Consumer price indices CPI: approximation

1995/0009(CNS) - 19/10/2005 - Implementing legislative act

PURPOSE: to lay down detailed rules for the implementation of Council Regulation 2494/95/EC as regards the common index reference period for the harmonised index of consumer prices, and amending Regulation 2214/96/EC.

LEGISLATIVE ACT: Commission Regulation 1708/2005/EC.

CONTENT: The aim of this Regulation is to establish common rules for determining certain index reference periods in order to ensure that the resulting Harmonised Indices of Consumer Prices (HICPs) are comparable and relevant.

There shall be three types of common reference or base periods used in the construction of HICPs which may be chosen independently of each other, namely:

(a) The ‘weighting reference period’ is as defined in Article 2 of Commission Regulation 2454/97/EC.

(b) The ‘price reference period’ is the period from which the current price change is measured and for which prices are used as denominators in the index calculations; it refers to the prices used for the volume valuation in the HICP weights.

(c) The ‘index reference period’ is the period for which the index is set to 100 index points.

The HICP common index reference period shall be set at 2005 = 100. The full time series of the HICP all-item indices and subindices shall be rescaled to another common index reference period when deemed appropriate. Upon updates, the full time series of all HICPs and HICP sub-indices shall be rescaled to the common index reference period. The rescaling to the new index reference period shall take effect with the index for the January of the following calendar year.

The Commission (Eurostat) may update the index reference period after consulting the Statistical Programme Committee established by Decision 89/382/EEC, Euratom. Any additional COICOP/HICP sub-indices to be integrated within the HICP shall be linked in December at the level of 100 index points and take effect with the index for the following January.

ENTRY INTO FORCE: 09/11/2005.