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(Acts whose publication is obligatory)

COUNCIL REGULATION (EC) No 2494/95
of 23 October 1995
concerning harmonized indices of consumer prices

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 213 thereof,

Having regard to the proposal from the Commission ⁽¹⁾,

Having regard to the opinion of the European Parliament ⁽²⁾,

Having regard to the opinion of the European Monetary Institute ⁽³⁾,

Having regard to the opinion of the Economic and Social Committee ⁽⁴⁾,

Whereas Article 109j of the Treaty requires the Commission and the EMI to report to the Council on the progress made by the Member States in the fulfilment of their obligations regarding the achievement of economic and monetary union in respect of a high degree of price stability;

Whereas Article 1 of the Protocol on the convergence criteria referred to in Article 109j of the Treaty states that the required sustainable price performance for Member States should be in terms of inflation measured by means of the consumer price index on a comparable basis, taking into account differences in national definitions; whereas existing consumer price indices are not compiled on a directly comparable basis;

Whereas there is a need for the Community and particularly its fiscal and monetary authorities to have regular and timely consumer price indices for the purpose of providing comparisons of inflation in the macro-

economic and international context as distinct from indices for national and micro-economic purposes;

Whereas it is recognized that inflation is a phenomenon manifesting itself in all forms of market transactions including capital purchases, government purchases, payments to labour as well as purchases by consumers; whereas it is recognized that a range of statistics, of which consumer price indices form an essential part, is relevant for an understanding of the inflationary process at national level and between the Member States;

Whereas comparable indices of consumer prices may be produced instead of or in addition to similar indices of consumer prices already produced or to be produced in future by Member States;

Whereas the production of comparable indices will involve costs to be allocated between the Community and Member States;

Whereas, according to the principle of subsidiarity, the creation of common statistical standards for consumer price indices is a task that can be dealt with effectively only at Community level and whereas the collection of data and compilation of comparable consumer price indices will be implemented in each Member State under the aegis of the organizations and institutions responsible for compiling official statistics at national level;

Whereas, with a view to the achievement of economic and monetary union, a consumer price index will be needed for the Community as a whole;

Whereas the Statistical Programme Committee (SPC), established by Council Decision 89/382/EEC, Euratom ⁽⁵⁾, has given a favourable opinion on the draft Regulation,

⁽¹⁾ OJ No C 84, 6. 4. 1995, p. 7.

⁽²⁾ OJ No C 249, 25. 9. 1995.

⁽³⁾ Opinion delivered on 31 March 1995 (OJ No C 236, 11. 9. 1995, p. 11).

⁽⁴⁾ OJ No C 236, 11. 9. 1995, p. 11.

⁽⁵⁾ OJ No L 181, 28. 6. 1989, p. 47.

HAS ADOPTED THIS REGULATION :

Article 5

Article 1

Aim

The aim of this Regulation is to establish the statistical bases necessary for arriving at the calculation of comparable indices of consumer prices at Community level.

Article 2

Definitions

For the purposes of this Regulation, the following definitions shall apply :

- (a) **Harmonized index of consumer prices (HICP)**: the comparable index of consumer prices produced by each Member State ;
- (b) **European index of consumer prices (EICP)**: the consumer price index produced for the Community by the Commission (Eurostat), based on the HICPs of Member States ;
- (c) **Monetary Union index of consumer prices (MUICP)**: the consumer price index produced in the context of Economic and Monetary Union by the Commission (Eurostat) based on the HICPs of Member States without a derogation under Article 109k of the Treaty, as long as such derogations exist.

Article 3

Scope

The HICP shall be based on the prices of goods and services available for purchase in the economic territory of the Member State for the purposes of directly satisfying consumer needs. Questions concerning weighting shall be decided on by the Commission under the procedure laid down in Article 14.

Article 4

Comparability

HICPs shall be considered to be comparable if they reflect only differences in price changes or consumption patterns between countries.

HICPs which differ on account of differences in the concepts, methods or practices used in their definition and compilation shall not be considered comparable.

The Commission (Eurostat), shall adopt rules to be followed to ensure the comparability of HICPs under the procedure laid down in Article 14.

Timetable and derogations therefrom

1. The measures necessary to achieve comparable indices of consumer prices shall be implemented in stages, as follows :

(a) *Stage I:*

By March 1996 at the latest, the Commission (Eurostat), shall, in collaboration with Member States, produce for the purposes of the report referred to in Article 109j of the Treaty ('convergence criteria') an interim set of indices of consumer prices for each Member State. These indices shall be based wholly on data underlying existing national consumer price indices, adjusted in particular as follows :

- (i) to exclude owner-occupied housing ;
- (ii) to exclude health and educational services ;
- (iii) to exclude certain other items not covered or treated differently by a number of Member States.

(b) *Stage II:*

The HICP shall start with the index for January 1997. The common index reference period shall be the year 1996. The estimates of price changes for the twelve months prior to January 1997 and subsequent months shall be established on the basis of the indices for 1996.

2. Where necessary the Commission (Eurostat) may, at the request of a Member State and after consulting the EMI, grant derogations from the provisions of paragraph 1 not exceeding a period of one year where the Member State concerned has to make significant adjustments to its statistical system in order to fulfil its obligations under this Regulation.

3. The implementing measures for this Regulation which are necessary for ensuring the comparability of HICPs and for maintaining and improving their reliability and relevance shall be adopted, after consultation of the EMI, in accordance with the procedure laid down in Article 14.

Article 6

Basic information

The basic information shall be those prices and weightings of goods and services which it is necessary to take into account in order to achieve comparability of indices as defined in Article 4.

That information shall be obtained from statistical units as defined in Council Regulation (EEC) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community⁽¹⁾ or from other sources, provided that the comparability requirements for indices referred to in Article 4 of this Regulation are met.

⁽¹⁾ OJ No L 76, 30. 3. 1993, p. 1.

*Article 7***Sources**

The statistical units called upon by the Member States to cooperate in the collection or provision of price data shall be obliged to allow observation of the prices actually charged and to give honest and complete information at the time it is requested.

*Article 8***Frequency**

1. The HICP, EICP and MUICP shall be compiled each month.
2. The required frequency of price collection shall be once a month. Where less frequent collection does not preclude production of an HICP which meets the comparability requirements referred to in Article 4, the Commission (Eurostat) may allow exceptions to monthly collection. This paragraph shall not preclude more frequent price collection.
3. The weightings of the HICP shall be updated with a frequency sufficient to meet the comparability requirement laid down in Article 4. This paragraph shall not require family budget surveys to be carried out more frequently than once every five years, except in Member States which, under the procedure in Article 14, are acknowledged as experiencing changes in consumption patterns such as to make more frequent surveys necessary.

*Article 9***Production of results**

Member States shall process the data collected in order to produce the HICP, which shall be a Laspeyres-type index, covering the categories of the Coicop international classification (classification of individual consumption by purpose)⁽¹⁾, which shall be adapted under the procedure in Article 14 to establish comparable HICPs. The methods, procedures and formulae to ensure that the comparability requirements are met shall be determined by the same procedure.

*Article 10***Transmission of results**

Member States shall transmit the HICPs to the Commission (Eurostat) within a period which shall not exceed thirty days from the end of the calendar month to which the indices relate.

*Article 11***Publication**

The HICP, the EICP, the MUICP and corresponding subindices for a set of categories within those referred to in Article 9, selected by the procedure laid down in Article 14, shall be published by the Commission (Eurostat) within a period which shall not exceed five working days from the end of the period referred to in Article 10.

*Article 12***Comparability of data**

Member States shall provide the Commission (Eurostat) at its request with information, *inter alia* that collected pursuant to Article 6, at the level of detail necessary to evaluate compliance with the comparability requirements and the quality of the HICPs.

*Article 13***Funding**

The implementing measures for this Regulation shall be adopted taking the greatest account of cost-effectiveness and on condition that no major additional resources are needed in a Member State, unless the Commission (Eurostat) bears two-thirds of the additional costs until the end of the second year of implementation of those measures.

*Article 14***Procedure**

1. The Commission shall be assisted by the Statistical Programme Committee, (hereinafter referred to as 'the Committee').
2. The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit which the Chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148 (2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The Chairman shall not vote.

The Commission shall adopt the measures envisaged if they are in accordance with the opinion of the Committee.

If the measures envisaged are not in accordance with the opinion of the Committee, or if no opinion is delivered, the Commission shall, without delay, submit to the Council a proposal relating to the measures to be taken. The Council shall act by a qualified majority.

⁽¹⁾ Published by the United Nations, series F No 2, revision 3, table 6.1, amended by the OECD (DES/NI/86.9), Paris 1986.

If, on the expiry of a period of three months from the date of referral to the Council, the Council has not acted, the proposed measures shall be adopted by the Commission.

Article 15

Review

After consulting the Committee, the Commission (Eurostat) shall, within two years of the date of entry into force of this Regulation and again within two years thereafter, submit a report to the Council on the HICPs established pursuant to this Regulation and in particular

on their reliability and compliance with the comparability requirements.

In those reports, the Commission shall state its views on the operation of the procedure described in Article 14 and shall propose any amendments it considers appropriate.

Article 16

Entry into force

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 23 October 1995.

For the Council

The President

P. SOLBES MIRA
