
TRENDS IN
TELECOMMUNICATIONS
PRICES
AUG '17

ANACOM



AUTORIDADE
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DE COMUNICAÇÕES

Trends in telecommunications prices¹

Summary

- In August 2017, telecommunications prices in Portugal¹ were unchanged from the previous month (no change in August 2016).

In year-on-year terms, the increase in prices (3.40%) was the 11th highest among the sectors of the Portuguese economy.

On average annual terms, prices increased by 2.87%, 1.73 percentage points over inflation (1.13%). The increase in prices was the 9th 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 CPI.

- On average annual terms, Portugal was the EU country with the fourth highest increase in prices in August 2017. On average, telecommunications prices¹ in the EU fell by 0.54%.

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

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. 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. Trends in telecommunications prices¹ - August 2017

According to INE (Statistics Portugal)², in August 2017, telecommunications prices in Portugal were unchanged from the previous month (unchanged in August 2016)¹.

Versus August 2016, telecommunications prices¹ increased by 3.40%, while increasing by 2.87% on average over the last twelve months

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

	August 2017			2016 Average change 12 months
	Year-on-Year change	Average change 12 months	Change versus prior month	
CPI	1.14%	1.13%	0.01%	0.61%
.. Telecommunications ¹	3.40%	2.87%	0.00%	2.61%
Ranking in descending order (43 groups)	11	9	22	7

Source: INE (Statistics Portugal)

Unit: %

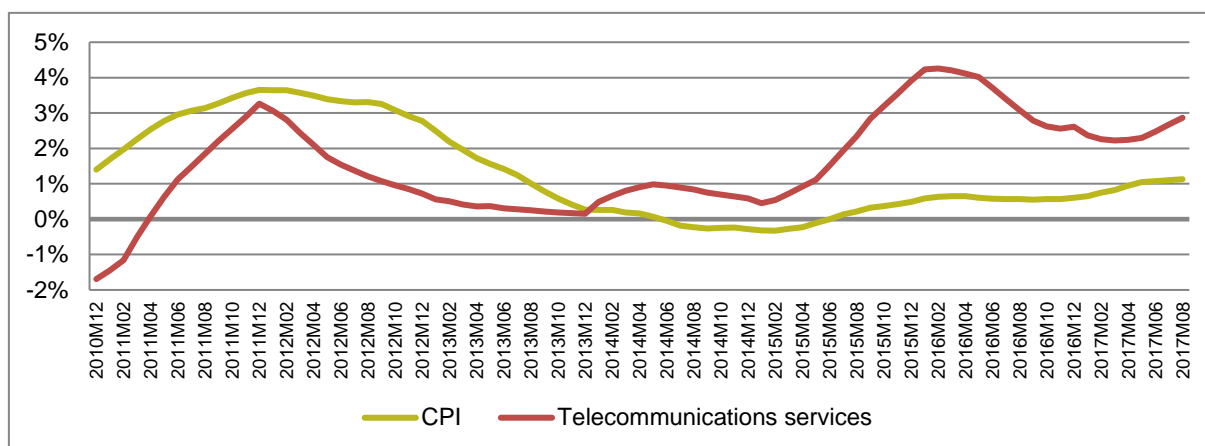
On a year-on-year basis, the increase in prices (3.40%) was the 11th highest among the sectors of the Portuguese economy. The difference between this increase and the change in CPI was reported at 2.27 percentage points

On average terms, the annual increase in prices reported (2.87%) was the 9th 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. In August 2017, the difference between the two rates was reported at 1.73 percentage points

² See "Consumer Price Index – August 2017" (INE, 2017), available at https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaquas&DESTAQUESdest_boui=281092486&DESTAQUESmodo=2

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



Source: INE (Statistics Portugal)
Unit: %

2. Trends in telecommunications prices¹ in the EU³ - August 2017

According to EUROSTAT⁴, in August 2017, the increase in prices in average annual terms reported in Portugal was 3.41 percentage points above the EU average³. On average annual terms, Portugal was the EU country with the fourth highest increase in prices. The countries with larger increases than in Portugal were Latvia, Belgium and Finland.

Compared to July 2016, the variation in telecommunications prices¹ in Portugal was the second highest among the EU^{3,5}

³ Information for the United Kingdom not available. Information available for Malta and the Netherlands from December 2015. Information available for Ireland from December 2016.

⁴ See HICP - monthly data (EUROSTAT, 2017), 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

⁵ The country reporting a higher year-on-year increases was Latvia.

Table 2 – Changes in telecommunications prices¹: Portugal vs EU³

	August 2017			2016
	Year-on-Year change	Average change 12 months	Change versus prior month	Average change 12 months
EU ³	-1.11%	-0.54%	-0.07%	-0.11%
Portugal	3.41%	2.87%	0.00%	2.61%
PT / EU difference³	4.52 p.p.	3.41 p.p.	0.07 p.p.	2.72 p.p.
<i>Ranking in descending order (24 countries)</i>	2	4	8	5

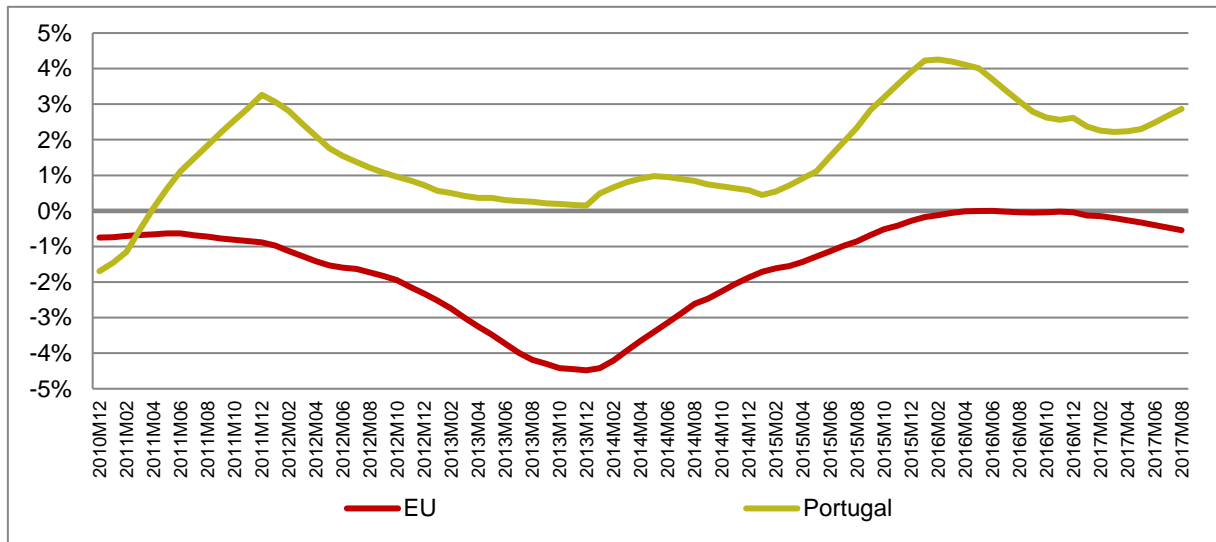
Source: EUROSTAT

Unit: %, p.p

Note: Information unavailable for the United Kingdom, Malta, Ireland and the Netherlands; also not included in the ranking due to a lack of information available prior to December 2015.

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

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 further information see <http://ec.europa.eu/eurostat/documents/272892/272971/HICP+reference+year+2015%3D100/>.

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