
TRENDS IN
TELECOMMUNICATIONS
PRICES
MAY '16

ANACOM



AUTORIDADE
NACIONAL
DE COMUNICAÇÕES

Trends in telecommunications prices¹

Summary

- In May 2016, telecommunications prices in Portugal¹ decreased by 0.18 percent versus the previous month (no change in May 2015). The decline results from the change in a mobile Internet tariff (via tablet/PC). This is the third consecutive month to see a nominal and real drop in telecommunications prices over the previous month.

In year-on-year terms, the increase in prices (2.24 percent) was the 10th highest among the sectors of the Portuguese economy.

On average annual terms, prices increased by 4.01 percent, 3.41 percentage points over inflation (0.60 percent). The increase in prices was the 5th highest among the 43 products/services considered.

Since January 2014, telecommunications prices have been increasing at average annual rates above the rate of change reported in CPI.

- On average annual terms, Portugal was the EU country with the highest increase in prices in May 2016. On average, telecommunications prices¹ in the EU increase by 0.10 percent.

Since March 2011, telecommunications prices¹ have increased more in Portugal than in the EU. However, the difference has been narrowing since February 2016.

¹ "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. The price analysis presented here should be taken alongside an assessment of the offer characteristics – see information available in the reports "Bundles of electronic communications services", "Telephone service at a fixed location and nomadic VoIP", "Mobile services", "Internet access service" and "Subscription television service", all available on ANACOM's website.

1. Trends in telecommunications prices¹ – May 2016

According to INE (Statistics Portugal)², in May 2016, telecommunications prices in Portugal fell by 0.18 percent over the previous month (unchanged in May 2015). The decline results from the change in a mobile Internet tariff (via tablet/PC). This is the third consecutive month to report a nominal and real drop in telecommunications prices over the previous month¹.

Versus May 2015, telecommunications prices¹ increased by 2.42 percent, while increasing by 4.01 percent on average over the last twelve months.

Table 1 - Change in Consumer Price Index (CPI) and in telecommunications prices¹

	May 2016			2015
	Year-on-Year change	Average change 12 months	Change versus prior month	Average change 12 months
CPI	0.33%	0.60%	0.28%	0.49%
..Telecommunications ¹	2.24%	4.01%	-0.18%	3.90%
Ranking in descending order (43 groups)	10	5	32	6

Source: INE (Statistics Portugal)

Unit: %

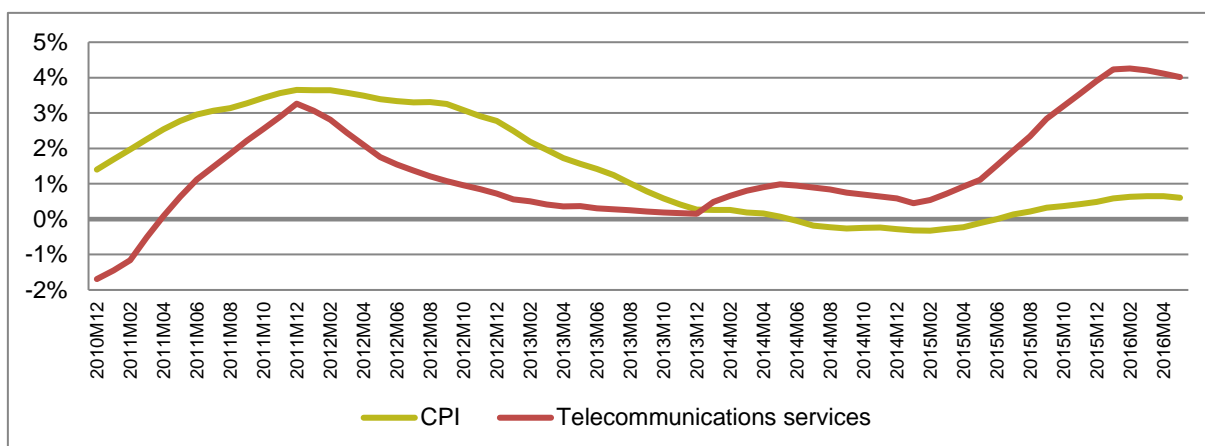
On a year-on-year basis, the increase in prices (2.24 percent) was the 10th highest among the sectors of the Portuguese economy. The difference between this increase and the change in CPI was reported at 1.91 percentage points.

On average terms, the annual increase in prices reported (4.01 percent) was the 5th highest among 43 products/service considered.

Since January 2014, telecommunications prices¹ have been increasing at average annual rates above the rate of change reported in CPI. Since February 2016, the difference between the two rates has been narrowing and in May 2016, the difference was reported at 3.41 percentage points.

² See "Consumer Price Index – May 2016" (INE – Statistics Portugal, 2016), available at https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaquas&DESTAQUESdest_boui=249872866&DESTAQUESmodo=2

Graph 1 - Monthly change in CPI and telecommunications prices ¹



Source: INE (Statistics Portugal)

Unit: %

2. Trends in telecommunications prices¹ in the EU³ - May 2016

According to EUROSTAT⁴, in May 2016, the increase in prices in average annual terms reported in Portugal was 3.91 percentage points above the EU average³. On average annual terms, Portugal was the EU country with the highest increase in prices.

Table 2 – Change in telecommunications price 1: Portugal vs EU³

	Year-on-Year change	May 2016		2015
		Average change 12 months	Change versus prior month	Average change 12 months
EU ³	0.08%	0.10%	0.02%	-0.22%
Portugal	2.25%	4.01%	-0.18%	3.90%
PT / EU difference³	2.17 p.p	3.91 p.p	-0.20 p.p	4.12 p.p
Ranking in descending order (23 countries)	6	1	15	1

Source: EUROSTAT

Unit: %, p.p

Note: Information for Ireland, Sweden and United Kingdom not available. Malta and Netherlands are not included in the ranking due to a lack of available information before December 2015.

³ Information for Ireland, Sweden and United Kingdom not available. Information available from December 2015 for Malta and Netherlands.

⁴ See HICP - monthly data (EUROSTAT, 2016), available at http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_hicp_midx&lang=en.

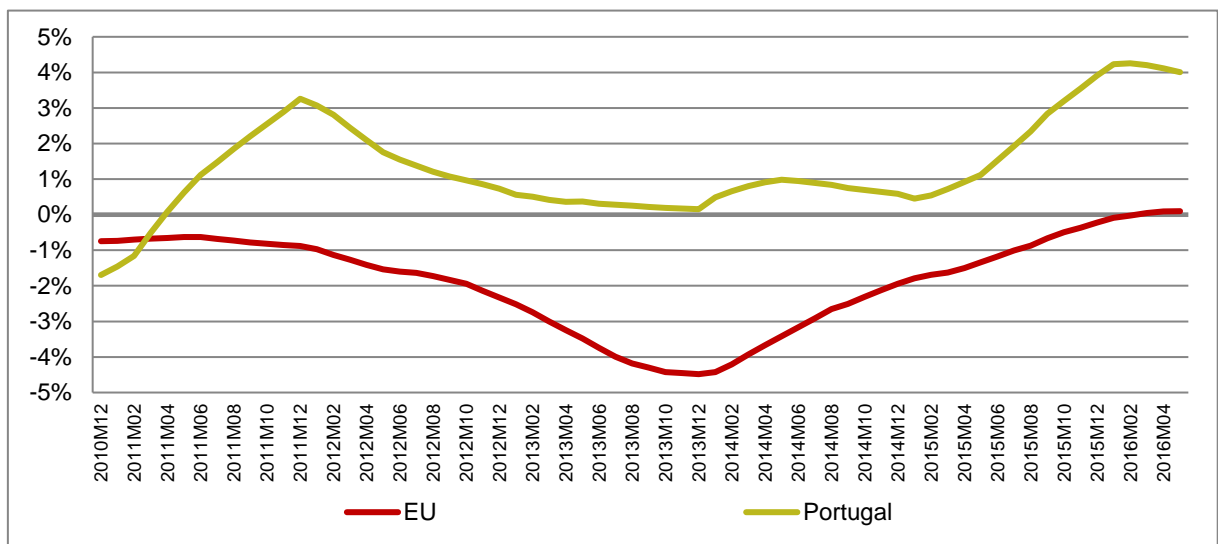
Methodology described at

http://ec.europa.eu/eurostat/statistics-explained/index.php/HICP_methodology

In relation to May 2015, the increase in telecommunications prices¹ in Portugal is the 6th largest in the EU³. Larger increases were reported in Slovenia, Belgium, Finland, Lithuania and France.

Since March 2011, telecommunications prices¹ have risen more in Portugal than in the EU³ (in terms of average annual change). However, the difference has been narrowing since February 2016.

Graph 2 – Average rate of change over previous twelve months - telecommunications prices: Portugal vs EU³



Source: EUROSTAT
Unit: %

Note: From the publication, by EUROSTAT, on 25 February 2016, of data for January 2016, the reference year of the HICP series was changed from 2005 to 2015.

There may be differences in the series due to rounding effects. For more information, see <http://ec.europa.eu/eurostat/documents/272892/272971/HICP+reference+year+2015%3D100/>.

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