

Compendium of HICP reference documents

2013 edition

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Foreword

To achieve the objectives set by the Treaty of the European Union, and more specifically Economic and Monetary Union, we need high-quality statistical instruments which provide the Community institutions, governments and economic and social operators with a set of harmonised and reliable statistics on which to base their decisions. The Harmonised Indices of Consumer Prices (HICPs) are a milestone example of such harmonised statistics. They draw on the experience and expertise of the European Statistical System price expert members, user representatives from the European Central Bank and other main users.

The HICPs are calculated according to a regulated set of definitions. This harmonisation work has been conducted by Eurostat through numerous expert group meetings and discussions in specialised task forces. As a result, HICPs provide the best statistical basis for international comparisons of consumer price inflation in the European perspective, covering all areas of household final monetary consumption expenditure. The Euro area HICP is the key indicator of price stability recognised by European Central Bank (ECB) and the European System of Central Banks, playing an important role in measuring our economies.

Eurostat is deeply grateful to all partners, and especially National Statistical Offices, for the perseverance and expertise with which they help Eurostat to accomplish the complex past, present and future harmonisation work.

The result of this collaborative effort is the achievement of a harmonised methodology, built on a solid evolving and expanding legal basis. The legal framework ensures reinforced comparability, through numerous amendments and improved compilation rules that better reflect methodologic realities. This programmed and responsive work results in inflation data with a high degree of comparability, reliability and timeliness.

This Compendium is meant as a documentation tool. Its aim is to facilitate the work of our main users and partners in finding, in a single working document, the extensive harmonised consumer price indices legislative framework, recommendations and information notes in force.

The first Compendium on HICP reference documents was published in 2002. In this new edition of the Compendium the legislation chapter has been updated and the Recommendations chapter replaces the Guidelines chapter. The chapter on General references has been removed. The Recommendations chapter regards topics discussed during the Price Statistics Working Group and the Task Force Quality Improvement.

The Legislation chapter is presented in this Compendium in a consolidated manner, i.e. integrating existing amendments in the originally published versions, when applicable. In documentary terms, the consolidated legal texts represent, at the time of publication of this Compendium, the actual rules in force. The reference to the amending regulation or regulations are placed after the title and the amendments inserted in the main text.

The entry into force of the original regulations and its amendments differs and might be important for understanding datasets evolution and explain some breaks in the series. Because of that, in case of different dates of entry into force, these are indicated in each regulation.

In this document, the orthography ‘harmonized’ used in the first legislation adopted in the nineties has been reconciled with the orthography used in the latest regulations: ‘harmonised’. Yet, for historical reasons, both orthographies can still be found in many documents.

At the end of this Compendium users can find a series of useful links and contact points, for further information.

July 2013

HICP Legislation

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1.1. Framework regulation (1995, 2003, 2009)

Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices (*)

Amended by:	Entry into force:
<p>► M1 Regulation (EC) No 1882/2003 of the European Parliament and of the Council of 29 September 2003 (OJ L 284, 31.10.2003, p.1)</p>	20.11.2003
<p>► M2 Regulation (EC) No 596/2009 of the European Parliament and of the Council of 18 June 2009 (OJ L 188, 18.7.2009, p. 14)</p>	7.8.2009

(Text with EEA relevance)

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 recognised 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;

(*) [OJ L 257, 27.10.1995, p. 1.](#)

⁽¹⁾ OJ C 84, 6.4.1995, p. 7.

⁽²⁾ OJ C 249, 25.9.1995.

⁽³⁾ Opinion delivered on 31 March 1995 ([OJ C 236, 11.9.1995, p. 11](#)).

⁽⁴⁾ OJ C 236, 11.9.1995, p. 11.

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,

HAS ADOPTED THIS REGULATION:

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) Harmonised 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 ► **M2 in Article 14(2)** ◀.

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.

▼M2

The Commission (Eurostat) shall adopt rules to be followed to ensure the comparability of HICPs. Those measures, designed to amend nonessential elements of this Regulation by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(3). ◀

⁽⁵⁾ OJ L 181, 28.6.1989, p. 47.

Article 5

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.

▼M2

3. The Commission shall adopt implementing measures for this Regulation which are necessary in order to ensure the comparability of HICPs and to maintain and improve their reliability and relevance. Those measures, designed to amend non-essential elements of this Regulation by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(3). The Commission shall request the ECB to provide an opinion on the measures which it proposes to submit to the Committee. ◀

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 ⁽⁶⁾ or from other sources, provided that the comparability requirements for indices referred to in Article 4 of this Regulation are met.

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.

⁽⁶⁾ OJ L 76, 30.3.1993, p. 1.

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 ►M2 in Article 14(2)◄, are acknowledged as experiencing changes in consumption patterns such as to make more frequent surveys necessary.

▼M2

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) ⁽⁷⁾, which shall be adapted by the Commission for the purposes of establishing comparable HICPs. The Commission shall determine the methods, procedures and formulae to ensure that the comparability requirements are met. Those measures, designed to amend non-essential elements of this Regulation, *inter alia*, by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(3). ◀

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 ►M2 in Article 14(2)◄, 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.

▼M2 (ex-M1)

Article 14

Committee procedure

1. The Commission shall be assisted by the Statistical Programme Committee established by Council Decision 89/382/EEC, Euratom ⁽⁸⁾, hereinafter referred to as 'the Committee'.

⁽⁷⁾ Published by the United Nations, series F No 2, revision 3, table 6.1, amended by the OECD (DES/NI/86.9), Paris 1986.

⁽⁸⁾ [OJ 181, 28.6.1989, p. 47.](#)

2. Where reference is made to this paragraph, Articles 5 and 7 of Council Decision 1999/468/EC ⁽⁹⁾ shall apply, having regard to the provisions of Article 8 thereof.

The period laid down in Article 5(6) of Decision 1999/468/EC shall be set at three months.

3. Where reference is made to this paragraph, Article 5a(1) to (4) and Article 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof. ◀

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.

▼M2

In those reports, the Commission shall state its views on the operation of the procedures 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*. [↔ 16.11.1995]

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

⁽⁹⁾ [OJ L 184, 17.7.1999, p. 23.](#)

1.2. Initial implementing measures (1996, 1998, 2007)

Commission Regulation (EC) No 1749/96 of 9 September 1996 on initial implementing measures for Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices (*)

Amended by:	Entry into force:
► M1 Council Regulation (EC) No 1687/98 of 20 July 1998 (OJ L 214, 31.7.1998, p. 23)	21.8.1998
► M2 Council Regulation (EC) No 1688/98 of 20 July 1998 (OJ L 214, 31.7.1998, p. 23)	21.8.1998
► M3 Commission Regulation (EC) No 1334/2007 of 14 November 2007 (OJ L 296, 15.11.2007, p. 22)	5.12.2007

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular Articles 4 and 5 (3) thereof,

Whereas each Member State is required to produce a harmonised index of consumer prices (HICP) starting with the index for January 1997;

Whereas Article 3 of Regulation (EC) No 2494/95 requires that the scope of the HICP shall be the goods and services available for purchase in the economic territory of the Member State for the purposes of directly satisfying consumer needs;

Whereas the coverage of the existing consumer price indices produced by the Member States, practices followed for the inclusion of newly significant goods and services, procedures for adjusting prices for quality changes of the items priced, methods of combining prices to form price indices for elementary aggregates, or sampling methods and practices for obtaining prices differ between Member States to the extent that the resulting consumer price indices produced by the Member States fail to meet the comparability requirement necessary for the production of the HICP;

Whereas the practice of using previous prices as substitutes for the current monthly prices differs from the use of prices collected to the extent that the resulting consumer price indices produced by the Member States fail to meet the comparability requirement necessary for the production of the HICP;

Whereas it is necessary to include newly significant goods and services in both HICPs the weights of which are updated annually and those the weights of which are updated less frequently;

Whereas implementing measures are necessary for ensuring comparability of HICPs in accordance with Article 5(3) of Regulation (EC) No 2494/95;

(*) [OJ L 229, 10.9.1996, p. 3.](#)

(¹) [OJ L 257, 27.10.1995, p. 1.](#)

Whereas in accordance with Article 15 of Regulation (EC) No 2494/95, the Commission (Eurostat) is required to submit a report to the Council on the reliability of the HICP's and their compliance with the comparability requirements;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee (SPC), established by Council Decision 89/382/EEC, Euratom ⁽²⁾;

Whereas the European Monetary Institute has been consulted in conformance with Article 5 (3) of Regulation (EC) No 2494/95 and has given a positive opinion,

HAS ADOPTED THIS REGULATION:

I. GENERAL PROVISIONS

Article 1

Aim

The aim of this Regulation is to establish for the purpose of the production of a comparable harmonised index of consumer prices (HICP) produced by each Member State:

- the ►M1 _____ ◀ coverage of goods and services as well as comparable practices for updating the coverage to include newly significant consumer goods and services,
- minimum standards for the procedures of quality adjustment,
- minimum standards for the prices used,
- the formula for compiling price indices for the elementary aggregates.

The aim is also to ensure that the sampling of prices is such that the HICPs are sufficiently reliable for the purpose of international comparisons and to provide information from which to set minimum standards for sampling.

▼M3

Article 2

Definitions

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

1. 'Household final monetary consumption expenditure' as specified in Annex 1b means that part of final consumption expenditure which is incurred by households irrespective of nationality or residence status, in monetary transactions, on the economic territory of the Member State, on goods and services that are used for the direct satisfaction of individual needs or wants, and in one or both of the time periods being compared.
2. 'Product-offer' means a specified good or service that is offered for purchase at a stated price, in a specific outlet or by a specific provider, under specific terms of supply, and thus defines a unique entity at any one time.
3. The 'coverage' of the HICP, that is the statistical 'target universe' to be represented by the HICP, means the set of all transactions falling within the scope of household final monetary consumption expenditure.
4. A 'consumption segment by purpose' or 'consumption segment' means a set of transactions relating to product-offers which, on the grounds of common properties, are deemed to serve a common purpose, in the sense that they:
 - are marketed for predominant use in similar situations,
 - can largely be described by a common specification, and
 - may be considered by consumers as equivalent.

⁽²⁾ OJ L 181, 28.6.1989, p. 47.

5. 'Newly significant goods and services' mean those goods and services the price changes of which are not explicitly included in a Member State's HICP and the estimated consumers' expenditure on which has become at least one part per thousand of the expenditure covered by that HICP.
6. 'Sampling' means any procedure in the construction of the HICP where a subset of the universe of product-offers is selected to estimate the price change for consumption segments covered by the HICP.
7. 'Target sample' means the set of product-offers within consumption segments for which the Member State plans to observe prices in order to achieve a reliable and comparable representation of the HICP target universe.
8. 'Weights' used in HICP aggregations mean the appropriate estimates of relative expenditures on any sub-division of the target universe, in accordance with Commission Regulation (EC) No 2454/97 ⁽³⁾.
9. 'Observed price' means a price actually confirmed by the Member States.
10. 'Replacement product-offer' means a product-offer with an observed price that replaces a product-offer in the target sample.
11. 'Replacement price' means the observed price for a replacement product-offer.
12. 'Estimated price' means a price which is substituted for an observed price and is based on an appropriate estimation procedure. Previously observed prices shall not be regarded as estimated prices unless they can be shown to be appropriate estimates.
13. An 'elementary product group' means a set of product-offers that are sampled in order to represent one or more consumption segments in the HICP.
14. An 'elementary aggregate' means an elementary product group stratified, for instance by regions, cities or outlet types and so refers to the level at which observed prices enter the HICP. Where elementary product groups are not stratified, the terms 'elementary product group' and 'elementary aggregate' shall have the same meaning.
15. An 'elementary aggregate index' means a price index for an elementary aggregate.
16. 'Quality change' means that a replacement has resulted in a significant difference in the degree to which the replacement product-offer serves the consumer purpose of the consumption segment to which it belongs, whenever the Member State judges so.
17. 'Quality adjustment' means the procedure of making an allowance for an observed quality change by increasing or decreasing the observed current or reference price by a factor or an amount equivalent to the value of that quality change.

Article 2a

Principles

1. The compiled HICP is a sample statistic which shall represent the change in prices, on average over the target universe, between the calendar month of the current index and the period to which it is compared.
2. The set of all transactions in the statistical universe can be exhaustively divided into subsets corresponding to the product-offers to which these transactions pertain. They shall be classified according to the four-digit categories and sub-categories given in Annex Ia, which derive from the COICOP international classification and shall be known as COICOP/HICP (classification of individual consumption by purpose adapted to the needs of HICPs).
3. The HICP shall be computed using a formula which is consistent with the Laspeyres-type formula.
4. Consumption segments shall form the fixed objects in the index basket to be followed by the HICP.
5. Prices used in the HICP shall be the purchase prices, which are the prices paid by households to purchase individual goods and services in monetary transactions.

⁽³⁾ OJ L 340, 11.12.1997, p. 24.

6. Where goods and services have been available to consumers free of charge, and subsequently an actual price is charged, then the change from a zero price to the actual price, and vice versa, shall be taken into account in the HICP.
7. The HICP shall provide a measure of pure change in prices, unaffected by quality change. It shall:
- (a) reflect the price change on the basis of the changed expenditure of maintaining the consumption pattern of households and the composition of the consumer population in the base or reference period;
- and
- (b) be constructed by making appropriate adjustments for observed quality change. Quality adjustments shall serve the reliability, and in particular the representativity of the HICP as a measure of pure price change.
8. Concerning quality change, the judgement shall be based on due evidence of a difference between the specification of a replacement product-offer and the product-offer it replaced in the sample; That is, a difference in the product-offers' significant price-determining characteristics, such as brand, material or make, that are relevant to the consumer purpose in question.
- A quality change does not arise when there is a comprehensive annual or less frequent revision of the HICP sample. Its inclusion shall be made by establishing the appropriate chain links. Revisions of the HICP sample do not remove the need to introduce replacement product offers without delay in between two revisions.
9. The representation of an elementary product group or an elementary aggregate shall be defined by the expenditure weight associated to it. Other weightings may be used within elementary aggregates on the condition that the representativity of the index is ensured.
10. 'Reliability' shall be assessed according to 'precision', which refers to the scale of sampling errors, and 'representativity' which refers to the lack of bias. ◀

II. MEASURES FOR ENSURING COMPARABILITY, RELIABILITY AND RELEVANCE OF THE HICP

▼M1

Article 3 *Coverage*

1. HICPs compiled from price changes and weights for each category of household final monetary consumption expenditure given in Annex Ia accounting for more than one part in a thousand of the total expenditure covered by all those categories included as specified in paragraph 2, shall be deemed comparable.
2. The coverage of the HICP shall be extended, as follows:
 - (a) starting with the production of the HICP for January 1997, Member States shall process the data collected covering those categories marked as 'initial coverage' as specified in Annex Ia;
 - (b) on, but not before, the production of the HICP for December 1999, Member States shall process the data collected covering also those categories marked as 'December 1999' as specified in Annex Ia. ◀

▼M2

3. HICPs compiled using sub-index weights which reflect final monetary consumption expenditure of a sub-set of households, rather than of all households, shall be deemed comparable, where this difference in practice accounts for less than one part in a thousand of the total expenditure covered by the HICP. Any amendments of the weights necessary to secure comparability as defined in this paragraph shall be implemented by December 1999 at the latest. ◀

*Article 4***Newly significant goods and services**

Member States shall:

- (a) systematically seek to identify newly significant goods and services and
- (b) check the significance of goods and services reported to be newly significant in other Member States.

The HICP shall be compiled to include the price changes of a newly significant good or service, where the good or service has been estimated as falling within the definition in ►M3 Article 2(5)◄. This shall be accomplished within 12 months of their identification either by adjusting the weights of or within the relevant category of COICOP/HICP classification given in ►M1 Annex Ia◄ to this Regulation or by assigning part of the weight specifically to the newly significant good or service.

▼M3*Article 5***Minimum standards for replacements and quality adjustment**

1. Quality adjustment methods shall be rated as follows:
 - (a) A-methods: those which are considered to deliver the most reliable results, in terms of precision and bias;
 - (b) B-methods: those which may deliver less precise or less representative results than A-methods, but are nevertheless considered also acceptable. B-methods shall be used in case A-methods are not applied; and
 - (c) C-methods: all other methods, which shall hence not be used.

2. Standards concerning the rating of quality adjustment methods shall be developed and issued by the Commission (Eurostat) after consultation at the SPC, following a case-by-case approach and with due regard to aspects of cost-effectiveness and the context in which they are applied.

The rating of quality adjustment methods does not preclude the adoption of implementing measures on this subject in accordance with Article 5(3) of Regulation (EC) No 2494/95.

3. A- and B-methods shall be deemed to be appropriate quality adjustment methods. HICPs for which appropriate quality adjustments are made shall be deemed to be comparable. Other things being equal, A-methods shall be given the preference over B-methods.

4. In the absence of appropriate national estimates, Member States shall use estimates based on information provided by the Commission (Eurostat) where these are available and relevant.

5. In no case shall a quality change be estimated as the whole of the difference in price between the two product-offers, unless this can be justified as an appropriate estimate.

6. Where no appropriate estimates are available, price changes shall be estimated as the difference between the replacement price and that of the product-offer it has replaced.

7. Replacement product-offers:

- (a) shall be either ‘essentially equivalent’, if no quality change is observed between the replacement product-offer and the one it replaced in the sample, or ‘equivalent by quality adjustment’, if a quality adjustment is necessary for an observed quality change between the replacement product-offer and the one it replaced in the sample;
- (b) shall be selected from the same consumption segments as the replaced ones, so as to maintain the representation of consumption segments;
- (c) shall not be selected according to similarity of price. This shall in particular apply where replacements have to be made after goods or services have been offered at reduced prices. ◄

*Article 6***Minimum standards for prices**

1. Member States shall produce HICPs using the observed prices of the target sample.
 - (a) Where the target sample requires monthly observation, but observation fails due to non-availability of an item or for any other reason, estimated prices may be used for the first or second month but replacement prices shall be used from the third month.
 - (b) Where, exceptionally, the target sample requires observations less frequently than monthly, estimated prices shall be used for those months where observed prices are not required. Estimated prices may also be used on the first occasion on which price observation fails. Where observation fails for a second consecutive occasion, replacement prices shall be used.
2. Where, in the circumstances referred to in this Article, replacement prices are not available, estimated prices may continue to be used, provided that the extent of their use is limited to a level appropriate for achieving comparability.

*Article 7***Price indices for elementary aggregates**

HICPs shall be compiled using either of the two formulae given in paragraph 1 of Annex II to this Regulation or an alternative comparable formula which does not result in an index which differs systematically from an index compiled by either of the given formulae by more than one tenth of one percentage point on average over one year against the previous year.

*Article 8***Minimum standards for sampling**

HICPs constructed from target samples which, for each category of COICOP/HICP and taking into account the weight of the category, have sufficient elementary aggregates to represent the diversity of items within the category and sufficient prices within each elementary aggregate to take account of the variation of price movements in the population shall be deemed reliable and comparable.

*Article 9***Quality control**

Member States shall:

- (a) provide the Commission (Eurostat) at its request with information on the expenditure of any exclusions from coverage, expressed as a proportion of the total expenditure covered by the HICP, sufficient to evaluate compliance with this Regulation;
- (b) report to the Commission (Eurostat) newly significant goods and services when they are identified and, if required, the grounds for the non-inclusion of any newly significant good or service sufficient to evaluate compliance with this Regulation;
- (c) monitor the incidence of quality changes and the adjustments made sufficient to demonstrate compliance with this Regulation and shall provide the Commission (Eurostat) at its request with such information;
- (d) establish and maintain a clear statement of the target sample and shall maintain checks of price observations and price estimates sufficient to ensure compliance with this Regulation. They shall provide the Commission (Eurostat) at its request with such information to evaluate and ensure compliance;
- (e) where a formula different from the formulae given in paragraph 1 of Annex II to this Regulation is used, provide the Commission (Eurostat) at its request with information on the effects of using that alternative formula for selected periods and selected elementary aggregates sufficient to evaluate compliance with this Regulation;

- (f) provide the Commission (Eurostat) at its request with details of the target samples sufficient to evaluate compliance with this Regulation and summary statistics of the representativity and precision of samples sufficient for the Commission (Eurostat) to make proposals for minimum standards for sampling for inclusion in the Review of HICPs required under Article 15 of Regulation (EC) No 2494/95 due in October 1997.

III. FINAL PROVISIONS

Article 10

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Communities*. [↔ 29.9.1996]

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

▼M1

ANNEX Ia

The coverage of the HICP shall include the following categories of COICOP/HICP:

Code	COICOP/HICP heading	Initial coverage January 1997	Addition December 1999	Excluded
01.	FOOD AND NON-ALCOHOLIC BEVERAGES			
01.1.	Food			
01.1.1.	Bread and cereals	full		
01.1.2.	Meat	full		
01.1.3.	Fish	full		
01.1.4.	Milk, cheese and eggs	full		
01.1.5.	Oils and fats	full		
01.1.6.	Fruit	full		
01.1.7.	Vegetables including potatoes and other tubers	full		
01.1.8.	Sugar, jam, honey, syrups, chocolate and confectionery	full		
01.19.	Food products n.e.c.	full		
01.2.	Non-alcoholic beverages			
01.2.1.	Coffee, tea and cocoa	full		
01.2.2.	Mineral waters, soft drinks and juices	full		
02.	ALCOHOLIC BEVERAGES AND TOBACCO			
02.1.	Alcoholic beverages	full		
02.1.1.	Spirits	full		
02.1.2.	Wine	full		
02.1.3.	Beer	full		
02.2.	Tobacco			
02.2.1.	Tobacco	full		
02.3.	Narcotics			
02.3.1.	Narcotics			excluded
03.	CLOTHING AND FOOTWEAR			
03.1.	Clothing			
03.1.1.	Clothing materials	full		
03.1.2.	Garments	full		
03.1.3.	Other articles of clothing and clothing accessories	full		
03.1.4.	Dry-cleaning, repair and hire of clothing	full		
03.2.	Footwear			
03.2.1.	Shoes and other footwear	full		
03.2.2.	Repair and hire of footwear	full		
04.	HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS			
04.1.	Actual rentals for housing			
04.1.1.	Actual rentals paid by tenants	part (1)	full (2)	

Code	COICOP/HICP heading	Initial coverage January 1997	Addition December 1999	Excluded
04.1.2.	Other actual rentals	part (1)	full (2)	
04.2.	Imputed rentals for housing			
04.2.1.	Imputed rentals of owner-occupiers			excluded (3)
04.2.2.	Other imputed rentals			excluded (3)
04.3.	Regular maintenance and repair of the dwelling			
04.3.1.	Products for the regular maintenance and repair of the dwelling	full (4)		
04.3.2.	Services for the regular maintenance and repair of the dwelling	full (4)		
04.4.	Other services relating to the dwelling			
04.4.1.	Refuse collection	part (5)	full (6)	
04.4.2.	Sewerage services	part (5)	full (6)	
04.4.3.	Water supply	part (5)	full (6)	
04.4.4.	Other services relating to the dwelling n.e.c.	full		
04.5.	Electricity, gas and other fuels			
04.5.1.	Electricity	full		
04.5.2.	Gas	full		
04.5.3.	Liquid fuels	full		
04.5.4.	Solid fuels	full		
04.5.5.	Hot water, steam and ice	full		
05.	FURNISHINGS HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE			
05.1.	Furniture, furnishings and decorations, carpets and other floor coverings and repairs			
05.1.1.	Furniture and furnishings	full		
05.1.2.	Carpets and other floor coverings	full		
05.1.3.	Repair of furniture, furnishings and floor coverings	full		
05.2.	Household textiles			
05.2.1.	Household textiles	full		
05.3.	Heating and cooking appliances, refrigerators, washing machines and similar major household appliances, including fittings and repairs			
05.3.1.	Major household appliances whether electric or not	full		
05.3.2.	Small electric household appliances	full		
05.3.3.	Repair of household appliances	full		
05.4.	Glassware, tableware and household utensils			
05.4.1.	Glassware, tableware and household utensils	full		
05.5.	Tools and equipment for house and garden			
05.5.1.	Major tools and equipment	full		
05.5.2.	Small tools and miscellaneous accessories	full		
05.6.	Goods and services for routine household maintenance			

Code	COICOP/HICP heading	Initial coverage January 1997	Addition December 1999	Excluded
05.6.1.	Non-durable household goods	full		
05.6.2.	Domestic services and home care services	full		
06.	HEALTH			
06.1.	Medical products, appliances and equipment			
06.1.1.	Medical products, appliances and equipment	part (7)	full (8)	
06.2.	Out-patient services			
06.2.1.	Medical services		full (8)	
06.2.2.	Dental services		full (8)	
06.2.3.	Paramedical services		full (8)	
06.3.	Hospital services			
06.3.1.	Hospital services (9)			
07.	TRANSPORT			
07.1.	Purchase of vehicles			
07.1.1A.	New motor cars	full		
07.1.1B.	Second-hand motor cars	full		
07.1.2.	Motor cycles	full		
07.1.3.	Bicycles	full		
07.2.	Operation of personal transport equipment			
07.2.1.	Spare parts and accessories	full		
07.2.2.	Fuels and lubricants	full		
07.2.3.	Maintenance and repairs	full		
07.2.4.	Other services in respect of personal transport equipment	full (10)		
07.3.	Transport services			
07.3.1.	Passenger transport by railway	full		
07.3.2.	Passenger transport by road	full		
07.3.3.	Passenger transport by air	full		
07.3.4.	Passenger transport by sea and inland waterway	full		
07.3.5.	Other purchased transport services	full		
07.3.6.	Combined tickets	full (11)		
08.	COMMUNICATIONS			
08.1.	Communications			
08.1.1.	Postal services	full		
08.1.2.	Telephone and telefax equipment	full		
08.1.3.	Telephone, telegraph and telefax services	full		
09.	RECREATION AND CULTURE			
09.1.	Audio-visual, photographic and data processing equipment and accessories, including repairs			
09.1.1.	Equipment for the reception, recording and reproduction of sound and pictures	full		
09.1.2.	Photographic and cinematographic equipment and optical instruments	full		

Code	COICOP/HICP heading	Initial coverage January 1997	Addition December 1999	Excluded
09.1.3.	Data processing equipment	full		
09.1.4.	Recording media for pictures and sound	full		
09.1.5.	Repair of audio-visual, photographic and data processing and accessories	full		
09.2.	Other major durables for recreation and culture			
09.2.1.	Other major durables for recreation and culture	full		
09.2.2.	Repair of other major durables for recreation and culture	full		
09.3.	Other recreational items and equipment; flowers, gardens and pets			
09.3.1.	Games, toys and hobbies, equipment for sport camping and open-air recreation	full		
09.3.2.	Gardening	full		
09.3.3.	Pets	full		
09.4.	Recreational and cultural services			
09.4.1.	Sporting and recreational services	full (12)		
09.4.2.	Cultural services	full (13)		
09.4.3.	Games of chance			excluded
09.5.	Newspapers, books and stationery			
09.5.1.	Books	part (14)	full (15)	
09.5.2.	Newspapers and periodicals	full		
09.5.3.	Miscellaneous printed matter	full		
09.5.4.	Stationery and drawing materials	part (14)	full (15)	
09.6.	Package holidays			
09.6.1.	Package holidays	full		
10.	EDUCATION			
10.1.	Educational services			
10.1.1.	Pre-primary and primary education		full (15)	
10.1.2.	Secondary education		full (15)	
10.1.3.	Tertiary education		full (15)	
10.1.4.	Education not definable by level	part (16)	full (15)	
11.	HOTELS, CAFES AND RESTAURANTS			
11.1.	Catering			
11.1.1.	Restaurants and cafes	full		
11.1.2.	Canteens	part (14)	full (15)	
11.2.	Accommodation services			
11.2.1.	Accommodation services	part (14)	full (15)	
12.	MISCELLANEOUS GOODS AND SERVICES			
12.1.	Personal care			
12.1.1.	Hairdressing salons and personal grooming establishments	full		

Code	COICOP/HICP heading	Initial coverage January 1997	Addition December 1999	Excluded
12.1.2.	Appliances, articles and products for personal care	full		excluded
12.1.3.	Personal care services n.e.c.			
12.2.	Personal effects n.e.c.			excluded
12.2.1.	Jewellery clocks and watches	full		
12.2.2.	Other personal effects	full		
12.3.	Social protection			
12.3.1.	Social protection services		part (17)	
12.4.	Insurance			excluded
12.4.1.	Life insurance			
12.4.2.	Insurance connected with the dwelling	part (18)	full (19)	
12.4.3.	Insurance connected with health		full (20),(21)	
12.4.4.	Insurance connected with transport	part (22)	full (23),(21)	
12.4.5.	Other insurance		full (24),(21)	
12.5.	Financial services n.e.c.			excluded
12.5.1.	Financial services n.e.c.	part (25)	full (26)	
12.5.2.	FISIM			
12.6.	Other services n.e.c.			
12.6.1.	Other services n.e.c.	full (27)		

- (1) Relates to the practice followed in the national consumer price indices.
- (2) Refers to all rentals actually paid by tenants, i.e. the rentals the tenant pays to the landlord regardless of any social benefits the tenant receives from public authorities (including payments which at the tenant's discretion go directly to the landlord); see also Annex Ib No 12b.
- (3) This does not prejudice the coverage of owner-occupied housing in general.
- (4) Refers to expenditure which tenants or owner-occupiers incur on materials and services for minor maintenance and repairs; following a decision on the treatment of owner-occupied housing, the coverage of this category might need to be extended to include expenditure for major decoration, maintenance and repair of the dwelling and for extensions and conversions of the dwelling not typically paid by tenants; see also Annex Ib Nos 4 and 15.
- (5) Refers to expenditure according to consumption.
- (6) Refers to separately identifiable charges for specific services relating to the dwelling whether or not consumers pay according to consumption that is, excluding payments for services financed out of general taxation; see also Annex Ib Nos 9 and 29.
- (7) Refers to health goods outside the social security system.
- (8) Full coverage refers to that part of expenditure on health goods and services (other than hospital out-patient services) which is paid by the consumer and not reimbursed by government social security or NPISHs; see Annex Ib No 12a and the methodological details of inclusion as specified in accordance with the procedure laid down in Article 14 of Council Regulation (EC) No 2494/95.
- (9) The methodological details and the timetable of inclusion shall be specified in accordance with the procedure laid down in Article 14 of Council Regulation (EC) No 2494/95.
- (10) Includes driving licences, road worthiness tests, motor association fees, tolls for bridges, tunnels, shuttle-ferries, and motorways; excludes licences to own or use vehicles; see also Annex Ib Nos 9, 18 and 19b.
- (11) Refers to tickets covering two or more modes of transport and the expenditure cannot be apportioned between them.

- (12) Includes fees or subscriptions to sports clubs and fitness centres; it also includes payments for hunting and fishing licences if the government uses the issue of licences to organise some proper regulatory function; see also Annex Ib Nos 9 and 19b.
 - (13) Includes entrance fees to museums, fees for libraries, and licence fees and subscriptions to television and radio; see also Annex Ib Nos 9 and 10.
 - (14) Includes educational goods and services only if they are fully paid by consumers.
 - (15) Full coverage refers to that part of expenditure on educational goods and services which is paid by the consumer and not reimbursed by government, social security or NPISHs; see Annex Ib No 12a and the methodological details of inclusion as specified in accordance with the procedure laid down in Article 14 of Council Regulation (EC) No 2494/95.
 - (16) Refers to computer courses, language courses, typing courses, and other such courses which are fully paid by the consumer.
 - (17) Refers to crèches, nurseries, play schools and kindergartens which are not an obligatory part of the educational system; covered is only that expenditure which is paid by the consumer and not reimbursed by government, social security or NPISHs; see also annex Ib No 12a; other items within code 12.3.1 such as retirement homes, schools for the disabled, home cleaning services, and meal programmes are subject to the same arrangement as described in footnote 18.
 - (18) Refers to service charges for contents insurance.
 - (19) Refers to all service charges paid by owner-occupiers and tenants for the kinds of insurance typically taken out by tenants against fire, theft, water damage, etc; see also Annex Ib Nos 7, 8 and 24. Following a decision on the treatment of owner-occupied housing, the coverage of this category might need to be extended to include service charges paid by owner-occupiers for the kinds of insurance for the dwelling typically taken out by landlords.
 - (20) Refers to service charges for private sickness and accident insurance; see also Annex Ib Nos 7, 8 and 24 and the methodological details of inclusion of category '06. Health' as specified in accordance with the procedure laid down in Article 14 of Council Regulation (EC) No 2494/95.
 - (21) The methodological details and the timetable of inclusion shall be specified in accordance with the procedure laid down in Article 14 of Council Regulation (EC) No 2494/95. The implementation may be scheduled for an earlier date.
 - (22) Refers to service charges for insurance in respect of personal transport equipment.
 - (23) Refers to service charges in respect of personal transport equipment, travel insurance and luggage insurance; see also Annex Ib Nos 7, 8 and 24.
 - (24) Refers to service charges for insurance such as civil liability for injury or damage to third parts or their property not arising from the operation of personal transport equipment; see also Annex Ib Nos 7, 8 and 24.
 - (25) Refers to banking service charges which are not expressed as a proportion of the transaction value.
 - (26) Refers to financial services including banking services; not covered are service charges for private or public pension funds, which are a kind of life insurance but restricted to specific groups of persons, as well as interest payments; see also Annex Ib Nos 21 and 23.
 - (27) Includes fees for the issue of passports, birth, marriage or death certificates, and dues for membership to professional associations if they can be considered as payments for services rendered; see Annex Ib Nos 9 and 19. ◀
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▼M1

ANNEX Ib

A. DEFINITION OF HOUSEHOLD FINAL MONETARY CONSUMPTION EXPENDITURE ◀

▼M2

1. The household sector consists of households which include all individuals or groups of individuals (as defined in ESA 2.76.a and 2.76.b) irrespective of, in particular, the type of area in which they live, their position in the income distribution and their nationality or residence status. It includes individuals living in institutional households (as defined in ESA 2.76.b). It does not include businesses.
2. The economic territory is as defined in ESA 2.05 except that the extraterritorial enclaves situated within the boundaries of the country are included and the territorial enclaves situated in the rest of the world are excluded. ◀

▼M1

3. A monetary transaction is an economic flow that is an interaction between institutional units by mutual agreement, where the units involved make or receive payments, or incur liabilities or receive assets denominated in units of currency. By convention the collection of household refuse shall be considered as interaction by mutual agreement. Transactions that do not involve the exchange of cash, or assets or liabilities denominated in units of currency, are non-monetary transactions. Intra-unit transactions are normally non-monetary transactions. Non-monetary transactions involving more than one institutional unit occur among transactions in products (barter of products), distributive transactions (remuneration in kind, transfers in kind, etc.) and other transactions (barter of non-produced non-financial assets).

Household final monetary consumption expenditure covers the following borderline cases:

4. It covers items not treated as intermediate consumption, like materials for small repairs to and interior decoration of dwellings of a kind typically carried out by tenants as well as owners, and materials for repairs and maintenance to consumer durables, including vehicles.
5. It covers items not treated as capital formation, in particular consumer durables, that continue to perform their function in several accounting periods; this includes the transfer of ownership of some durables from an enterprise to a household.
6. It covers financial services directly charged.
7. It covers non-life insurance services by the amount of the implicit service charge.
8. It covers all expenditure financed out of non-life insurance claims, including payments made directly by the insurance companies to the garages, hospitals, doctors, etc. This implies that the full price paid by households or by insurance companies to the garages, hospitals, doctors, etc. is covered by the HICP.

Non-life insurance claims are the amounts which insurance enterprises are obliged to pay in settlement of injuries or damage suffered by persons or goods. They are current transfers from the insurance companies to the receiving households and, therefore, enter into the households' disposable income. Any expenditure made as a result, for example payments to garages, hospitals, or doctors, is treated as being incurred by the households and not by the insurance companies. It is irrelevant whether the households actually make the expenditure before the claims are paid out, which then look like social security reimbursements, or whether the payments are made directly by the insurance companies to the garages, hospitals, etc. In the latter case, the companies are treated merely as agents acting on behalf of the households who are still treated as incurring the expenses.

9. It covers payments by households for licences, permits, etc. which are regarded as purchases of services. If the government uses the issue of licences to organise some proper regulatory function, such as checking the competence or qualification of the person concerned, the payments made should be treated as a purchase of services from government and the prices taken in the HICP, but if the licences are being granted automatically

on payment of the amounts due, payments should be treated as direct taxes and not prices. Driving or pilot's licences, television or radio licences, firearm licences, museum or library admissions, garbage disposal fees, etc. are treated in most cases as purchases of services rendered by government, whereas licences on the use of vehicles, boats or aircraft are treated in most cases as taxes.

10. It covers the purchase of output at not economically significant prices, e.g. entrance fees for a museum.

Household final monetary consumption expenditure does not cover the following borderline cases:

11. It does not cover income in kind because it is not a monetary transaction (although according to ESA 3.76.b it is included in final consumption expenditure).
12. (a) It does not cover social transfers in kind received by households, including those parts of expenditure initially made by households for which they are subsequently reimbursed by social security, government units or NPISHs, e.g. for medical expenses or education. When a household purchases a good or service for which it is subsequently reimbursed in part or in whole, the household is treated merely as agent acting on behalf of a social security fund, government unit or NPISH. The amounts reimbursed to households are treated as social transfers in kind made by social security, government units or NPISHs. They are not recorded as cash transfers to households and do not form part of households' disposable incomes. This accounting treatment leads to the same result as when a social security fund purchases the goods and services from market producers and then re-sells them to households at low non-market prices. This implies that the price taken for the HICP is the amount paid by the household less the reimbursement.
(b) All other rebates by public authorities, especially housing payments to tenants in order to reduce their rents (including payments which at the tenant's discretion go directly to the landlord), are considered as social benefits in cash and, therefore, enter into households' disposable income. This implies that the full price of the good or service before the rebate is covered by the HICP.
13. It also does not cover services of owner-occupied dwellings, because these are no monetary transactions (although according to ESA 3.76.a it is included in final consumption expenditure).
14. It does not cover the purchase of dwellings, and items treated as acquisitions of a non-produced asset, in particular the purchase of land.
15. It also does not cover expenditure that an owner-occupier incurs on the decoration, maintenance and repair of the dwelling not typically carried out by tenants.
16. It does not cover the expenditure on valuables.
17. It does not cover expenditure by households owning unincorporated enterprises when incurred for business purposes.
18. It does not cover current taxes on income and wealth, which are all compulsory, unrequited payments, in cash or in kind, levied periodically by general government and by the rest of the world on the income and wealth of institutional units, and some periodic taxes which are assessed neither on the income nor the wealth. Other current taxes include all those payments by households for licences which are to be regarded as taxes, such as licences to own or use vehicles, boats or aircraft, etc.
19. (a) It does not cover subscriptions, contributions and dues paid by households to NPISHs, like trade unions, professional societies, consumers' associations, churches and social, cultural, recreational and sports clubs.
(b) However, if a club, union, society or association can be considered as a market producer selling its services at an economically significant price, which usually is the case even though the legal status may be a non-profit organisation, then the subscriptions, contributions and dues paid by households are considered as payments for the services rendered — not as a transfer — and, thus, covered by the HICP.
20. It does not cover voluntary transfers in cash or in kind by households to charities, relief and aid organisations.

21. It does not cover payments of property income, including interest. Property income is the income receivable by the owner of a financial asset or a tangible non-produced asset in return for providing funds to, or putting the tangible non-produced asset at the disposal of, another institutional unit. Under the terms of the financial instrument agreed between them, interest is the amount that the debtor becomes liable to pay to the creditor over a given period of time without reducing the amount of principal outstanding.
22. It does not cover compulsory or voluntary social contributions, such as employers' actual social contributions to social security funds, insurance enterprises or autonomous as well as non-autonomous pension funds administering social insurance schemes to secure social benefits for their employees, or employees' social contributions payable to social security, private funded and unfunded schemes.
23. It does not cover life insurance and pension funding services (although according to ESA 3.76.f and g such services are included in final consumption expenditure by the amount of the implicit service charge).
24. It does not cover net non-life insurance premiums. These are premiums payable under policies taken out by institutional units. The policies taken out by individual households are those taken out on their own initiative and for their own benefit, independently of their employers or government and outside any social insurance scheme. Net non-life insurance premiums comprise both the actual premiums payable by policy holders to obtain insurance cover during the accounting period (premiums earned) and the premium supplements payable out of the property income attributed to insurance policy holders, after deducting the service charges of insurance enterprises arranging the insurance. (*NB*: this service charge is covered by the household final monetary consumption expenditure). Net non-life insurance premiums are the amounts available to provide cover against various events or accidents resulting in damage to goods or property, or harm to persons as a result of natural or human causes, for example fires, floods, crashes, collisions, sinkings, theft, violence, accidents, sickness, or against financial losses resulting from events such as sickness, unemployment, accidents, etc.
25. It does not cover current transfers between households, which consist of all current transfers in cash or in kind made, or received, by resident households to, or from, other resident or non-resident households.
26. It does not cover fines and penalties. They are imposed on institutional units by courts of law or quasi-judicial bodies and treated as compulsory current transfers. Also not covered are fines and penalties imposed by tax authorities for the evasion or late payment of taxes, which cannot usually be distinguished from the taxes themselves.
27. It does not cover lotteries and gambling; neither the payment of the service charge to the unit organising the lottery or gambling, nor the residual current transfer that is paid out to the winners (although according to ESA 4.135 the service charge is included in final consumption expenditure).

B. DEFINITION OF PRICE

28. At the time of purchase, the purchaser's price is the price for the products the purchaser actually pays; including any taxes less subsidies on the products; after deductions for discounts for bulk or off-peak-purchases from standard prices or charges; excluding interest or services charges added under credit arrangements; excluding any extra charges incurred as a result of failing to pay within the period stated at the time the purchases were made.
29. Goods and services for individual consumption ('individual goods and services') are acquired by a household and used to satisfy the needs and wants of members of that household. Individual goods and services have the following characteristics:
 - (a) it must be possible to observe and record the acquisition of the good or services by an individual household or member thereof and also the time at which it took place;
 - (b) the household must have agreed to the provision of the good or service and take whatever action is necessary to make it possible, for example by attending a school or clinic;

- (c) the good or service must be such that its acquisition by one household or person, or possibly by a small, restricted group of persons, precludes its acquisition by other households or persons.

All household final consumption expenditure is individual. By convention, all goods and services provided by NPISHs are treated as individual.

By convention, all government final consumption expenditure on education, health, social security and welfare, sport and recreation, and culture should be treated as expenditure on individual consumption services except for expenditure on general administration, regulation, research, etc. In addition, expenditure on the provision of housing, the collection of household refuse, and the operation of transport system should also be treated as individual. The collective consumption expenditure is the remainder of the government final consumption expenditure. It consists in particular of management and regulation of society, the provision of security and defence, the maintenance of law and order, legislation and regulation, the maintenance of public health, the protection of the environment, research and development, and the infrastructure and economic development. ◀

ANNEX II

Formulae to be used in compiling elementary aggregates

- When compiling price indices for elementary aggregates either the ratio of arithmetic mean prices $\frac{\frac{1}{n} \sum p^t}{\frac{1}{n} \sum p^b}$ or the ratio of geometric mean prices $\frac{[\prod p^t]^{\frac{1}{n}}}{[\prod p^b]^{\frac{1}{n}}}$, where p^t is the current price, p^b the reference price and the number of such prices in the elementary aggregate, shall be used. An alternative formula may be used provided that it fulfils the comparability requirement laid down in Article 7.
- The arithmetic mean of price relatives $\frac{1}{n} \sum \frac{p^t}{p^b}$ should not normally be used, as it will in many circumstances result in failure to meet the comparability requirement. It may be used exceptionally where it can be shown not to fail the comparability requirement.
- The price index for an elementary aggregate may be calculated as a chain index using one of the above two preferred formulae. For example using the ratio of arithmetic means:

$$I^{tb} = \frac{\sum_{i \in s_t} P_i^t}{\sum_{i \in s_t} P_i^b} \cdot \frac{\sum_{i \in s_{t-1}} P_i^{t-1}}{\sum_{i \in s_{t-1}} P_i^b} \dots \frac{\sum_{i \in s_{t-1}} P_i^{t-1}}{\sum_{i \in s_{t-1}} P_i^{t-2}} \dots \frac{\sum_{i \in s_b} P_i^b}{\sum_{i \in s_b} P_i^b}$$

where P_i^t denotes the i^{th} price quotation for a given elementary aggregate in period t and s_t denotes the sample of prices obtained for the elementary aggregate in period t . This sample may in practice be updated monthly or, more usually, when prices cannot be obtained, over longer periods. If between base period b and period t there is no replenishing at all I^{tb} becomes $I^{tb} = \frac{\sum_{i \in s_b} P_i^t}{\sum_{i \in s_b} P_i^b}$, the simple ratio of arithmetic means (or similarly with the geometric

formula described above). The arithmetic mean of price relatives must not be used where chaining is more frequent than annual.

1.3. Sub-Indices (1996, 1999, 2001, 2005, 2013)

Commission Regulation (EC) No 2214/96 of 20 November 1996 concerning harmonised indices of consumer prices: transmission and dissemination of sub-indices of the HICP (*)

Amended by:		Entry into force:
► M1	Commission Regulation (EC) No 1617/1999 of 23 July 1999 (OJ L 192, 24.7.1999, p. 9)	13.8.1999
► M2	Commission Regulation (EC) No 1749/1999 of 23 July 1999 (OJ L 214, 13.8.1999, p. 1)	2.9.1999
► M3	Commission Regulation (EC) No 1920/2001 of 28 September 2001 (OJ L 261, 29.9.2001, p. 46)	19.10.2001
► M4	Commission Regulation (EC) No 1708/2005 of 19 October 2005 (OJ L 274, 20.10.2005, p. 9)	9.11.2005
► M5	Commission Regulation (EC) No 119/2013 of 11 February 2013 (OJ L 41, 12.2.2013, p. 1)	4.3.2013
Corrected by:		
► C1	Corrigendum (OJ L 267, 15.10.1999, p. 59)	

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾,

Whereas, by virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, each member State is required to produce a harmonised index of consumer prices (HICP) starting with the index for January 1997;

Whereas Article 9 of Regulation (EC) No 2494/95 requires Member States to process the data collected in order to produce the HICP covering the categories of Coicop (classification of individual consumption by purpose); whereas these categories need to be adapted;

Whereas Article 11 of Regulation (EC) No 2494/95 requires that the HICP and corresponding sub-indices shall be published by the Commission (Eurostat); whereas these sub-indices need to be specified;

Whereas implementing measures are necessary for ensuring comparability of HICPs in accordance with Article 5(3) of Regulation (EC) No 2494/95;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee (SPC), established by Council Decision 89/382/EEC, Euratom ⁽²⁾;

(*) [OJ L 296, 21.11.1996, p. 8](#).

(1) [OJ L 257, 27. 10. 1995, p. 1](#).

(2) [OJ L 181, 28.6.1989, p. 47](#).

Whereas the European Monetary Institute has been consulted in accordance with Article 5(3) of Regulation (EC) No 2494/95 and has given a positive opinion,

HAS ADOPTED THIS REGULATION:

Article 1

Aim

The aim of this Regulation is to establish the sub-indices of the harmonised index of consumer prices (HICP) which each month shall be produced by the Member States, and transmitted to and disseminated by the Commission (Eurostat).

Article 2

Definitions

For the purpose of this Regulation, a ‘sub-index of the HICP’ is defined as a price index for any of the categories of expenditure listed in Annex I and illustrated in Annex II to this Regulation. These are based on the Coicop/HICP classification (classification of individual consumption by purpose adapted to the needs of HICPs) ⁽³⁾. ‘Dissemination’ refers to the release of data in any format.

▼M5

‘Harmonised indices of consumer prices at constant tax rates’ mean indices that measure changes in consumer prices without the impact of changes in rates of taxes on products over the same period of time.’

Article 3

Production and transmission of sub-indices

1. Member States shall produce and provide to the Commission (Eurostat) each month all sub-indices (Annex I) which have a weight accounting for more than one part in a thousand of the total expenditure covered by the HICP. Together with the index for January each year, Member States shall provide corresponding weighting information to the Commission (Eurostat).
2. In addition, Member States shall produce and provide to the Commission (Eurostat) each month the same sub-indices computed at constant tax rates (HICP-CT). The Commission (Eurostat), in close cooperation with the Member States, shall establish guidelines that provide a methodological framework for the computation of the HICP-CT index and sub-indices. When duly justified, the Commission (Eurostat) shall update the reference methodology, in accordance with procedural arrangements approved by the European Statistical System Committee.
3. Indices shall be provided following the standards and procedures for provision of data and metadata as established by the Commission (Eurostat). ◀

▼M4

Article 4

Dissemination of sub-indices

The Commission (Eurostat) shall disseminate sub-indices of the HICPs for the categories listed in Annex 1 to this Regulation on the basis of a common index reference period. ◀

Article 5

Quality control

Member States shall provide the Commission (Eurostat), at its request, with information on the allocation of goods and services to the categories of expenditure of Annex I and II sufficient to evaluate compliance with this Regulation.

⁽³⁾ Annex I to Commission Regulation (EC) No 1749/96 of 9 September 1996 on initial implementing measures for Council regulation (EC) No 2494/95 concerning harmonised indices of consumer prices (OJ No L 229, 10.9.1996, p. 3).

*Article 6***Entry into force**

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Communities*. [↔11.12.1996]

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

▼ M2

ANNEX I

HICP SUB-INDICES (REV.DEC99)

01-12	INDIVIDUAL CONSUMPTION EXPENDITURE OF HOUSEHOLDS
01	FOOD AND NON-ALCOHOLIC BEVERAGES
01.1	Food
01.1.1	Bread and cereals
01.1.2	Meat
01.1.3	Fish
01.1.4	Milk, cheese and eggs
01.1.5	Oils and fats
01.1.6	Fruit
01.1.7	Vegetables
01.1.8	Sugar, jam, honey, chocolate and confectionery
01.1.9	Food products n.e.c.
01.2	Non-alcoholic beverages
01.2.1	Coffee, tea and cocoa
01.2.2	Mineral waters, soft drinks, fruit and vegetable juices
02	ALCOHOLIC BEVERAGES, TOBACCO
02.1	Alcoholic beverages
02.1.1	Spirits
02.1.2	Wine
02.1.3	Beer
02.2	Tobacco
02.2.0	Tobacco
03	CLOTHING AND FOOTWEAR
03.1	Clothing
03.1.1	Clothing materials
03.1.2	Garments
03.1.3	Other articles of clothing and clothing accessories
03.1.4	Cleaning, repair and hire of clothing
03.2	Footwear
03.2.1/2	Shoes and other footwear including repair and hire of footwear
04	HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS
04.1	Actual rentals for housing
04.1.1/2	Actual rentals paid by tenants including other actual rentals
04.3	Maintenance and repair of the dwelling
04.3.1	Materials for the maintenance and repair of the dwelling

04.3.2	Services for the maintenance and repair of the dwelling
04.4	Water supply and miscellaneous services relating to the dwelling
04.4.1	Water supply
04.4.2	Refuse collection
04.4.3	Sewerage collection
04.4.4	Other services relating to the dwelling n.e.c
04.5	Electricity, gas and other fuels
04.5.1	Electricity
04.5.2	Gas
04.5.3	Liquid fuels
04.5.4	Solid fuels
04.5.5	Heat energy
05	FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE
05.1	Furniture and furnishings, carpets and other floor coverings
05.1.1	Furniture and furnishings
05.1.2	Carpets and other floor coverings
05.1.3	Repair of furniture, furnishings and floor coverings
05.2	Household textiles
05.2.0	Household textiles
05.3	Household appliances
05.3.1/2	Major household appliances whether electric or not and small electric household appliances
05.3.3	Repair of household appliances
05.4	Glassware, tableware and household utensils
05.4.0	Glassware, tableware and household utensils
05.5	Tools and equipment for house and garden
05.5.1/2	Major tools and equipment and small tools and miscellaneous accessories
05.6	Goods and services for routine household maintenance
05.6.1	Non-durable household goods
05.6.2	Domestic services and household service
06	HEALTH
06.1	Medical products, appliances and equipment
06.1.1	Pharmaceutical products
06.1.2	Other medical products, therapeutic appliances and equipment
06.2	Out-patient services
06.2.1/3	Medical and paramedical services
06.2.2	Dental services
06.3	Hospital services
06.3.0	Hospital services

07	TRANSPORT
07.1	Purchase of vehicles
07.1.1	Motor cars
07.1.2/3/4	Motor cycles, bicycles and animal drawn vehicles
07.2	Operation of personal transport equipment
07.2.1	Spare parts and accessories for personal transport equipment
07.2.2	Fuels and lubricants for personal transport equipment
07.2.3	Maintenance and repair of personal transport equipment
07.2.4	Other services in respect of personal transport equipment
07.3	Transport services
07.3.1	Passenger transport by railway
07.3.2	Passenger transport by road
07.3.3	Passenger transport by air
07.3.4	Passenger transport by sea and inland waterway
07.3.5	Combined passenger transport
07.3.6	Other purchased transport services
08	COMMUNICATION
08.1	Postal services
08.1.0	Postal services
08.x	Telephone and telefax equipment and telephone and telefax services
08.2/3.0	Telephone and telefax equipment and telephone and telefax services
09	RECREATION AND CULTURE
09.1	Audio-visual, photographic and information processing equipment
09.1.1	Equipment for the reception, recording and reproduction of sound and pictures
09.1.2	Photographic and cinematographic equipment and optical instruments
09.1.3	Information processing equipment
09.1.4	Recording media
09.1.5	Repair of audio-visual, photographic and information processing equipment
09.2	Other major durables for recreation and culture
09.2.1/2	Major durables for indoor and outdoor recreation including musical instruments
09.2.3	Maintenance and repair of other major durables for recreation and culture
09.3	Other recreational items and equipment, gardens and pets
09.3.1	Games, toys and hobbies
09.3.2	Equipment for sport, camping and open-air recreation
09.3.3	Gardens, plants and flowers
09.3.4/5	Pets and related products including veterinary and other services for pets
09.4	Recreational and cultural services
09.4.1	Recreational and sporting services
09.4.2	Cultural services

09.5	Newspapers, books and stationery
09.5.1	Books
09.5.2	Newspapers and periodicals
09.5.3/4	Miscellaneous printed matter and stationery and drawing materials
09.6	Package holidays
09.6.0	Package holidays
10	EDUCATION
10.x	Pre-primary and primary, secondary, post-secondary nontertiary, tertiary education, and education not definable by level
10.x.0	Pre-primary and primary, secondary, post-secondary non-tertiary, tertiary education, and education not definable by level
11	RESTAURANTS AND HOTELS
11.1	Catering services
11.1.1	Restaurants, cafés and the like
11.1.2	Canteens
11.2	Accommodation services
11.2.0	Accommodation services
12	MISCELLANEOUS GOODS AND SERVICES
12.1	Personal care
12.1.1	Hairdressing salons and personal grooming establishments
12.1.2/3	Electric appliances for personal care and other appliances, articles and products for personal care
12.3	Personal effects n.e.c.
12.3.1	Jewellery, clocks and watches
12.3.2	Other personal effects
12.4	Social protection
12.4.0	Social protection
12.5	Insurance
12.5.2	Insurance connected with the dwelling
12.5.3	Insurance connected with health
12.5.4	Insurance connected with transport
12.5.5	Other insurance
12.6	Financial services n.e.c.
12.6.2	Other financial services n.e.c.
12.7	Other services n.e.c.
12.7.0	Other services n.e.c. ◀

▼ M2

ANNEX II

ILLUSTRATION OF HICP SUB-INDICES (REV.DEC99):
 BREAKDOWN BY DIVISION (TWO-DIGIT LEVEL), GROUP (THREE-DIGIT LEVEL)
 AND CLASS ⁽¹⁾ (FOUR-DIGIT LEVEL) ⁽²⁾

01-12 **INDIVIDUAL CONSUMPTION EXPENDITURE OF HOUSEHOLDS**

01 FOOD AND NON-ALCOHOLIC BEVERAGES

01.1 **Food**

The food products classified here are those purchased for consumption at home. The group excludes: food products sold for immediate consumption away from the home by hotels, restaurants, cafés, bars, kiosks, street vendors, automatic vending machines, etc. (11.1.1); cooked dishes prepared by restaurants for consumption off their premises (11.1.1); cooked dishes prepared by catering contractors whether collected by the customer or delivered to the customer's home (11.1.1); and products sold specifically as pet foods (09.3.4).

01.1.1 Bread and cereals (ND)

- rice in all forms,
- maize, wheat, barley, oats, rye and other cereals in the form of grain, flour or meal,
- bread and other bakery products (crispbread, rusks, toasted bread, biscuits, gingerbread, wafers, waffles, crumpets, muffins, croissants, cakes, tarts, pies, quiches, pizzas, etc.),
- mixes and doughs for the preparation of bakery products,
- pasta products in all forms; couscous,
- cereal preparations (cornflakes, oatflakes, etc.) and other cereal products (malt, malt flour, malt extract, potato starch, tapioca, sago and other starches).

Includes: farinaceous-based products prepared with meat, fish, seafood cheese, vegetables or fruit.

Excludes: meat pies (01.1.2); fish pies (01.1.3); sweetcorn (01.1.7).

01.1.2 Meat (ND)

- Fresh, chilled or frozen meat of:
 - bovine animals, swine, sheep and goat,
 - horse, mule, donkey, camel and the like,
 - poultry (chicken, duck, goose, turkey, guinea fowl),
 - hare, rabbit and game (antelope, deer, boar, pheasant, grouse, pigeon, quail, etc.),
- fresh, chilled or frozen edible offal,
- dried, salted or smoked meat and edible offal (sausages, salami, bacon, ham, pâté, etc.),

⁽¹⁾ Most classes comprise either goods or services. Classes containing goods are denoted by either (ND), (SD) or (D) indicating either 'non-durable', 'semi-durable' or 'durable' respectively. (S) denotes classes consisting of 'services'. Some classes contain both goods and services because it is difficult to break them down into goods and services. Such classes are usually assigned an (S) as the service component is considered to be predominant. (E) indicates 'energy' and (SEA) 'seasonal products'.

⁽²⁾ Based on the final COICOP classification as prepared by OECD after consultation with Eurostat, UNSD and the national statistical agencies of its Member countries, October 1998.

- other preserved or processed meat and meat-based preparations (canned meat, meat extracts, meat juices, meat pies, etc.),

Includes: meat and edible offal of marine mammals (seals, walruses, whales, etc.) and exotic animals (kangaroo, ostrich, alligator, etc.) animals and poultry purchased live for consumption as food.

Excludes: land and sea snails (01.1.3); lard and other edible animal fats (01.1.5); soups, broths and stocks containing meat (01.1.9).

01.1.3 Fish (ND) (SEA)

- fresh, chilled or frozen fish,
- fresh, chilled or frozen seafood (crustaceans including land crabs, molluscs and other shellfish, land and sea snails, frogs)
- dried, smoked or salted fish and seafood,
- other preserved or processed fish and seafood and fish and seafood-based preparations (canned fish and seafood, caviar and other hard roes, fish pies, etc.).

Includes: fish and seafood purchased live for consumption as food.

Excludes: soups, broths and stocks containing fish (01.1.9).

01.1.4 Milk, cheese and eggs (ND)

- raw milk; pasteurised or sterilised milk,
- condensed, evaporated or powdered milk,
- yoghurt, cream, milk-based desserts, milk-based beverages and other similar milk-based products,
- cheese and curd,
- eggs and egg products made wholly from eggs.

Includes: milk, cream and yoghurt containing sugar, cocoa, fruit or flavourings; dairy products not based on milk such as soya milk.

Excludes: butter and butter products (01.1.5).

01.1.5 Oils and fats (ND)

- butter and butter products (butter oil, ghee, etc.),
- margarine (including 'diet' margarine) and other vegetable fats (including peanut butter),
- edible oils (olive oil, corn oil, sunflower-seed oil, cotton-seed oil, soybean oil, groundnut oil, walnut oil, etc.),
- edible animal fats (lard, etc.).

Excludes: cod or halibut liver oil (06.1.1).

01.1.6 Fruit (ND) (SEA)

- fresh, chilled or frozen fruit,
- dried fruit, fruit peel, fruit kernels, nuts and edible seeds,
- preserved fruit and fruit-based products.

Includes: melons and water melons.

Excludes: vegetables cultivated for their fruit such as aubergines, cucumbers and tomatoes (01.1.7); jams, marmalades, compotes, jellies, fruit purees and pastes (01.1.8); parts of plants preserved in sugar (01.1.8) fruit juices and syrups (01.2.2).

01.1.7 Vegetables (ND) (SEA)

- fresh, chilled, frozen or dried vegetables cultivated for their leaves or stalks (asparagus, broccoli, cauliflower, endives, fennel, spinach, etc.), for their fruit (aubergines, cucumbers, courgettes, green peppers, pumpkins, tomatoes, etc.), and for their roots (beetroots, carrots, onions, parsnips, radishes, turnips, etc.),
- fresh or chilled potatoes and other tuber vegetables (manioc, arrowroot, cassava, sweet potatoes, etc.),
- preserved or processed vegetables and vegetable-based products,
- products of tuber vegetables (flours, meals, flakes, purees, chips and crisps) including frozen preparations such as chipped potatoes.

Includes: olives; garlic; pulses; sweet corn; sea fennel and other edible seaweed; mushrooms and other edible fungi.

Excludes: potato starch, tapioca, sago and other starches (01.1.1); soups broths and stocks containing vegetables (01.1.9); culinary herbs (parsley, rosemary, thyme, etc.) and spices (pepper, pimento, ginger, etc.) (01.1.9) vegetable juices (01.2.2).

01.1.8 Sugar, jam, honey, chocolate and confectionery (ND)

- cane or beet sugar, unrefined or refined, powdered, crystallised or in lumps,
- jams, marmalades, compotes, jellies, fruit purees and pastes, natural and artificial honey, maple syrup, molasses and parts of plants preserved in sugar,
- chocolate in bars or slabs, chewing gum, sweets, toffees, pastilles and other confectionery products,
- cocoa-based foods and cocoa-based dessert preparations,
- edible ice, ice cream and sorbet.

Includes: artificial sugar substitutes.

Excludes: cocoa and chocolate-based powder (01.2.1).

01.1.9 Food products n.e.c. (ND)

- salt, spices (pepper, pimento, ginger, etc.), culinary herbs (parsley, rosemary, thyme, etc.), sauces, condiments, seasonings (mustard, mayonnaise, ketchup, soy sauce, etc.), vinegar,
- prepared baking powders, baker's yeast, dessert preparations, soups, broths, stocks, culinary ingredients, etc.
- homogenised baby food and dietary preparations irrespective of the composition

Excludes: milk-based desserts (01.1.4); soya milk (01.1.4); artificial sugar substitutes (01.1.8); cocoa-based dessert preparations (01.1.8).

01.2 Non-alcoholic beverages

The non-alcoholic beverages classified here are those purchased for consumption at home. The group excludes non-alcoholic beverages sold for immediate consumption away from the home by hotels, restaurants, cafés, bars, kiosks, street vendors, automatic vending machines, etc (11.1.1).

01.2.1 Coffee, tea and cocoa (ND)

- coffee, whether or not decaffeinated, roasted or ground, including instant coffee,
- tea, maté and other plant products for infusions,
- cocoa, whether or not sweetened, and chocolate-based powder.

Includes: cocoa-based beverage preparations; coffee and tea substitutes; extracts and essences of coffee and tea.

Excludes: chocolate in bars or slabs (01.1.8); cocoa-based food and cocoa-based dessert preparations (01.1.8).

01.2.2 Mineral waters, soft drinks, fruit and vegetable juices (ND)

- mineral or spring waters; all drinking water sold in containers,
- soft drinks such as sodas, lemonades and colas,
- fruit and vegetable juices,
- syrups and concentrates for the preparation of beverages.

Excludes: non-alcoholic beverages which are generally alcoholic such as non-alcoholic beer (02.1).

02 ALCOHOLIC BEVERAGES, TOBACCO

02.1 Alcoholic beverages

The alcoholic beverages classified here are those purchased for consumption at home. The group excludes alcoholic beverages sold for immediate consumption away from the home by hotels, restaurants, cafés bars, kiosks, street vendors, automatic vending machines, etc. (11.1.1).

The beverages classified here include low or non-alcoholic beverages which are generally alcoholic such as non-alcoholic beer.

02.1.1 Spirits (ND)

- eaux-de-vie, liqueurs and other spirits.

Includes: mead; aperitifs other than wine-based aperitifs (02.1.2)

02.1.2 Wine (ND)

- wine, cider and perry, including sake,
- wine-based aperitifs, fortified wines, champagne and other sparkling wines.

02.1.3 Beer (ND)

- all kinds of beer such as ale, lager and porter.

Includes: low-alcoholic beer and non-alcoholic beer; shandy.

02.2 Tobacco

This group covers all purchases of tobacco by households, including purchases of tobacco in restaurants, cafés, bars, service stations, etc.

02.2.0 Tobacco (ND)

- cigarettes; cigarette tobacco and cigarette papers, cigars, pipe tobacco, chewing tobacco or snuff.

Excludes: other smokers' articles (12.3.2).

03 CLOTHING AND FOOTWEAR

03.1 Clothing

03.1.1 Clothing materials (SD)

— clothing materials of natural fibres, of man-made fibres and of their mixtures.

Excludes: furnishing fabrics (05.2.0)

03.1.2 Garments (SD)

— Garments for men, women, children (three to 13 years) and infants (0 to two years), either ready-to-wear or made-to-measure, in all materials (including leather, furs, plastics and rubber), for everyday wear, for sport or for work:

— capes, overcoats, raincoats, anoraks, parkas, blousons, jackets, trousers, waistcoats, suits, costumes, dresses, skirts, etc.,

— shirts, blouses, pullovers, sweaters, cardigans, shorts swimsuits, track suits, jogging suits, sweatshirts, T-shirts, leotards, etc.,

— vest, underpants, socks, stockings, tights, petticoats, brassières, knickers, slips, girdles, corsets, body stockings, etc.

— pyjamas, night-shirts, night dresses, housecoats, dressing gowns, bathrobes, etc.,

— baby cloths and babies' booties made of fabric.

Excludes: articles of medical hosiery such as elasticated stockings (06.1.2); babies' napkins (12.1.3).

03.1.3 Other articles of clothing and clothing accessories (SD)

— ties, handkerchiefs, scarves, squares, gloves, mittens, muffs, belts, braces, aprons, smocks, bibs, sleeve protectors, hats, caps, berets, bonnets, etc.,

— sewing threads, knitting yarns and accessories for making clothing such as buckles, buttons, press-studs, zip-fasteners, ribbons, laces, trimmings, etc.,

Includes: gardening gloves and working gloves; crash helmets for motor, cycles and bicycles.

Excludes: gloves and other articles made of rubber (05.6.1); pins, safety pins, sewing needles, knitting needles, thimbles (05.6.1); protective headgear for sports (09.3.2); other protective gear for sports such as life jackets, boxing gloves, body padding, belts, supports, etc. (09.3.2); paper handkerchiefs (12.1.3); watches, jewellery, cufflinks, tie-pins (12.3.1); walking sticks and canes, umbrellas and parasols, fans, key rings (12.3.2).

03.1.4 Cleaning, repair and hire of clothing (S)

— dry-cleaning, laundering and dyeing of garments,

— darning, mending, repair and altering of garments,

— hire of garments.

Includes: total value of the repair service (that is, both the cost of labour and the cost of materials are covered).

Excludes: materials, threads, accessories, etc. purchased by households with the intention of undertaking the repairs themselves (03.1.1) or (03.1.3); repair of household linen and other household textiles (05.2.0); dry-cleaning, laundering, dyeing and hiring of household linen and other household textiles (05.6.2).

03.2 Footwear

03.2.1/2 Shoes and other footwear including repair and hire of footwear (SD)

- all footwear for men, women, children (three to 13 years) and infants (0 to two years) including sports footwear suitable for everyday or leisure wear (shoes for jogging, cross-training, tennis, basket ball, boating, etc.),
- repair of footwear; shoe cleaning services,
- hire of footwear.

Includes: gaiters, leggings and similar articles; total value of the repair service (that is, both the cost of labour and the cost of materials are covered).

Excludes: babies' booties made of fabric (03.1.2); orthopaedic footwear (06.1.3); game-specific footwear (ski boots, football boots, golfing shoes and other such footwear fitted with ice skates, rollers, spikes, studs, etc.) (09.3.2); shin-guards, cricket pads and other such protective apparel for sport (09.3.2); polishes, creams and other shoe cleaning articles (05.6.1) repair (09.3.2) or hire (09.4.1) of game specific footwear (ski boots, football boots, golfing shoes and other such footwear fitted with ice skates, rollers, spikes, studs, etc.).

04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS

04.1 Actual rentals for housing

Rentals are all rentals actually paid by tenants, i.e. the rentals the tenant pays to the landlord regardless of any social benefits the tenant receives from public authorities (including payments which at the tenant's discretion go directly to the landlord).

Rentals normally include payment for the use of the land on which the property stands, the dwelling occupied, the fixtures and fittings for heating, plumbing, lighting, etc., and, in the case of a dwelling let furnished, the furniture.

Rentals also include payment for the use of a garage to provide parking in connection with the dwelling. The garage does not have to be physically contiguous to the dwelling; nor does it have to be leased from the same landlord.

Rentals do not include payment for the use of garages or parking spaces not providing parking in connection with the dwelling (07.2.4). Nor do they include charges for water supply (04.4.1), refuse collection (04.4.2) and sewerage collection (04.4.3); coproprietor charges for caretaking gardening, stairwell cleaning, heating and lighting, maintenance of lifts and refuse disposal chutes, etc. in multi-occupied buildings (04.4.4) charges for electricity (04.5.1) and gas (04.5.2); charges for heating and hot water supplied by district heating plants (04.5.5).

04.1.1/2 Actual rentals paid by tenants including other actual rentals (S)

- rentals actually paid by tenants or subtenants occupying unfurnished or furnished premises as their main residence,
- rentals actually paid for secondary residences.

Includes: payments by households occupying a room in a hotel or boarding house as their main residence.

Excludes: accommodation services of educational establishments and hostels (11.2.0), of holiday villages and holiday centres (11.2.0), and of retirement homes for elderly persons (*) (12.4.0).

04.3 Maintenance and repair of the dwelling

Maintenance and repair of dwellings are distinguished by two features: first, they are activities that have to be undertaken regularly in order to maintain the dwelling in good working order; second, they do not change the dwelling's performance, capacity or expected service life.

There are two types of maintenance and repair of dwellings: those which are minor, such as interior decoration and repairs to fittings, and which are commonly carried out by both tenants and owners; and those which are major, such as replastering walls or repairing roofs, and which are carried out by owners only.

Only expenditures which tenants and owner-occupiers incur on materials and services for minor maintenance and repair are part of individual consumption expenditure of households. Expenditures which owner-occupiers incur on materials and services for major maintenance and repair are not part of individual consumption expenditure of households (*).

Purchases of materials made by tenants or owner-occupiers with the intention of undertaking the maintenance or repair themselves should be shown under (04.3.1). If tenants or owner-occupiers pay an enterprise to carry out the maintenance or repair, the total value of the service including the costs of the materials used, should be shown under (04.3.2).

04.3.1 Materials for the maintenance and repair of the dwelling (*) (ND)

— products and materials, such as paints and varnishes, renderings wallpapers, fabric wall coverings, window panes, plaster, cement putty, wallpaper pastes, etc., purchased for minor maintenance and repair of the dwelling.

Includes: small plumbing items (pipes, taps, joints, etc.) and surfacing materials (floor boards, ceramic tiles, etc.).

Excludes: fitted carpets and linoleum (05.1.2); hand tools, door fittings power sockets, wiring flex and lamp bulbs (05.5.2); brooms, scrubbing brushes, dusting brushes and cleaning products (05.6.1); products, materials and fixtures used for major maintenance and repair (intermediate consumption, not covered by HICP) (*) or for extension and conversion of the dwelling (capital formation, not covered by HICP)

04.3.2 Services for the maintenance and repair of the dwelling (*) (S)

— services of plumbers, electricians, carpenters, glaziers, painters, decorators, floor polishers, etc. engaged for minor maintenance and repair of the dwelling.

Includes: total value of the service (that is, both the cost of labour and the cost of materials are covered).

Excludes: separate purchases of materials made by households with the intention of undertaking the maintenance or repair themselves (04.3.1); services engaged for major maintenance and repair (intermediate consumption, not covered by HICP) (*) or for extension and conversion of the dwelling (capital formation, not covered by HICP) (*)

04.4 Water supply and miscellaneous services relating to the dwelling

Refers to separately identifiable charges for specific services relating to the dwelling whether or not consumers pay according to consumption, that is, excluding payments for services financed out of general taxation.

04.4.1 Water supply (ND)

— water supply

Includes: associated expenditure such as hire of meters, reading of meters standing charges, etc.

Excludes: drinking water sold in bottles or containers (01.2.2); hot water or steam purchased from district heating plants (04.5.5).

(*) The methodological details and the timetable of inclusion shall be specified in accordance with the procedure laid down in Article 14 of Council Regulation (EC) No 2494/95.

(*) The methodological details and the timetable of inclusion shall be specified in accordance with the procedure laid down in Article 14 of Council Regulation (EC) No 2494/95.

- 04.4.2 Refuse collection (S)
— refuse collection and disposal.
- 04.4.3 Sewerage collection (S)
— sewerage collection and disposal.
- 04.4.4 Other services relating to the dwelling n.e.c. (S)
— co-proprietor charges for caretaking, gardening, stairwell cleaning, heating and lighting, maintenance of lifts and refuse disposal chutes, etc. in multi-occupied buildings,
— security services,
— snow removal and chimney sweeping.
Excludes: household services such as window cleaning, disinfecting, fumigation and pest extermination (05.6.2); bodyguards (12.7.0).
- 04.5 **Electricity, gas and other fuels**
- 04.5.1 Electricity (ND) (E)
— electricity.
Includes: associated expenditure such as hire of meters, reading of meters, standing charges, etc.
- 04.5.2 Gas (ND) (E)
— town gas and natural gas,
— liquefied hydrocarbons (butane, propane, etc.).
Includes: associated expenditure such as hire of meters, reading of meters, storage containers, standing charges, etc.
- 04.5.3 Liquid fuels (ND) (E)
— domestic heating and lighting oils.
- 04.5.4 Solid fuels (ND) (E)
— coal, coke, briquettes, firewood, charcoal, peat and the like.
- 04.5.5 Heat energy (ND) (E)
— hot water and steam purchased from district heating plants.
Includes: associated expenditure such as hire of meters, reading of meters, standing charges, etc.; ice used for cooling and refrigeration purposes.
- 05 FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE
- 05.1 **Furniture and furnishings, carpets and other floor coverings**
- 05.1.1 Furniture and furnishings (D)
— beds, sofas, couches, tables, chairs, cupboards, chests of drawers and bookshelves,
— lighting equipment such as ceiling lights, standard lamps, globe lights and bedside lamps,
— pictures, sculptures, engravings, tapestries and other art objects including reproductions of works of art and other ornaments,
— screens, folding partitions and other furniture and fixtures.

Includes: delivery and installation when applicable; base-mattresses, mattresses, tatamis; bathroom cabinets; baby furniture such as cradles, high-chairs and play-pens; blinds; camping and garden furniture; mirrors, candle-holders and candlesticks.

Excludes: bedding and sunshades (05.2.0); safes (05.3.1); ornamental glass and ceramic articles (05.4.0); clocks (12.3.1); wall thermometers and barometers (12.3.2); carry cots and push-chairs (12.3.2); works of art and antique furniture acquired primarily as stores of value (capital formation, not covered by HICP).

05.1.2 Carpets and other floor coverings (D)

— loose carpets, fitted carpets, linoleum and other such floor coverings.

Includes: laying of floor coverings.

Excludes: bathroom mats, rush mats and door mats (05.2.0); antique floor coverings acquired primarily as stores of value (capital formation, not covered by HICP).

05.1.3 Repair of furniture, furnishings and floor coverings (S)

— repair of furniture, furnishings and floor coverings.

Includes: total value of the service (that is, both the cost of labour and the cost of materials are covered); restoration of works of art, antique furniture and antique floor coverings other than those acquired primarily as stores of value (capital formation, not covered by HICP).

Excludes: separate purchases of materials made by households with the intention of undertaking the repair themselves (05.1.1) or (05.1.2); dry cleaning of carpets (05.6.2).

05.2 Household textiles

05.2.0 Household textiles (SD)

— furnishing fabrics, curtain material, curtains, double curtains, awnings, door curtains and fabric blinds,

— bedding such as futons, pillows, bolsters and hammocks,

— bed linen such as sheets, pillowcases, blankets, travelling rugs, plaids, eiderdowns, counterpanes and mosquito nets,

— table linen and bathroom linen such as tablecloths, table napkins towels and face-clothes,

— other household textiles such as shopping bags, laundry bags, shoe bags, covers for clothes and furniture, flags, sunshades, etc.,

— repair of such articles.

Includes: cloth bought by the piece; oilcloth; bathroom mats, rush mats and door mats.

Excludes: fabric wall coverings (04.3.1); tapestries (05.1.1); floor coverings such as carpets and fitted carpets (05.1.2); electric blankets (05.3.2); covers for motor cars, motor cycles, etc. (07.2.1); air mattresses and sleeping bags (09.3.2).

05.3 Household appliances

05.3.1/2 Major household appliances whether electric or not (D) and small electric household appliances (SD)

— refrigerators, freezers and fridge-freezers,

— washing-machines, dryers, drying cabinets, dishwashers, ironing and pressing machines,

— cookers, spit roasters, hobs, ranges, ovens and micro-wave ovens,

— air conditioners, humidifiers, space heaters, water heaters, ventilators and extractor hoods,

- vacuum cleaners, steam-cleaning machines, carpet shampooing machines and machines for scrubbing, waxing and polishing floors,
- other major household appliances such as safes, sewing machines, knitting machines, water softeners, etc.,
- coffee mills, coffee-makers, juice extractors, can openers, food mixers, deep fryers, meat grills, knives, toasters, ice cream makers, sorbet makers, yoghurt makers, hotplates, irons, kettles, fans, electric blankets, etc.

Includes: delivery and installation of the appliances when applicable.

Excludes: such appliances that are built into the structure of the building (capital formation, not covered by HICP) (*); small non-electric household articles and kitchen utensils (05.4.0); household scales (05.4.0); personal weighing machines and baby scales (12.1.3).

05.3.3 Repair of household appliances (S)

- repair of household appliances.

Includes: total value of the service (that is, both the cost of labour and the cost of materials are covered); charges for the leasing or rental of major household appliances.

Excludes: separate purchases of materials made by households with the intention of undertaking the repair themselves (05.3.1) or (05.3.2).

05.4 Glassware, tableware and household utensils

05.4.0 Glassware, tableware and household utensils (SD)

- glassware, crystal-ware, ceramic ware and chinaware of the kind used for table, kitchen, bathroom, toilets, office and indoor decoration,
- cutlery, flatware and silverware,
- non-electric kitchen utensils of all materials such as saucepans, stew pots, pressure cookers, frying pans, coffee mills, purée makers, mincers, hotplates, household scales and other such mechanical devices,
- non-electric household articles of all materials such as containers for bread, coffee, spices, etc., waste bins, waste-paper baskets, laundry baskets, portable money-boxes and strong-boxes, towel rails, bottle racks, irons and ironing boards, letter boxes, feeding bottles, thermos flasks and ice boxes,
- repair of such articles.

Excludes: lighting equipment (05.1.1); electric household appliances (05.3.1) or (05.3.2); cardboard tableware (05.6.1); personal weighing machines and baby scales (12.1.3).

05.5 Tools and equipment for house and garden

05.5.1/2 Major tools and equipment (D) and small tools and miscellaneous accessories (SD)

- motorised tools and equipment such as electric drills, saws, sanders and hedge cutters, garden tractors, lawn mowers, cultivators, chain saws and water pumps,
- repair of such articles,

(*) Following a decision on the treatment of owner-occupied housing, the coverage of this sub-index might need to be extended to include expenditure on major maintenance and repairs of the dwelling and for extension and conversion of the dwelling not typically paid by the tenants.

- hand tools such as saws, hammers, screwdrivers, wrenches spanners, pliers trimming knives, rasps and files,
- garden tools such as wheel barrows, watering cans, hoses, spades shovels, rakes, forks, scythes, sickles and secateurs,
- ladders and steps,
- door fittings (hinges, handles and locks), fittings for radiators and fireplaces, other metal articles for the house (curtain rails, carpet rods, hooks, etc.) or for the garden (chairs, grids, stakes and hoop segments for fencing and bordering),
- small electric accessories such as power sockets, switches, wiring flex, electric bulbs, fluorescent lighting tubes, torches, flashlights, hand-lamps, electric batteries for general use, bells and alarms,
- repair of such articles.

Includes: charges for the leasing or rental of do-it-yourself machinery and equipment.

05.6 Goods and services for routine household maintenance

05.6.1 Non-durable household goods (ND)

- cleaning and maintenance products such as soaps, washing powders, washing liquids, scouring powders, detergents, disinfectant bleaches, softeners, conditioners, window-cleaning products, waxes, polishes, dyes, unblocking agents, disinfectants insecticides, fungicides and distilled water,
- articles for cleaning such as brooms, scrubbing brushes, dust pans and dust brushes, dusters, tea towels, floor cloths, household sponges, scourers, steel wool and chamois leathers,
- paper products such as filters, tablecloths and table napkins, kitchen paper, vacuum cleaner bags and cardboard tableware, including aluminium foil and plastic bin liners,
- other non-durable household articles such as matches, candles, lamp wicks, methylated spirits, clothes pegs, clothes hangers, pins, safety pins, sewing needles, knitting needles, thimbles, nails, screws, nuts and bolts, tacks, washers, glues and adhesive tapes for household use, string, twine and rubber gloves.

Includes: polishes, creams and other shoe-cleaning articles.

Excludes: horticultural products for the upkeep of ornamental gardens (09.3.3); paper handkerchiefs, toilet paper, toilet soaps, toilet sponges and other products for personal hygiene (12.1.3).

05.6.2 Domestic services and household services (S)

- domestic services supplied by paid staff employed in private service such as butlers, cooks, maids, drivers, gardeners, governesses, secretaries, tutors and au pairs,
- similar services, including baby-sitting and housework, supplied by enterprises or self-employed persons,
- household services such as window cleaning, disinfecting, fumigation and pest extermination,
- dry-cleaning, laundering and dyeing of household linen, household textiles and carpets,
- hire of furniture, furnishings, carpets, household equipment and household linen.

Excludes: dry-cleaning, laundering and dyeing of garments (03.1.4); refuse collection (04.4.2); sewerage collection (04.4.3); co-proprietor charges for caretaking, gardening, stairwell cleaning, heating and lighting maintenance of lifts and refuse disposal chutes, etc. in multi-occupied buildings (04.4.4); security services (04.4.4); snow removal and chimney sweeping (04.4.4); removal and storage services (07.3.6); services of wet nurses, crèches, day-care centres and other child-minding facilities (12.4.0); bodyguards (12.7.0).

06 HEALTH

This division also includes health services purchased from school and university health centres.

06.1 Medical products, appliances and equipment

This group covers medicaments, prostheses, medical appliances and equipment and other health-related products purchased by individuals or households, either with or without a prescription, usually from dispensing chemists, pharmacists or medical equipment suppliers. They are intended for consumption or use outside a health facility or institution. Such products supplied directly to out-patients by medical, dental and paramedical practitioners or to in-patients by hospitals and the like are included in out-patient services (06.2) or hospital services: (*) (06.3).

06.1.1 Pharmaceutical products (ND)

— medicinal preparations, medicinal drugs, patent medicines, serums and vaccines, vitamins and minerals, cod liver oil and halibut liver oil, oral contraceptives.

Excludes: veterinary products (09.3.4); articles for personal hygiene such as medicinal soaps (12.1.3).

06.1.2/3 Other medical products therapeutic appliances and equipment (ND) — clinical thermometers, adhesive and non-adhesive bandages, hypodermic syringes, first-aid kits, hot-water bottles and ice bags, medical hosiery items such as elasticated stockings and knee-supports, pregnancy tests, condoms and other mechanical contraceptive devices,

— corrective eye-glasses and contact lenses, hearing aids, glass eyes, artificial limbs and other prosthetic devices, orthopaedic braces and supports, orthopaedic footwear, surgical belts, busses and supports, neck braces, medical massage equipment and health lamps, powered and unpowered wheelchairs and invalid carriages, 'special' beds, crutches, electronic and other devices for monitoring blood pressure, etc.,

— repair of such articles.

Includes: dentures but not fitting costs.

Excludes: hire of therapeutic equipment (06.2.3); protective goggles, belts and supports for sport (09.3.2); sun-glasses not fitted with corrective lenses (12.3.2).

06.2 Out-patient services

This group covers medical, dental and paramedical services delivered to out-patients by medical, dental and paramedical practitioners and auxiliaries. The services may be delivered at home, in individual or group consulting facilities, dispensaries or the out-patient clinics of hospitals and the like.

Out-patient services include the medicaments, prostheses, medical appliances and equipment and other health-related products supplied directly to out-patients by medical, dental and paramedical practitioners and auxiliaries.

Medical, dental and paramedical services provided to in-patients by hospitals and the like are included in hospital services (*) (06.3).

06.2.1/3 Medical and paramedical services (S)

— consultations of physicians in general or specialist practice,

— services of medical analysis laboratories and X-ray centres,

(*) The methodological details and the timetable of inclusion shall be specified in accordance with the procedure laid down in Article 14 of Council Regulation (EC) No 2494/95.

(*) The methodological details and the timetable of inclusion shall be specified in accordance with the procedure laid down in Article 14 of Council Regulation (EC) No 2494/95.

- services of freelance nurses and midwives,
- services of freelance acupuncturists, chiropractors, optometrists, physiotherapists, speech therapists, etc.,
- medically-prescribed corrective-gymnastic therapy,
- out-patient thermal bath or seawater treatments,
- ambulance services,
- hire of therapeutic equipment.

Includes: services of orthodontic specialists.

06.2.2 Dental services (S)

- services of dentists, oral-hygienists and other dental auxiliaries.

Includes: fitting costs of dentures.

Excludes: dentures (06.1.3); services of orthodontic specialists (06.2.1); services of medical analysis laboratories and X-ray centres (06.2.3).

06.3 Hospital services (*)

Hospitalisation is defined as occurring when a patient is accommodated in a hospital for the duration of the treatment. Hospital day care and home-based hospital treatment are included as are hospices for terminally-ill persons.

This group covers the services of general and specialist hospitals, the services of medical centres, maternity centres, nursing homes and convalescence homes which chiefly provide in-patient health care, the services of institutions serving old people in which medical monitoring is an essential component and the services of rehabilitation centres providing in-patient health care and rehabilitative therapy where the objective is to treat the patient rather than to provide long-term support.

Hospitals are defined as institutions which offer in-patient care under direct supervision of qualified medical doctors. Medical centres, maternity centres, nursing homes and convalescent homes also provide in-patient care but their services are supervised and frequently delivered by staff of lower qualification than medical doctors.

This group does not cover the services of facilities, such as surgeries clinics and dispensaries, devoted exclusively to out-patient care (06.2). Nor does it include the services of retirement homes for elderly persons; institutions for disabled persons and rehabilitation centres providing primarily long-term support (12.4).

06.3.0 Hospital services (*) (S)

- Hospital services comprise the provision of the following services to hospital in-patients:
 - basic services: administration; accommodation; food and drink; supervision and care by non-specialist staff (nursing auxiliaries); first-aid and resuscitation; ambulance transport; provision of medicines and other pharmaceutical products; provision of therapeutic appliances and equipment,
 - medical services: services of physicians in general or specialist practice, of surgeons and of dentists; medical analyses and Xrays; paramedical services such as those of nurses, midwives, chiropractors, optometrists, physiotherapists, speech therapists, etc.

(*) The methodological details and the timetable of inclusion shall be specified in accordance with the procedure laid down in Article 14 of Council Regulation (EC) No 2494/95..

07 TRANSPORT

07.1 Purchase of vehicles

Purchases cover purchases by households of new vehicles and purchases, by households of second-hand vehicles from other institutional sectors, which are typically garages or car dealers. Sales of second-hand vehicles between households are not covered.

Purchases are net of sales by households of second-hand vehicles to other institutional sectors. Member States may take either:

- (i) a net weight for new cars (gross weight minus the trade-in value of used cars) and a net weight for second-hand cars, or
- (ii) a gross weight for new cars (not taking into account the trade-in of used cars), and a weight for second-hand cars including any business sector trade-margin.

Purchases also cover purchases through financial leasing arrangements.

Purchases of recreational vehicles such as camper vans, caravans, trailers, aeroplanes and boats are covered by (09.2.1).

07.1.1 Motor cars (D)

- new motor cars, passenger vans, station wagons, estate cars and the like with either two-wheel drive or four-wheel drive,
- second-hand motor cars, passenger vans, station wagons, estate cars and the like with either two-wheel drive or four-wheel drive.

Excludes: invalid carriages (06.1.3); camper vans (09.2.1); golf carts (09.2.1).

07.1.2/3/4 Motor cycles, bicycles, and animal drawn vehicles (D)

- motor cycles of all types, scooters and powered bicycles,
- bicycles and tricycles of all types,
- animal drawn vehicles.

Includes: side cars; snowmobiles; rickshaws; animals required to draw the vehicles and related equipment (yokes, collars, harnesses, bridles, reins, etc.).

Excludes: invalid carriages (06.1.3); golf carts (09.2.1); toy bicycles and tricycles (09.3.1); horses and ponies, horse or pony drawn vehicles and related equipment purchased for recreational purposes (09.2.1).

07.2 Operation of personal transport equipment

Purchases of spare parts, accessories or lubricants made by households with the intention of undertaking the maintenance, repair or intervention themselves should be shown under (07.2.1) or (07.2.2). If households pay an enterprise to carry out the maintenance, repair or fitting, the total value of the service, including the costs of the materials used, should be shown under (07.2.3). 07.2.1 Spare parts and accessories for personal transport equipment (SD)

- tyres (new, used or retreaded), inner tubes, spark plugs, batteries, shock absorbers, filters, pumps and other spare parts or accessories for personal transport equipment.

Includes: products specifically for the cleaning and maintenance of transport equipment such as paints, chrome cleaners, sealing compounds and bodywork polishes; covers for motor cars, motor cycles, etc.

Excludes: crash helmets for motor cycles and bicycles (03.1.3); nonspecific products for cleaning and maintenance such as distilled water, household sponges, chamois leathers, detergents, etc. (05.6.1); charges

for the fitting of spare parts and accessories and for the painting, washing and polishing of bodywork (07.2.3); radio-telephones (08.2.0); car radios (09.1.1); baby-seats for cars (12.3.2).

07.2.2 Fuels and lubricants for personal transport equipment (ND) (E)

- petrol and other fuels such as diesel, liquid petroleum gas, alcohol and two-stroke mixtures,
- lubricants, brake and transmission fluids, coolants and additives.

Includes: fuel for major tools and equipment covered under (05.5.1) and recreational vehicles covered under (09.2.1).

Excludes: charges for oil changes and greasing (07.2.3).

07.2.3 Maintenance and repair of personal transport equipment (S)

- services purchased for the maintenance and repair of personal transport equipment such as fitting of parts and accessories, wheel balancing, technical inspection, breakdown services, oil changes, greasing and washing.

Includes: total value of the service (that is both the cost of labour and the cost of materials are covered).

Excludes: separate purchases of spare parts, accessories or lubricants made by households with the intention of undertaking the maintenance or repair themselves (07.2.1) or (07.2.2); road worthiness tests (07.2.4).

07.2.4 Other services in respect of personal transport equipment (S)

Following the conventions of ESA 1995, included are payments by households for licences, permits, etc. which are regarded as purchases of services from government (ESA 1995, paragraph 3.76.h). In that case the government issues licences as a part of some regulatory function, such as checking the competence, or qualifications, of the persons concerned (ESA 1995, paragraph 4.80.d and its footnote).

- hire of garages or parking spaces not providing parking in connection with the dwelling,
- toll facilities (bridges, tunnels, shuttle-ferries, motorways) and parking meters,
- driving lessons, driving tests and driving licences,
- road worthiness tests,
- hire of personal transport equipment without drivers.

Excludes: hire of a car with driver (07.3.2); service charges for insurance in respect of personal transport equipment (12.5.4).

07.3 Transport services

Purchases of transport services are generally classified by mode of transport. When a ticket covers two or more modes of transport — for example, intra-urban bus and underground or inter-urban train and ferry — and the expenditure cannot be apportioned between them, then such purchases should be classified in (07.3.5).

Costs of meals, snacks, drinks, refreshments or accommodation services have to be included if covered by the fare and not separately priced. If separately priced, these costs have to be classified in Division 11.

School transport services are included, but ambulance services are excluded (06.2.3).

07.3.1 Passenger transport by railway (S)

- Transport of individuals and groups of persons and luggage by train, tram and underground.

Includes: transport of private vehicles.

Excludes: funicular transport (07.3.6).

07.3.3 Passenger transport by road (S)

— Transport of individuals and groups of persons and luggage by bus coach, taxi and hired car with driver.

07.3.3 Passenger transport by air (S)

— Transport of individuals and groups of persons and luggage by aeroplane and helicopter.

07.3.4 Passenger transport by sea and inland waterway (S)

— Transport of individuals and groups of persons and luggage by ship, boats, ferry, hovercraft and hydrofoil.

Includes: transport of private vehicles.

07.3.5 Combined passenger transport (S)

— Transport of individuals and groups of persons and luggage by two or more modes of transport when the expenditure cannot be apportioned between them.

Includes: transport of private vehicles.

Excludes: package holidays (09.6.0).

07.3.6 Other purchased transport services (S)

- funicular, cable-car and chair-lift transport,
- removal and storage services,
- services of porters and left-luggage and luggage-forwarding offices,
- travel agents' commissions, if separately priced.

Excludes: cable-car and chair-lift transport at ski resorts and holiday centres (09.4.1).

08 COMMUNICATION

08.1 **Postal services**

08.1.0 Postal services (S)

- payments for the delivery of letters, postcards and parcels,
- private mail and parcel delivery.

Includes: all purchases of new postage stamps, pre-franked postcards and aerogrammes.

Excludes: purchase of used or cancelled postage stamps (09.3.1); financial services of post offices (12.6.2).

08.x **Telephone and telefax equipment and telephone and telefax services**

08.2/3.0 Telephone and telefax equipment and telephone and telefax services ⁽¹⁾

- purchases of telephones, radio-telephones, telefax machines, telephone-answering machines and telephone loudspeakers (08.2.0),
- repair of such equipment (08.2.0),
- installation and subscription costs of personal telephone equipment (08.3.0),

⁽¹⁾ Member States able to separate 08.2/3.0 into goods (08.2.0) and services (08.3.0) shall transmit those indices as well as the combined index (08.2/3.0)

- telephone calls from a private line or from a public line (public telephone box, post office cabin, etc.); telephone calls from hotels, cafés, restaurants and the like (08.3.0),
- telegraphy, telex and telefax services (08.3.0),
- information transmission services; internet connection services (08.3.0),
- hire of telephones, telefax machines, telephone answering machines and telephone loudspeakers (08.3.0).

Includes: radiotelephony, radiotelegraphy and radiotelex services.

Excludes: telefax and telephone answering facilities provided by personal computers (09.1.3).

09 RECREATION AND CULTURE

09.1 **Audio-visual, photographic and information processing equipment**

09.1.1 Equipment for the reception, recording and reproduction of sound and pictures (D)

- television sets, video-cassette players and recorders, television aerials of all types,
- radio sets, car radios, radio clocks, two-way radios, amateur radio receivers and transmitters,
- gramophones, tape players and recorders, cassette players and recorders, CD-players, personal stereos, stereo systems and their constituent units (turntables, tuners, amplifiers, speakers, etc.), microphones and earphones.

Excludes: video cameras, camcorders and sound-recording cameras (09.1.2).

09.1.2 Photographic and cinematographic equipment and optical instruments (D)

- still cameras, movie cameras and sound-recording cameras, video cameras and camcorders, film and slide projectors, enlargers and film processing equipment, accessories (screens, viewers, lenses, flash attachments, filters, exposure meters, etc.),
- binoculars, microscopes, telescopes and compasses.

09.1.3 Information processing equipment (D)

- personal computers and visual display units, printers, software and miscellaneous accessories accompanying them,
- calculators, including pocket calculators,
- typewriters and word processors.

Includes: telefax and telephone answering facilities provided by personal computers.

Excludes: video-game software (09.3.1); video-game computers that plug into a television set (09.3.1); typewriter ribbons (09.5.4); slide rules (09.5.4).

09.1.4 Recording media (SD)

- records and compact discs, — pre-recorded tapes, cassettes, video cassettes, diskettes and CDROMs for tape recorders, cassette recorders, video recorders and personal computers,
- unrecorded tapes, cassettes, video cassettes, diskettes and CDROMs for tape recorders, cassette recorders, video recorders and personal computers,
- unexposed films, cartridges and discs for photographic and cinematographic use.

Includes: photographic supplies such as paper and flash bulbs; unexposed film the price of which includes the cost of processing without separately identifying it.

Excludes: batteries (05.5.2); computer software (09.1.3); video-game software, video-game cassettes and video-game CD-ROMs (09.3.1); development of films and printing of photographs (09.4.2).

09.1.5 Repair of audio-visual, photographic and information processing equipment (S)

— repair of audio-visual, photographic and information processing equipment.

Includes: total value of the service (that is, both the cost of labour and the cost of materials are covered).

Excludes: separate purchases of materials made by households with the intention of undertaking the repair themselves (09.1.1), (09.1.2) or (09.1.3).

09.2 **Other major durables for recreation and culture**

09.2.1/2 Major durables for indoor and outdoor recreation including musical instruments (D)

— camper vans, caravans and trailers,

— aeroplanes, microlight aircraft, gliders, hang-gliders and hot-air balloons,

— boats, outboard motors, sails, rigging and superstructures,

— horses and ponies, horse or pony drawn vehicles and related equipment (harnesses, bridles, reins, saddles, etc.),

— major items for games and sport such as canoes, kayaks, wind surfing boards, sea-diving equipment and golf carts,

— musical instruments of all sizes, including electronic musical instruments, such as pianos, organs, violins, guitars, drums, trumpets, clarinets, flutes, recorders, harmonicas, etc.,

— billiard tables, ping-pong tables, pin-ball machines, gaming machines, etc.

Includes: fitting out of boats, camper vans, caravans, etc.

Excludes: horses and ponies, horse or pony drawn vehicles and related equipment purchased for personal transport (07.1.4); toys (09.3.1); inflatable boats, rafts and swimming pools (09.3.2).

09.2.3 Maintenance and repair of other major durables for recreation and culture (S)

— maintenance and repair of other major durables for recreation and culture.

Includes: total value of the service (that is, both the cost of labour and the cost of materials are covered); laying up for winter of boats, camper vans, caravans, etc.; hanger services for private planes; marina services for boats.

Excludes: fuel for recreational vehicles (07.2.2); separate purchases of materials made by households with the intention of undertaking the maintenance or repair themselves (09.2.1) or (09.2.2); veterinary services (09.3.5).

09.3 **Other recreational items and equipment, gardens and pets**

09.3.1 Games, toys and hobbies (SD)

— card games, parlour games, chess sets and the like,

— toys of all kinds including dolls, soft toys, toy cars and trains, toy bicycles and tricycles, toy construction sets, puzzles, plasticine, electronic games, masks, disguises, jokes, novelties, fireworks and rockets, festoons and Christmas tree decorations,

— stamp-collecting requisites (used or cancelled postage stamps, stamp albums, etc.), other items for collections (coins, medals, minerals, zoological and botanical specimens, etc.) and other tools and articles n.e.c. for hobbies.

Includes: video-game software; video-game computers that plug into television set; video-game cassettes and video-game CD-ROMs.

Excludes: collectors' items falling into the category of works of art or antiques (05.1.1); unused postage stamps (08.1.0); Christmas trees (09.3.3); children's scrapbooks (09.5.1).

09.3.2 Equipment for sport, camping and open-air recreation (SD)

- Gymnastic, physical education and sport equipment such as balls, shuttlecocks, nets, rackets, bats, skis, golf clubs, foils, sabres, poles, weights, discuses, javelins, dumb-bells, chest expanders and other body-building equipment,
- parachutes and other sky-diving equipment,
- firearms and ammunition for hunting, sport and personal protection,
- fishing rods and other equipment for fishing,
- equipment for beach and open-air games such as bowls, croquet, frisbee, volleyball and inflatable boats, rafts and swimming pools,
- camping equipment such as tents and accessories, sleeping bags, back-packs, air mattresses and inflating pumps, camping stoves and barbecues,
- repair of such articles.

Includes: game-specific footwear (ski boots, football boots, golfing shoes and other such footwear fitted with ice skates, rollers, spikes, studs, etc.); protective headgear for sports; other protective gear for sports such as life jackets, boxing gloves, body padding, shin-guards, goggles, belts, supports, etc.

Excludes: crash helmets for motor cycles and bicycles (03.1.3); camping and garden furniture (05.1.1).

09.3.3 Gardens, plants and flowers (ND)

- Natural or artificial flowers and foliage, plants, shrubs, bulbs, tubers, seeds, fertilisers, composts, garden peat, turf for lawns, specially treated soils for ornamental gardens, horticultural preparations, pots and pot holders.

Includes: natural and artificial Christmas trees; delivery charges for flowers and plants.

Excludes: gardening gloves (03.1.3); gardening services (04.4.4) or (05.6.2); gardening equipment (05.5.1); gardening tools (05.5.2).

09.3.4/5 Pets and related products including veterinary and other services for pets (ND)

- pets, pet foods, veterinary and grooming products for pets, collars, leashes, kennels, birdcages, fish tanks, cat litter, etc.,
- veterinary and other services for pets such as grooming, boarding, tattooing and training.

Excludes: horses and ponies (07.1.4) or (09.2.1).

09.4 Recreational and cultural services

09.4.1 Recreational and sporting services (S)

- Services provided by:
 - sports stadia, horse-racing courses, motor-racing circuits, velodromes, etc.,
 - skating rinks, swimming pools, golf courses, gymnasias, fitness centres, tennis courts, squash courts and bowling alleys,
 - fairgrounds and amusement parks
 - roundabouts, see-saws and other playground facilities for children,
 - pin-ball machines and other games for adults other than games of chance,
 - ski slopes, ski lifts and the like,

- hire of equipment and accessories for sport and recreation, such as aeroplanes, boats, horses, skiing and camping equipment,
- out-of-school individual or group lessons in bridge, chess, aerobics, dancing, music, skating, skiing, swimming or other pastimes,
- services of mountain guides, tour guides, etc.,
- navigational aid services for boating.

Includes: hire of game-specific footwear (ski boots, football boots, golfing shoes and other such footwear fitted with ice skates, rollers, spikes, studs, etc.).

Excludes: cable-car and chair-lift transport not at ski resorts or holiday centres (07.3.6).

09.4.2 Cultural services (S)

- Services provided by:
 - cinemas, theatres, opera houses, concert halls, music halls, circuses, sound and light shows,
 - museums, libraries, art galleries, exhibitions,
 - historic monuments, national parks, zoological and botanical gardens, aquaria,
- hire of equipment and accessories for culture, such as television sets, video cassettes, etc.,
- television and radio broadcasting, in particular licence fees for television equipment and subscriptions to television networks,
- services of photographers such as film developing, print processing enlarging, portrait photography, wedding photography, etc.

Includes: services of musicians, clowns, performers for private entertainments.

09.5 Newspapers, books and stationery

Refers to that part of expenditure paid by consumers and not reimbursed by government, social security, or NPISHs.

09.5.1 Books (SD)

- books, including atlases, dictionaries, encyclopaedias, text books, guidebooks and musical scores.

Includes: scrapbooks and albums for children; book binding.

Excludes: stamp albums (09.3.1).

09.5.2 Newspapers and periodicals (ND)

- newspapers, magazines and other periodicals.

09.5.3/4 Miscellaneous printed matter and stationery and drawing materials (ND)

- catalogues and advertising material,
- posters, plain or picture postcards, calendars,
- greeting cards and visiting cards, announcement and message cards,
- maps and globes,
- writing pads, envelopes, account books, notebooks, diaries, etc.,
- pens, pencils, fountain pens, ball-point pens, felt-tip pens, inks, erasers, pencil sharpeners, etc.,
- stencils, carbon paper, typewriter ribbons, inking pads, correcting fluids, etc.,
- paper punches, paper cutters, paper scissors, office glues and adhesives, staplers and staples, paper clips, drawing pins, etc.,
- drawing and painting materials such as canvas, paper, card, paints, crayons, pastels and brushes.

Includes: educational materials such as exercise books, slide rules, geometry instruments, slates, chalks and pencil boxes.

Excludes: pre-franked postcards and aerogrammes (08.1.0); stamp albums (09.3.1); pocket calculators (09.1.3).

09.6 Package holidays

09.6.0 Package holidays (S)

— all inclusive holidays or tours which provide for travel, food, accommodation, guides, etc.

Includes: half-day and one-day excursion tours; pilgrimages.

10 EDUCATION

This division covers educational services only. It does not include expenditures on educational materials, such as books (09.5.1) and stationery (09.5.4), or education support services, such as health care services (06), transport services (07.3), catering services (11.1.2) and accommodation services (11.2.0).

It includes education by radio or television broadcasting.

The breakdown of educational services is based upon the level categories of the 1997 International Standard Classification of Education (ISCED-97) of the United Nations Educational, Scientific and Cultural Organisation (Unesco).

10.x Pre-primary and primary, secondary, post-secondary non-tertiary, tertiary education, and education not definable by level

This covers Coicop groups 10.1/2/3/4.

10.x.0 Pre-primary and primary education, secondary, post-secondary non-tertiary, tertiary education, and education not definable by level (S)

Levels 0 and 1 of ISCED-97: pre-primary and primary education.

Levels 2 and 3 of ISCED-97: lower-secondary and upper-secondary education.

Level 4 of ISCED-97: post-secondary non-tertiary education.

Levels 5 and 6 of ISCED-97: first stage and second stage of tertiary education.

Educational programmes, generally for adults, which do not require any special prior instruction, in particular vocational training and cultural development.

Includes: literacy programmes for students too old for primary school out-of-school secondary education for adults and young people; out-of school post-secondary non-tertiary education for adults and young people.

Excludes: driving lessons (07.2.4); recreational training courses such as sport or bridge lessons given by independent teachers (09.4.1).

11 RESTAURANTS AND HOTELS

11.1 Catering services

11.1.1 Restaurants, cafés and the like (S)

— catering services (meals, snacks, drinks and refreshments) provided by restaurants, cafés, buffets, bars, tea-rooms, etc., including those provided:

— in places providing recreational, cultural, sporting or entertainment services: theatres, cinemas, sports stadia, swimming pools, sports complexes, museums, art galleries, night clubs, dancing establishments, etc.,

— on public transport (coaches, trains, boats, aeroplanes, etc.) when priced separately,

— also included are:

- the sale of food products and beverages for immediate consumption by kiosks, street vendors and the like, including food products and beverages dispensed ready for consumption by automatic vending machines,
- the sale of cooked dishes by restaurants for consumption off their premises,
- the sale of cooked dishes by catering contractors whether collected by the customer or delivered to the customer's home.

Includes: tips.

Excludes: tobacco purchases (02.2.0); telephone calls (08.3.0).

11.1.2 Canteens (S)

- catering services of works canteens, office canteens and canteens in schools, universities and other educational establishments.

Includes: university refectories, military messes and wardrooms.

Excludes: food and drink provided to hospital in-patients (06.3.0).

11.2 Accommodation services

11.2.0 Accommodation services (S)

- accommodation services of:
 - hotels, boarding houses, motels, inns and establishments offering bed and breakfast,
 - holiday villages and holiday centres, camping and caravan sites, youth hostels and mountain chalets,
 - boarding schools, universities and other educational establishments,
 - public transport (trains, boats, etc.) when priced separately,
 - hostels for young workers or immigrants.

Includes: tips, porters.

Excludes: payments of households occupying a room in a hotel or boarding house as their main residence (04.1.1); rentals paid by households for a secondary residence for the duration of a holiday (04.1.2); telephone calls (08.3.0); catering services in such establishments except for breakfast or other meals included in the price of the accommodation (11.1.1); housing in orphanages, homes for disabled or maladjusted persons (12.4.0).

12 MISCELLANEOUS GOODS AND SERVICES

12.1 Personal care

12.1.1 Hairdressing salons and personal grooming establishments (S)

- Services of hairdressing salons, barbers, beauty shops, manicures, pedicures, Turkish baths, saunas, solaria, non-medical massages, etc.

Includes: bodycare, depilation and the like.

Excludes: spas (06.2.3) or (06.3.0); fitness centres (09.4.1).

12.1.2/3 Electric appliances for personal care and other appliances, articles and products for personal care (ND)

- electric razors and hair trimmers, hand-held and hood hair dryers, curling tongs and styling combs, sun-lamps, vibrators, electric toothbrushes and other electric appliances for dental hygiene, etc.,
- repair of such appliances,

- non-electric appliances: razors and hair trimmers and blades therefor, scissors, nail files, combs, shaving brushes, hairbrushes, toothbrushes, nail brushes, hairpins, curlers, personal weighing machines, baby scales, etc.,
- articles for personal hygiene: toilet soap, medicinal soap, cleansing oil and milk, shaving soap, shaving cream and foam, toothpaste, etc.,
- beauty products: lipstick, nail varnish, make-up and make-up removal products (including powder compacts, brushes and powder puffs), hair lacquers and lotions, pre-shave and aftershave products, sun-bathing products, hair removers, perfumes and toilet waters, personal deodorants, bath products, etc.,
- other products: toilet paper, paper handkerchiefs, paper towels, sanitary towels, cotton wool, cotton tops, babies' napkins, toilet sponges, etc.

Excludes: handkerchiefs made of fabric (03.1.3)

12.3 Personal effects n.e.c.

12.3.1 Jewellery, clocks and watches (D)

- precious stones and metals and jewellery fashioned out of such stones and metals,
- costume jewellery, cuff-links and tie-pins,
- clocks, watches, stop-watches, alarm clocks, travel clocks,
- repair of such articles.

Excludes: ornaments (05.1.1) or (05.4.0); radio clocks (09.1.1); precious stones and metals and jewellery fashioned out of such stones and metals acquired primarily as stores of value (capital formation, not covered by HICP).

12.3.2 Other personal effects (SD)

- Travel goods and other carriers of personal effects: suitcases, trunks, travel bags, attaché cases, satchels, hand-bags, wallets, purses, etc.,
- articles for babies: baby carriages, push-chairs, carry cots, recliners, car beds and seats, back-carriers, front carriers, reins and harnesses, etc.,
- articles for smokers: pipes, lighters, cigarette cases, cigar cutters, etc.,
- miscellaneous personal articles: sun-glasses, walking sticks and canes, umbrellas and parasols, fans, key rings, etc.,
- funerary articles: coffins, gravestones, urns, etc.,
- repair of such articles.

Includes: wall thermometers and barometers.

Excludes: baby furniture (05.1.1); shopping bags (05.2.0); feeding bottles (05.4.0).

12.4 Social protection

Social protection as defined here covers assistance and support services provided to persons who are: elderly, disabled, suffering from occupational injuries and diseases, survivors, unemployed, destitute, homeless, low-income earners, indigenous people, immigrants, refugees, alcohol and substance abusers, etc. It also covers assistance and support services provided to families and children.

12.4.0 Social protection (S) (*)

Such services include residential care, home help, day care and rehabilitation. More specifically, this class covers payments by households for:

- retirement homes for elderly persons, residences for disabled persons, rehabilitation centres providing long-term support for patients rather than health care and rehabilitative therapy, schools for disabled persons where the main aim is to help students overcome their disability,
- help to maintain elderly and disabled persons at home (home cleaning services, meal programmes, day-care centres, day-care services and holiday-care services),
- wet-nurses, crèches, play schools and other child-minding facilities,
- counselling, guidance, arbitration, fostering and adoption services for families.

12.5 Insurance

Service charges for insurance are classified by type of insurance, namely life insurance and non-life insurance (that is, insurance in connection with the dwelling, health, transport, etc.). Service charges for multi-risk insurance covering several risks should be classified on the basis of the cost of the principal risk if it is not possible to allocate the service charges to the various risks covered.

Service charge is defined as the difference between claims due and premiums earned and premium supplement ⁽¹⁾.

12.5.2 Insurance connected with the dwelling (S)

- service charges paid by owner-occupiers and by tenants for the kinds of insurance typically taken out by tenants against fire, theft, water damage, etc.

Excludes: service charges paid by owner-occupiers for the kinds of insurance typically taken out by landlords (**).

12.5.3 Insurance connected with health (S)

- service charges for private sickness and accident insurance.

12.5.4 Insurance connected with transport (S)

- service charges for insurance in respect of personal transport equipment,
- service charges for travel insurance and luggage insurance,

12.5.5 Other insurance (S)

- service charges for other insurance such as civil liability for injury or damage to third parties or their property.

Excludes: civil liability or damage to third parties or their property arising from the operation of personal transport equipment (12.5.4).

12.6 Financial services n.e.c. ◀

(*) The methodological details and the timetable of inclusion shall be specified in accordance with the procedure laid down in Article 14 of Council Regulation (EC) No 2494/95.

⁽¹⁾ ▶ CI In accordance with Commission Regulation (EC) No 1617/1999 (OJ L 192, 24.7.1999). ◀

(**) Following a decision on the treatment of owner-occupied housing, the coverage of this sub-index might need to be extended to include expenditure on major maintenance and repairs of the dwelling and for extension and conversion of the dwelling not typically paid by the tenants.

▼M3

12.6.2 Other financial services n.e.c. (S)

- actual charges for the financial services of banks, post offices, saving banks, money changers and similar financial institutions,
- fees and service charges of brokers, investment counsellors, tax consultants and the like.

Excludes: Interest payments and interest-like charges of any kind and administrative charges of private pension funds and the like. ◀

▼M2

12.7 Other services n.e.c. ◀

▼M3

12.7.0 Other services n.e.c. (S)

- fees for legal services, employment agencies, etc.,
- charges for undertaking and other funeral services,
- payment for the services of housing agents, auctioneers, salesroom operators and other intermediaries,
- payment for photocopies and other reproductions of documents,
- fees for the issue of birth, marriage and death certificates and other administrative documents,
- payment for newspaper notices and advertisements,
- payment for the services of graphologists, astrologers, private detectives, bodyguards, matrimonial agencies and marriage guidance counsellors, public writers, miscellaneous concessions (seats, toilets, cloakrooms), etc.

Includes: Payments for services of housing agents in connection with rental transactions.

Excludes: Following the conventions of ESA 1995, excluded are contributions and dues for membership of professional associations, churches and social, cultural, recreational and sports clubs (ESA 1995, paragraph 3.77.e) and commissions to estate agents in connection with the sale or purchase of non-financial assets ('Gross fixed capital formation' according to ESA 1995, paragraphs 3.102, 3.105(a), 3.111, 3.115). ◀

1.4. Weights (1997, 2010)

Commission Regulation (EC) No 2454/97 of 10 December 1997 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the quality of HICP weightings (*)

Repealed by:	Entry into force:
► R1 Commission Regulation (EC) No 1114/2010 of 1 December 2010 (OJ L 316, 2.12.2010, p. 4)	1.1.2012

Repealed as of January 2012.

References to this repealed regulation shall be read as references to:

*COMMISSION REGULATION (EC) No 1114/2010
of 10 December 2010
laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as
regards minimum standards for the quality of HICP weightings and
repealing Commission Regulation (EC) No 2454/97*

(page [104](#) of this Compendium)

(*) [OJ L 340, 11.12.1997, p. 24.](#)

1.5. Coverage of goods and services (1998)

Council Regulation (EC) No 1687/98 of 20 July 1998 amending Commission Regulation (EC) No 1749/96 concerning the coverage of goods and services of the harmonised index of consumer prices (*)

(Text with EEA relevance)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular Article 4 and Article 5(3) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Central Bank ⁽²⁾,

Whereas, by virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, each Member State is required to produce a harmonised index of consumer prices (HICP) starting with the index for January 1997; whereas the requirement to produce HICPs in no way puts in question the right of Member States to publish their national, non-harmonised, inflation indices, which they may wish to use for national policy purposes;

Whereas Commission Regulation (EC) No 1749/96 of 9 September 1996 on initial implementing measures for Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices ⁽³⁾ sets down an initial coverage for HICPs that was restricted to those goods and services covered by all or most national consumer price indices (CPIs); whereas the prices to be taken for the HICP, in particular the treatment of subsidies, rebates and reimbursements, require harmonised definitions; whereas the geographic and population coverage of the HICPs need still to be specified;

Whereas Article 3 of Regulation (EC) No 2494/95 requires that the HICP 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; whereas prices not actually paid by consumers in such purchases or opportunity costs or interest payments are not appropriate for international comparisons of consumer price inflation;

Whereas it is recognised that changes in reimbursements might not have an impact on measures of inflation in a broader context but whereas they do form an essential part of the inflationary process affecting consumers and therefore need to be reflected in the HICP;

Whereas the Statistical Programme Committee (SPC) has not delivered an opinion within the time limit set by its chairman; whereas, in this case, following the procedure laid down in Article 14(2) of Regulation (EC) No 2494/95, the Commission has to, without delay, submit to the Council a proposal relating to the measures to be taken,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1749/96 (**) shall be amended as follows:

1. Annex I shall be replaced by Annexes Ia and Ib to this Regulation;
2. in the first indent of Article 1 the word ‘initial’ shall be deleted;

(*) [OJ L 214, 31.7.1998, p.12.](#)

⁽¹⁾ OJ L 257, 27.10.1995, p. 1.

⁽²⁾ Opinion delivered on 14 July 1998.

⁽³⁾ OJ L 229, 10.9.1996, p. 3.

3. subparagraph (a) of Article 2 shall be replaced by the following:

- (a)(1) The “coverage” of the HICP is defined as those goods and services which are included in household final monetary consumption expenditure, as referred to in (a)(2). It is classified according to the four-digit categories and sub-categories given in Annex Ia, which derive from the COICOP international classification and shall be known as COICOP/HICP (classification of individual consumption by purpose adapted to the needs of HICPs).
- (a)(2) “Household final monetary consumption expenditure” is defined as that part of final consumption expenditure which is incurred by households in monetary transactions in one or both of the time periods being compared, and specified in Annex Ib. Unless otherwise stated Annex Ib follows the definitions laid down in the European System of Accounts (ESA) 1995 contained in Regulation (EC) No 2223/96 (*). “Household final monetary consumption expenditure” consists of expenditure incurred on goods and services that are used for the direct satisfaction of individual needs or wants either by:
- (a)(2)(a) resident households on the domestic territory or abroad; or
- (a)(2)(b) resident and non-resident households on the domestic territory; or
- (a)(2)(c) the population of households within the scope of the national household budget survey.
- (a)(3) Prices used in the HICP are the purchase prices paid by households to purchase individual goods and services in monetary transactions. Where goods and services have been available to consumers free of charge, and subsequently an actual price is charged, then the change from a zero price to the actual price, and vice versa, should be taken into account in the HICP.
- (a)(4) The “weights” of the HICP are the aggregate expenditure by households on any set of goods and services covered by the HICP expressed as a proportion of the total expenditure on all goods and services covered;

(*) OJ L 310, 13.11.1996, p. 1.’

4. Article 3 shall be replaced by the following:

‘Article 3

Coverage

1. HICPs compiled from price changes and weights for each category of household final monetary consumption expenditure given in Annex Ia accounting for more than one part in a thousand of the total expenditure covered by all those categories included as specified in paragraph 2, shall be deemed comparable.
2. The coverage of the HICP shall be extended, as follows:
- (a) starting with the production of the HICP for January 1997, Member States shall process the data collected covering those categories marked as “initial coverage” as specified in Annex Ia;
- (b) on, but not before, the production of the HICP for December 1999, Member States shall process the data collected covering also those categories marked as “December 1999” as specified in Annex Ia.’;
5. in Article 4 the words ‘Annex I’ shall be replaced by the words ‘Annex Ia’.

Article 2

Taking into account the views of the committee set up by Decision 89/382/EEC, Euratom ⁽¹⁾, the Commission shall within two years of the date of entry into force of this Regulation compile a report and submit it to the Council. The report shall assess the operation of the provisions of this Regulation, in particular the concept of household final

(**) See pages 11-28 of this Compendium for the full amended text.

(1) [OJ L 181, 28.6.1989, p. 47.](#)

monetary consumption expenditure in relation to relevant alternative concepts. Following this report the Commission may, if necessary, submit appropriate initiatives to the Council for the modification of this Regulation.

Article 3

This Regulation shall enter into force on the 20th 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.

ANNEX Ia

[See page 18 of this Compendium](#)

ANNEX Ib

[See page 24 of this Compendium](#)

1.6. Geographic and population coverage (1998)

Council Regulation (EC) No 1688/98 of 20 July 1998 amending Commission Regulation (EC) No 1749/96 concerning the geographic and population coverage of the harmonised index of consumer prices (*)

(text with EEA relevance)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular Article 4 and Article 5(3) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Central Bank ⁽²⁾,

Whereas, by virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, each Member State is required to produce a harmonised index of consumer prices (HICP) starting with the index for January 1997; whereas the requirement to produce HICPs in no way puts in question the right of Member States to publish their national, non-harmonised, inflation indices, which they may wish to use for national policy purposes;

Whereas Commission Regulation (EC) No 1749/96 of 9 September on initial implementing measures for Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices ⁽³⁾ set down the initial coverage for HICPs that was restricted to those goods and services covered by all or most national consumer prices indices (CPIs);

Whereas Council Regulation (EC) No 1687/98 of 20 July 1998, amending Commission Regulation (EC) No 1749/96 concerning the coverage of goods and services of the harmonised index of consumer prices ⁽⁴⁾ defined the coverage of the HICP as those goods and services which are included in household final monetary consumption expenditure;

Whereas Article 3 of Regulation (EC) No 2494/95 requires that the HICP should 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; whereas the weights of the HICP require a harmonised definition of their geographic and population coverage;

Whereas the compilation of the Monetary Union index of consumer prices (MUICP) and the European index of consumer prices (EICP) requires a harmonised geographic concept for the HICPs;

Whereas the Statistical Programme Committee (SPC) has not delivered an opinion within the time limit set by its chairman; whereas, in this case, following the procedure laid down in Article 14(2) of Regulation (EC) No 2494/95, the Commission shall, without delay, submit to the Council a proposal relating to the measures to be taken,

HAS ADOPTED THIS REGULATION:

(*) [OJ L 214, 31.7.1998, p. 23.](#)

(1) [OJ L 257, 27.10.1995, p. 1.](#)

(2) Opinion delivered on 14 July 1998 ([OJ C 285, 7.10.1999, p. 7.](#))

(3) [OJ L 229, 10.9.1996, p. 3.](#)

(4) See page 12 of this Official Journal. [[↔ page 62](#) of this Compendium].

Article 1

Regulation (EC) No 1749/96 ^(**) shall be amended as follows:

1. Subparagraph (a)(2) of Article 2 shall be replaced by the following:

‘(a)(2) “Household final monetary consumption expenditure” is defined as that part of final consumption expenditure which is incurred:

- by households irrespective of nationality or residence status, and
- in monetary transactions, and
- on the economic territory of the Member State, and
- on goods and services that are used for the direct satisfaction of individual needs or wants, and
- in one or both of the time periods being compared.

Household final monetary consumption expenditure is specified in Annex 1b and follows the definitions laid down in the European System of Accounts (ESA) 1995 contained in Regulation (EC) No 2223/96 (*).

(*) OJ L 310, 13.11.1996, p 1.’;

2. the following paragraph shall be added to Article 3:

‘3. HICPs compiled using sub-index weights which reflect final monetary consumption expenditure of a subset of households, rather than of all households, shall be deemed comparable, where this difference in practice accounts for less than one part in a thousand of the total expenditure covered by the HICP. Any amendments of the weights necessary to secure comparability as defined in this paragraph shall be implemented by December 1999 at the latest.’;

3. in Annex 1 b paragraphs 1 and 2 shall be replaced by the following:

- ‘1. The household sector consists of households which include all individuals or groups of individuals (as defined in ESA 2.76.a and 2.76.b) irrespective of, in particular, the type of area in which they live, their position in the income distribution and their nationality or residence status. It includes individuals living in institutional households (as defined in ESA 2.76.b). It does not include businesses.
2. The economic territory is as defined in ESA 2.05 except that the extraterritorial enclaves situated within the boundaries of the country are included and the territorial enclaves situated in the rest of the world are excluded.’

Article 2

Taking into account the views of the committee set up by Decision 89/382/EEC, Euratom ^(⁵), the Commission shall, within two years of the date of entry into force of this Regulation, compile a report and submit it to the Council. The report shall assess the operation of the provisions of this Regulation. Following this report the Commission may, if necessary, submit appropriate initiatives to the Council for the modification of this Regulation.

Article 3

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Communities*. [↔ 20.8.1998]

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

(**) See [pages 11-28](#) of this Compendium for the full amended text.

(⁵) OJ L 181, 28.6.1989, p. 47.

1.7. Treatment of tariffs (1998)

Commission Regulation (EC) No 2646/98 of 9 December 1998 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the treatment of tariffs in the Harmonised Index of Consumer Prices (*)

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular Articles 4 and 5(3) thereof,

After consulting the European Central Bank ⁽²⁾,

Whereas, by virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, each Member State is required to produce a Harmonised Index of Consumer Prices (HICP) starting with the index for January 1997;

Whereas Article 9 of Regulation (EC) No 2494/95 requires to ensure that the Laspeyres-type index formula is applied consistently to all sub-indices or categories of expenditure concerned; whereas their weights should reflect appropriately the pattern of expenditure by the index population;

Whereas HICP sub-indices involving tariff prices are, in practice, either obtained directly from suppliers or computed by the Members States based on data on tariff prices and their underlying consumption patterns provided by suppliers; whereas there is considerable scope for procedural differences in the construction of sub-indices where changes in the structure of tariffs are made at the same time as changes are made to the tariff price of a particular element to the extent that consumers are obliged to make new choices in their consumption; whereas it is therefore important to ensure that the relevant basic information can be obtained as to ensure that the resulting HICPs do not fail to meet the comparability requirement of Article 4 of Regulation (EC) No 2494/95;

Whereas, by virtue of Article 6 of Regulation (EC) No 2494/95, the basic information for the production of HICPs which should be obtained from the statistical units, consists of those prices and weights which it is necessary to take into account in order to achieve comparability;

Whereas, by virtue of Article 7 of Regulation (EC) No 2494/95, the statistical units called upon by the Member States to co-operate in the collection or provision of price data should be obliged to allow observation of the prices actually charged and to give honest and complete information at the time it is requested;

Whereas by virtue of Article 4 of Commission Regulation (EC) No 1749/96 ⁽³⁾, as last amended by Council Regulation (EC) No 1688/98 ⁽⁴⁾ the HICP should be compiled to include the price changes of a newly significant good or service;

Whereas this Regulation should not require Member States to carry out new statistical surveys;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee (SPC),

HAS ADOPTED THIS REGULATION:

(*) [OJ L 335, 10.12.1998, p. 30-32.](#)

(1) OJ L 257, 27.10.1995, p. 1.

(2) Opinion delivered on 8 July 1998 (*OJ C 14, 19.1.2000, p. 9*).

(3) OJ L 229, 10.9.1996, p. 3.

(4) OJ L 214, 31.7.1998, p. 23.

Article 1

Aim

The aim of this Regulation is to set down minimum standards for the treatment of ‘tariff prices’ in the Harmonised Index of Consumer Prices (HICP).

Article 2

Definitions

For the purpose of this Regulation:

1. a *tariff* is a list of pre-established prices and conditions for the purchase and consumption of one and the same good or service or of similar goods and services that has been centrally fixed by the supplier, by the government, or by agreement to exert influence on the consumption patterns by means of appropriately differentiated prices and conditions according to characteristics of consumers, the level, the structure or the timing of the consumption. Tariffs are not negotiable for households;
2. a *tariff price* is a price within a tariff that applies to a component element or unit of consumption of the good or service in question.

Article 3

Basic information

The basic information shall be all tariff prices and weights which reflect the structure of the consumption of the good or services according to the characteristics of the consumers, the level, the structure or the timing of the consumption.

Article 4

Data sources

1. HICP sub-indices involving tariff prices shall be computed by the Member States from basic information as defined in Article 3 provided by the supplier.
2. The statistical units called upon by the Member States to cooperate in the collection or provision of basic information are obliged to give honest and complete information at the time it is requested and allow the organisations and institutions responsible for compiling official statistics at their request to obtain information at the level of detail necessary to evaluate compliance with the comparability requirements and the quality of the HICP sub-indices.

Article 5

Procedure

HICP sub-indices involving tariff prices shall be calculated using a formula which is consistent with the Laspeyres-type formula used for other sub-indices. They should reflect the price change on the basis of the changed expenditure of maintaining that consumption pattern chosen by households prior to the given change in the tariff. Where there is a change in the tariff and where, after that change:

1. a component element or a unit of consumption remains unchanged with respect to its specification, then the price for that element or unit according to the old and the new tariff shall be directly compared and the price difference taken into the HICP;
2. a component element or a unit of consumption changes with respect to its specification, or a new component element is added which does not constitute a new good or service for the consumer, then the price change shall be computed with weights corresponding to the expenditure of preserving the pattern of consumption applying during a period, up to one year, preceding the change. The adjustments for specification changes shall be consistent with quality adjustments made for other sub-indices;
3. a component element or a unit of consumption with a new and distinct specification constituting a new good or service for the consumer is added to the tariff, it shall be treated as 'newly significant goods and services' as defined in Regulation (EC) No 1749/96. If the expenditure on the new good or service is significant it shall be

taken into the index by linking from the month when the new tariff comes into force using an estimate of expected immediate consumption or within a period of 12 months otherwise.

Article 6

Comparability

HICPs constructed following the procedures described in Article 5 of this Regulation or following other procedures which do not result in an index which differs systematically by more than one-tenth of one percentage point on average over one year against the previous year from an index compiled following those procedures, shall be deemed comparable.

Any amendments of procedures and practices to secure comparability as defined in this paragraph shall be implemented at the earliest for the sub-indices following the entry into force of this Regulation, and at the latest by December 1998 and take effect with the index for January 1999.

Article 7

Quality control

Member States shall provide the Commission (Eurostat) with information on the procedures developed for the treatment of tariff prices where these procedures differ from those specified in Article 5 of this Regulation, before such procedures are used.

Member States shall also provide the Commission (Eurostat), on its request, with information on the procedures used for meeting the requirement of minimum standards established in this Regulation.

Article 8

Entry into force

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*. [↔ 13.12.1998]

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

1.8. Treatment of insurance (1999, 2001)

Commission Regulation (EC) No 1617/1999 of 23 July 1999 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 – as regards minimum standards for the treatment of insurance in the Harmonised Index of Consumer Prices and modifying Commission Regulation (EC) No 2214/96 (*)

Amended by:	Entry into force:
► M1 Commission Regulation (EC) No 1921/2001 of 28 September 2001 (OJ L 261, 29.9.2001, p. 49)	19.10.2001

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular Article 4 and Article 5(3) thereof,

After consulting the European Central Bank ⁽²⁾,

- (1) Whereas, by virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, each Member State is required to produce a Harmonised Index of Consumer Prices (HICP) starting with the index for January 1997;
- (2) Whereas Commission Regulation (EC) No 1749/96 ⁽³⁾, as last amended by Regulation (EC) No 1688/98 ⁽⁴⁾, sets down an initial coverage for HICPs that is restricted to those goods and services covered by all or most national Consumer Price Indices (CPIs); whereas Council Regulation (EC) No 1687/98 ⁽⁵⁾, amending Regulation (EC) No 1749/96, defines the coverage of the HICP as those goods and services which are included in household final monetary consumption expenditure; whereas insurances are part of the coverage of the HICP;
- (3) Whereas there is considerable scope for procedural differences in the treatment of insurance in the HICP; whereas a harmonised methodology for insurance is necessary to ensure that the resulting HICPs meet the comparability requirement of Article 4 of Regulation (EC) No 2494/95; whereas, in practice, it is not possible to observe the service charge for a particular insurance policy on a monthly basis;
- (4) Whereas the proposed treatment of insurance is consistent with the definitions laid down in the European System of Accounts (ESA) 1995 ⁽⁶⁾;
- (5) Whereas the measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee (SPC),

HAS ADOPTED THIS REGULATION:

(*) [OJ L 192, 24.7.1999, p. 9.](#)

⁽¹⁾ OJ L 257, 27.10.1995, p. 1.

⁽²⁾ Opinion delivered on 23 June 1999 (*OJ C 252, 3.9.1999, p. 4*).

⁽³⁾ OJ L 229, 10.9.1996, p. 3.

⁽⁴⁾ OJ L 214, 31.7.1999, p. 23.

⁽⁵⁾ OJ L 214, 31.7.1999, p. 12.

⁽⁶⁾ Council Regulation (EC) No 2223/96, OJ L 310, 30.11.1996.

Article 1

Aim

The aim of this Regulation is to set minimum standards for the treatment of insurance ⁽⁷⁾ in the Harmonised Indices of Consumer Prices (HICPs) to ensure that they are reliable, relevant and meet the comparability requirements as laid down in Article 4 of Regulation (EC) No 2494/95.

Article 2

Definitions

For the purpose of this Regulation the terms given below are defined as follows:

1. ‘gross insurance premiums’: the amount paid by the policyholder for a specific insurance policy to obtain insurance cover;
2. ‘claims’: the amount which the insurance company pays to the policyholder and other parties in settlement of injuries or damage suffered by persons or goods;
3. ‘premium supplements’: the income earned by insurance enterprises by investing their insurance technical provisions, which comprise prepayments for insurance premiums, provisions for outstanding claims, and provisions against outstanding risks;
4. ‘actuarial provisions’: allocations by the insurance company to technical provisions against outstanding risks;
5. ‘service charge’: gross insurance premiums plus premium supplements minus claims minus changes in the actuarial provisions.

Article 3

Treatment of insurance weights

1. The weights for insurance shall be an estimate of the aggregate expenditure by households on service charges for insurance covered by the HICP expressed as a proportion of the total expenditure on all goods and services covered. The weights shall reflect the average aggregate expenditure during three years.
2. Expenditure financed out of claims shall be treated as being incurred by the policy holder or other parties to the claim and not by the insurance company. The weights of the HICP sub-indices shall include such expenditure where it is incurred by or on behalf of the household sector.

Article 4

Treatment of insurance prices

1. The prices used in the HICP for the compilation of insurance-price indices shall be the gross insurance premiums.
2. The gross insurance premium shall be taken as the full premium that is payable for the policy and shall not be adjusted, even if the premium or the cover value of the policy is index linked.
3. Subject to paragraph 2, for each insurance policy in the target sample the price-determining specifications shall be kept constant. Where those specifications change, prices shall be treated according to the rules applying to quality adjustment laid down in Article 5 of (EC) No 1749/96.

Article 5

Comparability

HICPs constructed following the procedures described in Articles 3 and 4 of this Regulation or following other procedures which do not result in an index which differs systematically by more than one tenth of one percentage point on average over one year against the previous year from an index compiled following those procedures, shall be deemed comparable.

⁽⁷⁾ As defined in Regulation (EC) No 1687/98.

*Article 6***Quality control**

Member States shall provide the Commission (Eurostat) with information on the procedures developed for the treatment of insurances where these procedures differ from those specified in Articles 3 and 4 of this Regulation, before such procedures are used.

Member States shall provide the Commission (Eurostat), on its request, with information on the procedures used for meeting the requirement of minimum standards established in this Regulation.

*Article 7***Repeal**

Footnote 1 of group 12.4A Insurance (S) in annex II to Commission Regulation (EC) No 2214/96 ⁽⁸⁾ shall be deleted.

*Article 8***Entry into force**

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Communities*. [⇔ 13.8.1999]

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

⁽⁸⁾ OJ L 296, 21.11.1996, p. 8.

1.9. New sub-indices (1999)

Council Regulation (EC) No 1749/1999 of 23 July 1999 amending Regulation (EC) No 2214/96, concerning the sub-indices of the harmonised indices of consumer prices (*)

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾,

After consulting the European Central Bank ⁽²⁾,

- (1) Whereas, by virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, each Member State is required to produce a harmonised index of consumer prices (HICP);
- (2) Whereas Commission Regulation (EC) No 2214/96 ⁽³⁾ establishes the sub-indices of the HICP based on Coicop/HICP (classification of individual consumption by purpose Member States shall amend the procedures for data collection adapted to the needs of HICPs) classification; and transmission in accordance with the requirements of the present Regulation at the latest by December 1999, taking effect with the index for January 2000.
- (3) Whereas the Coicop classification of October 1998 and the Coicop/HICP classification established by Commission Regulation (EC) No 1749/96 ⁽⁴⁾, as amended by Council Regulations (EC) No 1687/98 ⁽⁵⁾ and (EC) No 1688/98⁽⁶⁾, require adaptation of the HICP sub-indices;
- (4) Whereas the measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee (SPC), established by Council Decision 89/382/EEC, Euratom⁽⁷⁾,

HAS ADOPTED THIS REGULATION:

Article 1

Annexes I and II to Regulation (EC) No 2214/96 are replaced by Annexes I and II to this Regulation.

Article 2

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Communities*. [↔ 20.8.1998]

Article 3

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

Annex I and Annex II — [See pages 32-60 of this Compendium](#)

(*) [OJ L 214, 13.8.1999, p. 1.](#)

(1) [OJ L 257, 27.10.1995, p. 1.](#)

(2) Opinion delivered on 9 July 1999.

(3) [OJ L 296, 21.11.1996, p. 8.](#)

(4) [OJ L 229, 10.9.1996, p. 3.](#)

(5) [OJ L 214, 31.7.1998, p. 12.](#)

(6) [OJ L 214, 31.7.1998, p. 23.](#)

(7) [OJ L 181, 28.6.1989, p. 47.](#)

1.10. Treatment of products in the health, education and social protection sectors (1999)

Council Regulation (EC) No 2166/1999 of 8 October 1999 laying down detailed rules for the implementation of Regulation (EC) No 2494/95 as regards minimum standards for the treatment of products in the health, education and social protection sectors in the harmonised Index of Consumer Prices (*)

(Text with EEA relevance)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular Articles 4 and 5(3) thereof,

Having regard to the proposal from the Commission,

After consulting the European Central Bank ⁽²⁾,

Whereas:

- (1) by virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, each Member State is required to produce a Harmonised Index of Consumer Prices (HICP) starting with the index for January 1997;
- (2) Commission Regulation (EC) No 1749/96 ⁽³⁾ defines the coverage of the HICP as those goods and services which are included in household final monetary consumption expenditure; goods and services in the health, education and social protection sectors are part of the coverage of the HICP; household final monetary consumption covers the expenditure incurred by individuals living in institutional households and should be grouped in accordance with the COICOP/HICP categories as laid down in Commission Regulation (EC) No 2214/96 ⁽⁴⁾;
- (3) by virtue of Commission Regulation (EC) No 1749/96, in particular Article 3 and Annex Ia thereof, extended coverage in the health, education and social protection sectors should be implemented in December 1999 and take effect with the index for January 2000, whereby the methodological details of inclusion should be specified in accordance with the procedure laid down in Article 14 of the framework Council Regulation (EC) No 2494/95; the timetable of inclusion for hospital services and social protection services provided within the home, retirement homes and residences for the disabled should be specified in accordance with the same procedure;
- (4) there is considerable scope for procedural differences in the treatment of goods and services in the health, education and social protection sectors in the HICP; a harmonised methodology for such goods and services is necessary to ensure that the resulting HICPs meet the comparability requirement as laid down in Article 4 of Regulation (EC) No 2494/95;

(*) [OJ L 266, 14.10.1999, p. 1.](#)

⁽¹⁾ OJ L 257, 27.10.1995, p. 1.

⁽²⁾ Opinion delivered on 24 August 1999 (*OJ C 324, 12.11.1999, p. 11*).

⁽³⁾ OJ L 229, 10.9.1996, p. 3. Regulation as amended by Council Regulations (EC) No 1687/98 (OJ L 214, 31.7.1998, p. 12) and (EC) No 1688/98 (OJ L 214, 31.7.1998, p. 23).

⁽⁴⁾ OJ L 296, 21.11.1996, p. 8. Regulation as last amended by Regulation (EC) No 1749/1999 (OJ L 214, 13.8.1999, p. 1).

- (5) the treatment of goods and services in the health, education and social protection sectors is consistent with the definitions laid down in the European System of Accounts (ESA) 1995 set out in Council Regulation (EC) No 2223/96 ⁽⁵⁾;
- (6) the Statistical Programme Committee (SPC) has not delivered an opinion within the time limit set by its chairman; in this case, following the procedure laid down in Article 14(2) of Regulation (EC) No 2494/95, the Commission has to, without delay, submit to the Council a proposal relating to the measures to be taken,

HAS ADOPTED THIS REGULATION:

Article 1

Aim

The aim of this Regulation is to set minimum standards for the treatment of goods and services in the health, education and social protection sectors in the Harmonised Indices of Consumer Prices, hereafter referred to as HICPs, in order to ensure that they are reliable and relevant and meet the comparability requirements as laid down in Article 4 of Regulation (EC) No 2494/95.

Article 2

Definition

1. Reimbursements refer to payments to households by government units, social security administrations or non-profit institutions serving households (NPISHs), that are made as direct consequences of purchases of individually specified goods and services, initially paid for by households.
2. Payments of claims to households by insurance companies do not constitute reimbursements.
3. Other payments or rebates to households by government units, social security administrations or NPISHs in the form of assistance to reduce household expenditure, such as housing allowances to tenants or payments due to sickness, disability, the care of elderly relatives or scholarships to students, are considered as social benefits in cash. They are treated as income transfers to households and do not constitute reimbursements.

Article 3

Coverage

1. Goods and services in the health, education and social protection sectors on which household final monetary consumption expenditure is incurred shall be covered in the HICP and grouped in accordance with the COICOP/HICP categories as laid down in Commission Regulation (EC) No 2214/96.
2. All providers of goods and services in the health, education and social protection sectors, such as government and private institutions, NPISHs or private self-employed persons, shall be covered in the HICP independently of their status. This excludes individuals or groups of individuals as producers of goods and non-financial services exclusively for own final use.
3. In accordance with COICOP/HICP, Education (Division 10) includes education services only. If an all-inclusive price is charged for education services in combination with educational materials or education support services, its components shall be separated and allocated to the COICOP/HICP classes concerned. Where such an all-inclusive price cannot be separated into the prices of the components concerned, the all-inclusive price shall be allocated to COICOP/HICP Division 10.
4. Borderline cases between education services at the pre-primary level and child-minding social protection facilities, such as wet-nurses, crèches and play-schools, shall be allocated to COICOP/HICP Division 10 if the child's age of entry is not less than three years and the activities consist of organised instruction in a school-type environment designed to bridge the gap between the home and school atmosphere. If, on the other hand, the main objective is not a pedagogical one, but to provide child-minding assistance and support, the service concerned should be allocated to COICOP/HICP class 12.4.0.

⁽⁵⁾ OJ L 310, 30.11.1996, p. 1. Regulation as amended by Regulation (EC) No 448/98 (OJ L 58, 27.2.1998, p. 1).

5. Where hospitals, in addition to basic services as defined in COICOP/HICP 06.3, make other goods or services available to in-patients on a separate charge basis, the latter shall not be allocated to class 06.3.0, but to the COICOP/HICP classes concerned.

Article 4

Prices

1. The HICP sub-indices concerned shall be calculated using a formula which is consistent with the Laspeyres-type formula used for other sub-indices. They should reflect the price change on the basis of the changed expenditure of maintaining the consumption pattern of households and the composition of the consumer population in the base or reference period.
2.
 - (a) The purchaser prices of goods and services in the health, education and social protection sectors to be used in the HICP shall be the amounts to be paid by consumers net of reimbursements.
 - (b) Changes in purchaser prices which reflect changes in the rules determining them shall be shown as price changes in the HICP.
 - (c) Where purchaser prices are index-linked, changes resulting from changes in the index shall be shown as price changes in the HICP.
 - (d) Changes in the purchaser prices resulting from changes in purchasers' incomes shall be shown as price changes in the HICP.
3. Where quality changes, prices should be treated according to the rules applied in the context of specification changes, and in particular those regarding quality adjustment pursuant to Article 5 of Commission Regulation (EC) No 1749/96.
4. Where goods or services, in the health, education and social protection sectors, have been made available to consumers free of charge and subsequently an actual price is charged, the change from zero to an actual price, and vice versa, shall be reflected in the HICP.
5. Where goods or services in the health, education and social protection sectors, jointly provided with other goods and services, have been made available to consumers free of charge and subsequently are charged for on a separate basis, the change shall be reflected in the HICP.
6. Where relevant, the procedure provided for in Article 5 of Commission Regulation (EC) No 2646/98 ⁽⁶⁾ concerning tariffs shall apply *mutatis mutandis*.

Article 5

Basic information

The basic information shall be all purchaser prices of goods and services in the health, education and social protection sectors and their components, together with weightings which reflect the level, the timing and the structure of the consumption of such goods or services, according to the price-determining socio-economic characteristics.

Article 6

Data sources

1. The HICP sub-indices concerned shall be computed by the Member States from basic information as defined in Article 5.
2. The statistical units, such as government agencies, social administrations or NPISHs, called upon by the Member States to cooperate in the collection or provision of basic information are obliged to give honest and complete information at the time it is requested and allow the organisations and institutions responsible for

⁽⁶⁾ OJ L 335, 10.12.1998, p. 30.

compiling official statistics, on request, to obtain information at the level of detail necessary to evaluate compliance with the comparability requirements and the quality of the HICP sub-indices.

Article 7

Comparability

HICPs constructed following the procedures described in Articles 4 and 5 of this Regulation or following other procedures which do not result in an index which differs systematically by more than one tenth of one percentage point on average over one year against the previous year from an index compiled following those procedures, shall be deemed comparable.

Article 8

Quality control

1. Member States shall provide the Commission (Eurostat) with information on the procedures developed for the treatment of goods and services in the health, education and social protection sectors where these procedures differ from those specified in Articles 4 and 5 of this Regulation, before such procedures are used.
2. Member States shall provide the Commission (Eurostat), on request, with sufficient information to assess the operation of the procedures laid down in Articles 4 and 5 of this Regulation. The result of this assessment shall be included in the reports to be submitted by the Commission to the Council as provided for in Article 2 of Council Regulation (EC) 1687/98 and Article 2 of Council Regulation (EC) No 1688/98.

Article 9

Implementation

The provisions of this Regulation shall be implemented by the Member States in December 1999 and shall take effect with the index for January 2000, apart from the following, which shall be implemented in December 2000 and shall take effect with the index for January 2001:

- (a) hospital services (COICOP/HICP 06.3);
- (b) social protection services provided within the home, such as home cleaning, meals, transport for the disabled (part of COICOP/HICP 12.4.0);
- (c) retirement homes, residences for the disabled (part of COICOP/HICP 12.4.0).

Article 10

Entry into force

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Communities*. [↔ 3/11/1999]

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

See also Recommendation on health care (page [113](#) of this Compendium)

1.11. Timing of entering purchaser prices (2000)

Commission Regulation (EC) No 2601/2000 of 17 November 2000 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards the timing of entering purchaser prices into the Harmonised Index of Consumer Prices (*)

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular Article 4 in conjunction with Article 5(3) thereof,

After consulting the European Central Bank ⁽²⁾,

Whereas:

- (1) By virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, each Member State is required to produce a Harmonised Index of Consumer Prices (HICP) starting with the index for January 1997.
- (2) According to Article 2(a)(3) of Commission Regulation (EC) No 1749/96 of 9 September 1996 on initial implementing measures for Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices ⁽³⁾, as last amended by Council Regulation (EC) No 1688/98 ⁽⁴⁾, prices used in the HICP are the purchaser prices paid by households to purchase individual goods and services in monetary transactions.
- (3) There is considerable scope for procedural differences in the timing of entering purchaser prices into the HICP. A harmonised methodology regarding such timing is necessary to ensure that the resulting HICPs meet the comparability requirement of Article 4 of Regulation (EC) No 2494/95, in particular for products in respect of which there may be a difference between the time of purchase, payment, or delivery and the time of consumption.
- (4) The rules in this Regulation are consistent with the definitions laid down in the European System of Accounts 1995 (ESA 95) set up by Council Regulation (EC) No 2223/96 of 25 June 1996 on the European System of national and regional accounts in the Community ⁽⁵⁾, as last amended by Regulation (EC) No 448/98 ⁽⁶⁾ in so far as ESA 95 is consistent with the purposes of the HICP.
- (5) In particular, point 3.89 of ESA 95 states that goods and services should in general be recorded when the payables are created, that is, when the purchaser incurs a liability to the seller.
- (6) The HICP should reflect the price change to the base or reference period on the basis of the change in expenditure while maintaining the consumption pattern of households and composition of the consumer population.
- (7) The measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee established by Council Decision 89/382/EEC, Euratom ⁽⁷⁾,

HAS ADOPTED THIS REGULATION:

(*) [OJ L 300, 29.11.2000, p. 14.](#)

⁽¹⁾ OJ L 257, 27.10.1995, p. 1.

⁽²⁾ Opinion delivered on 24 November 2000 (*OJ C 362, 16.12.2000, p. 12*).

⁽³⁾ OJ L 229, 10.9.1996, p. 3.

⁽⁴⁾ OJ L 214, 31.7.1998, p. 23.

⁽⁵⁾ OJ L 310, 30.11.1996, p. 1.

⁽⁶⁾ OJ L 58, 27.2.1998, p. 1.

⁽⁷⁾ OJ L 181, 28.6.1989, p. 47.

*Article 1***Aim**

The aim of this Regulation is to harmonise the timing of recording and entering purchaser prices into the Harmonised Index of Consumer Prices (hereinafter referred to as 'HICP'), in order to ensure that HICPs are reliable and relevant and meet the comparability requirement laid down in Article 4 of Regulation (EC) No 2494/95.

*Article 2***Timing**

Prices used in the HICP shall be the purchaser prices paid by households to purchase individual goods or services in monetary transactions. Prices for goods shall be entered into the HICP for the month in which they are observed. Prices for services shall be entered into the HICP for the month in which the consumption of the service at the observed prices can commence.

*Article 3***Implementation**

The provisions of this Regulation shall be applied by Member States in December 2000 and take effect with the index for January 2001.

*Article 4***Entry into force**

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Communities*. [↔ 19.12.2000]

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

1.12. Treatment of price reductions (2000, 2001)

Commission Regulation (EC) No 2602/2000 of 17 November 2000 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the treatment of price reductions in the Harmonised Index of Consumer Prices (*)

Amended by:	Entry into force:
► M1 Commission Regulation (EC) No 1921/2001 of 28 September (OJ L 261, 29.9.2001, p.49)	19.10.2001

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular Article 4 in conjunction with Article 5(3) thereof,

After consulting the European Central Bank ⁽²⁾,

Whereas:

- (1) By virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, each Member State is required to produce a Harmonised Index of Consumer Prices (HICP) starting with the index for January 1997.
- (2) There is considerable scope for procedural differences in the treatment of price reductions and the relationship between price reductions and purchase price. A harmonised methodology for the treatment of price reductions in the HICP is necessary to ensure that the resulting HICPs meet the comparability requirement of Article 4 of Regulation (EC) No 2494/95. It will also improve their reliability and relevance.
- (3) Prices used in the HICP should be purchaser prices actually paid by households to purchase individual goods and services in monetary transactions, including any taxes less subsidies on the products, after deductions for discounts for bulk or off-peak-purchases from standard prices or charges, and excluding interest or services charges added under credit arrangements and any extra charges incurred as a result of failing to pay within the period stated at the time the purchases were made.
- (4) In the event of changes in specification, prices should be treated in accordance with the rules regarding quality adjustment set out in Commission Regulation (EC) No 1749/96 of 9 September 1996 on initial implementing measures for Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices ⁽³⁾, as last amended by Council Regulation (EC) No 1688/98 ⁽⁴⁾.
- (5) The measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee (SPC), established by Council Decision 89/382/EEC, Euratom ⁽⁵⁾,

HAS ADOPTED THIS REGULATION:

(*) [OJ L 300, 29.11.2000, p. 16.](#)

⁽¹⁾ OJ L 257, 27.10.1995, p. 1.

⁽²⁾ Opinion delivered on 24 November 2000 (*OJ C 362, 16.12.2000, p. 12*).

⁽³⁾ OJ L 229, 10.9.1996, p. 3.

⁽⁴⁾ OJ L 214, 31.7.1998, p. 23.

⁽⁵⁾ OJ L 181, 28.6.1989, p. 47.

Article 1

Aim

The aim of this Regulation is to specify the treatment in the Harmonised Index of Consumer Prices, hereinafter referred to as 'HICP' of reductions in prices for individual goods or services in order to ensure that HICPs are reliable and relevant and meet the comparability requirements laid down in Article 4 of Regulation (EC) No 2494/95.

Article 2

Purchaser prices

Unless otherwise stated purchaser prices used in the HICP shall in general take account of reductions in prices of individual goods and services if such reductions:

- (a) can be attributed to the purchase of an individual good or service; and
- (b) are available to all potential consumers with no special conditions attached (non-discriminatory);
- (c) are known to the purchaser at the time when they enter into the agreement with the seller to purchase the product concerned; and
- (d) can be claimed at the time of purchase or within such a time period following the actual purchase that they might be expected to have a significant influence on the quantities purchasers are willing to purchase.

In particular, reductions in the prices of individual goods and services which are likely or expected to be available again at standard prices or are available elsewhere at standard prices shall be taken into account in the HICP. Standard price means the price without any conditions or qualifications and not described as a special price.

Article 3

Inducements

The market value of something temporarily offered to consumers to persuade them to purchase a particular product, hereinafter referred to as an 'inducement', may be deducted if known. That market value shall be added back at the time the offer is withdrawn. Inducements in the form of extras, such as extra quantity of the product concerned, inclusion of a different product 'free of charge' or other benefits, shall be disregarded if they are not significant.

Article 4

Specification change

Where specification changes, prices shall be treated in accordance with the rules on specification changes, and in particular those regarding quality adjustment in Article 5 of Regulation (EC) No 1749/96.

Article 5

Implementation

The provisions of this Regulation shall be applied by Member States in December 2000 at the latest and take effect either with the index for January 2001 or with the index for January 2002.

Article 6

Revision

▼M1

Where the implementation of the provisions of this Regulation affects the annual rate of change ($m/(m-12)$) of the all-items index by more than one tenth of one percentage point compared with an index which does not take account of price reductions, the index series concerned shall be revised appropriately. ◀

Article 7

Entry into force

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Communities*. [↔ 19.12.2000]

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

1.13. Treatment of service charges (2001)

Commission Regulation (EC) No 1920/2001 of 28 September 2001 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the treatment of service charges proportional to transaction values in the harmonised index of consumer prices and amending Commission (EC) No 2214/96 (*)

Corrected by:

▶ C1	Corrigendum (OJ L 295, 13.11.2001, p.34)	19.10.2001
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(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

▼ C1

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular Article 4 and Article 5(3) thereof, ◀

Having regard to the opinion of the European Central Bank ⁽²⁾,

Whereas:

- (1) By virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, each Member State is required to produce a harmonised index of consumer prices (HICP) starting with the index for January 1997.
- (2) Commission Regulation (EC) No 1749/96 of 9 September 1996 on initial implementing measures for Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices ⁽³⁾, as last amended by Council Regulation (EC) No 1688/98 ⁽⁴⁾, defines the coverage of the HICP as those goods and services which are included in household final monetary consumption expenditure and requires coverage of COICOP/HICP class 12.5.1 'Financial services n.e.c.' in full by December 1999 without specific exclusion of charges expressed as a proportion of the transaction value.
- (3) Commission Regulation (EC) No 2214/96 of 20 November 1996 concerning harmonised indices of consumer prices: transmission and dissemination of sub-indices of the HICP ⁽⁵⁾, as last amended by Regulation (EC) No 1749/1999 ⁽⁶⁾, requires a harmonised sub-index for COICOP/HICP expenditure class 12.6.2 'Other financial services n.e.c.' excluding interest payments and charges expressed as a proportion of the transaction value.
- (4) There is considerable scope for non-comparability by excluding service charges that are expressed as a proportion of transaction values; a harmonised methodology for the treatment of such charges is necessary to ensure that the resulting HICPs meet the comparability requirement as laid down in Article 4 of Regulation (EC) No 2494/95.

(*) [OJ L 261, 29.9.2001, p. 46](#), and corrigendum published in [OJ L 295, 13.11.2001, p. 34](#).

(1) OJ L 257, 27.10.1995, p. 1.

(2) OJ C 244, 1.9.2001, p. 5.

(3) OJ L 229, 10.9.1996, p. 3.

(4) OJ L 214, 31.7.1998, p. 23.

(5) OJ L 296, 21.11.1996, p. 8.

(6) OJ L 214, 13.8.1999, p. 1.

- (5) The treatment of service charges that are expressed as a proportion of transaction values should be consistent with the treatment of goods and services in the health, education and social protection sectors as laid down in Council Regulation (EC) No 2166/1999 ⁽⁷⁾.
- (6) The measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee established by Council Decision 89/382/EEC, Euratom ⁽⁸⁾,

HAS ADOPTED THIS REGULATION:

Article 1

Aim

The aim of this Regulation is to amend Annex II to Regulation (EC) No 2214/96 concerning the sub-indices of the harmonised indices of consumer prices, hereafter referred to as ‘HICP’, as regards the coverage of financial services, and to set minimum standards for the treatment of service charges proportional to transaction values in order to ensure that they are reliable and relevant and meet the comparability requirements as laid down in Article 4 of Regulation (EC) No 2494/95.

Article 2

Definitions

1. Interest payments and interest-like charges cover nominal interest payments and all elements included in the calculation of effective interest.
2. Where service charges are defined as a proportion of the transaction value, the purchaser prices are defined as the proportion itself, multiplied by the value of a representative unit transaction in the base or reference period.

Article 3

Treatment of service charges

1. The HICP sub-indices concerned shall be calculated using a formula which is consistent with the Laspeyres-type formula used for other sub-indices. They shall reflect the price change on the basis of the changed expenditure of maintaining the consumption pattern of households and the composition of the consumer population in the base or reference period.
 - (a) The purchaser prices of services to be used in the HICP shall be the actual charges levied directly on consumers in exchange for the service provided. The HICP shall include charges expressed as a flat fee or flat rate.
 - (b) Changes in purchaser prices which reflect changes in the rules determining them shall be shown as price changes in the HICP.
 - (c) Changes in the purchaser prices resulting from changes in the values of the representative unit transactions shall be shown as price changes in the HICP.
 - (d) The representative unit transactions shall be expressed in physical terms, except where this is not appropriate or possible, in which case they shall be expressed in the currency of the Member State.
 - (e) The change in the values of the representative unit transactions may be estimated by the change in a price index which represents appropriately the unit transactions concerned. Where they exist, HICP sub-indices or aggregate indices shall be deemed appropriate for this purpose.
2. Where the specification changes, prices shall be treated in accordance with the rules on specification changes, and in particular those regarding quality adjustment as laid down in Article 5 of Regulation (EC) No 1749/96.
3. Where services have been made available to consumers free of charge and subsequently an actual price is charged, the change from zero to an actual price, and vice versa, shall be reflected in the HICP.

⁽⁷⁾ OJ L 266, 14.10.1999, p. 1.

⁽⁸⁾ OJ L 181, 28.6.1989, p. 47.

4. Where services jointly provided with other goods or services have been made available to consumers free of an explicit charge and subsequently are charged for on a separate basis, the change shall be reflected in the HICP.
5. Where relevant, the procedure provided for in Article 5 of Commission Regulation (EC) No 2646/98 ⁽⁹⁾ concerning tariffs shall apply *mutatis mutandis*.

Article 4

Financial services n.e.c.

The contents of class 12.6.2, 'Other financial services n.e.c. (S)', in Annex II to Regulation (EC) No 2214/96 concerning the sub-indices of the harmonised indices of consumer prices, are replaced by the following text:

'12.6.2 Other financial services n.e.c. (S)

- actual charges for the financial services of banks, post offices, saving banks, money changers and similar financial institutions,
- fees and service charges of brokers, investment counsellors, tax consultants and the like.

Excludes: Interest payments and interest-like charges of any kind and administrative charges of private pension funds and the like.'

Article 5

Other services n.e.c.

The contents of class 12.7.0, 'Other services n.e.c. (S)', in Annex II to Regulation (EC) No 2214/96 concerning the sub-indices of the harmonised indices of consumer prices, are replaced by the following text:

'12.7.0 Other services n.e.c. (S)

- fees for legal services, employment agencies, etc.,
- charges for undertaking and other funeral services,
- payment for the services of housing agents, auctioneers, salesroom operators and other intermediaries,
- payment for photocopies and other reproductions of documents,
- fees for the issue of birth, marriage and death certificates and other administrative documents,
- payment for newspaper notices and advertisements,
- payment for the services of graphologists, astrologers, private detectives, bodyguards, matrimonial agencies and marriage guidance counsellors, public writers, miscellaneous concessions (seats, toilets, cloakrooms), etc.

Includes: Payments for services of housing agents in connection with rental transactions.

Excludes: Following the conventions of ESA 1995, excluded are contributions and dues for membership of professional associations, churches and social, cultural, recreational and sports clubs (ESA 1995, paragraph 3.77.e) and commissions to estate agents in connection with the sale or purchase of non-financial assets ["Gross fixed capital formation" according to ESA 1995, paragraphs 3.102., 3.105(a), 3.111, 3.115].'

Article 6

Basic information

1. The basic information shall be all purchaser prices and weights which are necessary to compute HICP sub-indices in accordance with the provisions of this Regulation.

⁽⁹⁾ OJ L 335, 10.12.1998, p. 30.

2. The statistical units called upon by the Member States to co-operate in the collection or provision of basic information are obliged to give honest and complete information at the time it is requested and allow the organisations and institutions responsible for compiling official statistics, on request, to obtain information at the level of detail necessary to evaluate compliance with the comparability requirements and the quality of the HICP sub-indices.

Article 7

Comparability

HICPs constructed following the provisions of this Regulation or following other procedures which do not result in an index which differs systematically by more than one tenth of one percentage point on average over one year against the previous year from an index compiled following those procedures, shall be deemed comparable.

Article 8

Quality control

Member States shall provide the Commission (Eurostat) with information on the procedures developed for the treatment of services charges proportional to transaction values where these procedures differ from those specified in Article 3 of this Regulation, before such procedures are used.

Article 9

Implementation

The provisions of this Regulation shall be applied by the Member States in December 2001 and take effect with the index for January 2002.

Article 10

Entry into force

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Communities*. [↔ 19.10.2001]

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

1.14. Revisions (2001)

Commission Regulation (EC) No 1921/2001 of 28 September 2001 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for revisions of the harmonised index of consumer prices and amending Regulation (EC) No 2602/2000 (*)

Corrected by:

▶ C1	Corrigendum (OJL 295, 13.11.2001, p.34)	19.10.2001
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(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

▼ C1

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular Article 4 and Article 5(3) thereof, ◀

Having regard to the opinion of the European Central Bank ⁽²⁾,

Whereas:

- (1) By virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, each Member State is required to produce a harmonised index of consumer prices (HICP) starting with the index for January 1997.
- (2) It is particularly important to secure a high degree of credibility of the HICP which may be supported by the objective of limiting in a given context the number of HICP revisions to the minimum extent necessary.
- (3) It is generally accepted that the annual average, annual and monthly rates of change of the HICPs are important for the measurement of inflation, more particularly for assessing price convergence and informing the monetary policy of the European Central Bank.
- (4) Changes in the system of national or harmonised rules constitute valid reasons for revisions to the HICPs to the extent that they ensure or improve the comparability, reliability, or relevance of the HICPs; changes in the system of harmonised rules should not require revisions unless otherwise stated in the context of particular implementing measures.
- (5) Article 6 of Commission Regulation (EC) No 2602/2000 of 17 November 2000 laying down detailed rules for the implementation of Council Regulation No 2494/95 as regards minimum standards for the treatment of price reductions in the Harmonised Index of Consumer Prices ⁽³⁾ needs to be amended accordingly.
- (6) Revisions due to mistakes, or because of new or improved basic information are valid reasons for revisions to HICPs because they improve the comparability, reliability, or relevance of the HICPs.
- (7) There is considerable scope for procedural differences between Member States on the revision of index series. A set of harmonised rules is necessary to ensure that the resulting HICPs meet the comparability requirement of Article 4 of Regulation (EC) No 2494/95 as well as their reliability and relevance.

(*) [OJ L 261, 29.9.2001, p. 49.](#)

⁽¹⁾ OJ L 257, 27.10.1995, p. 1.

⁽²⁾ OJ C 244, 1.9.2001, p. 5.

⁽³⁾ OJ L 300, 29.11.2000, p. 16.

- (8) The measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee established by Council Decision 89/382/EEC, Euratom ⁽⁴⁾,

HAS ADOPTED THIS REGULATION:

Article 1

Aim

The aim of this Regulation is to provide information on significant effects of implementing measures under Regulation (EC) No 2494/95 and to establish harmonised rules concerning revisions to the HICP that are consistent with those measures, and sufficient to ensure their comparability, reliability, and relevance.

Article 2

Definitions

For the purpose of this Regulation the following definitions shall apply:

- (a) A 'revision' is an ex-post change in a HICP series, index level, rate of change or weight, that has been made publicly available through printed or electronic media by the Commission (Eurostat) affecting the results to one decimal place;
- (b) A 'mistake' is an unintentional breach of an established rule affecting at least one HICP series;
- (c) A 'provisional' result is a result which is, subject to revision, expected to be finalised in a later month.

Article 3

Revisability

1. The officially published HICP series may be revised.
2. Revisions to any HICP series, other than on the grounds of Articles 4, 5 or 9 of this Regulation, shall be subject to prior approval by the Commission (Eurostat). Their extent and the timing shall be co-ordinated with the Commission (Eurostat).

Article 4

Mistakes

1. Mistakes shall be corrected and resulting revisions shall be implemented without unnecessary delay.
2. Member States concerned shall, at their own initiative, provide the Commission (Eurostat) with information at the level of detail necessary to assess the impact on the HICP series concerned before the release of revisions on the grounds of mistakes. The Member States shall also notify the Commission (Eurostat) of the action taken to prevent similar future occurrences.

Article 5

New or improved information

Revisions resulting from new or improved basic information which are considered by Member States necessary in order to improve the accuracy of an HICP shall be implemented provided the Commission (Eurostat) does not oppose the timing of the revisions to be made.

Article 6

Changes in the system of harmonised rules

Unless otherwise stated,

1. changes in the system of harmonised rules shall not require revisions;
2. changes in definitions, methods, or practices resulting from the HICP regulatory framework shall take effect with the index for January each year in all Member States concerned;

⁽⁴⁾ OJ L 181, 28.6.1989, p. 47.

3. the impact of any such changes shall be assessed for the 12 months starting with the index for January in which the changes take effect;
4. if the changes are likely to affect the average annual rate of change of the all-items index over the twelve month period following the change by at least one tenth of a percentage point then the impact on the all-items index shall be estimated for each of the 12 months;
5. where in addition any COICOP/HICP division, group or class index is likely to be affected respectively by at least three, four or five tenths of a percentage point calculated as in Article 6(4), the impact on the index series concerned shall be estimated for each of the 12 months.

Article 7

Estimates of the impact

1. The estimates referred to in Article 6(4) and (5) of this Regulation shall use the best available methodology in a cost-effective way. They shall be transmitted to the Commission (Eurostat) at the latest with the HICPs to which they relate. A description of the method of estimation and appropriate comments on the accuracy of the estimates shall be included.
2. The estimates shall compare the annual rates of change of the HICP, and the sub-indices concerned, with an index which does not take account of the changes in definitions, methods, or practices.
3. The estimates referred to in Article 6(4) and (5) shall be publicly available, with appropriate notes on their quality. These estimates shall not replace the official HICP.

Article 8

Release of revisions

1. In the official HICP series released by the Commission (Eurostat), revisions shall be marked. A revision mark shall be assigned to those primary or derived series the results of which, following a revision, have changed at the level of detail released. Revision marks shall be shown on the occasion of the release of the revised series and removed the following month.
2. Revisions to the all-items HICP, other than to provisional results, shall be publicly announced together with an explanation, in close co-ordination between the Member State concerned and the Commission (Eurostat).

Article 9

Provisional result

When an index is published as provisional, it shall be finalised in the following month's publication.

Article 10

Quality control

In the event of a revision, other than on the grounds of Article 4 or 9, the Member State concerned shall provide the Commission (Eurostat), at its request, with information at the level of detail necessary to assess the impact on the HICP series concerned and demonstrate that the revisions are consistent with the HICP standards.

Article 11

Amendment

Article 6 of Regulation (EC) No 2602/2000 as regards minimum standards for the treatment of price reductions in the HICP is replaced by the following text: 'Where the implementation of the provisions of this Regulation affects the annual rate of change ($m/(m-12)$) of the all-items index by more than one-tenth of one percentage point compared with an index which does not take account of price reductions, the index series concerned shall be revised appropriately.'

Article 12

Implementation

This Regulation shall be implemented by Member States in December 2001 and shall take effect with the index for January 2002.

*Article 13***Entry into force**

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Community*. [↔ 19.10.2001]

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

1.15. Base year (2005)

Commission Regulation (EC) No 1708/2005 of 19 October 2005 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards the common index reference period for the harmonised index of consumer prices, and amending Commission Regulation (EC) No 2214/96 (*)

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular the third paragraph of Article 4 and Article 5(3) thereof,

Having regard to the opinion of the European Central Bank ⁽²⁾, as required under Article 5(3) of Regulation (EC) No 2494/95,

Whereas:

- (1) Harmonised Indices of Consumer Prices (HICPs) are harmonised inflation figures required by the Commission and the European Central Bank for the performance of their functions under Article 121 of the EC Treaty. HICPs are designed to facilitate international comparisons of consumer price inflation. They serve as important indicators for the management of monetary policy.
- (2) Under heading (a) of Article 5(1) of Regulation (EC) No 2494/95, Stage I of the measures necessary to achieve comparable indices of consumer prices entails the production of an interim series of indices.
- (3) Under heading (b) of Article 5(1) of Regulation (EC) No 2494/95, during Stage II the harmonised index of consumer prices (HICP) starts with the index for January 1997, the year 1996 being the common index reference period.
- (4) Regulation (EC) No 2494/95 does not, however, preclude updating the HICPs to another common index reference period.
- (5) Following the accession of 10 new Member States in 2004, some HICP sub-indices, governed by the system of classification of individual consumption by purpose adapted to the needs of HICPs (COICOP/HICP), as set in Commission Regulation (EC) No 1749/96 of 9 September 1996 on initial implementing measures for Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices ⁽³⁾, refer to different index reference periods; however, HICPs should be compiled on the basis of common index reference periods in order to ensure comparability in accordance with Article 4 of Regulation (EC) No 2494/95.
- (6) Updating the common index reference period would improve the relevance of the HICPs in accordance with Article 5(3) of Regulation (EC) No 2494/95.
- (7) It is considered good practice to update the index reference period of price indices when major revisions of the indices are taking place, whether in terms of items, geographical coverage, or both.

(*) [OJ L 274, 20.10.2005, p. 9.](#)

(1) OJ L 257, 27.10.1995, p. 1. Regulation as amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).

(2) Opinion delivered on the 4 October 2005 (OJ C 254, 14.10.2005).

(3) OJ L 229, 10.9.1996, p. 3. Regulation as last amended by Regulation (EC) No 1749/1999 (OJ L 214, 13.8.1999, p. 1).

- (8) It is necessary to establish rules for common index reference periods of COICOP/HICP sub-indices integrated within the HICP at different points in time, in order to ensure that the resulting HICPs meet the comparability and relevance requirements of Articles 4 and 5(3) of Regulation (EC) No 2494/95.
- (9) In this context it is necessary to clarify and harmonise the terminology in order to guide operational practice concerning reference periods for HICPs. It is further necessary to amend Commission Regulation (EC) No 2214/96 of 20 November 1996 concerning harmonised indices of consumer prices: transmission and dissemination of sub-indices of the HICP ⁽⁴⁾.
- (10) The measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee established by Council Decision 89/382/EEC, Euratom ⁽⁵⁾,

HAS ADOPTED THIS REGULATION:

Article 1

Aim

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.

Article 2

Definitions

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 (EC) No 2454/97 ⁽⁶⁾.
- (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.

Article 3

Implementing measures

1. The HICP common index reference period shall be set at 2005=100.
2. The full time series of the HICP all-item indices and sub-indices 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.
3. The Commission (Eurostat) may update the index reference period after consulting the Statistical Programme Committee established by Decision 89/382/EEC, Euratom.
4. 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.

Article 4

Amendment

Article 4 of Regulation (EC) No 2214/96 is replaced by the following:

⁽⁴⁾ OJ L 296, 21.11.1996, p. 8. Regulation as last amended by Regulation (EC) No 1920/2001 (OJ L 261, 29.9.2001, p. 46).

⁽⁵⁾ OJ L 181, 28.6.1989, p. 47.

⁽⁶⁾ OJ L 340, 11.12.1997, p. 24.

*Article 4***Dissemination of sub-indices**

The Commission (Eurostat) shall disseminate sub-indices of the HICPs for the categories listed in Annex 1 to this Regulation on the basis of a common index reference period’.

*Article 5***Entry into force**

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*. [↔ 9.11.2005]

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

1.16. Temporal coverage (2006)

Council Regulation (EC) No 701/2006 of 25 April 2006 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards the temporal coverage of price collection in the harmonised index of consumer prices (*)

(Text with EEA relevance)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular the third subparagraph of Article 4 and Article 5(3) thereof,

Having regard to the opinion of the European Central Bank ⁽²⁾, as required under Article 5(3) of Regulation (EC) No 2494/95,

Whereas:

- (1) Harmonised Indices of Consumer Prices (HICPs) are harmonised inflation figures required by the Commission and the European Central Bank for the performance of their functions under Article 121 of the EC Treaty. HICPs are designed to facilitate international comparisons of consumer price inflation. They serve as important indicators for the management of monetary policy.
- (2) Under Article 5(1)(b) of Regulation (EC) No 2494/95, each Member State is required, as part of the implementation of that Regulation, to produce an HICP starting with the index for January 1997.
- (3) Article 3 of Regulation (EC) No 2494/95 requires that the HICP should be based on the prices of goods and services available for purchase in the economic territory of the Member States for the purposes of directly satisfying consumer needs.
- (4) Commission Regulation (EC) No 1749/96 of 9 September 1996 on initial implementing measures for Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices ⁽³⁾, defined the coverage of the HICP as those goods and services which are included in household final monetary consumption expenditure which is incurred, *inter alia*, on the economic territory of the Member State, in one or both of the time periods being compared.
- (5) Article 8 of Commission Regulation (EC) No 1749/96 requires the HICP to be constructed from target samples which have sufficient prices within each elementary aggregate to take account of the variation of price movements in the population.
- (6) Differences in price collection periods may lead to significant differences in the estimated price change for the time periods being compared.
- (7) A harmonised approach with respect to the temporal coverage of the HICPs is necessary in order to ensure that the resulting HICPs meet the requirements as to comparability, reliability, and relevance under the third subparagraph of Article 4 and pursuant to Article 5(3) of Regulation (EC) No 2494/95.
- (8) The compilation of the Monetary Union index of consumer prices (MUICP) and the European index of consumer prices (EICP) requires a harmonised concept for the temporal coverage of the HICPs. This should

(*) [OJ L 122, 9.5.2006, p. 3.](#)

⁽¹⁾ OJ L 257, 27.10.1995, p. 1; Regulation as amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).

⁽²⁾ Opinion of 27 February 2006.

⁽³⁾ OJ L 229, 10.9.1996, p. 3; Regulation as last amended by Regulation (EC) No 1708/2005 (OJ L 274, 20.10.2005, p. 9).

not, however, preclude the release of provisional HICPs or HICP flash estimates of the average price change based on a part of the price information observed in the month to which the current index refers.

- (9) Commission Regulation (EC) No 1921/2001 of 28 September 2001 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for revisions of the harmonised index of consumer prices and amending Regulation (EC) No 2602/2000⁽⁴⁾ stipulates that changes in the system of harmonised rules should not require revisions, but that, where necessary, estimates of the impact on the annual rates of change of the HICP should be made.
- (10) The Statistical Programme Committee has been consulted in accordance with Article 3 of Council Decision 89/382/EEC, Euratom of 19 June 1989 establishing a Committee on the Statistical Programmes of the European Communities⁽⁵⁾,

HAS ADOPTED THIS REGULATION:

Article 1

Aim

The aim of this Regulation is to establish minimum standards for price collection periods in order to improve the comparability, reliability and relevance of the HICPs.

Article 2

Representation

The HICP is a sample statistic which shall represent the average change in prices between the calendar month of the current index and the period to which it is compared.

Article 3

Minimum standards for price collection

1. Price collection shall take place across at least a one working week period at, or near, the middle of the calendar month to which the index pertains.
2. Where products are known to typically show sharp and irregular price changes within the same month, price collection shall take place over a period of more than one working week.

This rule shall apply in particular to the following products:

- (a) energy products; and
- (b) fresh food, such as fruit and vegetables.

Article 4

Implementation

The provisions of this Regulation shall be implemented in December 2007 at the latest and take effect with the index for January 2008.

Article 5

Entry into force

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Union*. [↔ 29.5.2006]

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

⁽⁴⁾ OJ L 261, 29.9.2001, p. 49.

⁽⁵⁾ OJ L 181, 28.6.1989, p. 47.

1.17. Sampling (2007)

Council Regulation (EC) No 1334/2007 of 14 November 2007 amending Regulation (EC) No 1749/96 on initial implementing measures for Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices (*)

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular third paragraph of Article 4 and Article 5(3) thereof,

Having regard to the opinion of the European Central Bank ⁽²⁾, as required under Article 5(3) of Regulation (EC) No 2494/95,

Whereas:

- (1) Harmonised Indices of Consumer Prices ('HICP') are harmonised inflation figures required by the Commission and the European Central Bank for the performance of their functions under Article 121 of the EC Treaty. HICPs are designed to facilitate international comparisons of consumer price inflation. They serve as important indicators for the management of monetary policy.
- (2) The HICP constitutes a rather complete conceptual framework. Very considerable progress has been made in harmonizing methodologies since the initial implementing measures were adopted, but scope for non-comparability remains with regard to sampling, replacement, quality adjustment and aggregation procedures.
- (3) The existing HICP framework provides a definition of the HICP as a Laspeyres-type index concerned with the changing power of money to acquire goods and services for the purposes of directly satisfying consumer needs. This definition reflects the current understanding of consumer inflation in the European Union and the euro zone in particular.
- (4) The HICP relates to the prices of all the products purchased by consumers, when they seek to maintain consumption patterns, i.e. products defined by elementary expenditure categories (weights). These categories consist of explicitly stated consumption segments distinguishable by consumption purpose. The set of all product-offers in the statistical universe can be exhaustively divided into consumption segments. Consumption segments are relatively stable over time although the product-offers comprising a consumption segment will change as markets evolve.
- (5) The notion of consumption segments by purpose is therefore central to sampling and to the meaning of quality change and quality adjustment. However, an ambiguity in this concept concerns the level of aggregation at which it is defined and applied.
- (6) The range of product-offers will change over time as products are modified or replaced by retailers and manufacturers. The HICP requires the representation of all currently available product-offers within the consumption segments by purpose selected in the reference period in order to measure their impact on inflation. This applies particularly to new models or varieties of previously existing products.

(*) [OJ L 296, 15.11.2007, p. 22-26.](#)

⁽¹⁾ OJ L 257, 27.10.1995, p. 1; Regulation as amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).

⁽²⁾ Opinion delivered on 5 October 2007 (OJ C 248, 23.10.2007, p. 1).

- (7) Quality change thus relates to the degree to which available products are fit to serve the purpose of the consumption segment to which they belong. Quality change should be assessed by reference to the specification of concrete products within a consumption segment.
- (8) In order to address these issues, a number of clarifications and amendments to Commission Regulation (EC) No 1749/96 of 9 September 1996 on initial implementing measures for Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices ⁽³⁾ are necessary for ensuring comparability of HICPs and maintaining their reliability and relevance in accordance with Article 5 of Regulation (EC) No 2494/95.
- (9) It is therefore necessary to further specify the purposes and definition of the HICP, to clarify where those determine the actual practices of sampling, replacement, and quality adjustment, and to establish the required representation of the HICP and its form, and to establish further minimum standards with respect to sampling, replacement, quality adjustment and aggregation procedures.
- (10) In particular, it is necessary to set a clear statistical target for the purposes of sampling, replacement and quality adjustment and ensure that the HICP measures close to the target, with a reasonably small uncertainty or error in terms of bias and variance. A trade-off between unbiasedness and precision must be considered.
- (11) With a view to further specifying the target universe of the HICP and resolving the issue of the ‘fixity’ of the HICP basket, the concept of ‘consumption segments by purpose’ offers a workable solution as it can build the necessary fixity into the Laspeyres-type index and make the concept meaningful in a world of evolving markets.
- (12) It is necessary to ensure that consumption segments in the reference period are selected to represent the entire partition of the transactions universe and that replacements maintain the representation of current product offers within consumption segments already represented in the HICP. The representation of household final monetary expenditure by consumption purpose should reflect the dynamic nature of evolving markets.
- (13) It must be ensured that judgements by Member States on whether quality change occurs are based on evidence of differences in price determining characteristics that are relevant to the consumer purposes in question. To this effect specific quality adjustment standards should be developed by the Commission (Eurostat) on a case-by-case basis.
- (14) Furthermore, it is necessary to broaden the definition of elementary aggregates and to further harmonise aggregation and replacement practices within elementary aggregates.
- (15) The principle of cost-effectiveness has been taken into account in accordance with Article 13 of Regulation (EC) No 2494/95.
- (16) Regulation (EC) No 1749/96 should therefore be amended accordingly.
- (17) The measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee, established by Council Decision 89/382/EEC, Euratom ⁽⁴⁾,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1749/96 is amended as follows:

Article 2 is replaced by the following:

‘Article 2

Definitions

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

⁽³⁾ OJ L 229, 10.9.1996, p. 3. Regulation as last amended by Regulation (EC) No 1708:2005 (OJ L 274, 20.10.2005, p. 9).

⁽⁴⁾ OJ L 181, 28.6.1989, p. 47.

1. 'Household final monetary consumption expenditure' as specified in Annex 1b means that part of final consumption expenditure which is incurred by households irrespective of nationality or residence status, in monetary transactions, on the economic territory of the Member State, on goods and services that are used for the direct satisfaction of individual needs or wants, and in one or both of the time periods being compared.
2. 'Product-offer' means a specified good or service that is offered for purchase at a stated price, in a specific outlet or by a specific provider, under specific terms of supply, and thus defines a unique entity at any one time.
3. The 'coverage' of the HICP, that is the statistical 'target universe' to be represented by the HICP, means the set of all transactions falling within the scope of household final monetary consumption expenditure.
4. A 'consumption segment by purpose' or 'consumption segment' means a set of transactions relating to product-offers which, on the grounds of common properties, are deemed to serve a common purpose, in the sense that they
 - are marketed for predominant use in similar situations,
 - can largely be described by a common specification, and
 - may be considered by consumers as equivalent.
5. 'Newly significant goods and services' mean those goods and services the price changes of which are not explicitly included in a Member State's HICP and the estimated consumers' expenditure on which has become at least one part per thousand of the expenditure covered by that HICP.
6. 'Sampling' means any procedure in the construction of the HICP where a subset of the universe of product-offers is selected to estimate the price change for consumption segments covered by the HICP.
7. 'Target sample' means the set of product-offers within consumption segments for which the Member State plans to observe prices in order to achieve a reliable and comparable representation of the HICP target universe.
8. 'Weights' used in HICP aggregations mean the appropriate estimates of relative expenditures on any sub-division of the target universe, in accordance with Commission Regulation (EC) No 2454/97 (*).
9. 'Observed price' means a price actually confirmed by the Member States.
10. 'Replacement product-offer' means a product-offer with an observed price that replaces a product-offer in the target sample.
11. 'Replacement price' means the observed price for a replacement product-offer.
12. 'Estimated price' means a price which is substituted for an observed price and is based on an appropriate estimation procedure. Previously observed prices shall not be regarded as estimated prices unless they can be shown to be appropriate estimates.
13. An 'elementary product group' means a set of product-offers that are sampled in order to represent one or more consumption segments in the HICP.
14. An 'elementary aggregate' means an elementary product group stratified, for instance by regions, cities or outlet types and so refers to the level at which observed prices enter the HICP. Where elementary product groups are not stratified, the terms 'elementary product group' and 'elementary aggregate' shall have the same meaning.
15. An 'elementary aggregate index' means a price index for an elementary aggregate.
16. 'Quality change' means that a replacement has resulted in a significant difference in the degree to which the replacement product-offer serves the consumer purpose of the consumption segment to which it belongs, whenever the Member State judges so.

17. ‘Quality adjustment’ means the procedure of making an allowance for an observed quality change by increasing or decreasing the observed current or reference price by a factor or an amount equivalent to the value of that quality change.

(*) OJ L 340, 11.12.1997, p. 24.’

The following Article 2a is inserted:

‘Article 2a

Principles

1. The compiled HICP is a sample statistic which shall represent the change in prices, on average over the target universe, between the calendar month of the current index and the period to which it is compared.
2. The set of all transactions in the statistical universe can be exhaustively divided into subsets corresponding to the product-offers to which these transactions pertain. They shall be classified according to the four-digit categories and sub-categories given in Annex Ia, which derive from the COICOP international classification and shall be known as COICOP/HICP (classification of individual consumption by purpose adapted to the needs of HICPs).
3. The HICP shall be computed using a formula which is consistent with the Laspeyres-type formula.
4. Consumption segments shall form the fixed objects in the index basket to be followed by the HICP.
5. Prices used in the HICP shall be the purchase prices, which are the prices paid by households to purchase individual goods and services in monetary transactions.
6. Where goods and services have been available to consumers free of charge, and subsequently an actual price is charged, then the change from a zero price to the actual price, and vice versa, shall be taken into account in the HICP.
7. The HICP shall provide a measure of pure change in prices, unaffected by quality change. It shall:
 - (a) reflect the price change on the basis of the changed expenditure of maintaining the consumption pattern of households and the composition of the consumer population in the base or reference period, and
 - (b) be constructed by making appropriate adjustments for observed quality change. Quality adjustments shall serve the reliability, and in particular the representativity of the HICP as a measure of pure price change.
8. Concerning quality change, the judgement shall be based on due evidence of a difference between the specification of a replacement product-offer and the product-offer it replaced in the sample; That is, a difference in the product-offers’ significant price-determining characteristics, such as brand, material or make, that are relevant to the consumer purpose in question.

A quality change does not arise when there is a comprehensive annual or less frequent revision of the HICP sample. Its inclusion shall be made by establishing the appropriate chain links. Revisions of the HICP sample do not remove the need to introduce replacement product-offers without delay in between two revisions.

9. The representation of an elementary product group or an elementary aggregate shall be defined by the expenditure weight associated to it. Other weightings may be used within elementary aggregates on the condition that the representativity of the index is ensured.
10. ‘Reliability’ shall be assessed according to ‘precision’, which refers to the scale of sampling errors, and ‘representativity’ which refers to the lack of bias.’

In the second paragraph of Article 4 the words ‘Article 2(b)’ shall be replaced by the words ‘Article 2(5).

Article 5 is replaced by the following:

‘Article 5

Minimum standards for replacements and quality adjustment

1. Quality adjustment methods shall be rated as follows:
 - (a) A-methods: those which are considered to deliver the most reliable results, in terms of precision and bias;
 - (b) B-methods: those which may deliver less precise or less representative results than A-methods, but are nevertheless considered also acceptable. B-methods shall be used in case A-methods are not applied;and
- (c) C-methods: all other methods, which shall hence not be used.

2. Standards concerning the rating of quality adjustment methods shall be developed and issued by the Commission (Eurostat) after consultation at the SPC, following a case-by-case approach and with due regard to aspects of cost-effectiveness and the context in which they are applied.

The rating of quality adjustment methods does not preclude the adoption of implementing measures on this subject in accordance with Article 5(3) of Regulation (EC) No 2494/95.

3. A- and B-methods shall be deemed to be appropriate quality adjustment methods. HICPs for which appropriate quality adjustments are made shall be deemed to be comparable. Other things being equal, A-methods shall be given the preference over B-methods.
4. In the absence of appropriate national estimates, Member States shall use estimates based on information provided by the Commission (Eurostat) where these are available and relevant.
5. In no case shall a quality change be estimated as the whole of the difference in price between the two product-offers, unless this can be justified as an appropriate estimate.
6. Where no appropriate estimates are available, price changes shall be estimated as the difference between the replacement price and that of the product-offer it has replaced.
7. Replacement product-offers:
 - (a) shall be either ‘essentially equivalent’, if no quality change is observed between the replacement product-offer and the one it replaced in the sample, or ‘equivalent by quality adjustment’, if a quality adjustment is necessary for an observed quality change between the replacement product-offer and the one it replaced in the sample.
 - (b) shall be selected from the same consumption segments as the replaced ones, so as to maintain the representation of consumption segments;
 - (c) shall not be selected according to similarity of price. This shall in particular apply where replacements have to be made after goods or services have been offered at reduced prices.’

Article 2

Entry into force

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*. [↔ 5.12.2007]

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

1.18. Treatment of seasonal products (2009)

Council Regulation (EC) No 330/2009 of 22 April 2009 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the treatment of seasonal products in the Harmonised Indices of Consumer Prices (HICP) (*)

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular the third paragraph of Article 4 and Article 5(3) thereof,

Whereas:

- (1) Harmonised Indices of Consumer Prices (HICP) are harmonised inflation measures required by the Commission and the European Central Bank for the performance of their functions under Article 121 of the EC Treaty. HICPs are designed to facilitate international comparisons of consumer price inflation. They serve as important indicators for the management of monetary policy.
- (2) Under Article 5(1)(b) of Regulation (EC) No 2494/95, each Member State is required, as part of the implementation of that Regulation, to produce an HICP starting with the index for January 1997.
- (3) Commission Regulation (EC) No 1749/96 of 9 September 1996 on initial implementing measures for Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices ⁽²⁾ defines the coverage of the HICP as those goods and services which are included in household final monetary consumption expenditure incurred on the economic territory of the Member State, in one or both of the time periods being compared.
- (4) Article 2 of Commission Regulation (EC) No 2214/96 of 20 November 1996 concerning harmonised indices of consumer prices: transmission and dissemination of sub-indices of the HICP ⁽³⁾ defines a breakdown of COICOP/HICP ⁽⁴⁾ by division (two-digit level), group (three-digit level) and class (four-digit level).
- (5) Article 2 of Commission Regulation (EC) No 2454/97 of 10 December 1997 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the quality of HICP weightings ⁽⁵⁾ defines the 'weighting reference period' of an HICP as a 12-month period of consumption or expenditure. According to Article 3 thereof Member States should each month produce HICPs using weightings which reflect the consumers' expenditure pattern in the weighting reference period.
- (6) Consequently weightings at the level of COICOP/HICP divisions, groups and classes are required not to vary between months during the year. Nevertheless weightings at a more detailed level of COICOP/HICP might be allowed to reflect a seasonally varying consumption pattern. Although indices without and with seasonal weighting variability correspond to different statistical targets, restrictions on the methodology may ensure the necessary comparability between those two approaches, as well as comparability between Member States within the approaches.

(*) [OJ L 103, 23.4.2009, p.6-9.](#)

⁽¹⁾ OJ L 257, 27.10.1995, p. 1.

⁽²⁾ OJ L 229, 10.9.1996, p. 3.

⁽³⁾ OJ L 296, 21.11.1996, p. 8.

⁽⁴⁾ Classification of Individual Consumption by Purpose adapted to the needs of HICPs

⁽⁵⁾ OJ L 340, 11.12.1997, p. 24.

- (7) Seasonal products are typically not available or their purchased volumes are negligible for certain periods in an annual cyclical pattern and according to Article 6 of Regulation (EC) No 1749/96 where target samples do not require monthly observation of actual prices throughout the year estimated prices should be used instead.
- (8) Commission Regulation (EC) No 1921/2001 of 28 September 2001 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for revisions of the harmonised index of consumer prices and amending Regulation (EC) No 2602/2000 ⁽⁶⁾ sets the framework for revisions in the HICPs.
- (9) Article 4 of Council Regulation (EC) No 2494/95 provides that HICPs which differ on account of differences in concepts, methods or practices used in their definition and compilation should not be considered comparable. However, the methodologies applied in the Member States for seasonal products differ substantially and the results may not be sufficiently comparable. Therefore a harmonised approach with respect to seasonal products in the HICPs is necessary in order to ensure that the resulting HICPs meet the requirements as to comparability, reliability, and relevance under the third paragraph of Article 4 and under Article 5(3) of Regulation (EC) No 2494/95.
- (10) The European Central Bank has been consulted in accordance with Article 5(3) of Regulation (EC) No 2494/95 ⁽⁷⁾
- (11) The measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee established by Council Decision 89/382/EEC, Euratom ⁽⁸⁾,

HAS ADOPTED THIS REGULATION:

Article 1

Subject matter

This Regulation establishes minimum standards for the treatment of seasonal products in order to improve the comparability, reliability and relevance of the Harmonised Indices of Consumer Prices (HICPs).

Article 2

Definitions

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

1. 'seasonal products' means those goods and services that are not available for purchase, or purchased in small or negligible volumes, for certain periods in a typical annual cyclical pattern. The in-season period is meant to cover at least one month;
2. 'subdivision of COICOP/HICP' means COICOP/HICP class in the case of goods and services in a COICOP/HICP class, and COICOP/HICP group for groups that are not subdivided into classes according to the harmonised COICOP/HICP classification as laid down in Regulation 1749/1999 of 23 July 1999 amending Regulation (EC) No 2214/96, concerning the subindices of the harmonised indices of consumer prices ⁽⁹⁾;
3. 'counter-seasonal estimation' means the estimation of a price for a product-offer of a product that is out-of-season so that:
 - in the first month of the out-of-season period, the estimated price is equal to a typical price observed in the previous in-season period, and
 - from the second month, the estimated price is equal to the estimated price for the preceding month, adjusted by the change in observed prices on average over all seasonal products that are in-season in the same subdivision of COICOP/HICP;

⁽⁶⁾ OJ L 261, 29.9.2001, p. 49.

⁽⁷⁾ OJ C 58, 12.3.2009, p. 1.

⁽⁸⁾ OJ L 181, 28.6.1989, p. 47.

⁽⁹⁾ OJ L 214, 13.8.1999, p. 1.

4. ‘all-seasonal estimation’ means the estimation of a price for a product-offer of a product that is out-of-season so that:
 - in the first month of the out-of-season period, the estimated price is equal to a typical price observed in the previous in-season period, and
 - from the second month, the estimated price is equal to the estimated price for the preceding month, adjusted by the change in observed prices on average over all available products in the same subdivision of COICOP/HICP;
5. ‘strict annual weights index’ means a price index using weightings that do not differ between months within the same year at all levels of index calculation;
6. ‘class-confined seasonal weights index’ means a price index using weightings that within the same year:
 - do not differ between months for any COICOP/HICP subdivision taken as a whole,
 - do not differ between months for products within any COICOP/HICP subdivision that does not contain any seasonal product,
 - within the in-season period do not differ between months for products within any COICOP/HICP subdivision that contains seasonal products, except to the extent that it is necessary to allow for month-on-month changes in the composition of the basket.

Article 3

Scope

1. The minimum standards shall apply to seasonal products within the following COICOP/HICP classes and groups:
 - 01.1.3 Fish
 - 01.1.6 Fruit
 - 01.1.7 Vegetables
 - 03.1 Clothing
 - 03.2 Footwear
2. Where appropriate, the minimum standards shall serve as guidance also concerning seasonal products within COICOP/HICP classes and groups other than those listed in the first paragraph (1).

Article 4

Minimum standards

1. In any given month, seasonal products shall be deemed to be either in-season or out-of-season. In-season periods may vary from one year to another.
2. An HICP sub-index at elementary product group level shall be a strict annual weights index or a class-confined seasonal weights index.
3. For an HICP that is a strict annual weights index, estimated prices shall be used for seasonal products that are out-of-season, in accordance with Article 6(1)(b) of Regulation (EC) No 1749/96.
4. For an HICP that is a strict annual weights index, an estimated price for a product-offer of a seasonal product that is out-of-season shall be defined either by counter-seasonal estimation or by all-seasonal estimation. Hereby counter-seasonal estimation shall be preferred where the Member State deems it feasible with respect to the availability of observed prices, as may be likely for clothing and footwear. Where counter-seasonal estimation is not deemed feasible, all-seasonal estimation shall be used.
5. For an HICP that is a class-confined seasonal weights index, a seasonal product that is out-of-season shall have a weight of zero.

6. For an HICP that is a strict annual weights index, estimations may also be performed at a more detailed level than the subdivision of COICOP/HICP, such as for strata if a stratified sample is being used. For an HICP that is a class confined seasonal weights index, seasonal weights may also be established at a more detailed level.

7. Changes in prices of seasonal products for which the share of the total consumption expenditure, covered by the HICP, during a typical in-season period is likely to be at least two parts per thousand shall be reflected in the HICP.

8. The weights for seasonal products shall be compiled and updated as necessary in accordance with Articles 2 and 3 of Regulation (EC) No 2454/97. The indices used for the annual price updating of weights, where the index computation so requires, shall refer to the average prices of the month used for updating.

Article 5

Comparability

HICPs constructed following standards other than those required in Article 4 of this Regulation shall be deemed comparable if they result in indices which do not differ systematically from an index compiled following the provisions of this Regulation by more than:

- (a) one tenth of one percentage point on average over one year against the previous year for the all-items HICP;
- (b) three, four or five tenths of a percentage point on average over one year against the previous year for any COICOP/HICP division, group or class;
- (c) one tenth of one percentage point on average for an individual month against the previous month of the all-items HICP.

Article 6

Application

The changes deriving from this Regulation, and in particular Article 4 thereof, shall be applied from December 2010 and take effect with the index for January 2011.

Article 7

Entry into force

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Union*. [↔ 13.5.2009]

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

1.19. New weights regulation (2010)

Council Regulation (EC) No 1114/2010 of 1 December 2010 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the quality of HICP weightings and repealing Commission Regulation (EC) No 2454/97 (*)

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 2494/95 ⁽¹⁾ of 23 October 1995 concerning harmonised indices of consumer prices, and in particular Article 3 thereof,

Whereas:

- (1) Harmonised Indices of Consumer Prices (HICP) are harmonised inflation measures required by the Commission and the European Central Bank for the performance of their functions under Article 140 of the Treaty on the Functioning of the European Union. HICPs are designed to facilitate international comparisons of consumer price inflation. They serve as important indicators for the management of monetary policy.
- (2) Article 8(3) of Regulation (EC) No 2494/95 requires that the weightings of the HICP are updated with a frequency sufficient to meet the comparability and reliability requirements. HICPs based on weightings that are updated at different frequencies may fail to meet the comparability and the reliability requirements.
- (3) Commission Regulation (EC) No 2454/97 ⁽²⁾ of 10 December 1997 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the quality of HICP weightings laid down rules to ensure that HICPs were constructed using weightings which were sufficiently reliable and relevant for the purpose of international comparisons. Those rules should now be modified taking into account developments in the HICP domain. Therefore, the measures set out in this Regulation should replace those in Regulation (EC) No 2454/97, which should be repealed.
- (4) Article 9 of Regulation (EC) No 2494/95 requires HICPs to be price indices of the Laspeyres-type. When relative prices of different goods and services change, consumers' expenditure patterns can change to an extent that makes it necessary for the weights of the corresponding expenditure groups, and in particular their underlying quantities, to be updated in order to ensure their relevance.
- (5) By virtue of Article 4 of Regulation (EC) No 1749/96 ⁽³⁾ of 9 September 1996 on initial implementing measures for Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices, the HICP should be compiled to include the price changes of newly significant goods or services and their relative expenditures.
- (6) This regulation should apply without prejudice to the minimum standards for the treatment of insurance weights in accordance with Commission Regulation (EC) No 1617/1999 ⁽⁴⁾ of 23 July 1999 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the treatment of insurance in the HICP.

(*) [OJ L 316, 2.12.2010, p. 4.](#)

⁽¹⁾ OJ L 257, 27.10.1995, p. 1.

⁽²⁾ OJ L 340, 11.12.1997, p. 24

⁽³⁾ OJ L 229, 10.09.1996, p. 3.

⁽⁴⁾ OJ L 192, 24.07.1999, p. 9.

- (7) Weights at the level of COICOP/HICP ⁽⁵⁾ divisions, groups and classes are required not to vary between months during the year unless under the provisions of the Commission Regulation (EC) No 330/2009 ⁽⁶⁾ of 22 April 2009 regarding minimum standards for the treatment of seasonal products in the HICP.
- (8) This Regulation should not require Member States to carry out new statistical surveys or to carry out family budget surveys more frequently than once every 5 years, taking into consideration that Member States are required to compile national accounts in accordance with the European System of Accounts (ESA 1995) ⁽⁷⁾ and that the country weights, which are necessary for producing euro area, EU and other HICP aggregates, are based on national accounts data.
- (9) The principle of cost-effectiveness has been taken into account in accordance with Article 13 of Regulation (EC) No 2494/95.
- (10) The European Central Bank has been consulted in accordance with Article 5(3) of Regulation (EC) No 2494/95.
- (11) The measures provided for in this Regulation are in accordance with the opinion of the European Statistical System Committee,

HAS ADOPTED THIS REGULATION:

Article 1

Subject matter

The aim of this Regulation is to establish minimum standards for the quality of HICP weightings of the Harmonised Indices of Consumer Prices (HICPs).

Article 2

Definitions

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

- (1) the ‘weighting reference period’ of an HICP means the 12-month period of consumption or expenditure from which the weights are estimated for the compilation of the latest HICP index figures;
- (2) ‘sub-indices’ mean the sub-indices laid down in Commission Regulation (EC) No 2214/96 ⁽⁸⁾ of 20 November 1996 concerning harmonised indices of consumer prices: transmission and dissemination of sub-indices of the HICP.

Article 3

Minimum standards for HICP weightings

1. Each month, in current year *t*, Member States shall produce HICPs using sub-index weights which reflect the consumers’ expenditure pattern in the weighting reference period and aim to be as representative as possible for consumers' expenditure patterns in the previous calendar year.
2. Each year, Member States shall therefore review and update HICP sub-index weights taking into account preliminary national accounts data on consumption patterns of year *t-2*, except in exceptional and in duly motivated circumstances, as well as any available and relevant information from household budget surveys and other data sources which are sufficiently reliable for the purposes of the HICP.
3. As regards weights below sub-index level, including those for Elementary Product Groups as defined in Regulation (EC) No 1749/96, Member States shall use weights which are in no case more than seven years old.
4. Member States shall review annually whether or not there have been any important and sustained market developments affecting quantities in the sub-divisions of COICOP/HICP, between the periods as described in

⁽⁵⁾ Classification of Individual Consumption by Purpose adapted to the needs of HICPs.

⁽⁶⁾ OJ L 103, 23.4.2009, p. 6.

⁽⁷⁾ Council Regulation 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community, OJ L 310, 30.11.1996, p. 1.

⁽⁸⁾ OJ L 296, 21.11.1996, p. 8.

paragraph 2 and 3 and period t-1, in order to estimate weights that are as up-to-date as possible. Especially, consumption expenditure for sub-divisions of COICOP/HICP with known changes following administrative decisions and for products in fast evolving markets shall be reviewed.

6. Any adjustments made to weightings pursuant to this article shall take effect with the index for January of year t. HICP weights for previous years shall be not revised, without prejudice to the possibility to correct mistakes in accordance with Article 4 of Commission Regulation (EC) No 1921/2001⁽⁹⁾ of 28 September 2001 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for revisions of the HICP and amending Regulation (EC) No 2602/2000. In any case, HICP weights shall take effect with the index for January each year and be price-updated to prices of the preceding December.

Article 4

Quality control

Member States shall provide the Commission (Eurostat) at its request with sufficient information on the weights used to construct the HICP, including the weighting reference period used, the outcome of the annual review and the adjustments made, for compliance with this Regulation to be evaluated.

Article 5

Application

The provisions of this Regulation shall take effect with the index for January 2012 at the latest.

Article 6

Repeal

Regulation (EC) No 2454/97 is repealed, as from January 2012. References to the repealed Regulation shall be construed as references to this Regulation.

Article 7

Entry into force

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*. [⇔ 22.12.2010].

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

⁽⁹⁾ OJ L 261, 29.09.2001, p. 49.

1.20. Housing (2013)

Commission Regulation (EU) No 93/2013 of 1 February 2013 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices, as regards establishing owner-occupied housing price indices (*)

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular the third paragraph of Article 4 and Article 5(3) thereof,

Having regard to the opinion of the European Central Bank ⁽²⁾,

Whereas:

- (1) Regulation (EC) No 2494/95 establishes the production of harmonised indices of consumer prices (HICP).
- (2) Establishing price indices for dwellings and in particular for owner-occupied housing should be explored to improve the relevance and comparability of the HICP.
- (3) With a view to compiling owner-occupied housing indices it is necessary to produce house price indices. House price indices are also important indicators in their own right.
- (4) Methodological guidance on compiling owner-occupied housing and house price indices is necessary to ensure reliable and comparable results from all Member States.
- (5) The measures provided for in this Regulation are in accordance with the opinion of the European Statistical System Committee (ESS Committee),

HAS ADOPTED THIS REGULATION:

Article 1

Subject matter

This Regulation establishes owner-occupied housing price indices with a view to improving the relevance and comparability of harmonised indices of consumer prices ('HICP').

Article 2

Definitions

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

1. 'owner-occupied housing price index' means an index that measures the changes in the transaction prices of dwellings new to the household sector and other goods and services that households acquire in their role as owner-occupiers;
2. 'house price index' means an index that measures the changes in the transaction prices of dwellings purchased by households.

(*) [OJ L 33, 2.2.2013, p. 14.](#)

(¹) [OJ L 257, 27.10.1995, p. 1.](#)

(²) [Opinion of 19 October 2012 \(OJ C73, 13.3.2013, p. 5\).](#)

Article 3 Coverage

1. The following expenditure categories shall be covered in the owner-occupied housing price index:

- O.1. Owner-occupiers' housing expenditures
 - O.1.1. Acquisitions of dwellings
 - O.1.1.1. New dwellings
 - O.1.1.1.1. Purchases of new dwellings
 - O.1.1.1.2. Self-build dwellings and major renovations
 - O.1.1.2. Existing dwellings new to households
 - O.1.1.3. Other services related to the acquisition of dwellings
- O.1.2. Ownership of dwellings
 - O.1.2.1. Major repairs and maintenance
 - O.1.2.2. Insurance connected with dwellings
 - O.1.2.3. Other services related to ownership of dwellings

2. The following expenditure categories shall be covered in the house price index:

- H.1. Purchases of dwellings
 - H.1.1. Purchases of new dwellings
 - H.1.2. Purchases of existing dwellings

3. The owner-occupied housing price index shall be based on the 'Net acquisitions' approach, which measures changes in actual prices paid by consumers for the acquisition of dwellings that are new to the household sector as well as changes in other costs related to the ownership, and transfer of ownership, of dwellings.

4. Any housing expenditure category as defined in Article 3(1) with a weight of at least one part per hundred of the total housing expenditure O.1 shall be covered. Any housing expenditure category as defined in Article 3(2) with a weight of at least one part per hundred of the total housing expenditure H.1, shall be covered.

Article 4 Methodological manual

1. The Commission (Eurostat), in close cooperation with the Member States, shall establish a manual which provides a methodological framework for owner-occupied housing and house price indices produced pursuant to this Regulation (hereinafter referred to as the 'OOH-HPI manual'). When duly justified, the Commission (Eurostat) shall update the manual, in accordance with procedural arrangements approved by the ESS Committee.

2. The quality criteria referred to in Article 12(1) of Regulation (EC) No 223/2009 of the European Parliament and of the Council⁽³⁾ shall apply to the compilation of the owner-occupied housing and house price indices.

3. Member States shall provide the Commission (Eurostat), at its request, with the necessary information to assess the compliance of owner-occupied housing and house price indices with the provisions of this Regulation.

Article 5 Data requirements

1. Member States shall compile and provide the Commission (Eurostat) with price indices for the categories laid down in Article 3 in accordance with the OOH-HPI manual.

2. Member States shall provide quarterly price indices. In addition to quarterly indices, Member States may also provide monthly indices.

⁽³⁾ OJ L 87, 31.3.2009, p. 164.

3. The indices referred to in Article 3(1) shall be provided from the third quarter of 2014 relating to the 2nd quarter of 2014. The indices referred to in Article 3(2) shall be provided from the third quarter of 2012 relating to the second quarter of 2012.

4. Member States shall provide the Commission (Eurostat) with the quarterly indices within a deadline which shall not exceed eighty-five days from the end of the quarter to which the indices relate. Those Member States that choose to provide also monthly indices shall provide them within thirty days from the end of the month to which the indices relate.

5. Each year, Member States shall compile and provide the Commission (Eurostat) with one set of expenditure weights for owner-occupied housing price indices and one set of expenditure weights for house price indices, as defined in the OOH-HPI manual and in accordance with the Commission Regulation (EU) No 1114/2010 ⁽⁴⁾.

The weights for the quarterly indices shall be provided no later than 15 June of the year following the year to which the weights relate.

Member States providing monthly indices shall provide the corresponding weights no later than 20 February of the year following the year to which the weights relate.

6. Member States shall compile and provide the Commission (Eurostat) with estimated back data starting with the index for the first quarter of 2010 for the indices referred to in Article 3(1), within the deadlines referred to in Articles 5(3) and (4) at the latest. Member States shall compile and provide the Commission (Eurostat) with estimated back data starting with the index for the first quarter of 2008 for the indices referred to in Article 3(2), within the deadlines referred to in Articles 5(3) and (4) at the latest.

7. Member States shall provide the data required by this Regulation and the associated metadata in accordance with an exchange standard specified by the Commission (Eurostat). Data and metadata shall be provided to the Commission (Eurostat) via the Single Entry Point services or in such a way that the Commission can retrieve them via the Single Entry Point services.

Article 6

Transitional measures

1. One year and three years respectively after the date of entry into force of this Regulation, Member States shall provide the Commission (Eurostat) with reports on the quality of the data, on the basis of the standards defined within the European Statistical System and in the OOH-HPI manual.

2. The Commission (Eurostat) shall, within five years of the date of entry into force of this Regulation, prepare a report on the indices established pursuant to this Regulation and in particular on their degree of compliance with Commission Regulation (EC) No 1749/96 ⁽⁵⁾ and Commission Regulation (EU) No 1114/2010 ⁽⁶⁾. The report shall also address the suitability of the owner-occupied housing indices for integration into HICP coverage.

Article 7

Entry into force

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Union*. [↔ 22.2.2013]

It shall apply from 1 September 2012.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

⁽⁴⁾ OJ L 316, 2.12.2010, p. 4.

⁽⁵⁾ OJ L 229, 10.9.1996, p. 3.

⁽⁶⁾ OJ L 316, 2.12.2010, p. 4.

1.21. HICP at constant taxes (HICP-CT) (2013)

Commission Regulation (EU) No 119/2013 of 11 February 2013 amending Regulation (EC) No 2214/96 concerning harmonised indices of consumer prices (HICP): transmission and dissemination of sub-indices of the HICP, as regards establishing harmonised indices of consumer prices at constant tax rates (*)

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular the third paragraph of Article 4 and Article 5(3) thereof,

Having regard to the opinion of the European Central Bank ⁽²⁾,

Whereas:

- (1) By virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, Member States are required to produce harmonised indices of consumer prices (HICP).
- (2) Commission Regulation (EC) No 2214/96 ⁽³⁾ establishes the sub-indices of the HICP to be produced by the Member States, and provided to and disseminated by the Commission (Eurostat).
- (3) For inflation analysis and for convergence assessment in EU Member States, it is necessary to collect information on the impact of tax changes on inflation. To this end, HICPs should additionally be calculated on the basis of constant tax rate prices instead of observed prices in the form of harmonised indices of consumer prices at constant tax rates (HICP-CT).
- (4) In order to obtain reliable and comparable results from all Member States, a common methodological framework for the compilation of HICP-CT should be established and maintained.
- (5) The principle of cost-effectiveness has been taken into account in accordance with Article 13 of Regulation (EC) No 2494/95.
- (6) The measures provided for in this Regulation are in accordance with the opinion of the European Statistical System Committee,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 2214/96 is amended as follows:

- (1) Article 2, the following sub-paragraph is added:

‘Harmonised indices of consumer prices at constant tax rates’ mean indices that measure changes in consumer prices without the impact of changes in rates of taxes on products over the same period of time.’

(*) [OJ L 41, 12.02.2013, p. 1-2.](#)

⁽¹⁾ OJ L 257, 27.10.1995, p. 1.

⁽²⁾ Opinion of 19 October 2012 ([OJ C 73, 13.3.2013, p. 5.](#))

⁽³⁾ OJ L 296, 21.11.1996, p. 8.

(2) Article 3 is replaced by the following:

‘Article 3

Production and provision of sub-indices

1. Member States shall produce and provide to the Commission (Eurostat) each month all sub-indices (Annex I) which have a weight accounting for more than one part in a thousand of the total expenditure covered by the HICP. Together with the index for January each year, Member States shall provide corresponding weighting information to the Commission (Eurostat).
2. In addition, Member States shall produce and provide to the Commission (Eurostat) each month the same sub-indices computed at constant tax rates (HICP-CT). The Commission (Eurostat), in close cooperation with the Member States, shall establish guidelines that provide a methodological framework for the computation of the HICP-CT index and sub-indices. When duly justified, the Commission (Eurostat) shall update the reference methodology, in accordance with procedural arrangements approved by the European Statistical System Committee.
3. Indices shall be provided following the standards and procedures for provision of data and metadata as established by the Commission (Eurostat).’

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*. [↔ 4.3.2013]

It shall take effect with the index for January 2013.

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

Recommendations

2.1. Health Care (2005)

Commission Recommendation 2005/881/EC of 8 December 2005 on the treatment in the Harmonised Indices of Consumer Prices of certain issues concerning health care reforms within the framework of Council Regulation (EC) 2494/95 and specific implementing measures relating hereto (*)

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community, and in particular Article 211 thereof,
Whereas:

- (1) Health care insurance in the Netherlands will be reformed from January 2006. A new compulsory basic social insurance scheme will cover a large part of health care for the total population, and it is expected that about 37,5% of the total population will be moved from private insurance schemes to the new social insurance scheme (hereafter referred to as ‘the reform’).
- (2) The reform introduces a fundamental change in the organisation and institutional structure of the health care system. Its treatment in the Harmonised Indices of Consumer Prices (HICPs) must be appropriate, consistent with the HICP legal framework and in particular the following Regulations:
 - Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾ and in particular Articles 4, 5(3), 8(3), 9 and 12 thereof,
 - Commission Regulation (EC) No 1749/96 of 9 September 1996 on initial implementing measures for Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices ⁽²⁾, Articles 2, 4 and Annex Ia, in particular footnotes 16 and 17 thereof,
 - Commission Regulation (EC) No 2454/97 of 10 December 1997 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the quality of HICP weightings ⁽³⁾,
 - Commission Regulation (EC) No 1617/1999 of 23 July 1999 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the treatment of insurance in the Harmonised Index of Consumer Prices and modifying Commission Regulation (EC) No 2214/96 ⁽⁴⁾, Articles 2 and 3 thereof,
 - Council Regulation (EC) No 2166/1999 of 8 October 1999 laying down detailed rules for the implementation of Regulation (EC) No 2494/95 as regards minimum standards for the treatment of products in the health, education and social protection sectors in the Harmonised Index of Consumer Prices ⁽⁵⁾, Article 4 thereof,

and result in HICPs that are comparable, reliable and relevant.
- (3) The HICP legal framework does not handle explicitly and specifically the case of this reform, which involves fundamental changes in the eligibility and access rules for social insurance. Taking into account the potential impact on the HICP, and the consequent uncertainty for users, the Commission considers it necessary to issue a recommendation, regarding the treatment of the reform in the HICP to clarify the existing HICP Regulations.

(*) [OJ L 324, 10.12.2005, p. 94.](#)

⁽¹⁾ OJ L 257, 27.10.1995, p. 1; Regulation as amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).

⁽²⁾ OJ L 229, 10.9.1996, p. 3; Regulation as amended by Council Regulations (EC) No 1687/98 and (EC) No 1688/98 (OJ L 214, 31.7.1998, pp. 12 and 23 respectively).

⁽³⁾ OJ L 340, 11.12.1997, p. 24.

⁽⁴⁾ OJ L 192, 24.7.1999, p. 9.

⁽⁵⁾ OJ L 266, 14.10.1999, p. 1.

- (4) For measuring changes in consumer prices, the HICP legal framework requires that the HICP should take account of changes from zero prices to positive prices and vice versa. A reading of this requirement in isolation might indicate that the HICP should record a very substantial fall in inflation as a result of this reform. However in the context of this reform, the Commission (Eurostat) considers that such a treatment would show an unwarranted price change as a consequence of pricing transactions using different valuation concepts.
- (5) The valuation of health care expenditure in the HICP (COICOP/HICP 06)⁽⁶⁾ is conditioned on the treatment of health insurance (COICOP/HICP 12.5.3).
- (6) Social insurance does not fall within Household Final Monetary Consumption Expenditure (HFMCCE) either before or after the reform. The reform results in a significant reduction in the population covered by private insurance schemes.
- (7) The per capita consumption volumes for health care remain in principle unchanged from those in the base or reference period, but the composition of the consumer population and the valuation concept both change in the periods being compared as a result of new eligibility and access rules for the health insurance schemes.
- (8) The impact on the HICP, as from the January in which such a reform takes effect, of consumers moving to the new social health insurance scheme, should thereby be approximately neutral for the HICP.
- (9) The Commission considers that such treatment does not call into question the treatment of earlier examples of changes from zero prices to positive prices and vice versa (e.g. TV licence abolition of 2000 and health insurance reform of 2004 in the Netherlands, or the health care reform of 2004 in Germany).
- (10) The Commission (Eurostat) has taken into consideration the views of key HICP users and national HICP experts with regard to the above,

HEREBY RECOMMENDS:

1. Changes in consumer prices should not be measured for the HICP simply as a result of changes in the eligibility and access rules for social health insurance. Rather the HICP should capture changes in the prices within one and the same scheme and price changes resulting from changes in the rules determining prices within one and the same scheme.
2. Both prices and weights for health insurance and health care expenditure should be mutually coherent, and that must be the case across time.
3. In order that the HICP be accurate and relevant, reforms presenting the characteristics described above, should be accounted for by means of adjusting the weights and chaining the price indices for
 - a) health insurance, or within health insurance between the preceding December and the January in which a reform takes effect.
 - b) health care expenditure, or within health care expenditure between the preceding December and the January in which a reform takes effect. This treatment is thereby consistent with the treatment of health insurance.
4. This Recommendation should be taken into account by the Authorities compiling HICPs taking into consideration the specific circumstances of the individual reforms.
5. This Recommendation is addressed to the Member States.

⁽⁶⁾ Classification of individual consumption by purpose adapted to the needs of the HICPs (COICOP/HICP).

2.2. Compilation issues in economic turmoil (2009)

Task Force ‘Compilation issues for the HICP arising from the economic turmoil’ Guidance note – May 2009

1. General

The Task Force discussed a number of compilation issues that have appeared in one or several countries or that may possibly come up in the future. Recommendations on how to deal with these problems were given.

In general the Task Force was of the view that NSIs should proceed cautiously in reaction to the turmoil, on the basis of statistical data, and take care not to over-react to short term volatility. The existing HICP legal framework gives a good basis for answering many compilation issues raised by the turmoil and has been the basis for the following recommendations.

2. Availability of goods and services

The Task Force discussed the problems that may occur for the measurement of the HICP in the case where goods or services may not be available to consumers in a usual manner.

- ***Treatment of missing prices***

The case of missing prices is treated in [Commission Regulation \(EC\) No 1749/96](#), Article 6. The Task Force recommends that this regulation is strictly followed.

- ***Treatment of reduced prices when the outlet is announced to be closing or may be expected to close down shortly***

Outlets closing down are a regular phenomenon and should be taken care of in usual procedures ⁽¹⁾. However, the problem may in times of economic turmoil have more impact and may therefore need special attention.

When outlets are closing down final sales prices may drive the index down. A potential problem may occur if the disappearing product offer is replaced by a product offer in another outlet, by linking the closing down price to the price of the replacement outlet **without** a direct comparison of the first price in the new outlet with the last price in the disappearing outlet. Then the index may drift away from the correct mid-term development.

Therefore the Task Force recommends:

- In principle the price falls prior to closure should be reflected in the HICP.
- It is particularly important during the current turmoil that there should not be an automatic ‘linking in’ of prices in outlets replacing ones which have closed down. Linking in can give a downward drift to the index.
- The new price (in a new outlet) should either be introduced by direct comparison or by another method which does not produce the downwards drift.
- One such other method may be to make an estimate for the price in the first month after the outlet closes down, which reflects the ‘normal’ price level in the closed outlet, and based on other price observations for the products involved.

3. Changes in the consumption pattern of consumers

The Task Force discussed the way to treat sudden changes in consumption patterns by consumers, e.g. a sudden drop in car sales.

⁽¹⁾ Minimum standards for replacements and quality adjustments are treated in [Commission Regulation \(EC\) No 1334/2007](#), Article 5.

Base revisions – other than changing weights as a result of price-updating – are needed to take into account changing patterns of consumption. An annual base revision is the more important in the case of rapidly changing consumption patterns such as may happen in periods of economic turmoil.

Weights

- For 2010 weights, NSIs should take into account the guidance given in the proposed HICP regulation on weights currently being discussed with the National Statistical Institutes (so, for the HICP for year t , the target is to reflect expenditure patterns as in the year $t-1$).
- Weights for 2010 should ideally be based on National Accounts results for year $t-2$ (or $t-3$, as discussed in the WG), with an adjustment of the weights to take into account significant changes in consumption expenditures up to year $t-1$.
- Before making any further special adjustments to weights, consider the full consequences of doing so, the impact of doing so and not doing so, and decide how the calculation of weights should be made for following periods.
- It is advised that weights adjustments are based on factual evidence and not on expectations of what expenditure may be in the current year or in future. Expectations regarding changed consumption levels in the actual year t , or even measured changes during year t shall not be taken into account for determining or updating the weights for year t .
- If during year t new information becomes available about the consumption pattern in year $t-1$ an update of the product sample may be considered but the weights structure shall not be revised at the level of elementary product groups.

4. Issues of price measurement

The Task Force discussed issues of price measurement, particularly the use of list prices (e.g. for cars), and the potential use of prices paid a currency other than the national currency of the economic territory.

The target for price measurement in the HICP is to measure transaction prices as paid by consumers ⁽²⁾. When there is a stable relation between transaction prices and list prices, the measurement of list prices can be a very effective tool in price measurement.

The Task Force considered that, in the current period of turmoil, changes in list prices probably do not give a good indication of changes in transaction prices. The issue of the use of list prices is long-standing and difficult to resolve.

The Task Force discussed two options:

- One option is to change from measuring list prices to measuring transaction prices,
- Alternatively the additional collection of data on the relationship between transaction and list prices may be an option. This relationship may be received from car sellers, importers or possibly registrations.

Eurostat is of the view that those NSIs which are currently recording list prices for cars should move towards the measurement of transaction prices.

- ***What to do if prices are being charged in other currencies than the national currency***

It is recommended that prices are to the extent possible collected in national currencies. If prices can only be observed in some foreign currency they shall be converted to national currency centrally, taking into account the average exchange rate for the currency in the price observation period concerned.

It is advised that price collectors are adequately instructed if this should become an issue.

⁽²⁾ See e.g. [Commission Regulation \(EC\) No 1334/2007](#), Article 2a.5.

5. European Union and European Economic Area aggregation

- *Are any special measures needed in case of large changes in exchange rates?*

A large change in exchange rate does not lead to any necessary change in the compilation of a national HICP or of the European level HICP aggregates. There may be some need for explanation to non-experts on how the European level HICP aggregates such as the EICP and the EEAICP (which cover the European Union and the European Economic Area) are compiled.

For example a large change in the exchange rate for the currency of one of the countries may lead to higher inflation in the country concerned. The inflation as experienced by foreign visitors to that country may be very different from the experience of inflation by the local population.

6. Communications

The Task Force discussed whether any special communications on inflation measurement are necessary at this time. One issue can be the use (or not) of the terms 'deflation' and 'disinflation'.

It was suggested that negative inflation rates should be described by National Statistical Institutes as such and not as 'deflation' or 'disinflation', which are non-statistical terms and may be used with differing meanings by different commentators and analysts.

2.3. Treatment of bundles (2010)

Treatment of bundles/packages in COICOP/HICP — Guidelines note (June 2010)

1. Problem statement

Bundling is a marketing tactic that involves offering two or more goods or services that serve two or more different purposes as a package deal for a discounted price. In the case of pure bundling, a group of products are only available as a bundle and are not sold separately, while in the case of mixed bundling, the products are sold both as bundles and as individual units. Bundling usually means for the consumer economies over the cost of purchasing the items separately.

In COICOP such package goods or services are often required, if feasible in practice, to be separated and classified under particular COICOP classes within the same or different COICOP groups or divisions. The treatment of bundled goods is a matter of concern for prices statistics (HICPs and PPPs) as well as NAs and HBSs. Since COICOP does not provide clear guidance each domain may treat same bundled products in different ways. This may also involve that NSIs may take different decisions concerning the classification of some package expenditures in one and the other statistical domain. Therefore, further guidance seems necessary on how to treat such expenditures in price statistics, NAs and HBS in a consistent way.

2. Guidance from COICOP

The Classification of Individual Consumption according to Purpose (COICOP) recognizes the difficulty concerning data availability in disaggregating bundles of goods and services and addresses it in paragraphs 46-48 of the Introduction to the Classifications of Expenditure According to Purpose¹:

Mixed purpose goods and services

Single outlays may sometimes comprise a bundle of goods and services that serve two or more different purposes. For example, the purchase of an all-inclusive package tour will include payments for transport, accommodation and catering services, while the purchase of educational services may include payments for health care, transport, accommodation, board, educational materials, etc.

Outlays covering two or more purposes are dealt with on a case-by-case basis with the aim of obtaining a purpose breakdown that is as precise as possible and consistent with practical considerations of data availability. Hence, purchases for package holidays are shown under Package holidays with no attempt to isolate separate purposes such as transport, accommodation and catering. Payments for educational services, on the other hand, should be allocated as far as possible to Education, Health, Transport, Restaurants and hotels and Recreation and culture.

Two other examples of mixed purpose items are: the purchase of in-patient hospital services which include payments for medical treatment, accommodation and catering; and the purchase of transport services which include meals and accommodation in the ticket price. In both cases, there is no attempt to isolate separate purposes. Purchases of in-patient hospital services are shown under Hospital services and purchases of transport services with accommodation and catering are shown under Transport services.

3. HICP guidance

The HICP Working Group discussed the issue at its meeting of November 2009 and agreed on the following guidance for the treatment of bundles/packages:

- Bundles should be classified according to the consumption purpose of the main component. In order to achieve consistency among the different data sources, this principle should also be followed by the other fields of statistics as far as possible.

¹ Statistical Papers, Series M No. 84, Department of Economic and Social Affairs, Statistics Division, United Nations, New York, 2000.

- Where the package price is itemized and can readily be divided into the constituent components, the bundle may be split on the condition that component weightings can be estimated.
- Where the price is not itemized, but the expenditure can be split within the bundle so that component weights can be calculated to each respective component, the change in the bundle price may then be applied to each component weight for the compilation of the HICP - no matter in which group or division each component is classified.

The importance of bundles should be monitored so that their inclusion into the sample is made as soon as they become significant (e.g. telecoms-related bundles).

The treatment of bundles can be further explored in the context of the preparation of the COICOP/HICP 5 and 6 digit classifications; and the future updating of the COICOP/UN classification. Also the inclusion of certain bundles into the COICOP classification - as it is the case with e.g. 09.6.0 Package holidays - could be discussed in the course of updating the COICOP.

It has to be noted that the definition of the main component of a bundle is not always clear-cut. This can vary not only from country to country but even from household to household. In some cases all components appear to be equally important to the consumer. Therefore, clear guidelines on how to decide the main purpose of packages seem necessary.

While discussing the pricing of bundles, quality adjustment issues should also be considered. Quality adjustment methods (e.g. hedonics, option pricing) may be applied in order to split the bundle price and in case of frequent changes in the bundle conditions or parameters.

General agreement was expressed by the HICP Working Group as regards cooperation with other statistical domains dealing with COICOP classifications such as National Accounts, HBS and PPP. It is crucial that the treatment of the bundles is consistent over the different fields of statistics within the country.

Furthermore, it is necessary to achieve a harmonised solution in the ESS in order to avoid unnecessary non-comparability that may occur if e.g. some NSIs split packages and classify their components, while other NSIs classify packages according to the purpose of their main components.

2.4. Treatment of internet purchases in HICP (2013)

Recommendation on the treatment of internet purchases – February 2013

1. Introduction

1.1. Importance

Internet purchases (or e-commerce) consist of buying and selling goods or services via electronic systems such as the internet and other computer networks. Around three per cent of all purchases in Europe are currently via the internet and the volume of these purchases was rising in the past five years by over ten per cent annually.

Reasons given by consumers for internet shopping are (ranked by importance):

- Saving time
- More variety of products
- Easy to compare prices
- No crowd
- Lower prices ⁽¹⁾

Hence two reasons given are linked to prices.

The proportion of individuals who ordered goods or services over the internet for private use has risen over the years. In 2012, 45% of individuals in the European Economic Area stated that they had ordered at least once over the internet in the last 12 months; in 2006, it was 26% of all individuals. The percentage of individuals that buy in the internet ranged from 76% (Norway) to 5% (Romania). An overview for all countries can be found in Annex 2.

Turnover via e-commerce is more and more important for enterprises. In 2012, 15% of all turnover came from e-commerce sales. An overview for all countries can be found in Annex 2.

Mostly bought products via the internet were travels and holidays and clothing. See Annex 2.

1.2. Definition

Internet purchases (or e-commerce) are defined as:

An e-commerce transaction is the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders. The goods or services are ordered by those methods, but the payment and the ultimate delivery of the goods or services do not have to be conducted online. An e-commerce transaction can be between enterprises, households, individuals, governments, and other public or private organisations⁽²⁾.

In the context of HICP, we only regard e-commerce transactions where households are the purchasers.

Most companies that sell goods or services via the internet also give a phone number, an email address and a mailing address so that potential clients can also purchase the goods or services by phoning the company, by sending an email or by writing a letter. For reasons of consistency these modes of phone or mail shopping **should be treated the same way** as proper internet purchases.

1.3. Context

There is a general requirement that Harmonised Indices of Consumer Prices (HICPs) should be representative and cover in principle all prices of goods and services available for purchase in a country. For this reason, HICP should also cover internet purchases where these are significant, so that they remain complete, reliable and representative also in future.

⁽¹⁾ <http://www.statisticbrain.com/total-online-sales/> and <http://visual.ly/online-shopping-statistics>.

⁽²⁾ See <http://stats.oecd.org/glossary/detail.asp?ID=4721>.

In addition, at EU level, it is vital to harmonise the treatment of internet purchases in order to ensure comparability between countries. Non-comparable consumer price indices may lead to wrong monetary and economic policy decisions and are to be avoided.

The challenges of handling internet purchases in the HICP have been discussed for some time now. Eurostat presented a paper ⁽³⁾ on the issue at the 12th meeting of the Ottawa Group in May 2011. Internet purchases were also discussed at the meeting of the Task Force ‘HICP Quality Improvement’ in December 2011, organised by Eurostat. Documents outlining the content of this recommendation were presented at the UNECE/ILO conference of the Expert Group on Consumer Price Indices, held in Geneva ⁽⁴⁾ in June 2012 and at the workshop of the German price statisticians in Trier (Germany) in June 2012. Finally, a further discussion took place at the second meeting of the Task Force ‘HICP Quality Improvement’ in October 2012 in Frankfurt/Main.

1.4. Criteria

The recommendations for the treatment of internet purchases in the framework of HICP are shaped by the following criteria to be met by the proposed treatment. They should:

- represent a **practicable** solution;
- ensure the **representativeness** and relevance of the HICP;
- be **coherent** with relevant **Regulations**;
- **avoid double-counting** or **non-inclusion** of expenditure that involves cross-border transactions between countries.
- be **coherent** as far as possible with the principles of **National Accounts** ⁽⁵⁾;

2. Relevant regulations

The main concept of the HICP is set out in Article 3 of Council Regulation 2494/95, which states that ‘the HICP shall be based on the prices of goods and services **available for purchase** in the economic territory of the Member State ...’

Article 1 of Council Regulation 1688/1998 presents the domestic concept and defines Household Final Monetary Consumption Expenditure as ‘that part of final consumption expenditure which is incurred by households irrespective of nationality or residence status in monetary transactions **on the economic territory** ⁽⁶⁾ of the Member State on goods ...’

Article 2 of Commission Regulation 2601/2000 on the timing of entering purchaser prices into the HICP states ‘... prices for goods shall be entered into the HICP for the month in which they are observed. Prices for **services** shall be entered into the HICP for the month in which the consumption of the service at the observed price **can commence**.’

Article 1, paragraph (2) of Commission Regulation 1334/2007 gives the definition of a product-offer: ‘Product-offer means a specified good or service that is **offered for purchase** at a stated price, in a specific outlet or **by a specific provider**, under specific terms of supply, and thus defines a unique entity at any one time.’

According to Article 3 of Commission Regulation 1114/2010 on Minimum standards for HICP weightings, ‘...(1) Each month, in current year t, Member States shall produce HICPs using sub-index weights which reflect the consumers’ expenditure pattern in the weighting reference period and aim to be as representative as possible for consumers’ expenditure patterns in the previous calendar year. (2) Each year, Member States shall therefore review

⁽³⁾ Jan Walschots (European Commission, Eurostat): The treatment of internet purchases in Consumer price statistics, Harmonising their treatment in the HICP.

⁽⁴⁾ http://www.unece.org/stats/documents/2012_05_cpi.html.

⁽⁵⁾ This coherence of HICP with National Accounts is desirable as HICP since its beginning in 1995 was built largely on the principles of National Accounts. There were however since the beginning also examples where HICP for practicability reasons had to deviate from National Accounts principles.

⁽⁶⁾ The economic territory is as defined in ESA 2.05, except that the extraterritorial enclaves situated within the boundaries of the country are included and the territorial enclaves situated in the rest of the world are excluded.

and update HICP sub-index weights **taking into account preliminary national accounts data** on consumption patterns....?.

3. The challenge

3.1. Issues that need to be solved

All experts in the discussions of the past six months agree that in principle internet purchases need to be taken into account, if they are significant. Many National Statistical Offices already collect price information of internet purchases. There are however some issues where the views concerning the correct treatment are quite heterogeneous. The most controversial question is how the basic concept of the HICP as set out in Article 3 of Council Regulation 2494/95 can be reconciled with the domestic principle of National Accounts.

The following discussion tries to find solutions for this and other controversial issues, always having in mind the criteria for the Recommendations enumerated in 1.4 above, in particular the condition that the recommendation has to be applicable in practice.

The challenges posed by internet purchases can be summarised as:

1. How are internet purchases by private households from foreign sellers to be treated?
2. Are goods and services to be treated differently?
3. How are streaming and downloads ⁽⁷⁾ to be treated?
4. How are the additional costs that are often involved with internet purchases to be treated? ⁽⁸⁾
5. How can reliable weights for internet purchases be obtained?
6. How can the sampling of internet purchases be achieved?

3.2. Purchase of goods

As explained above, the main concept is set out in Article 3 of Regulation 2494/95: ‘the HICP shall be based on the prices of goods and services **available for purchase in the economic territory** of the Member State.’ This is to be combined with the definition of Household Final Monetary Consumption Expenditure in Article 1 of Council Regulation 1688/1998.

Certainly internet offers are available for purchase in the country of the person that looks at the screen, like looking into a shop window. Hence the most natural solution would be to attribute all internet purchase to the country of the consumer. Several alternative locations relating to the purchaser can be considered:

- a) Purchaser's domicile at the time of the order
- b) Address where the product is delivered to
- c) Purchaser's address
- d) Billing address
- e) The location where the product is consumed
- f) Country where tax, in particular VAT is paid

Of these alternatives, only b) and c) fulfil the criteria outlined above, in particular the **practicability criteria**, and are consistent with the main concept laid down in Article 3 of Regulation 2494/95. The address where the product is delivered to (option b)) appears to be the most appropriate. The other options (a, d, e, f) are rather unrealistic to apply in practice.

For purchases from domestic sellers this solution is not controversial. However, we have a different situation in case of a foreign e-commerce seller of goods. In National Accounts, a purchase from a foreign seller is recorded as an

⁽⁷⁾ Software, music, films, books, newspapers, magazines etc.

⁽⁸⁾ The same additional costs generally occur with orders via mail or phone.

import⁽⁹⁾. This purchase is registered as consumption expenditure of residents (national consumption), but not as consumption expenditure on the territory of the purchaser. For the purpose of HICP, this purchase should however be registered on the territory of the purchaser in order to cover completely final consumption expenditure by households on the economic territory.

It is important to note here that this does not break in any way the domestic principle of National Accounts, as such a domestic principle no longer exists for consumption. The SNA of 2008 states⁽¹⁰⁾:

Resident households make expenditures while travelling abroad, and non-resident households may make expenditures inside the economic territory of a country. Household final consumption expenditure in the SNA refers to the expenditure incurred by resident households, whether that expenditure is incurred within the economic territory or abroad.

*In order to calculate total household final consumption expenditure it may be convenient to calculate the total expenditure made by all households, whether resident or not, within the economic territory and to adjust this figure by adding expenditures by residents abroad and subtracting expenditures by non-residents within the economy territory. Expenditures by residents abroad constitute imports, while expenditures by non-residents are exports. However, while the total expenditures by all households within the economic territory may be used for calculation in this way, **it is not an aggregate recognized within the SNA.***

The new ESA 2010, being fully consistent with the worldwide guidelines on national accounting, i.e. the 2008 SNA, will make a similar statement.

Let us for a moment consider as an alternative solution the registration of internet purchases in the country of the seller:

First of all this violates the basic philosophy of HICP, set out in the founding Regulation of 1995, which states ‘*the HICP shall be based on the prices of goods and services available for purchase in the economic territory of the Member State ...*’. Internet offers from foreign sellers are definitely available for purchase in the country of the purchaser and should, according to this philosophy, be registered there.

Secondly the registration of internet purchases in the country of the seller is not feasible in real life. In the case of internet transactions the location of the seller can very often not be identified.

The Top-level domains (TLD)⁽¹¹⁾ of the international web retailers do not necessarily indicate this place. First of all the TLDs like .com, .eu, .org give no indication at all of the country where the seller is located and secondly the websites with seller's TLDs indicating a specific country often belong to companies residing in other countries. Ryanair for example has a TLD in each European country, with a website in the language of the country. Nonetheless the company resides in Ireland. This is common practice for many large companies.

Furthermore international web retailers may be located in one country or they may have several branch offices in various countries. For the consumer, and even for the price statistician, this is very difficult to find out.

In the near future, the problem will be aggravated by the creation of many new TLDs like .shop, .firm, .music, .free, .arts etc. These new top-level domains are expected to go live throughout 2013.

As a conclusion, the registration of internet purchases at the place of the seller not only contradicts the basic principle of HICP, but also does not pass the criteria of practicability.

The first recommendation for the treatment of internet purchases in the HICP is hence to cover all internet purchases of goods for final household consumption which are available for purchase on the economic territory of the Member

⁽⁹⁾ See ESA 3.135. f, which says ‘Imports and exports of goods include transactions between residents and non-residents in ... parcel post.’

⁽¹⁰⁾ See <http://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf> point 9.79 and 9.80

⁽¹¹⁾ A top-level domain (TLD) is one of the domains at the highest level in the hierarchical domain name System of the Internet. The top-level domain names are installed in the root zone of the name space. For all domains in lower levels, it is the last part of the domain name, that is, the last label of a fully qualified domain name. For example, in the domain name www.example.com, the top-level domain is .com (Wikipedia).

State, regardless of the residential status of the seller. This should include the imports of goods delivered by parcel that in national accounts are excluded from consumption expenditure on the territory.

It is important to note that this rule avoids double-counting or non-inclusion of purchases. At the same time, it secures consistency in the treatment of internet purchases and follows the main concept defined in Article 3 of Council Regulation 2494/95, Article 1 of Council Regulation 1688/1998 and Article 1, paragraph (2) of Commission Regulation 1334/2007.

3.3. Purchase of services

The main conclusion above was to cover all internet purchases on goods which are available for purchase in a country, regardless of the residential status of the seller. The next question is if we should make a distinction between purchases of goods and purchases of services. This can be related to the differing treatment of goods and services in terms of the timing of the price observation set out in Article 2 of Commission Regulation 2601/2000.

Conceptually, goods are considered to be purchased, paid for and consumed at the same moment. By contrast, for services the Member States are required to take the price observation into account when the **consumption of the service commences**. Following this reasoning on the timing of the observation, a similar distinction should be made between goods and services in relation to the location of the consumption. The purchase of (and price for) a service should be attributed to the country where the consumption commences. If the location is abroad, then the expenditure and the price must be attributed to the country hosting the consumption and not to the HICP of the country where the consumer resided when he/she made the reservation or ordered the ticket.

3.4. Downloads

Apart from goods and services, there is a **third category** which needs to be addressed: downloading and streaming of e-books, music, films, e-newspapers, e-magazines, computer games, software, etc.

These products can be characterised as non-physical **goods** which in many cases have a physical counterpart. There is an additional challenge with this third category: in practice, both the **place of purchase** and the place of consumption of downloads and streaming **are unknown**.

Downloads are to be recorded as purchased, paid for and consumed at the same time, just like physical goods. But the resident principle of the consumer shall be the rule, i.e. the price is to be recorded where the buyer (consumer) lives, even if he/she is temporarily in a different country.

3.5. Additional costs

A completely different challenge concerns the treatment of additional costs in internet purchases. The purchase of goods and services through the internet may involve additional costs that are charged in addition to the advertised product price. These additional costs are in general higher and hence more significant than for purchases in a shop.

The price which Member States should take into account is the full price including additional costs concerning the delivery of the product, provided the additional costs can be attributed solely to the purchase of the product concerned. This will be in line with the intentions underpinning the definition of a product-offer given in Article 1, paragraph (2) of Commission Regulation 1334/2007: 'Product-offer means a specified good or service that is offered for purchase at a stated price, in a specific outlet or by a specific provider, under specific terms of supply, and thus defines a unique entity at any one time.'

This rule on the treatment of extra costs is mainly guided by practicability reasons, like several of the recommendations treated above. If these costs can be attributed to a specific purchased good they should be included in the price of the good. The same applies for example to fees charged by the seller for credit card payments.

If several goods or services are purchased and the extra costs cannot be attributed to a single good or service, the extra costs need to be registered elsewhere.

3.6. Weights and Sampling

Most experts consider it very difficult to obtain appropriate weights for internet purchases. The obvious source at the level of detail of COICOP 4 or COICOP 5 is the Household Budget Survey (HBS). It is vital for the application of these Recommendations that as soon as possible the HBS includes specific questions on the volume of internet purchases, broken down by product groups. Only when reliable data are available from the HBS or possibly other sources like credit card payments can these Recommendations be put into practice.

A related challenge to be solved with the proposed Recommendations is the sampling of outlets (sellers). Normal procedure would be to construct a target universe of outlets and then use a proper sampling method. With internet purchases the target universe of sellers is in many cases unknown to the Statistical Office. Hence, more subjective sampling methods have to be used, based on information from e-commerce surveys or branch organisations with knowledge in the field of e-commerce.

4. Some examples

- i. A British consumer purchases a camcorder from a UK website. The purchase and price observation form part of the UK HICP.
- ii. A British consumer purchases a camcorder from a website which seems to be a Swedish website. The purchase and price observation form part of the UK HICP.
- iii. A Hungarian consumer purchases a suite from a website which seems to be German. In Hungary buying clothing via internet is not significant. The purchase is not registered anywhere.
- iv. While in France, a Danish consumer purchases a physical book on the internet for delivery in Denmark. The purchase and price observation form part of the Danish HICP.
- v. A Finnish consumer purchases a film from a German website and streams it on his/her laptop while he/she is in France as a tourist. The purchase and price observation form part of the Finnish HICP.
- vi. A Danish consumer purchases a camera from a German internet website while he/she is in Norway. The camera is delivered to the Danish address. The purchase and price observation form part of the Danish HICP.
- vii. A Danish consumer books via internet a flight from Kastrup Airport (DK) to Heathrow (UK). The purchase and price observation form part of the Danish HICP.
- viii. A Danish consumer books via internet a flight from Kastrup Airport (DK) to JFK (USA) via Heathrow (UK). The purchase and price observation form part of the Danish HICP.
- ix. A Danish consumer books via internet a flight from Heathrow (UK) to JFK (USA). The purchase and price observation form part of the UK HICP.
- x. A Dutch consumer books an opera performance that will take place in Finland. The purchase and price observation form part of the Finnish HICP.

5. Summary

The following rules emerge from the discussion above:

1. Given the increasing importance of internet purchases for the consumers in all European countries, this new type of outlet should not be ignored in the computation of HICP. Hence they should be taken into account when designing the outlet samples and included in the HICP according to their significance.
2. Purchases via phone or mail order shall be treated the same way as internet purchases because of the close analogy between different forms of 'remote' purchases.
3. HICPs of the Member States shall cover internet purchases of goods and services for final household consumption which is available for purchase on the economic territory of the Member State.

4. The purchase and the price observations for goods, including downloads and streaming, shall be accounted for on the basis of the residence principle of the buyer. In practical terms it is the address where the product is delivered to that is decisive for the attribution of the purchase.
5. The purchase and the price observations for a service shall be accounted for in the Member State where the service is supplied.
6. The price which Member States should take into account is the full price including additional costs concerning the delivery of the product when the additional costs can be attributed solely to the purchase of the product concerned.

6. Outlook

It is important that the recommendations set up in this document are followed by all producers of HICP, so that the full comparability of price indices can be assured. The rules shall therefore preferably be implemented until the end of 2014, but in any case not later than January 2016.

Obtaining the weights for computing HICP from National Accounts and other sources can be considered as the biggest challenge in the context of internet purchases. In order to overcome this challenge, intensive dialogues with colleagues from National Accounts and other departments (i.e. Household Budget Survey) must be held, so that as soon as possible internet purchases are covered correctly in the computation of HICP.

Annex 1

Rules concerning internet purchases

Rule 1: Coverage

Given the increasing importance of internet purchases for the consumers in all European countries, this new type of outlet should not be ignored in the computation of HICP. Hence they should be taken into account when designing the outlet samples and included in the HICP according to their significance.

Rule 2: Phone and mail order

Purchases via phone or mail order shall be treated the same way as internet purchases because of the close analogy between different forms of 'remote' purchases.

Rule 3: Purchase of goods

The purchase and the price observations for goods shall be accounted for on the basis of the residence principle of the buyer. In practical terms it is the address where the product is delivered to that is decisive for the attribution of the purchase.

Rule 4: Downloads and streaming

The purchase and the price observations downloads and streaming shall be accounted for on the basis of the residence principle of the buyer, no matter where the buyer currently is.

Rule 5: Purchase of services

The purchase and the price observations for a service shall be accounted for in the Member State where the service is supplied.

Rule 6: Extra costs

The price which Member States should take into account is the full price including additional costs concerning the delivery of the product when the additional costs can be attributed solely to the purchase of the product concerned.

Annex 2
Statistical Information

Table 1: Internet purchases by individuals
(% in the last 12 months)

	2006	2012
Norway	61	76
Sweden	55	74
Denmark	55	73
United Kingdom	45	71
Netherlands	48	70
Luxembourg	44	68
Germany	49	65
Finland	44	65
France	22	57
Iceland	50	54
Austria	32	48
Ireland	28	46
EU-27	26	45
Belgium	19	45
Slovakia	11	45
Malta	14	44
Slovenia	13	34
Czech Republic	13	32
Spain	15	31
Poland	12	30
Latvia	8	27
Hungary	7	25
Estonia	7	23
Croatia	7	23
Portugal	7	22
Cyprus	7	21
Greece	5	20
Lithuania	4	20
Italy	9	17
Bulgaria	2	9
Romania	1	5

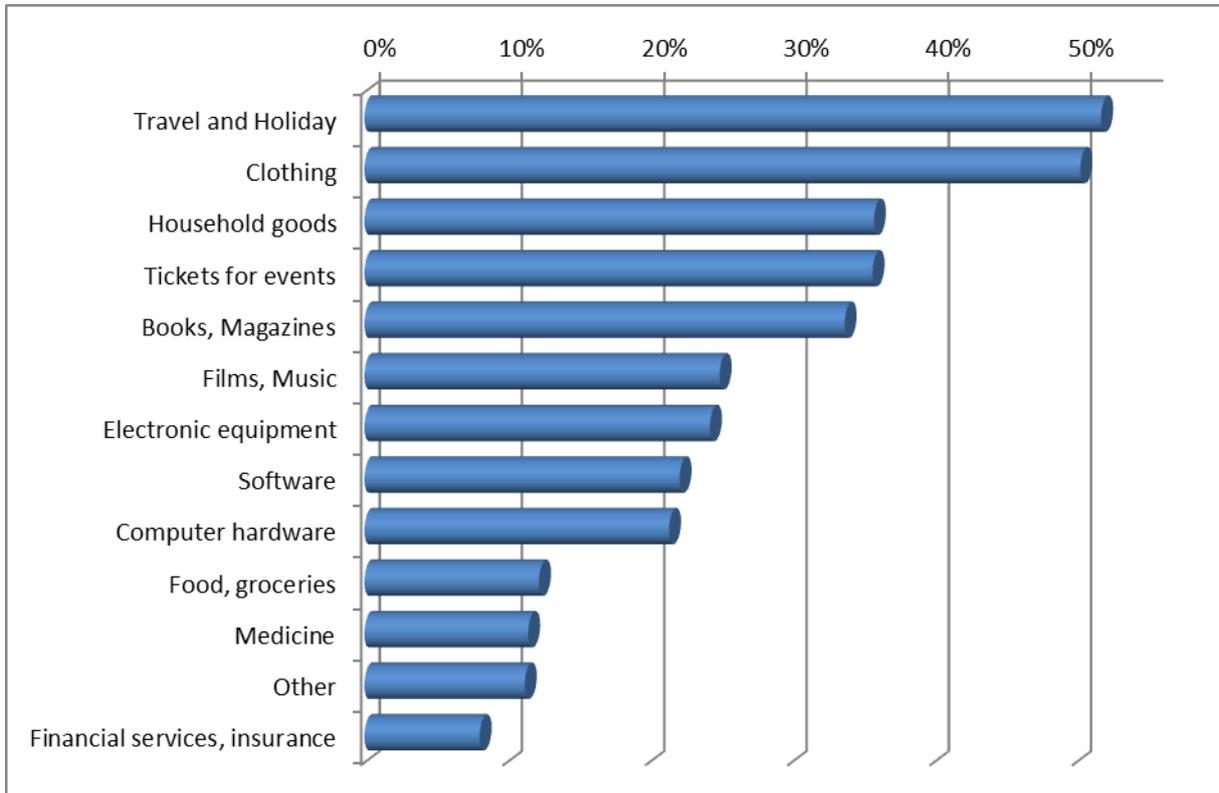
Table 2: Turnover from e-commerce 2012
(as percentage of total turnover)

Turnover from e-commerce (%)	
Czech Republic	24
Luxembourg	23
Ireland	21
Sweden	20
Hungary	19
United Kingdom	19
Finland	18
Norway	18
Denmark	17
Germany	17
Croatia	17
EU-27	15
Belgium	14
Spain	14
France	14
Iceland	14
Estonia	13
Malta	13
Netherlands	13
Austria	13
Slovenia	13
Lithuania	12
Portugal	12
Slovakia	12
Poland	10
Latvia	7
Italy	6
Cyprus	5
Romania	4
Bulgaria	3
Greece	2

**Table 3: Enterprises having done electronic sales
in the last calendar year (%)**

	Domestic	Other countries
Ireland	21	22
Malta	15	22
Lithuania	24	19
Belgium	23	16
Czech Republic	24	16
Luxembourg	14	16
Germany	19	14
Sweden	24	14
Netherlands	23	13
Austria	14	13
United Kingdom	18	13
Denmark	26	12
Croatia	18	12
Norway	31	11
EU-27	14	10
France	13	10
Slovenia	12	10
Estonia	12	9
Cyprus	7	9
Portugal	15	9
Slovakia	15	8
Finland	20	8
Greece	8	7
Latvia	8	7
Spain	12	6
Italy	5	5
Hungary	12	5
Poland	9	4
Bulgaria	5	3
Romania	4	2

Graph 1: Internet purchases by individuals (EU-27, 2011)



Percentage of those individuals who ordered goods or services over the Internet for private use, in the last year, ordering a specific type of good or service

2.5. Treatment of seasonal products (2013)

Information note on the treatment of seasonal products — Implementation Review (last updated January 2013)

This document summarises the experiences and implications of the implementation of new methodological standards associated to Commission Regulation No 330/2009 of 22 April 2009 as regards the treatment of seasonal products in the HICP, one year after its application. The main message it conveys is that while in some Member States and for affected COICOP classes the effect of the introduction of the minimum standards referred to in the Regulation has been substantial, the impact on European aggregate all-items level remained limited.

1. Background

Regulation No 330/2009 established minimum standards for the treatment of seasonal products to be applied in the compilation of HICPs. The reason for the adoption of a regulation on the treatment of seasonal products was that the different solutions used before had different properties and led to different results, especially in the short term, making cross country comparisons difficult and making European total results difficult to interpret.

Seasonal products mean those goods and services that are not available for purchase, or purchased in small or negligible volumes, for certain periods in a typical annual cyclical pattern (Article 2(1)). In accordance with Article 6 of Regulation 1749/96 estimated prices can be used for the periods when price observations are missing to the extent appropriate for achieving comparability.

Calculation methods varied from different estimation methods for the price development of out-of-season products for strict annual weights indices over weights, which were variable to various extents, to the calculation of moving averages. Even direct price comparisons have been applied.

According to the standards of the regulation, the HICPs for the seasonal products can be compiled as strict annual weights indices, where the missing price observations for the out-of-season months can be estimated using counter-seasonal or all-seasonal estimations, or class-confined seasonal weights indices.

Even though no agreement was reached among Member States on the use of one single method, the regulation restricts the possible solutions that Member States may use. For Member States that wish to use a variable weights method or an estimation method, there are strict rules for the weights or the estimation methodology to be used. Moving averages methods or other alternative methods are no longer allowed. The properties of the allowed methods are considered to be sufficiently comparable.

2. Previous national practices in the treatment of seasonal products

Several different solutions have been used in the past:

- ***Solutions with fixed weights and with estimated prices in the out-of-season months for which no price data are available.*** A solution that has been most often used is to carry forward the last observed price. Solutions with fixed weights and estimated prices are easy to compile, particularly with the method of carrying forward the last observed price. The major disadvantage is the fact that in the most often used variant the last observed prices of the season determine the index results for the whole out-of season period.
- ***Solutions involving variable weightings for the products and following the expenditure pattern through the year for each product.*** Usually the product weights add up to a fixed total weight for the product group, but there may be also solutions possible where total weights follow the total expenditures of the product group and the fluctuations in weights are compensated in other product groups. Variable weights methods have the advantage that only observed prices are used and no estimated prices. A negative aspect is that

month-on-month changes of the index are not only resulting from price changes but also from weights shifting from one product to another.

- **Solutions involving moving averages.** It is possible to calculate for example the average prices observed in the past twelve months. This solution is mostly used in connection with a variable weights method. Moving averages remove much of the volatility of prices, which may be higher for seasonal products. This may be considered a disadvantage, as the HICP is primarily considered a short-term indicator. Moving averages also cause price changes to appear in the index in a stepwise and delayed fashion.

3. New rules established by Regulation (EC) No 330/2009

3.1. Rules for estimation methods

In out-of-season months of seasonal products, transactions do not take place or only in negligible quantities, and therefore no (representative) prices can be observed. The prices need to be estimated during this period. The Regulation set the following **rules for the estimation of the missing prices**:

- **The estimated price in the first out-of-season month** equals a typical price observed in the previous in-season period. This typical price is meant to be different from exceptional prices like the end-of-season sales prices. It may be e.g. the average in the previous season or the regular price observed before the sales period. This rule aims to prevent that exceptional prices have an impact on the indices during the full out-of-season period.
- From the **second month the estimated price** is based on the observed price development of other products in the same product group.

The regulation offers two alternatives for the choice of the products that may be used:

- **Counter-seasonal estimation:** the price development for the out-of-season products is estimated using the price development for seasonal products that are in-season. This method is more appropriate for products that have a clear summer and winter period like clothing and footwear.
- **All-seasonal estimation:** the price development for the out-of-season products is estimated using the price development for all products in the product group that are available during that month. This method can always be used and may be more appropriate for fruits and vegetables where the summer and winter period distinction is vaguer.

3.2. Rules for class-confined seasonal weights

HICP weights are fixed on the basis of consumption expenditures for one year. Exceptionally, in the case of seasonal products a certain grade of variability of weights throughout the year is allowed. The variability is, however, restricted by the following rules:

- Variable weights may be attributed only at product level but the total weight per product group must be fixed and represent the average consumption over the year.
- Variable weights are not allowed for product groups that do not contain seasonal products.
- Where seasonal products are not available for a certain period of time (out-of-season months), it is possible to change their weights to 0 for this period.
- In product groups containing seasonal products the weights for products that are in-season may vary only 'to the extent that it is necessary to allow for month-on-month changes in the composition of the basket'.

The above rules are illustrated in Table 1. If all products were available all over the year, fixed weights would be used based on the average expenditures in the right-hand column and the monthly patterns in product expenditures and in total expenditures would be disregarded.

Table 1: Class-confined seasonal weights

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
Product 1	37.9	37.9	22.1	22.1	0	0	0	0	22.1	22.1	37.9	37.9	20
Product 2	22.8	22.8	13.2	13.2	0	0	0	0	13.2	13.2	22.8	22.8	12
Product 3	0	0	37.9	37.9	52.1	52.1	52.1	52.1	37.9	37.9	0	0	30
Product 4	0	0	16.4	16.4	22.6	22.6	22.6	22.6	16.4	16.4	0	0	13
Product 5	50.4	50.4	29.3	29.3	40.3	40.3	40.3	40.3	29.3	29.3	50.4	50.4	40
Product 6	18.9	18.9	11	11	15.1	15.1	15.1	15.1	11	11	18.9	18.9	15
Total	130	130	130	130	130	130	130	130	130	130	130	130	130

Note that in Table 1:

- Total group weights are constant each month.
- In periods where product availability does not change weights are fixed:
 - period 1: May to August;
 - period 2: November to February;
 - period 3: March – April and September - October.
- The weight ratios between each couple of products are fixed in months when both products are in-season.

This ensures that the weights of seasonal products are 'as much as possible' treated like other products, and that the impact of changing weights on the monthly change of the HICP is reduced to a minimum.

4. Changes in the national treatment of seasonal products

In relation to the provisions of the regulation, in January 2011, the calculation methods were adapted in most of the 32 Member States/countries monitored ⁽¹⁾:

- **Earlier implementation** (before January 2011): in 2 Member States/countries (Denmark and Turkey), the treatment of seasonal products was already in line with the regulation by the time of the adoption and in 3 Member States (Belgium, Czech Republic and the Netherlands) the treatment of seasonal products was brought in line with the regulation before 2011 and 1 Member State (Spain) revised indices for 2010. For these Member States/countries no changes related to the implementation of the regulation affected the data for 2011.
- **Implementation in January 2011:** 21 Member States/countries implemented the regulation with the January 2011 index. (France implemented the regulation starting from March 2011 and Switzerland implemented starting from January 2012. Figures have been revised back to January 2011.)
- **Later implementation:** 3 Member States/countries implemented the regulation later than January 2011. (Austria implemented the regulation starting with September 2011. Finland and Croatia implemented the regulation starting with January 2012.)
- **No implementation required** because of non-significant weight of seasonal products, as foreseen by the regulation in 2 countries (Ireland and Iceland).

The methods used before and since the implementation of the regulation are listed in Table 2. It can be seen that the most often used method was to calculate strict annual weights indices and to simply carry forward the price that was observed during the last in-season period without anticipating a change in the price during the out-of-season period. As this is not compliant with the requirements of the new regulation, instead, the most commonly used method is now to estimate price developments during the out-of-season period by the all-seasonal estimation method. Also moving averages have been abolished.

⁽¹⁾ Based on information obtained from the Member States/countries.

Table 2: Treatment of seasonal products – national practices ⁽²⁾

Method	Until 2010 ([1])	Since 2011
Class-confined seasonal weights	BE, DE, EL, MT, NL	BE, DE, EL, ES, MT, NL, SI, TR, FI ([2])
Counter-seasonal estimation	DK, LV	BG, DK, DE, FR, IT, LT, LV, AT, PL, PT
All-seasonal estimation	DE, IT, LV, HU, HR	BG, CY, CZ, DE, EE, ES, FR, LV, LT, LU, HU, MT, AT ([3]), PL, PT, RO, SK, SE, UK, CH, NO, HR ([4])
Direct price comparison	DE, AT	-
Carry-forward of the last observed price / typical price	BG, CZ, EE, EL, ES, FR, IT, CY, LT, LU, MT, PT, RO, SI, SK, FI, SE, UK, CH, HR	-
Variable weights	BE, ES, FR, IT, CY, LU, HU, NL, PL, TR	-
Moving averages	IT, ES, LU	-
Other	IE, IS, NO	IE, IS, NO

([1]) Some NSIs started with the implementation of the methods according to the Regulation (EC) No 330/2009 already in 2009 or 2010.

([2]) Starting from 2012.

([3]) Starting from September 2011.

([4]) Starting from 2012.

5. Impact of the regulation on the price developments of the seasonal products

The mainly concerned COICOP/HICP groups and classes targeted by the regulation are:

01.1.3 Fish

01.1.6 Fruit

01.1.7 Vegetables

03.1 Clothing

03.2 Footwear

The rules apply also to other products that show a seasonal pattern. The classes that were found to also include seasonal products in some Member States/countries are: Solid fuels, Household appliances, Tools and equipment for house and garden, Spare parts and accessories for personal transport equipment, Equipment for sport, camping and open-air recreation, Gardens, plants and flowers, Recreational and sporting services, and Accommodation services.

The methods used in the past resulted in different outcome as regards the intensity of index fluctuations during the year. The differences can be summarized as follows:

- Moving average methods took away most of the short term fluctuations. In the regulation this method is no longer allowed.
- Estimation methods using carry forward eliminated fluctuations for the part of the weight of products that were not in-season. Estimation methods in line with the regulation use the price development of in-season products to estimate the price development for the products that are out-of-season. The estimated prices are therefore also impacted by the price fluctuations of the in-season products. E.g. the impact of sales on the prices of in-season products is also reflected in the estimated prices of the out-of-season products. This magnifies the impact of seasonal sales.
- Seasonal weights methods showed seasonal weights that were larger than average annual weights and measured the full price fluctuations of the products that were in season, including a large impact of sales periods.

⁽²⁾ In several Member States different methods are used for different products.

In conclusion, HICPs implementing one of the methods as required by the regulation reflect better the month-to-month changes in prices of seasonal products. In most cases this means that the volatility of the indices has become higher. This is valid and comparable in all admissible methods.

Graphs 1-8 visualize the impacts of the methodological change for the mostly affected COICOP classes on European aggregate levels for the year 2011 ⁽³⁾. The impact figures have been computed on the basis of country estimates ⁽⁴⁾ as reported to Eurostat. The estimates for the inflation figures that would have resulted without changes in the methods for the treatment of seasonal products have been calculated based on the estimates for the aggregated impacts.

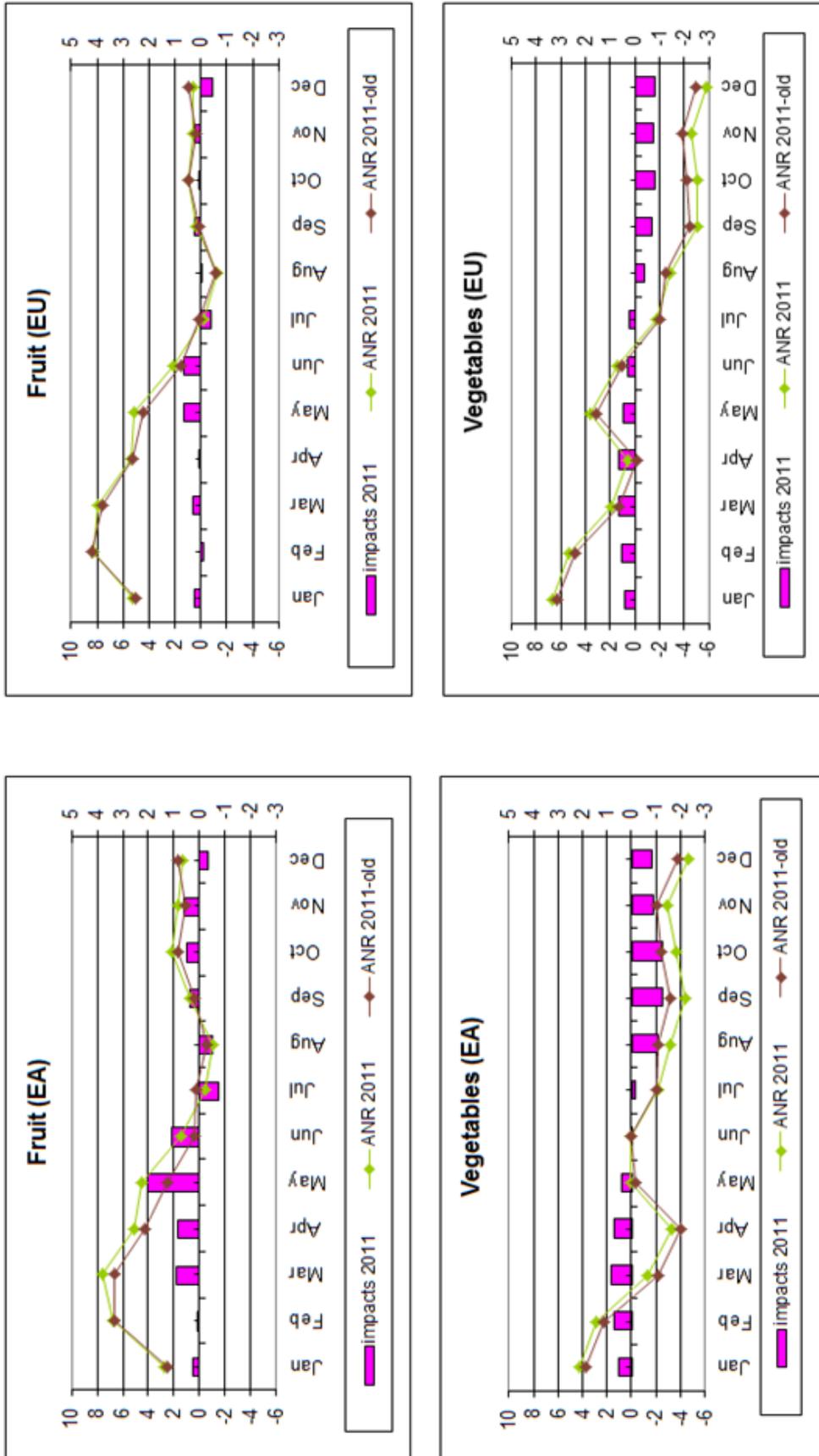
The volatility increased remarkably for **Clothing and Footwear**. The reason for the increase in volatility of annual rates of change for Clothing and Footwear is the change of estimation methods for the out-of-season months. In the past, most of the Member States/countries carried forward the last observed or typical price from the last in-season period. This method had to be changed to counter-seasonal or all-seasonal estimation methods. Both methods magnify the impact of seasonal sales. The impact of the new requirements is therefore particularly pronounced in the sales months, January-February and July-August, where we observe important negative impacts.

For **Fruit**, the impact of the regulation was mainly positive. For Vegetables, impact figures are mainly positive in the first half of 2011 and negative in the second half. The volatility of annual rates of change increased slightly for Fruit and Vegetables. For these two classes, applied methods have varied more widely and the effect of methodological changes is not clear cut. On the one hand, the reduction of fluctuations via calculation of moving averages has been abolished. On the other hand, variable weights methods were replaced by class-confined seasonal weights methods or all-seasonal estimation methods. This dampened fluctuations.

⁽³⁾ Excluding Finland. For January to August there is no impact for Austria because of later implementation of the new requirements.

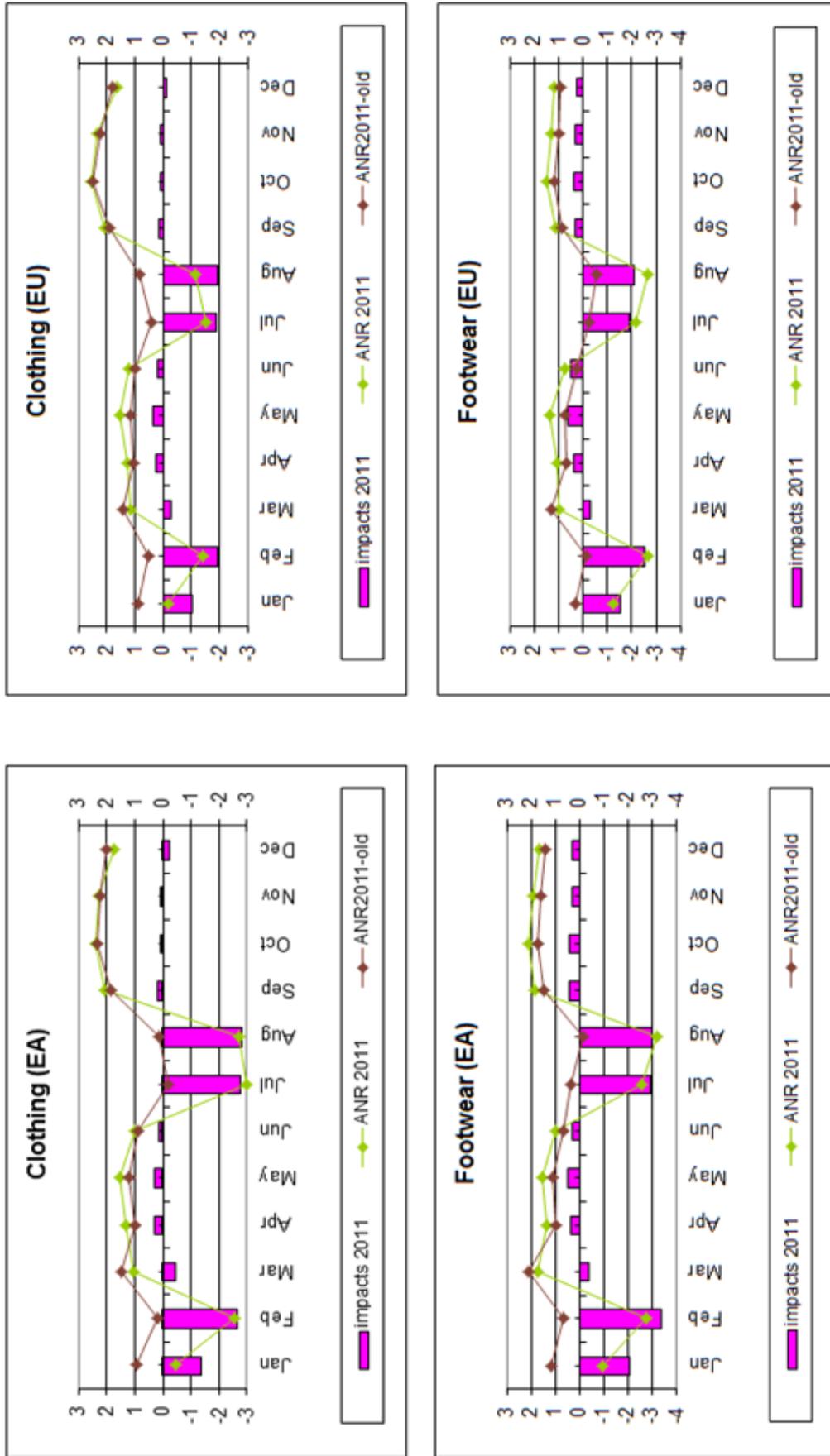
⁽⁴⁾ The estimates are based on country impact estimates. The impact estimates have been calculated in the Member States using two different formulas. The impact calculation methods are described in Annex II.

Graphs 1-4: Fruit and Vegetables in the euro area and the European Union ⁽¹⁾



⁽¹⁾ Excluding Finland. Excluding Austria for the period January to August.

Graphs 5-8: Clothing and Footwear in the euro area and the European Union ^(1,2)



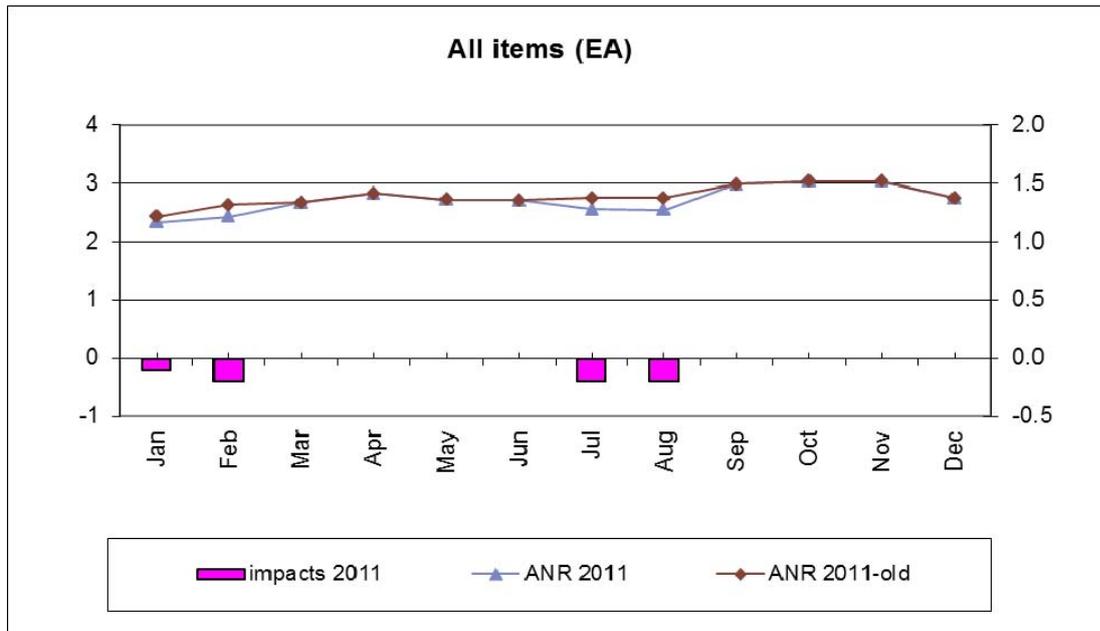
⁽¹⁾ Excluding Finland. Excluding Austria for the period January to August.

⁽²⁾ For France, the impact estimate for COICOP division 03 Clothing and footwear has been taken into account.

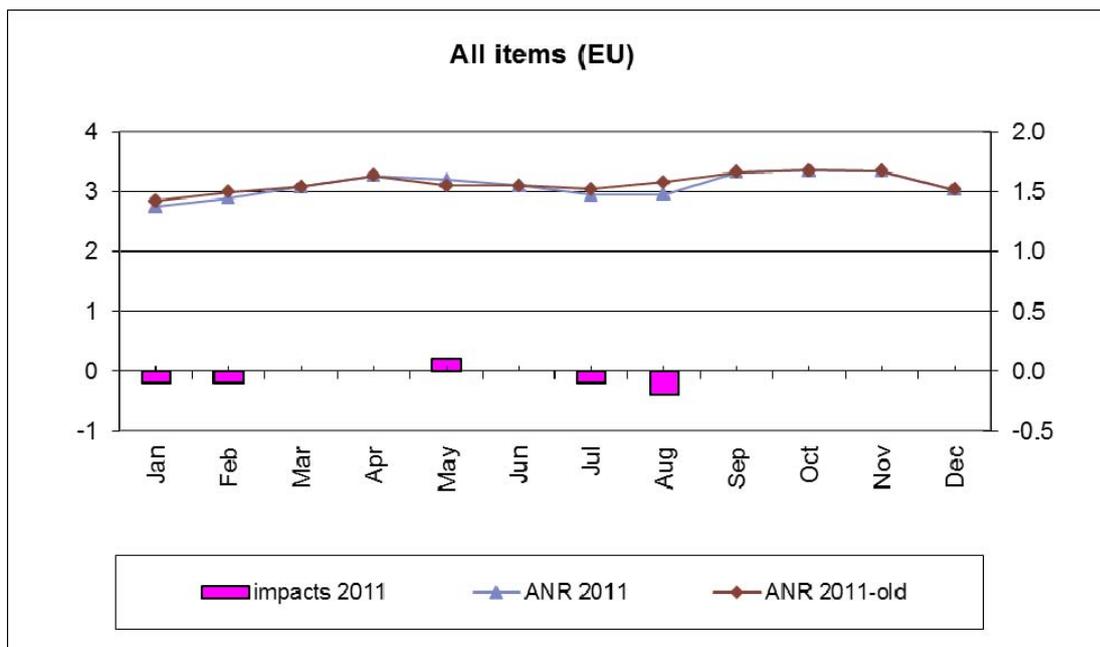
6. Impact on all-items level for the European aggregates

Graphs 9-10 show the estimated impacts on the inflation rates for the euro area and the European Union levels. The impact of the methodological change on the headline inflation rate was on average -0.1 for the euro area and insignificant (0.0) for the European Union. While the impact was remarkable for the affected COICOP classes for some months, it did not exceed 0.2 in either direction for the European aggregates. In particular, mainly inflation rates of traditional sales periods were affected.

Graph 9: Impact on the all-items annual inflation rate for the euro area ⁽⁵⁾



Graph 10: Impact on the all-items annual inflation rate for the European Union ⁽⁵⁾



⁽⁵⁾ Excluding Finland. Excluding Austria for the period January to August.

7. Lessons learned

Methodological changes introduce a break in the time series. Some Member States who had not been compliant with the requirements of the regulation before its adoption, applied the new rules at the time of their entry into force and before the latest application date. One country revised its figures for 2010 with the publication of January 2011 figures. This approach, albeit consistent with the regulation, introduced multiple breaks in the HICP time series for European aggregates. In most of the cases, impact figures were not transmitted to Eurostat at the time of the methodological change. Several Member States, however, reported that impact estimates had not shown a significant impact ⁽⁶⁾ on the all-items index at national level.

In order to allow forecasters to derive an historic path for the impact of the regulation, Eurostat requested Member States to calculate backward data for 2010 using the new methodology and to provide the estimated data to Eurostat. Several Member States provided the data. These backward calculations provide extremely useful information to deal with breaks in the series and to help the task of forecasters.

According to the provisions of Commission Regulation (EC) No 1921/2001 of 28 September 2001 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for revisions of the harmonised index of consumer prices and amending Regulation (EC) No 2602/2000, in particular Article 6 thereof as regards 'Changes in the system of harmonised rules', and Article 7 as regards 'Estimates of the impact', NSIs are obliged to assess the impact of the changes on the all-items level as well as for all concerned COICOP groups and classes during 12 months starting with the index for January in which the changes take effect and to transmit the impact estimates to Eurostat at the latest with the HICPs to which they relate, accompanied by a description of the method of estimation and appropriate comments on the accuracy of the estimates. Additionally, the estimates have to be made publicly available, with appropriate notes on their quality.

In line with the regulation on revisions, Eurostat asked Member States/countries to provide information on the impact on the HICPs derived from the implementation of the regulation. During 2011 Member States and Eurostat monitored the impact on the annual rates of inflation, and made available to all users via the internet information on the results as they became available. Eurostat was collecting impact information from the Member States on a monthly basis and releasing this information including estimates on the aggregate impact for the euro area and European Union (HICP all-items). The impact publication was updated monthly in correspondence to the regular release of HICPs and posted on the Eurostat website. Publication of impact figures continues for Member States that implemented the regulation later than January 2011 and will cover the first 12 months of implementation for each of them.

In order to provide users with a complete and harmonised picture of the current situation Eurostat collected also information from all Member States/countries on:

- the applied methodology, and
- the changes introduced with the implementation of the regulation.

Eurostat and main users observed that a harmonisation of methods as regards the treatment of seasonal products in the HICP may not have been achieved to the extent as it was intended by the regulation. Though the regulation has set clear rules for the estimation of price developments of seasonal products that are out-of-season as well as for the calculation of class-confined seasonal weights, there seems to persist a high degree of variability in applied methods. Therefore, Eurostat will need to focus on the assessment of the compliance of the applied methods in the Member States/countries with the requirements of the regulation.

⁽⁶⁾ The impact on the all-items HICP was less than 0.1 pp in either direction.

Annex Calculation of the impact

Article 7 of Commission Regulation (EC) No 1921/2001 gives guidance for the calculation of impact estimates providing a description:

'(2) The estimates shall compare the annual rates of change of the HICP, and the sub-indices concerned, with an index which does not take account of the changes in definitions, methods, or practices.'

The interpretation of this article, and the consequent way of deriving the impacts, may vary according to countries, as it emerges from the (not yet complete) description provided by NSIs to Eurostat.

A.1. Eurostat's view

In Eurostat's view, a parallel calculation should be carried out in the first year of implementation (y): one calculation which implements the new regulation and one that still uses the old calculation method.

The indices obtained according to the two calculations for year y can be compared to the published indices of the same month for the previous year (y-1) to derive (a) the presently published annual rates and (b) the hypothetical ones that do not implement the methodological changes required by the regulation. The difference between the two rates delivers the impact of the new method.

$$\text{Impact} = \text{ANR}_{m,y}^{\text{Published}} - \text{ANR}_{m,y}^{\text{Old_method}} = \left(\frac{\text{IDX}_{m,y}^{\text{Published}}}{\text{IDX}_{m,y-1}^{\text{Old_method}}} - \frac{\text{IDX}_{m,y}^{\text{Old_method}}}{\text{IDX}_{m,y-1}^{\text{Old_method}}} \right) * 100 \quad (\text{A1})$$

or else

$$\text{Impact} = \text{ANR}_{m,y}^{\text{Published}} - \text{ANR}_{m,y}^{\text{Old_method}} = \frac{\text{IDX}_{m,y}^{\text{Published}} - \text{IDX}_{m,y}^{\text{Old_method}}}{\text{IDX}_{m,y-1}^{\text{Old_method}}} * 100$$

Where $\text{ANR}_{m,y}^{\text{published}}$ is the published figure for month m in year y.

$\text{ANR}_{m,y}^{\text{Old_method}}$ is the figure that would have resulted for month m in year y without implementation of the new calculation method.

A.2. Recalculation of previous year's data

Another calculation method could compare the published annual rate for month m in year y with the annual rate that can be calculated assuming a backward implementation of the regulation and recalculation (revision) of indices for year y-1 according to the requirements of the new regulation ($\text{ANR}_{m,y}^{\text{New_method, recalculated}}$).

$$\text{Impact} = \text{ANR}_{m,y}^{\text{Published}} - \text{ANR}_{m,y}^{\text{New_method, recalculated}} = \left(\frac{\text{IDX}_{m,y}^{\text{published}}}{\text{IDX}_{m,y-1}^{\text{Old_method}}} - \frac{\text{IDX}_{m,y}^{\text{Published}}}{\text{IDX}_{m,y-1}^{\text{New_method, recalculated}}} \right) * 100 \quad (\text{A2})$$

A.3. The difference between the two methods

The difference between the two methods to derive the impact (A1 and A2) is given by (A3). This formula is not meant as the impact defined in article 7 of Regulation 1921/2001. This formula compares for the year of introduction of the new Regulation 2011 two unpublished series. Both of them are calculated using the same methods for both years.

$$\text{Impact} = \text{ANR}_{m,y}^{\text{New_method}} - \text{ANR}_{m,y}^{\text{Old_method}} = \left(\frac{\text{IDX}_{m,y}^{\text{New_method}}}{\text{IDX}_{m,y-1}^{\text{New_method}}} - \frac{\text{IDX}_{m,y}^{\text{Old_method}}}{\text{IDX}_{m,y-1}^{\text{Old_method}}} \right) * 100 \quad (\text{A3})$$

[See also information notes on impacts](#)

2.6. HICP Weightings (2013)

Information note on new requirements for HICP weightings (as of January 2013)

The European Statistical System has put forward new measures to improve the relevance and accuracy of inflation measurement, and to enhance both the cross-country comparability and the reliability of the Harmonised Indices of Consumer Prices (HICP). The new measures were issued in the form of an HICP implementing regulation ⁽¹⁾.

The regulation is available on [page 102](#) of this Compendium.

The minimum standards set in this regulation ensure more harmonised compilation of HICP weightings across Member States. The regulation guarantees that in each country the weights approximate as much as possible the expenditure pattern of the target reference period, year t-1. Moreover, with the requirement of annual weighting updates, the HICP becomes a true annually chained Laspeyres-type price index, which better reflects the situation where the consumers may change their expenditure patterns over a short time span.

National Statistical Institutes are obliged to implement the weights regulation starting with the index for January 2012 at the latest.

Before the application of the weights regulation, Member States had used more varying basic data sources for their weights compilation and in particular performing less frequent weight updates. The new regulation promotes the use of National Accounts as the primary source for the weights and obliges Member States to update HICP weights on an annual basis. The methodological changes resulting from the application of the regulation are summarised, by country, in Table 1.

The regulation affects the weights compilation in the Member States that were not already following the new minimum standards. For these countries, the corresponding HICPs in 2012 would have been different if they had continued using the methods in place before the application of the regulation. The corresponding impact is the result of the effect of two elements: (a) the new data source and (b) the shorter intervals of weight updates. The changes in the calculation methods produce changes in the weight structures that would not have otherwise appeared.

For those Member States that were already applying the minimum standards, HICPs are not affected and there is no impact. For some Member States, which have been using calculation methods that were significantly different from the methods required by the regulation, the impact will potentially be visible throughout the year.

In the course of 2012, Eurostat monitors the impact of the application of the Weights Regulation on the annual rates of inflation. The impact is estimated according to Commission Regulation (EC) No 1921/2001 (2) as differences in percentage points between the published HICP rates using the new methodology and the rates which do not take into account the changes in methods concerning weights.

Hence if PI = Price Index, Eurostat publishes for each month of 2012

$$\text{Impact} = \left(\frac{\text{PI}_t^{\text{New-method}}}{\text{PI}_{t-1}^{\text{Old-method}}} - \frac{\text{PI}_t^{\text{Old-method}}}{\text{PI}_{t-1}^{\text{Old-method}}} \right) * 100$$

⁽¹⁾ Commission Regulation (EU) no 1114/2010 lays down detailed rules for the implementation of Council Regulation (EC) no 2494/95 as regards minimum standards for the quality of HICP weightings (Official Journal of the European Union, L 316, 2.12.2010, p.4).

⁽²⁾ Commission Regulation (EC) No 1921/2001 of 28 September 2001 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for revisions of the harmonised index of consumer prices and amending Regulation (EC) No 2602/2000.

Table 1: Summary of previous and current practices by country

Country	Method before 2012		Method from 2012		Impact of the Regulation 1114/2010
	Major data source	Frequency of update	Major data source	Frequency of update	
Belgium	NA	every year	—	—	The regulation was implemented in 2011, there is no impact in 2012.
Bulgaria	NA	every year	NA	every year	The reference period of weights was changed from t-3 to t-2
Czech Republic	NA	every year	—	—	The regulation was implemented in 2007, there is no impact in 2012.
Denmark	NA	every 3 years	NA	every year	The weights were updated in 2012 according to the 3-years rhythm, the frequency of update will be increased starting from 2013, there is no impact in 2012.
Germany	NA	every 5 years	HBS + NA	every year	The data source was changed and the frequency of update increased.
Estonia	NA + HBS	every year	—	—	No impact
Ireland	HBS	every 5 years	—	—	The weights were updated in 2012 according to the 5-years rhythm, the data source will be changed to NA and the frequency of update will be increased starting from 2013, there is no impact in 2012.
Greece	NA	every year	—	—	The reference period of weights was changed from t-3 to t-2.
Spain	NA + HBS	every year	—	—	No impact
France	NA	every year	—	—	No impact
Italy	NA	every year	—	—	No impact
Cyprus	HBS	every year	NA	every year	The data source was changed.
Latvia	NA + HBS	every year	—	—	No impact
Lithuania	HBS	every year	—	—	No impact
Luxembourg	NA	every year	NA	every year	The reference period of weights was changed from t-3 to t-2.
Hungary	NA + HBS	every year	NA	every year	The data source priority order was changed.
Malta	HBS	every 5 years	NA	every year	The data source was changed and the frequency of update increased.
Netherlands	NA	every year	—	—	No impact
Austria	NA + HBS	every 5 years	NA	every year	The data source was changed and the frequency of update increased.
Poland	NA	every year	—	—	No impact
Portugal	NA + HBS	every year	—	—	No impact
Romania	HBS	every year	NA	every year	The data source was changed.
Slovenia	NA	every year	—	—	No impact
Slovakia	NA	every year	—	—	No impact
Finland	NA	every 5 years	NA	every year	The frequency of update was increased.
Sweden	NA + HBS	every year	—	—	No impact
United Kingdom	NA	every year	—	—	No impact
Iceland	HBS	every year	HBS	every year	The weight reference period was changed.
Norway	NA	every year	—	—	No impact
Switzerland	HBS	every year	-	—	No impact
Croatia	NA + HBS	every 5 years	NA	every year	The frequency of update was increased.
Turkey	HBS	every year	—	—	No impact

Legend: HBS: Household Budget Survey NA: National Accounts — : no change in methods

Useful links

Useful links

General information

- [Eurostat's website Price Statistics \(including HICP\) dedicated section](#)
- [Statistics Explained consumer prices pages](#)
- [CIRCABC Price Statistics User Group](#)

Database

- [HICP database](#), including weights and HICP at constant taxes

Metadata

- [HICP](#), including national HICP metadata

Classification

- [COICOP/HICP classification](#), including aggregates definition
- [COICOP 5 classification](#) (still not in use by the HICP)

Contact

- [Central user support](#)
- [Methodology](#)

European Commission

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