
TRENDS IN
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PRICES
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Changes in telecommunications prices¹

Summary

- In February 2018, telecommunications prices¹ increased 0.17% compared to the previous month (+0.03% in February 2017). This increase results from changes in the tariffs for mobile Internet (PC/tablet) by one provider.

On a year-on-year basis, the variation in prices was +0.35%.

On average annual terms, prices increased by 2.07%, 0.81 p.p. over inflation (1.26%). The increase in prices reported was the 14th highest among the 43 products/services considered.

Since January 2014, telecommunications prices¹ have been increasing at average annual rates above the rate of change reported in the CPI.

- In February 2018, in average annual terms, Portugal reported the third highest increase in prices in the EU. On average, telecommunications prices¹ in the EU fell by 0.8%.

Since March 2011, telecommunications prices¹ have risen more in Portugal than in the EU.

¹ "Telephone and telefax services" sub-index of the Consumer Price Index (CPI) and of the Harmonized 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. Analysis of the prices presented in this report should be complemented by an examination of the characteristics of the offers; this information is available in the reports: "Electronic communications bundles", "Fixed telephone service and nomadic VoIP", "Mobile services", "Internet access service" and "Subscription television service", all available on ANACOM's website.

1. Changes in telecommunications prices¹ in February 2018

According to INE², in February 2018, prices increased 0.17% compared to the previous month (+0.03% in February 2017)¹. This increase resulted from changes in the tariffs for mobile Internet (PC/tablet) by one provider.

Compared with the corresponding month of the previous year, and the average in the last 12 months, telecommunications prices¹ increased by 0.35% and by 2.07%, respectively.

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

	February 2018			2017
	Var. Year-on-year change	Var. average 12 months	Var. previous month	Var. average 12 months
CPI	0.58%	1.26%	-0.68%	1.37%
.. Telecommunications ¹	0.35%	2.07%	0.17%	2.35%
Ranking - descending (43 groups)	24	14	12	10

Unit: %

Source: INE

Note: The variation between the average change in the CPI over the previous 12 months and the telecommunications sub-index resulting from the table is different to that mentioned in the text due to rounding.

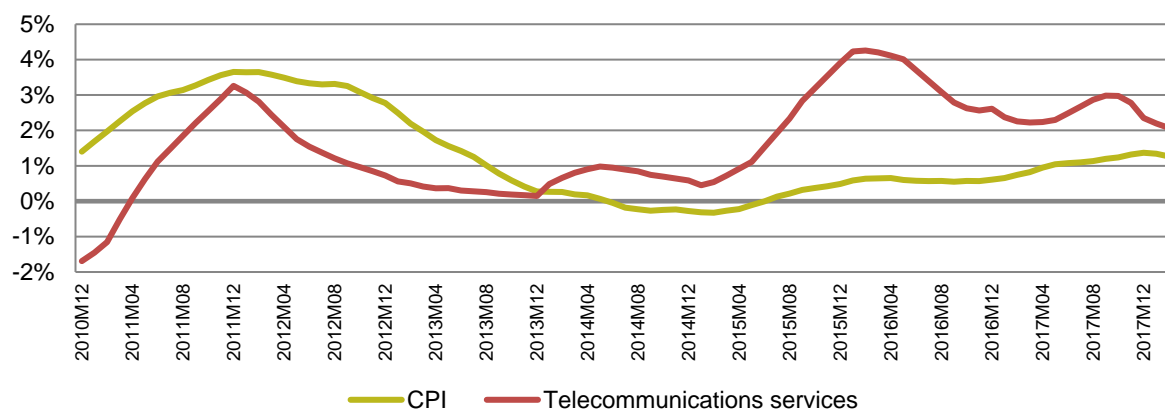
On a year-on-year basis, the variation in prices (+0.35%) was the 24th highest among the sectors of the Portuguese economy. The difference between the CPI was 0.23 p.p.

On average annual terms, the increase in prices reported (2.07%) was the 14th highest among the 43 products/services considered.

Since January 2014, telecommunications prices¹ have been increasing at average annual rates above the rate of change reported in the CPI. In February 2018, the difference between the two rates was reported at 0.81 percentage points (p.p.). the smallest variation since January 2015.

² See "Consumer Price Index – February 2018" (INE, 2018), available at https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaques&DESTAQUESdest_boui=310591229&DESTAQUESmodo=2&xlang=en

Graph 1 - Average 12-month change in CPI and telecommunications prices¹



Unit: %
Source: INE

2. Changes in telecommunication prices¹ in the E.U.³ in February 2018

According to EUROSTAT⁴, in February 2018, the increase in prices in average annual terms reported in Portugal was 2.9 percentage points above the EU average³, with Portugal being the EU country with the third highest increase in prices. The countries with larger increases than Portugal were Latvia and Spain.

On a year-on-year basis, the increase in telecommunications prices¹ in Portugal was the 11th highest among the EU countries.³

³ Information not available for the United Kingdom. Information available for Ireland as from December 2016.

⁴ See HICP- monthly data (EUROSTAT, 2018), available at http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_hicp_midx&lang=en.

The methodology used is described at http://ec.europa.eu/eurostat/statistics-explained/index.php/HICP_methodology

Table 2 – Changes in telecommunications prices¹: Portugal vs EU³

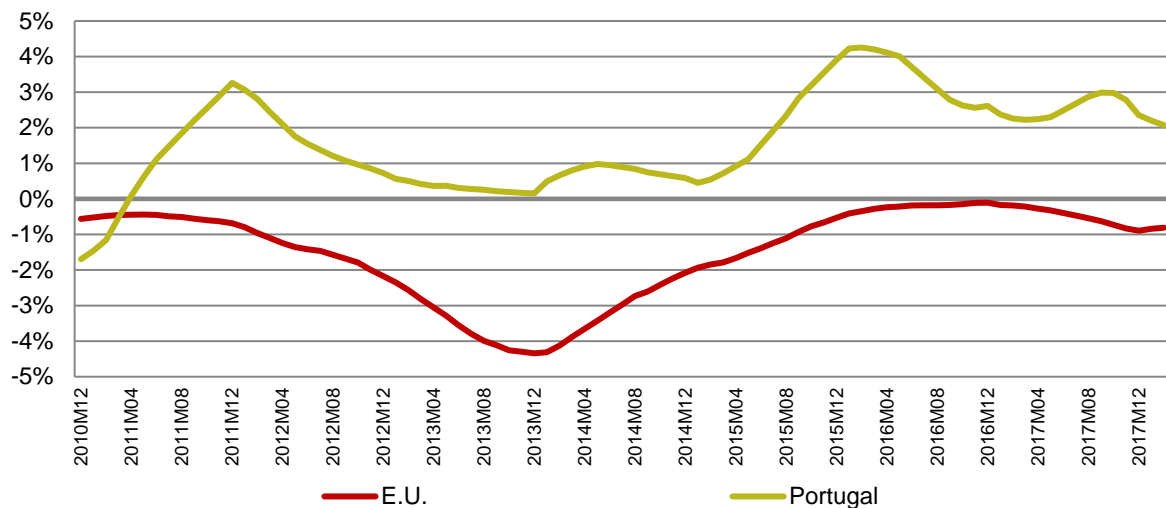
	February 2018			2017
	Var. Year-on-year change	Var. average 12 months	Var. previous month	Var. average 12 months
E.U. ³	-0.2%	-0.8%	0.1%	-0.9%
Portugal	0.3%	2.1%	0.2%	2.4%
Deviation PT / E.U.³	0.5 p.p.	2.9 p.p.	0.0 p.p.	3.2 p.p.
Ranking - descending (26 countries)	11	3	8	2

Unit: %, p.p.
Source: EUROSTAT

Note: Information not available for the United Kingdom. Ireland was also not included in the ranking due to a lack of available information before December 2016.

Since April 2011, telecommunications prices¹ have risen more in Portugal than in the EU³ (in average annual terms).

Graph 2 - Average rate of change over previous 12 months - telecommunications prices: Portugal vs E.U.³



Unit: %
Source: EUROSTAT

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 effects⁵.

⁵ For further information, please go to <http://ec.europa.eu/eurostat/documents/272892/272971/HICP+reference+year+2015%3D100/>.

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