Harmonized Indices of Consumer Prices - June 1997

The rate of inflation in the EU, as measured by the European Index of Consumer Prices (EICP), was 1.6% comparing June 1997 with June 1996. The EICP is the average of the Harmonized Indices of Consumer Prices (HICPs) of the 15 EU Member States. A year ago, in June 1996, the corresponding rate was 2.4%.

The annual rate of change for the EICP increased by 0.1 percentage points between May and June 1997.

EU Member States with the lowest inflation rates in June 1997 were France (1.0%), Austria (1.0%), and Finland (1.1%). Highest inflation rates were reported from Greece (5.6%), and Denmark (2.2%), followed by Netherlands, Sweden, and the United Kingdom (1.7% each).

The annual rate of change for the European Economic Area as a whole was 1.6% in June 1997. A year ago, in June 1996, the corresponding rate was 2.4%. The June inflation rate in the USA* increased to 2.3%, and in Japan* to 2.2%. In Switzerland* inflation decreased to 0.5%.

The annual rates of change (inflation rates) for the EU, the USA* and Japan* from June 1996 to June 1997 are shown in the graph below:

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* For the USA, Japan, and Switzerland the national CPIs are given, which are not strictly comparable with the HICPs.

Annual Rate of Change (%)
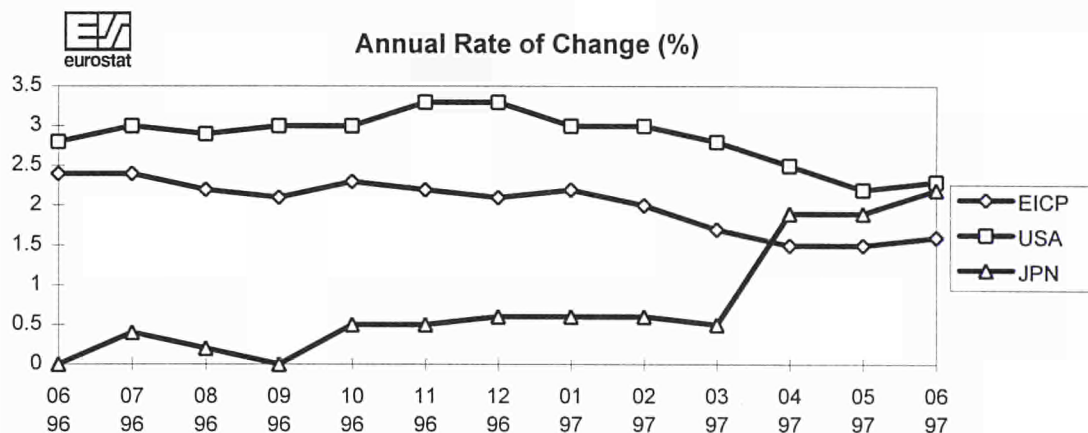
Sub-indices for the HICPs are available from the Eurostat database NEWCRONOS. For further information please contact Eurostat Data Shop by tel. +352-433522-51 or fax: +352-433522-221.

TABLE I
HARMONIZED INDICES OF CONSUMER PRICES
INDEX NUMBERS

	EICP	B	DK	D	EL	E	F	IRL	I	L	NL
		Annual Average Index								1996 = 100	
1995	97.7$	98.3	98.1	98.8	92.7	96.6	98.0	:	96.2	98.8	98.6
1996	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1997											
1998											
1995		Monthly Index									
January	96.2$	97.8	97.2	98.0	89.3	94.9	97.0	:	93.3	98.4	97.6
February	96.7$	97.9	97.6	98.5	88.9	95.3	97.3	97.0	94.0	98.6	98.2
March	97.0$	97.9	97.9	98.4	91.1	95.9	97.5	:	94.8	98.6	98.9
April	97.4$	98.0	98.2	98.6	92.1	96.4	97.7	:	95.3	98.6	99.1
May	97.6$	98.1	98.5	98.7	93.0	96.4	97.8	97.8	95.9	98.7	98.9
June	97.8$	98.1	98.3	99.0	93.5	96.5	97.8	:	96.5	98.8	98.7
July	97.7$	98.4	97.7	99.2	91.8	96.5	97.6	:	96.7	98.8	98.0
August	97.9$	98.7	97.9	99.1	91.9	96.8	98.1	98.3	96.9	98.8	98.1
September	98.2$	98.6	98.5	99.0	94.1	97.2	98.5	:	97.2	99.0	99.0
October	98.3$	98.4	98.5	98.9	94.8	97.3	98.6	:	97.5	99.1	99.0
November	98.4$	98.5	98.7	98.8	95.2	97.6	98.7	98.7	98.1	99.3	99.0
December	98.6$	98.7	98.6	99.1	96.7	97.9	98.8	:	98.2	99.3	98.5
1996		Monthly Index									
January	98.8$	99.1	98.4	99.2	96.3	98.5	98.9	:	98.6	99.4	98.9
February	99.2	99.2	99.0	99.7	96.1	98.7	99.3	99.2	99.0	99.5	99.3
March	99.6$	99.5	99.6	99.8	98.9	99.1	100.0	:	99.3	99.6	100.3
April	99.9$	100.0	99.9	99.8	99.9	99.7	100.1	:	99.7	99.8	100.5
May	100.1	100.1	100.1	100.0	100.7	100.1	100.3	99.7	100.1	99.9	100.2
June	100.2$	100.0	100.1	100.1	100.9	100.0	100.2	:	100.3	99.9	99.7
July	100.1$	99.9	99.9	100.4	99.1	100.1	100.0	:	100.2	100.0	99.5
August	100.1	99.9	100.1	100.3	99.0	100.4	99.8	100.3	100.3	100.1	99.4
September	100.4$	100.1	100.6	100.1	101.3	100.7	100.1	:	100.4	100.1	100.4
October	100.5$	100.6	100.8	100.1	102.1	100.8	100.4	:	100.5	100.3	100.8
November	100.5	100.6	100.8	100.1	102.2	100.8	100.3	100.8	100.9	100.6	100.7
December	100.7$	100.8	100.7	100.3	103.4	101.1	100.5	:	101.0	100.6	100.5
1997		Monthly Index									
January	100.9	101.3	101.0	100.9	102.7	101.3	100.7	100.3	101.2	100.7	100.7
February	101.1	101.2	101.0	101.3	102.3	101.2	101.0	100.9	101.3	101.0	100.9
March	101.3	100.8	101.1	101.1	104.7	101.3	101.1	101.0	101.5	100.9	101.6
April	101.4	100.9	101.4	101.0	105.6	101.3	101.1	101.0	101.6	100.9	101.7
May	101.6#	101.6	102.0	101.4	106.1#	101.4	101.2	101.1	101.8	101.0	101.9
June	101.7$	101.6	102.3	101.6	106.5	101.4	101.2	101.4	101.9	101.1	101.4

* estimated	$ provisional	# revised	! definition differs	: Not available

TABLE II
NATIONAL CPIs
INDEX NUMBERS

A	P	FIN	S	UK		EEAICP	IS	N		CH	USA	JAP	
										1996 = 100			
98.3	97.2	99.0	99.2	:		97.7$	97.9	99.3		99.2	97.2	99.9	1995
100.0	100.0	100.0	100.0	100.0		100.0	100.0	100.0		100.0	100.0	100.0	1996
													1997
													1998
													1995
97.8	95.9	98.5	97.9	:		96.2$	97.2	98.3		98.2	95.8	100.0	January
98.0	96.4	98.9	98.3	:		96.7$	97.2	98.6		99.1	96.2	99.6	February
98.1	96.8	98.9	98.8	:		97.1$	97.1	99.2		99.1	96.5	99.7	March
98.1	97.3	99.0	99.4	:		97.4$	97.3	99.2		99.2	96.8	100.0	April
98.2	97.2	99.0	99.5	:		97.6$	97.5	99.4		99.0	97.0	100.2	May
98.4	96.9	99.2	99.3	:		97.8$	97.5	99.6		99.2	97.2	100.1	June
98.4	96.9	99.2	99.0	:		97.7$	97.8	99.5		99.2	97.2	99.6	July
98.4	97.3	98.9	99.0	:		97.9$	98.2	99.2		99.5	97.5	99.7	August
98.5	97.5	99.1	99.9	:		98.3$	98.3	99.7		99.6	97.7	100.3	September
98.4	97.8	99.2	100.0	:		98.3$	98.9	99.7		99.5	98.0	100.0	October
98.4	97.9	98.9	100.0	:		98.4$	98.7	99.6		99.4	97.9	99.7	November
98.4	97.9	98.8	99.7	:		98.6$	98.6	99.5		99.4	97.9	99.7	December
													1996
99.4	98.3	99.2	99.1	98.5		98.8$	98.8	98.8		99.7	98.4	99.6	January
99.7	98.8	99.6	99.3	98.9		99.2	99.0	98.9		99.9	98.8	99.4	February
100.0	99.0	99.8	100.0	99.3		99.6$	99.2	99.2		100.0	99.3	99.6	March
99.9	99.8	100.0	100.4	99.9		99.9$	99.6	99.6		100.1	99.6	100.2	April
99.8	100.2	100.3	100.5	100.2		100.1	100.0	99.8		99.8	99.8	100.4	May
100.1	100.2	100.3	100.1	100.3		100.2$	100.0	99.9		100.0	99.9	100.1	June
100.2	100.4	100.1	99.9	99.7		100.1$	100.1	100.3		99.8	100.1	100.0	July
99.9	100.7	99.9	99.6	100.2		100.1	100.5	100.1		100.1	100.3	99.9	August
99.9	100.7	100.1	100.4	100.7		100.4$	100.5	100.5		100.1	100.6	100.3	September
100.1	100.5	100.3	100.4	100.7		100.5$	100.8	101.0		100.3	100.9	100.5	October
100.4	100.7	100.1	100.2	100.7		100.5	100.8	100.9		100.1	101.1	100.2	November
100.7	100.7	100.2	100.2	101.0		100.7$	100.5	100.9		100.2	101.1	100.3	December
													1997
100.6	101.1	99.9	100.4	100.6		100.9	100.8	102.0		100.5	101.4	100.2	January
101.1	101.2	100.2	100.4	100.9		101.2	100.9	102.3		100.7	101.8	100.0	February
101.2	101.3	100.6	101.0	101.1		101.3	100.9	102.6		100.6	102.0	100.0	March
101.1	101.4	100.9	101.6	101.5		101.4	101.8	102.3		100.7	102.1	102.1	April
101.1#	102.1	101.2	101.7	101.8		101.6#	101.5	102.6		100.4	102.1	102.3	May
101.1$	101.8	101.4	101.8	102.0		101.7$	101.6	102.8		100.5	102.2	102.3	June

* estimated $ provisional   # revised   ! definition differs   : Not available

TABLE III
HARMONIZED INDICES OF CONSUMER PRICES
RATE OF CHANGE (%)

	EICP	B	DK	D	EL	E	F	IRL	I	L	NL
		Annual Average Rate of Change								1996 = 100	
1996	2.4$	1.8	1.9	1.2	7.9	3.6	2.1	:	4.0	1.2	1.5
1997											
1998											
1999											
1996		Annual Rate of Change								(t/t-12)	
January	2.7$	1.3	1.2	1.2	7.8	3.8	2.0	:	5.7	1.0	1.3
February	2.6$	1.3	1.4	1.2	8.1	3.6	2.1	2.3	5.3	0.9	1.1
March	2.6$	1.6	1.7	1.4	8.6	3.3	2.6	:	4.7	1.0	1.4
April	2.6$	2.0	1.7	1.2	8.5	3.4	2.5	:	4.6	1.2	1.4
May	2.6$	2.0	1.6	1.3	8.3	3.8	2.6	1.9	4.4	1.2	1.3
June	2.4$	1.9	1.8	1.1	7.9	3.6	2.5	:	3.9	1.1	1.0
July	2.4$	1.5	2.3	1.2	8.0	3.7	2.5	:	3.6	1.2	1.5
August	2.2$	1.2	2.2	1.2	7.7	3.7	1.7	2.0	3.5	1.3	1.3
September	2.1$	1.5	2.1	1.1	7.7	3.6	1.6	:	3.3	1.1	1.4
October	2.3$	2.2	2.3	1.2	7.7	3.6	1.8	:	3.1	1.2	1.8
November	2.2$	2.1	2.1	1.3	7.4	3.3	1.6	2.1	2.9	1.3	1.7
December	2.1$	2.1	2.1	1.2	6.9	3.3	1.7	:	2.9	1.3	2.0
1997		Annual Rate of Change								(t/t-12)	
January	2.2$	2.2	2.6	1.7	6.6	2.8	1.8	:	2.6	1.3	1.8
February	2.0	2.0	2.0	1.6	6.5	2.5	1.7	1.7	2.3	1.5	1.6
March	1.7$	1.3	1.5	1.3	5.9	2.2	1.1	:	2.2	1.3	1.3
April	1.5$	0.9	1.5	1.2	5.7	1.6	1.0	:	1.9	1.1	1.2
May	1.5#	1.5	1.9	1.4	5.4#	1.3	0.9	1.4	1.7	1.1	1.7
June	1.6$	1.6	2.2	1.5	5.6	1.4	1.0	:	1.6	1.2	1.7

* estimated	$ provisional	# revised	! definition differs	: Not available

TABLE III CONTINUED
HARMONIZED INDICES OF CONSUMER PRICES
RATE OF CHANGE (%)

TABLE IV
NATIONAL CPIs
RATE OF CHANGE (%)

eurostat

A	P	FIN	S	UK	EEAICP	IS	N	CH	USA	JAP	
									1996 = 100		
1.8	2.9	1.0	0.8	:	2.4$	2.2	0.7	0.8	2.9	0.1	1996
											1997
											1998
											1999
											1996
1.6	2.5	0.7	1.2	:	2.7$	1.6	0.5	1.5	2.7	-0.5	January
1.7	2.5	0.7	1.0	:	2.6$	1.9	0.3	0.8	2.7	-0.4	February
1.9	2.3	0.9	1.2	:	2.6$	2.2	0.0	0.9	2.8	-0.1	March
1.8	2.6	1.0	1.0	:	2.5$	2.4	0.4	0.9	2.9	0.2	April
1.6	3.1	1.3	1.0	:	2.6$	2.6	0.4	0.7	2.9	0.2	May
1.7	3.4	1.1	0.8	:	2.4$	2.6	0.3	0.7	2.8	0.0	June
1.8	3.6	0.9	0.9	:	2.4$	2.4	0.8	0.7	3.0	0.4	July
1.5	3.5	1.0	0.6	:	2.2$	2.3	0.9	0.6	2.9	0.2	August
1.4	3.3	1.0	0.5	:	2.1$	2.2	0.8	0.6	3.0	0.0	September
1.7	2.8	1.1	0.4	:	2.3$	1.9	1.3	0.8	3.0	0.5	October
2.0	2.9	1.2	0.2	:	2.2$	2.1	1.3	0.7	3.3	0.5	November
2.3	2.9	1.4	0.5	:	2.1$	1.9	1.4	0.8	3.3	0.6	December
											1997
1.2	2.8	0.7	1.3	2.1	2.2$	2.0	3.2	0.8	3.0	0.6	January
1.4	2.4	0.6	1.1	2.0	2.0	1.9	3.4	0.8	3.0	0.6	February
1.2	2.3	0.8	1.0	1.8	1.7$	1.7	3.4	0.5	2.8	0.5	March
1.2	1.6	0.9	1.2	1.6	1.5$	2.2	2.7	0.5	2.5	1.9	April
1.3#	1.9	0.9	1.2	1.6	1.5#	1.5	2.8	0.6	2.2	1.9	May
1.0$	1.6	1.1	1.7	1.7	1.6$	1.6	2.9	0.5	2.3	2.2	June

* estimated	$ provisional	# revised	! definition differs	: Not available

TABLE V
MAIN CATEGORIES OF HARMONIZED INDICES OF CONSUMER PRICES
RATE OF CHANGE (%)

COICOP/HICP Group No	June 1997 / June 1996	EU	B	DK	D	EL	E	F
		Annual Rate of Change						
00.	HICP (all-items index)	1.6$	1.6	2.2	1.5	5.6	1.4	1.0
01.	FOOD AND NON-ALCOHOLIC BEVERAGES	0.4$	2.0	4.3	1.8	5.3	-1.7	0.9
02.	ALCOHOLIC BEVERAGES AND TOBACCO	3.9$	4.4	2.4	2.3	8.9	10.7	4.8
03.	CLOTHING AND FOOTWEAR	0.7$	0.7	0.8	0.4	7.1	1.9	0.4
04.	HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	2.6$	1.7	3.2	2.6	0.0	3.3	1.3
05.	FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE	1.0$	0.6	0.9	0.5	5.8	1.6	0.6
06A.	HEALTH	4.7$	0.6	0.3	4.8	0.8	0.2	3.0
07.	TRANSPORT	1.7$	2.3	1.6	0.8	5.3	2.3	0.5
08.	COMMUNICATIONS	-0.6$	7.7	0.0	-1.0	4.7	0.0	-2.4
09.	RECREATION AND CULTURE	1.2$	0.5	-0.2	2.0	7.4	1.4	0.3
10A.	EDUCATION	3.1$		1.0	2.7	7.3	3.9	:
11.	HOTELS, CAFES AND RESTAURANTS	2.4$	1.4	2.6	0.9	8.2	3.0	1.8
12.	MISCELLANEOUS GOODS AND SERVICES	2.0$	0.5	2.2	1.8	9.5	2.1	:

TABLE VI
MAIN CATEGORIES OF HARMONIZED INDICES OF CONSUMER PRICES
RATE OF CHANGE (%)

COICOP/HICP Group No	June 1996 / June 1995	EU	B	DK	D	EL	E	F
		Annual Rate of Change						
00.	HICP (all-items index)	2.4$	1.9	1.8	1.1	7.9	3.6	2.5
01.	FOOD AND NON-ALCOHOLIC BEVERAGES	2.3	3.4	2.0	0.5	8.1	4.1	:
02.	ALCOHOLIC BEVERAGES AND TOBACCO	2.8	1.5	3.3	0.4	10.2	5.2	:
03.	CLOTHING AND FOOTWEAR	2.5	0.5	0.3	0.7	9.1	2.8	:
04.	HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	3.1	2.7	3.2	1.9	8.6	3.5	:
05.	FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE	2.3	0.4	1.3	0.8	5.9	4.6	:
06A.	HEALTH	2.2	1.3	-0.2	0.0	1.2	3.5	:
07.	TRANSPORT	2.2	2.7	2.5	1.2	4.8	3.7	:
08.	COMMUNICATIONS	2.6	0.3	0.0	2.8	10.4	-0.1	:
09.	RECREATION AND CULTURE	1.6	0.7	-1.7	0.9	6.4	3.2	:
10A.	EDUCATION	4.4		1.9	6.1	10.4	5.0	:
11.	HOTELS, CAFES AND RESTAURANTS	2.8	1.7	2.0	0.9	9.8	3.6	:
12.	MISCELLANEOUS GOODS AND SERVICES	2.6	1.6	3.0	0.7	11.7	2.6	:

* estimated $ provisional   # revised   ! definition differs   : Not available

TABLE V CONTINUED
MAIN CATEGORIES OF HARMONIZED INDICES OF CONSUMER PRICES
RATE OF CHANGE (%)

eurostat

IRL	I	L	NL	A	P	FIN	S	UK		EEA	IS	N
June 1997 / June 1996					Annual Rate of Change							
:	1.6	1.2	1.7	1.0$	1.6	1.1	1.7	1.7		1.6$	1.6	2.9
:	-1.2	0.4	1.9	0.9$	-0.9	0.3	1.3	-0.5		0.5$	2.5	3.6
:	3.9	-0.9	3.3	1.5$	3.2	2.3	7.3	3.5		4.0$	3.7	8.5
:	2.2	1.0	-2.4	-1.0$	0.5	0.4	-0.2	-2.7		0.7$	-0.2	-0.2
:	3.5	3.0	5.5	3.0$	4.6	2.7	3.8	1.8		2.6$	2.4	4.4
:	2.2	0.8	0.0	-0.2$	2.1	1.0	-0.2	0.0		0.9$	1.6	0.7
:	9.2	1.6	2.1	-2.6$	4.5	1.2	2.0	2.4		4.6$	-9.1	1.4
:	1.2	0.5	0.3	1.2$	3.4	0.4	1.0	4.9		1.7$	1.7	3.4
:	1.9	3.2	1.2	0.4$	2.5	-0.3	0.1	-4.1		-0.6$	-0.2	-3.4
:	0.9	0.8	1.4	-0.4$	2.1	0.9	-1.0	1.0		1.2$	-0.3	2.0
:	1.7	0.0	1.9	5.8$	4.6	4.3	-0.8	4.5		3.1$	:	6.3
:	2.6	2.1	1.1	2.3$	2.2	1.8	0.9	3.6		2.4$	6.0	3.0
:	2.2	1.7	1.6	0.8$	3.2	0.6	1.0	3.2		2.0$	0.5	1.8

TABLE VI CONTINUED
MAIN CATEGORIES OF HARMONIZED INDICES OF CONSUMER PRICES
RATE OF CHANGE (%)

eurostat

IRL	I	L	NL	A	P	FIN	S	UK		EEA	IS	N
June 1996 / June 1995					Annual Rate of Change							
:	3.9	1.1	1.0	1.7	3.4	1.1	0.8	:		2.4$	2.6	0.3
:	4.6	1.1	-1.5	0.6	3.7	-1.7	-6.6	:		2.3	4.2	0.1
:	6.4	2.5	0.9	1.7	2.9	2.8	3.6	:		2.8	0.3	2.7
:	4.1	-0.2	1.6	-1.4	1.7	1.0	0.3	:		2.4	0.5	-3.6
:	3.8	3.3	4.2	5.4	0.2	3.7	4.3	:		3.0	3.6	1.3
:	4.0	1.0	0.1	0.1	3.2	0.2	4.3	:		2.3	3.1	0.5
:	4.4	0.4	0.3	1.0	7.2	1.7	2.9	:		2.2	7.9	0.3
:	3.4	1.9	0.1	2.5	4.0	2.4	1.4	:		2.1	4.8	-0.3
:	-0.3	0.1	8.0	2.6	5.2	-4.9	2.6	:		2.5	-4.8	-2.8
:	3.4	-0.2	-0.1	-0.1	5.2	0.5	1.6	:		1.6	0.6	0.6
:	2.3	2.8	2.3	7.4	5.9	1.0	-6.5	:		4.3	:	2.9
:	3.9	0.6	1.6	2.7	3.7	1.1	3.1	:		2.8	-1.2	2.0
:	3.8	1.1	1.2	0.9	4.9	-0.2	2.8	:		2.6	2.5	1.9

* estimated	$ provisional	# revised	! definition differs	: Not available

HARMONIZED INDICES OF CONSUMER PRICES
EXPLANATORY NOTES

The Treaty on European Union sets a timetable for achieving Stage III of Economic and Monetary Union (EMU) by 1 January 1999 at the latest. Participating Member States are required to have achieved a high degree of sustainable economic convergence. One of the criteria is to have sustainable price performance and an average rate of inflation over a year that does not exceed by more than one and a half percentage points that of, at most, the three best-performing Member States (in terms of price stability). Furthermore, to conform to the Protocol on the convergence criteria "inflation shall be measured by means of the Consumer Price Index on a comparable basis, taking into account differences in national definitions".

Harmonized Indices of Consumer Prices (HICPs) provide such a measurement and will be used by the Commission and European Monetary Institute (EMI) in the assessment of inflation convergence as required under the Treaty. They will subsequently form the basis of the Monetary Union Index of Consumer Prices (MUICP) to be used by, among others, the future European Central Bank. The HICPs are primarily designed to facilitate international comparisons of consumer price inflation across the European Union. The focus lies on comparability among the indices of the different Member States as well as their relative movements.

The interim indices which Eurostat launched on 29 February 1996 and published during 1996 were based entirely on existing national CPIs, adjusted solely so as to make the product coverage as similar as possible. In contrast to the interim indices, the HICPs are harmonized not only on coverage but also in several methodological aspects. The HICPs provide the best statistical basis for international comparisons of consumer price inflation and very considerable progress has been made in harmonizing methodologies. However, more work remains to be done to achieve further harmonization of consumer prices.

The product coverage of the HICPs has been extended as compared to the interim indices. The HICPs now cover, for example, insurance for cars and dwellings' contents, package holidays, banking services, evening classes, and health goods that are obtainable without prescription. However, some difficult categories, such as health and educational services, are still not covered. Some CPIs include either imputed rents or mortgage interest payments in respect of owner occupiers. These are excluded from the HICPs.

In order to keep HICPs broadly in step with each other and up-to-date in terms of market developments, they will incorporate new products, such as mobile phones and personal computers, when they achieve a significant sales volume. The HICPs must be shown to be based on samples sufficient to yield reliable and comparable results, taking account of the national diversity of products and of prices. The samples must be kept well up to date, in particular by banning the practice whereby "missing" prices are simply assumed to be equal to the last observed prices. In order to measure "pure" price changes, the prices included in the HICPs need to be adjusted for changes in the quality of the goods and services to which they relate. Certain extreme practices in this area, such as "automatic linking", have been ruled out. Furthermore, the HICPs have to be compiled using either a particular, specified, formula for combining sets of detailed price data to a price index number, or an alternative that can be shown to give similar results.

The analysis of sources of inflationary pressure requires a sub-division of the HICP into component parts relating to different product groups. The HICPs are compiled using a version of the international classification COICOP (Classification Of Individual COnsumption by Purpose) which has been specially adapted for the HICPs and is known as COICOP/HICP. The sub-indices and weights published by Eurostat are based on this classification. There is no "uniform basket" applying to all Member States.

The European Index of Consumer Prices (EICP) is calculated as a weighted average of the HICPs of the 15 EU Member States. The index is computed as an annual chain index allowing for country weights changing each year. The weight of a Member State is its proportion of final consumption expenditure of households in the EU total. The values of final consumption expenditure in national currencies are converted into purchasing power standards (PPS) using the purchasing power parities of final consumption. The country weights used in 1997 are national accounts data for 1995 at 1996 prices. The European Economic Area Index of Consumer Prices (EEAICP) is calculated in the same way, with the inclusion of Iceland and Norway.

More methodological details are given in the Eurostat news release "Harmonizing the way the EU measures inflation", No 21/97, of 5 March 1997, in the regular "Progress Report on HICPs" by Eurostat and in Regulations (EC) No 2494/95, No 1749/96 and No 2214/96.