



2024/1720

21.6.2024

**COMMISSION IMPLEMENTING REGULATION (EU) 2024/1720**

**of 20 June 2024**

**amending Regulation (EU) 2020/1148 as regards the index compilation of the harmonised indices of consumer prices**

**(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2016/792 of the European Parliament and of the Council of 11 May 2016 on harmonised indices of consumer prices and the house price index, and repealing Council Regulation (EC) No 2494/95<sup>(1)</sup>, and in particular Article 4(4) thereof,

Whereas:

- (1) Regulation (EU) 2016/792 lays down a common framework for the production of the harmonised index of consumer prices (HICP), the harmonised index of consumer prices at constant tax rates (HICP-CT), the owner-occupied housing price index and the house price index.
- (2) Significantly changing the HICP and HICP-CT production methods may result in a permanent and significant shift, upwards or downwards, in the level of the index. This would in turn result in distorted annual rates of change for 1 year after the change is made. To ensure unbiased rates of change, it may be necessary to adjust the level of the index. Such an adjustment should be derived from observed prices.
- (3) To ensure that the harmonised indices are comparable, uniform conditions are needed for the use of adjustments in the compilation of the HICP and the HICP-CT in the case of significant changes in production methods.
- (4) The measures set out in this Regulation are in accordance with the opinion of the European Statistical System Committee,

HAS ADOPTED THIS REGULATION:

*Article 1*

Implementing Regulation (EU) 2020/1148 is amended as follows:

- (1) in Article 2, the following points (34) and (35) are added:  
(34) “Level-shift factor” means a factor determined by the ratio between the price changes obtained using current and new production methods, whereby the price change is measured from a calendar year to the price reference period, respectively:

$$\text{Levelshift factor}^t = \left( \frac{ChI^y}{ChI^{Dec(t-1)}} \right) / \left( \frac{ChI_{NEW}^y}{ChI_{NEW}^{Dec(t-1)}} \right), \text{ with } y < t.$$

The chained index in December of year  $t-1$ , using the current production method, is denoted by  $ChI^{Dec(t-1)}$ . The annual average of this index in any calendar year  $y$  before the current year  $t$  is denoted by  $ChI^y$ . Similarly, the chained indices, using the new production method, are denoted by  $ChI_{NEW}$ . The indices  $ChI$  and  $ChI_{NEW}$  can have different index reference periods.

- (35) “Level-shift adjustment” means multiplying the index using the new production method in the HICP and the HICP-CT, having December of year  $t-1$  as the price reference period, with a respective level-shift factor, starting from the first month when the new production method is introduced until the end of the calendar year;

<sup>(1)</sup> OJ L 135, 24.5.2016, p. 11, ELI: <https://eur-lex.europa.eu/eli/reg/2016/792/oj>.

(2) in Chapter 2, the following Article 22 is added:

*‘Article 22*

**Application of level-shift adjustments**

1. Member States may apply a level-shift adjustment if and only if the introduction of a significant change in the production method, as defined in Article 2(21) of Regulation (EU) 2016/792, results in a permanent and significant shift, upwards or downwards, in the level of the chain-linked index.
2. The level-shift adjustment shall be applied at the most detailed level at which the indices calculated according to the current and new production methods can be linked.
3. Member States shall inform the Commission (Eurostat) of the sub-indices to which level-shift adjustments are applied and of the value of the adjustments at the time of the first transmission of data to which the adjustments are made’.

*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*.

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

Done at Brussels, 20 June 2024.

*For the Commission*  
*The President*  
Ursula VON DER LEYEN