

Harmonised indices of consumer prices and house price index

2014/0346(COD) - 08/03/2016 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 575 votes to 100, with 30 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on harmonised indices of consumer prices and repealing Regulation (EC) No 2494/95.

Parliaments position, adopted at first reading following the ordinary legislative procedure, amended the Commission proposal as follows:

Objective: the amended Regulation stated that price statistics of high quality and comparability are essential for those responsible for public policy in the Union, researchers and all European citizens.

This Regulation lays down a common framework for the development, production and dissemination of harmonised indices of consumer prices (HICP, Harmonised Index of Consumer Prices at constant tax rates - HICP-CT, Owner-Occupied Housing - OOH price index) and of the house price index (HPI) at Union and national level.

Compilation of harmonised indices: the amended text stipulated that neither the HICP nor the HICP-CT shall cover transactions between households, except in the case of rentals paid by tenants to private landlords, where the latter act as market producers of services purchased by households (tenants).

OOH indices shall be compiled, where possible and provided that the data is available, for the 10 years preceding the entry into force of this Regulation.

By 31 December 2018, the Commission shall prepare a report which shall address the suitability of the OOH price index for integration into the HICP coverage.

Depending on the outcome of the report on the suitability of the owner-occupied housing indices for integration into HICP coverage, the Commission may adopt, within one year of the publication of that report, a delegated act to integrate the OOH index into the HICP.

Comparability of the harmonised indices: the Commission shall be empowered to adopt delegated acts for the amendment of the Annex I in order to ensure comparability at international level of the breakdown of HICP by ECOICOP categories. The ECOICOP should also be consistent with the UN COICOP, which is the international standard classifying individual consumption according to purpose, therefore the ECOICOP should be adapted to align it with changes to the UN COICOP.

In order to ensure uniform conditions of implementation, and for the purposes of achieving the objectives of this Regulation, further details for producing comparable harmonised indices shall be defined by means of implementing acts. Such implementing acts shall concern: (i) sampling and representativity; (ii) collection and treatment of prices; (iii) replacements and quality adjustment; (iv) index compilation; (v) revisions; (vi) special indices; (vii) treatment of products in specific areas.

In order to ensure adaptation to changes to the UN COICOP, to amend the list of items regulated by implementing acts by adding items in order to take account of technical developments in the statistical methods and based on the evaluation of pilot studies, the power to adopt acts should be delegated to the Commission.

Data requirements: Member States shall collect basic information representative of their country in order to produce harmonised indices and their sub-indices.

The amended text stipulated that the sub-indices of ECOICOP that are not required to be produced by the Member States, either because they do not cover household final monetary consumption expenditure or because the degree of methodological harmonisation is not yet sufficient, shall be as follows: (i) narcotics; (ii) games of chance; (iii) prostitution; (iv) life insurance; (v) Financial Intermediation Services Indirectly Measured (FISIM).

The Commission shall be empowered to adopt delegated acts to modify the list set out above in order to include games of chance in the HICP and the HICP-CT.

Deadlines, exchange standards and revisions: Member States shall provide the Commission (Eurostat) with the harmonised indices and all sub-indices by no later than: (a) 15 calendar days for the February to December indices, and 20 calendar days for the January indices, after the end of the month for which the indices are calculated; and (b) 85 calendar days after the end of the quarter for which the indices are calculated.

Member States shall provide the Commission (Eurostat) with the updated weights by no later than the 13 February each year for the monthly indices and the 15 June each year for the quarterly indices.

Member States whose currency is the euro shall provide the Commission (Eurostat) with the flash estimate of the HICP no later than the penultimate calendar day of the month to which the flash estimate refers.

Pilot studies: the Commission (Eurostat) may launch pilot studies, to be carried out on a voluntary basis by Member States. They shall assess the feasibility and costs of obtaining improved data quality and composition of basic information or adopting new methodological approaches. The general budget of the Union shall, where appropriate, contribute to the financing of pilot studies. By 31 December 2020 and every five years thereafter, the Commission shall submit a report to the European Parliament and the Council evaluating, if applicable, the main findings of the pilot studies.

Delegated acts and implementing measures: in adopting implementing measures and delegated acts in accordance with this Regulation, the Commission should consider, where appropriate, cost-effectiveness and ensure that those measures and acts do not impose a significant additional burden on Member States or respondents.

