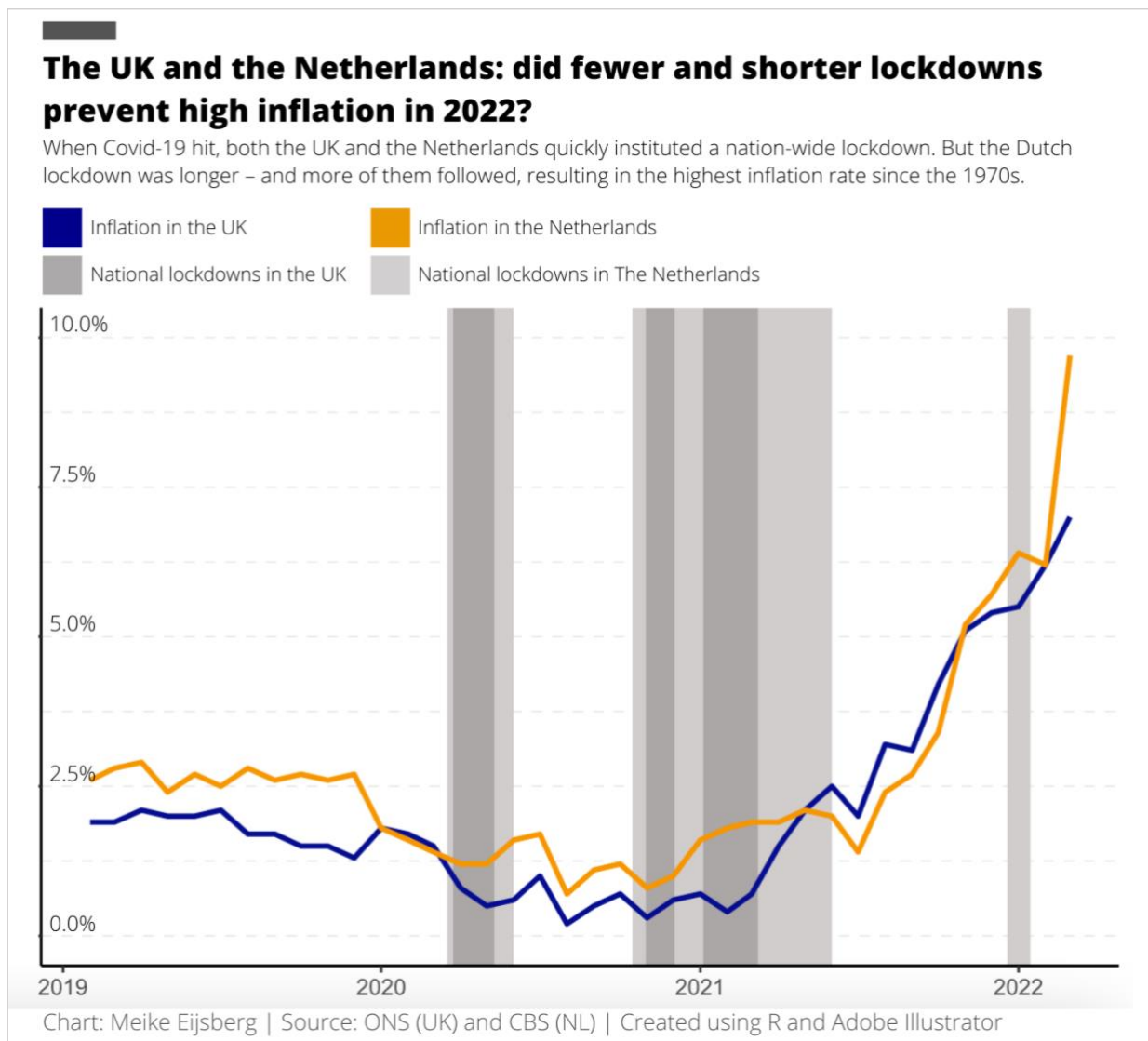


Record inflation rates in the UK and the Netherlands

Inflation rates in the UK and the Netherlands are at a historic high, hitting 7% in March in the UK, and 9.7% in the Netherlands. Such rates haven't been observed since the early 1980s and late 1970s, respectively.



Countries everywhere are struggling with price increases. This began in November 2021, when most European economies reopened as more and more Covid-19 restrictions were lifted.

[According to the European Central Bank \(ECB\)](#), the increased inflation is the result of our economy opening *fast*. The lockdowns of 2020 and 2021 caused significant disruptions to the supply chains, which are now struggling with a sudden increased demand.

“People have started travelling again and going to restaurants. They are buying more, spending some of the money they couldn’t spend during the lockdowns,” the European Central Bank (ECB) [wrote at the time](#), explaining the situation.

It seems that, the longer the lockdowns, the higher the inflation in that country. This, at least, appears to be the case when comparing the UK to the Netherlands. The UK enforced shorter and more frequent lockdowns, its last national one ending in March 2021. The Netherlands, however, was locked down from mid-March to June in 2020 and from mid-December 2020 to June 2021 – a staggering 5.5 months. But it wasn't the last one: when the Omicron variant turned up in December 2021, the Netherlands implemented another month-long lockdown, ending in mid-January 2022.

When the UK's last national lockdown ended, its inflation rate shot up. The Netherlands wasn't far behind but, due to the month-long winter lockdown at the start of 2022, it dipped for a bit. The second those restrictions were lifted, inflation increased immensely and passed that of the UK.

The ECB predicted inflation to go down over the course of 2022. But the war in Ukraine changed that outlook. "Before the invasion of Ukraine, the economy was recovering," the ECB said in [an interview with Bloomberg](#). Now, they explained, "we'll see higher inflation and lower growth."