

In the calculation of an [index](#) the **base year** is the year with which the values from other years are compared. The index value of the base year is conventionally set to equal 100.

Generally, indices in [short-term statistics \(STS\)](#) are calculated on a monthly or quarterly basis. In these cases the average monthly value for an indicator (e.g. industrial production) or the average quarterly value (e.g. output prices of other services) is set to equal 100.

For the economic interpretation of statistical results it is convenient if the base year can be considered to be a "normal" or "average" year, i.e. a year without major economic disturbances or structural changes. For practical reasons however and in order to improve international comparison the [European business statistics regulation](#) specifies that the base year in STS is changed every five years and that the years should be the years ending with "0" or "5" (Annex VII of [Regulation \(EU\) No 1197/2020](#) of 30 July 2020).

The rates of change of the index values before and after the rebasing should ideally be the same. However, statistical institutes often use the opportunity of base year changes to also introduce updates and methodological changes which also affect the rates of change.

Further information

- [Short-term business statistics - base year 2021](#)