
TRENDS IN
TELECOMMUNICATIONS
PRICES
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Trends in telecommunications prices²

According to INE (Statistics Portugal)¹, in October 2014, telecommunications prices² rose in both nominal and real terms, increasing 0.86 percent versus September, by 0.12 percent versus October 2013 and by 0.69 percent on average over the last twelve months.

Table 1 - Change in Consumer Price Index (CPI) and in telecommunications prices

	October 2014			2013
	Year-on-Year change	Average change 12 months	Change versus prior month	Average change 12 months
CPI	0.00%	-0.25%	0.33%	0.27%
.. Telecommunications ²	0.12%	0.69%	0.86%	0.15%
Ranking in descending order (43 groups)	22	15	12	24

Source: INE (Statistics Portugal)

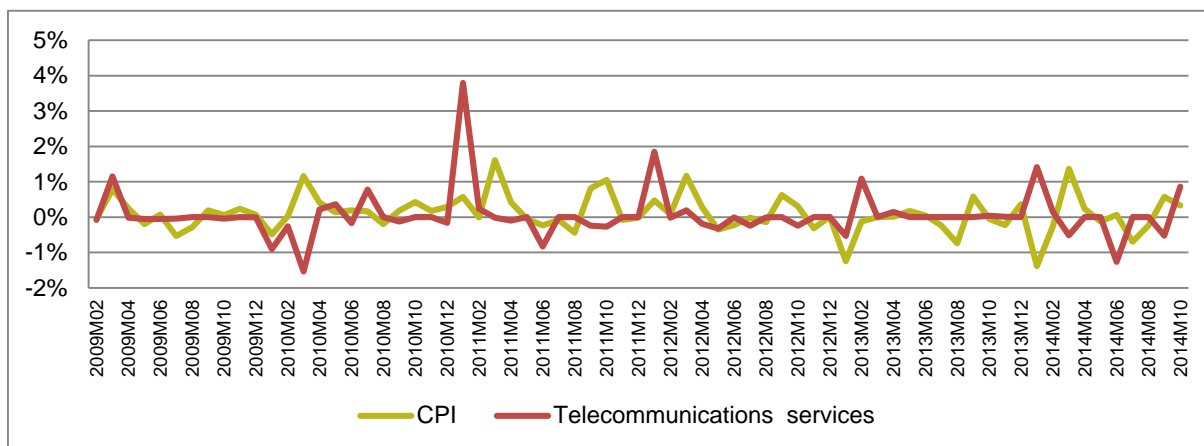
In average terms, the annual increase in prices reported was the 15th highest among 43 products/service considered. The sectors where prices rose more than in the telecommunications sector were sectors of non-transactional goods, regulated prices or subject to specific control.

In recent years, telecommunications prices have increased in nominal and real terms at the beginning of each year, as a result of the "price adjustments" brought in by providers.

¹ See "Consumer Price Index – October 2014" (INE, 2014), available at http://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaquas&DESTAQUESdest_boui=211221900&DESTAQUESmodo=2.

² "Telephone, telegraph and telefax services" sub-index of the Consumer Price Index (CPI) and of the Harmonised Indices of Consumer Prices (HICP), which comprises voice, Internet and subscription TV (STV) services acquired on a stand-alone basis or as part of a bundle of services.

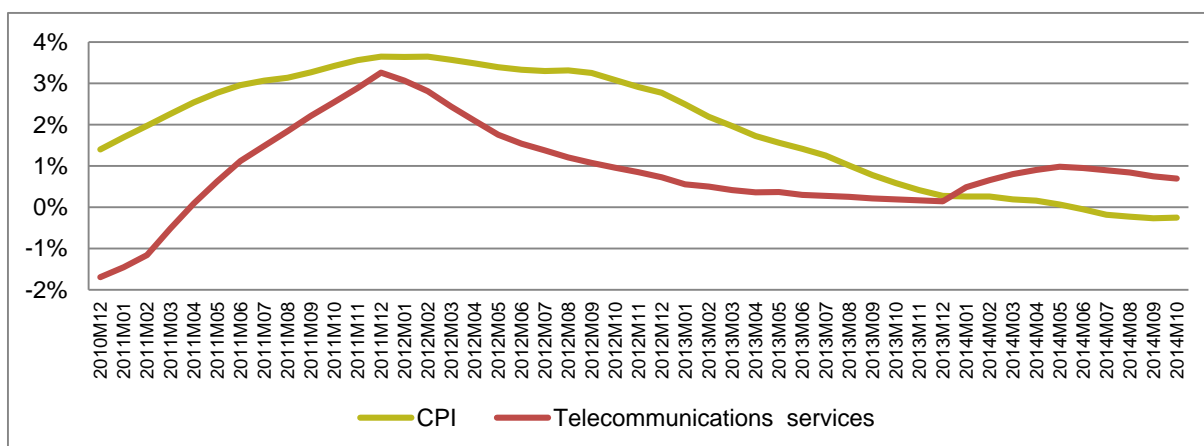
Graph 1 - Monthly change in CPI and telecommunications prices



Source: INE (Statistics Portugal)
Unit: %

Since January 2014, the average annual increase in telecommunications prices has exceeded the variation in CPI. In October 2014, the difference between the two rates was reported at 0.94 percentage points.

Graph 2 - Twelve month average rate of change of CPI and telecommunications prices



Source: INE (Statistics Portugal)
Unit: %

According to EUROSTAT³, telecommunications prices² in Portugal have increased, while falling in the EU⁴. On average terms, in October 2014, the annual increase in prices

³ See HICP - monthly data (EUROSTAT, 2014), available at http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_hicp_midx&lang=en.

reported in Portugal was 3.01 p.p. above the EU average, so that price increases in Portugal are the 5th largest among EU countries.

Table 2 – Change in telecommunications prices: Portugal vs EU

	October 2014			2013
	Year-on-Year change	Average change 12 months	Change versus prior month	Average change 12 months
EU	-1.88%	-2.32%	-0.19%	-4.48%
Portugal	0.12%	0.69%	0.86%	0.15%
PT / EU difference	2.01 p.p	3.01 p.p	1.04 p.p	4.64 p.p
Ranking in descending order (23 countries)	6	5	3	4

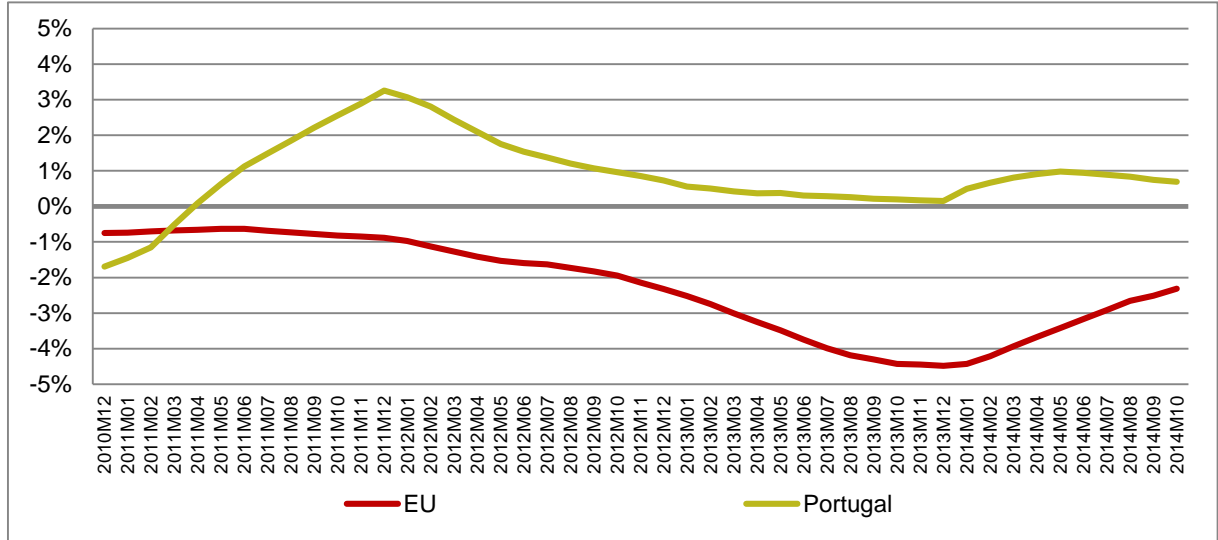
Source: EUROSTAT
Unit: %, p.p

Note: Information for Ireland, Malta, Netherland, Sweden and United Kingdom not available.

Since March 2011, telecommunications prices² have risen more in Portugal than in the EU (in terms of average annual change).

⁴ Information for Ireland, Malta, Netherland, Sweden and United Kingdom not available. Information for Estonia available from 2010.

Graph 3 – Average rate of change over previous twelve months - telecommunications prices: Portugal vs EU



Source: EUROSTAT
Unit: %

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