

COUNCIL REGULATION (EC) No 701/2006

of 25 April 2006

laying down detailed rules for the implementation of 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 Treaty. HICPs are designed to facilitate international comparisons of consumer price inflation. They serve as important indicators for the management of monetary policy.

(2) Pursuant to 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 State 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 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 according to 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 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.

⁽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 (not yet published in the Official Journal).

⁽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 261, 29.9.2001, p. 49.

(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 ⁽¹⁾,

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 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 its publication in the *Official Journal of the European Union*.

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

Done at Luxembourg, 25 April 2006.

For the Council
The President
J. PRÖLL

⁽¹⁾ OJ L 181, 28.6.1989, p. 47.