

OPINION OF THE EUROPEAN CENTRAL BANK**of 9 July 1999****at the request of the Commission of the European Communities on a draft Commission Regulation (EC) amending Commission Regulation (EC) No 2214/96 concerning the sub-indices of the Harmonised Indices of Consumer Prices****(CON/99/08)**

(1999/C 285/09)

1. On 25 June 1999 the European Central Bank (ECB) received a request from the European Commission for an ECB Opinion on a draft Commission Regulation (EC) concerning the subindices of the Harmonised Indices of Consumer Prices (HICPs) (hereinafter referred to as the 'draft Regulation').
2. The ECB's competence to deliver an opinion is based on Article 105(4) of the Treaty establishing the European Community and Article 5(3) of Council Regulation (EC) No 2494/95 of 23 October 1995 concerning Harmonised Indices of Consumer Prices. In accordance with Article 17.5, first sentence, of the Rules of Procedure of the European Central Bank, this ECB opinion has been adopted by the Governing Council of the ECB.
3. The objective of the draft Regulation is twofold. First, the draft Regulation adapts the list of the HICP sub-indices which are to be produced, transmitted and disseminated in line with the extended coverage of goods and services of HICPs from December 1999. Second, the draft Regulation updates the list of the HICP sub-indices in accordance with the latest version of the COICOP (classification of individual consumption by purpose), dated October 1998.
4. The ECB supports the proposals put forward by the European Commission and welcomes the release of the additional sub-indices both in the field of extended coverage (social services and insurance) and in the current field of coverage. This will enhance the usefulness of the HICPs for a detailed analysis of price developments.
5. The ECB would like to stress that it will be important to ensure that the new classification is recalculated back to 1995 for all published HICP indices in order to provide comparable series over time.
6. Moreover, while the ECB fully supports the current draft Regulation and its implementation, it would like to point out that the further development of the HICP sub-indices will be desirable in future. At least in some groups of the HICP sub-indices, such development should expand the level of detail published, which is limited at present, and refine individual sub-indices, for example by introducing an accurate separation between goods and services, which is important for analytical purposes.
7. This ECB Opinion will be published in the *Official Journal of the European Communities*.

Done at Frankfurt am Main, 9 July 1999.

The Vice-President of the ECB

C. NOYER