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# TRENDS IN TELECOMMUNICATIONS PRICES MAR '18

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ANACOM



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# Changes in telecommunications prices<sup>1</sup>

## Summary

- In March 2018, telecommunications prices<sup>1</sup> did not undergo any alteration compared to the previous month (+0.11% in March 2017).

On a year-on-year basis, the variation in prices was +0.24%.

On average annual terms, prices increased by 1.89%, 0.69 p.p. over inflation (1.21%). The increase in prices reported was the 16th highest among the 43 products/services considered.

Since January 2014, telecommunications prices<sup>1</sup> have been increasing at average annual rates above the rate of change reported in the CPI.

- In March 2018, in average annual terms, Portugal reported the third highest increase in prices in the EU. On average, telecommunications prices<sup>1</sup> in the EU fell by 0.8%.

Since March 2011, telecommunications prices<sup>1</sup> have risen more in Portugal than in the EU.

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<sup>1</sup> "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 prices<sup>1</sup> in March 2018

According to INE<sup>2</sup>, in March 2018, prices did not undergo any alteration compared to the previous month (+0.11% in March 2017)<sup>1</sup>. Compared with the corresponding month of the previous year, and the average in the last 12 months, telecommunications prices<sup>1</sup> increased by 0.24% and by 1.89%, respectively.

**Table 1 - Change in Consumer Price Index (CPI) and in telecommunications prices<sup>1</sup>**

	March 2018			2017
	Var. Year-on-year	Var. average 12 months	Var. previous month	Var. average 12 months
<b>CPI</b>	0.69%	1.21%	1.86%	1.37%
Telecommunications <sup>1</sup>	0.24%	1.89%	0.00%	2.35%
<b>Ranking in descending order (43 groups)</b>	<b>28</b>	<b>16</b>	<b>23</b>	<b>10</b>

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.

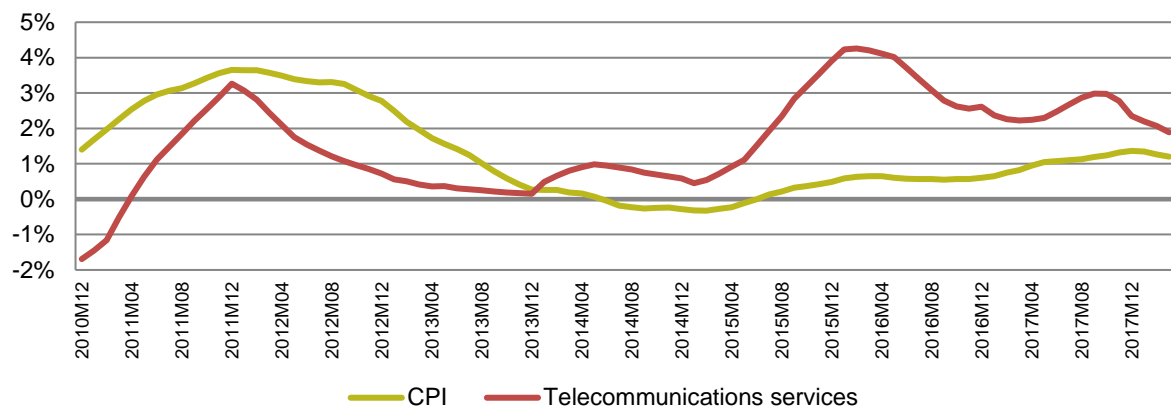
On a year-on-year basis, the variation in prices (+0.24%) was the 28th highest among the sectors of the Portuguese economy. The difference between the CPI was -0.45 p.p.

On average annual terms, the increase in prices reported (1.89%) was the 16th highest among 43 products/services considered.

Since January 2014, telecommunications prices<sup>1</sup> have been increasing at average annual rates above the rate of change reported in the CPI. In March 2018, the difference between the two rates was reported at 0.69 percentage points (p.p.). the smallest variation since March 2014.

<sup>2</sup> See "Consumer Price Index – March 2018" (INE, 2018), available at [https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine\\_destaques&DESTAQUESdest\\_boui=313637321&DESTAQUESmodo=2](https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaques&DESTAQUESdest_boui=313637321&DESTAQUESmodo=2)

**Graph 1 -Average 12-month change in CPI and telecommunications prices<sup>1</sup>**



Unit: %  
Source: INE

## 2. Changes in telecommunication prices<sup>1</sup> in the EU<sup>3</sup> in March 2018

According to EUROSTAT<sup>4</sup>, in March 2018, the increase in prices in average annual terms reported in Portugal was 2.7 percentage points above the EU average<sup>3</sup>, 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 prices<sup>1</sup> in Portugal was the 10th highest among the EU countries.<sup>3</sup>

<sup>3</sup> Information not available for the United Kingdom. Information available for Ireland as of December 2016.

<sup>4</sup> See HICP- monthly data (EUROSTAT, 2018), available at [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc\\_hicp\\_midx&lang=en](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](http://ec.europa.eu/eurostat/statistics-explained/index.php/HICP_methodology)

**Table 2 – Changes in telecommunications prices<sup>1</sup>: Portugal vs EU<sup>3</sup>**

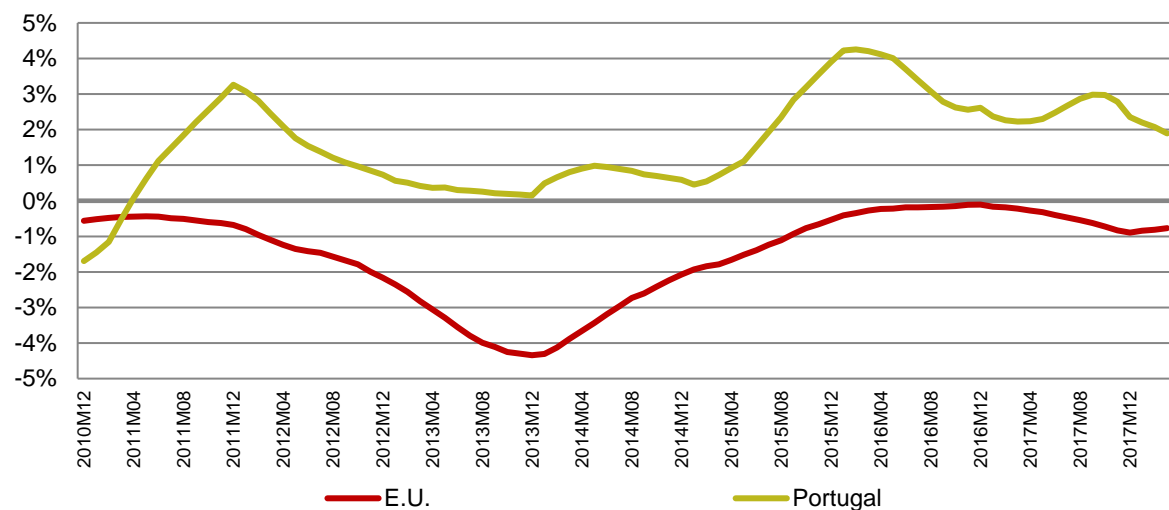
	March 2018			2017
	Var. Year-on-year	Var. average 12 months	Var. previous month	Var. average 12 months
EU <sup>3</sup>	-0.1%	-0.8%	-0.04%	-0.9%
Portugal	0.2%	1.9%	0.0%	2.4%
<b>Deviation PT / EU<sup>3</sup></b>	<b>0.4 p.p.</b>	<b>2.7 p.p.</b>	<b>0.04 p.p.</b>	<b>3.2 p.p.</b>
<b>Ranking in descending order (26 countries)</b>	<b>10</b>	<b>3</b>	<b>9</b>	<b>2</b>

Unit: %, pp  
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 prices<sup>1</sup> have risen more in Portugal than in the EU<sup>3</sup> (in average annual terms).

**Graph 2 - Average rate of change over previous 12 months - telecommunications prices: Portugal vs EU<sup>3</sup>**



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 effects<sup>5</sup>.

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

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