
TRENDS IN TELECOMMUNICATIONS PRICES APRIL 2018

ANACOM



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Changes in telecommunications prices¹

Summary

- In April 2018, telecommunication prices¹ increased by 0.11% over the previous month (they did not change in April 2017). This increase results from changes in the tariffs of mobile Internet (PC/tablet) by one provider.

On a year-on-year basis, the variation in prices was +0.34%.

On average annual terms, prices increased by 1.70%, 0.63 p.p. above inflation (1.07%). The price increase verified was the 18th 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 April 2018, in average annual terms, Portugal was the third country in the EU with the highest price increase. On average, telecommunications prices¹ in the EU fell by 0.7%.

Since April 2011, telecommunication prices¹ have grown more in Portugal than in the E.U.

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 service bundle. 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 services 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 April 2018

According to the INE², in April 2018 prices increased by 0.11% in relation to the previous month (they did not change in April 2017)¹. This increase results from changes in the tariffs of 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 0.34% and by 1.70%, respectively.

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

	April 2018			2017
	Var. Year-on-year change	Var. average 12 months	Var. previous month	Var. average 12 months
CPI	0.40%	1.07%	0.66%	1.37%
..Telecommunications ¹	0.34%	1.70%	0.11%	2.35%
Ranking in descending order (43 groups)	24	18	21	10

Unit: %

Source: INE

Note: The deviation between the year-on-year change in the CPI and the telecommunications sub-index resulting from the table is different from that mentioned in the text due to rounding

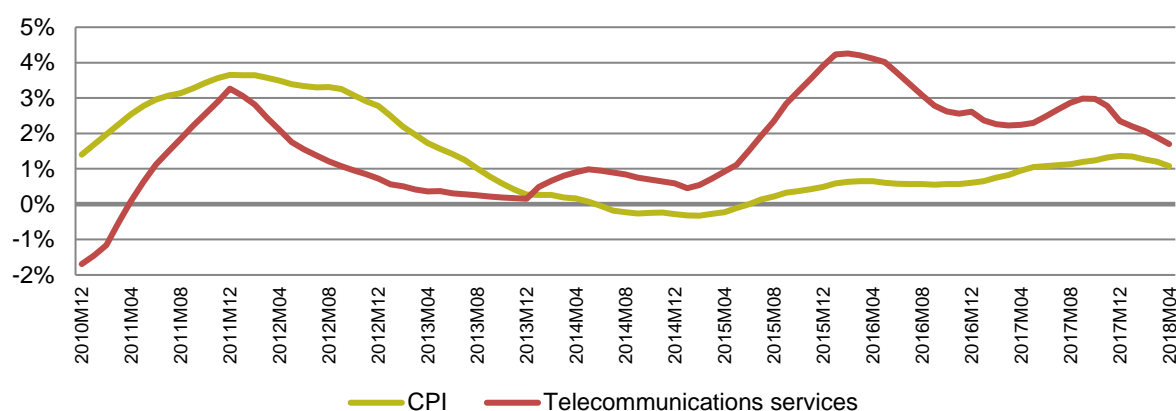
On a year-on-year basis, the variation in prices (+0.34%) was the 24th highest among the sectors of the Portuguese economy. The difference between the CPI was -0.05 p.p.

In average annual terms, the observed price increase (1.70%) was the 18th 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 April 2018, the differential between the two rates reached 0.63 percentage points (p.p.), the lowest deviation since March 2014.

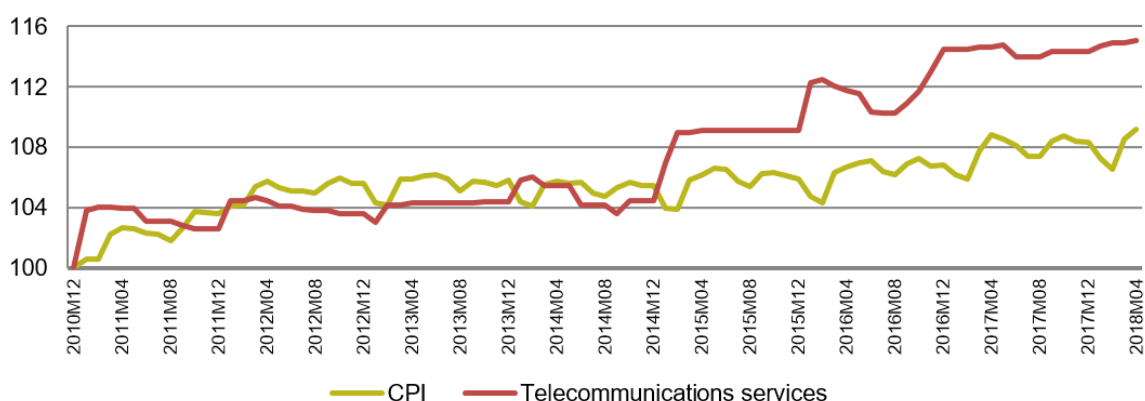
² See "Consumer Price Index – April 2018" (INE, 2018), available at https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaque&DESTAQUESdest_boui=315399833&DESTAQUESmodo=2

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



Unit: %
Source: INE

Graph 2 - Average in CPI and in Portugal telecommunications prices (2010M12 = Base 100)



Unit: Index (2010M12 = Base 100)
Source: ANACOM, based on data from INE.

2. Trends in telecommunication prices¹ in the E.U.³ in April 2018

According to EUROSTAT⁴, in April 2018, the price increase in Portugal was 2.4 p.p. higher than the E.U.³ average in annual average terms, Portugal being the country with the third

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

highest price increase. The countries with larger increases than Portugal were Latvia and Spain.

Compared to the same month, the increase in telecommunications prices¹ in Portugal was the 8th highest among E.U. countries³.

Table 2 – Trends in telecommunications prices¹: Portugal vs EU³

		April 2018		2017
	Var. Year-on-year change	Var. average 12 months	Var. previous month	Var. average 12 months
E.U. ³	-0.1%	-0.7%	0.1%	-0.9%
Portugal	0.4%	1.7%	0.1%	2.4%
Deviations PT / E.U. ³	0.4 p.p.	2.4 p.p.	0.0 p.p.	3.2 p.p.
Ranking in descending order (26 countries)	8	3	7	2

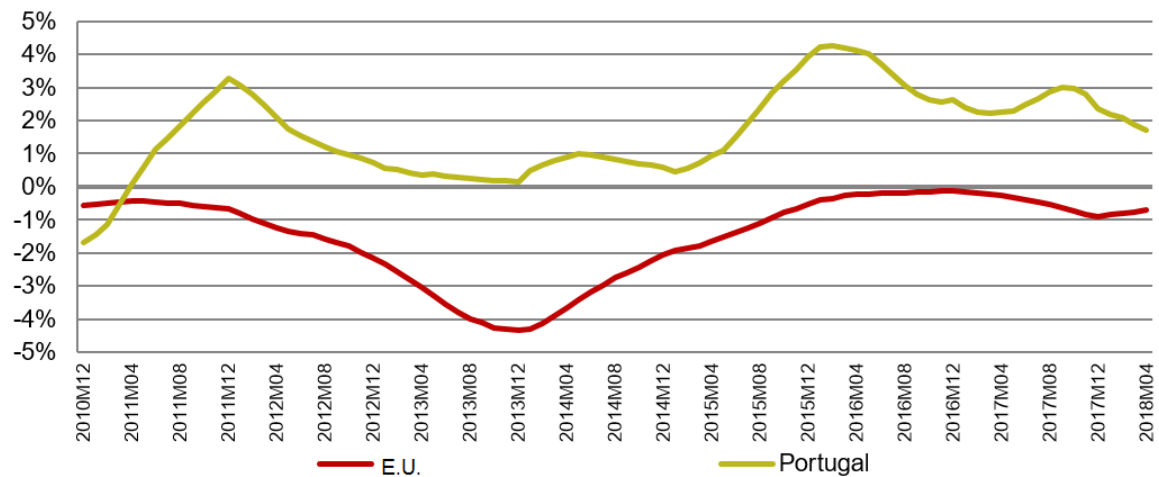
Unit: %, p.p.

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 E.U.³ (in average annual terms).

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

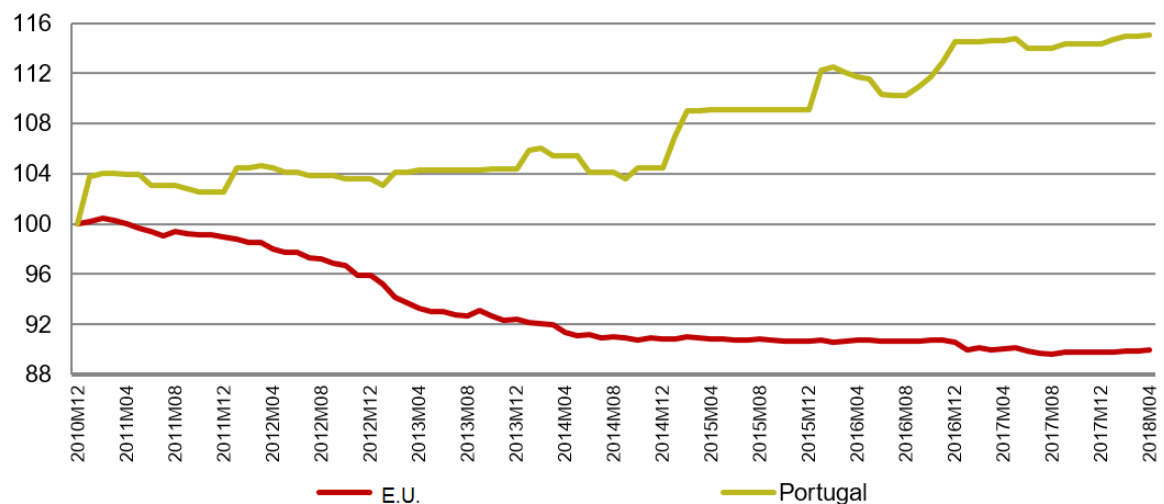


Unit: %

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.

Graph 4 – Trends in telecommunication prices in Portugal and E.U. ³ (2010M12 = Base 100)



Unit: Index (2010M12 = Base 100)

Source: ANACOM, based on data from INE.

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

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