
TRENDS IN
TELECOMMUNICATIONS
PRICES
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Trends in telecommunications prices¹

Summary

- In December 2015, telecommunications prices in Portugal¹ remained in line with the levels of the previous month.

In year-on-year terms, the increase in prices (4.41 percent) was the 5th highest among the sectors of the Portuguese economy. This increase in prices results from variations occurring in January and February 2015.

On average annual terms, prices increased by 3.90 percent, 3.42 percentage points over inflation (0.49 percent). This increase over CPI is the largest reported since at least 2010. The increase in prices was the 6th 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 December 2015. On average, telecommunications prices¹ in the EU have been falling (-0.22 percent).

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.

1. Trends in telecommunications prices - December 2015

According to INE (Statistics Portugal)², in December 2015, telecommunications prices in Portugal remained unchanged from the previous month and increased 4.41 percent versus December 2014. Telecommunications prices have increased by 3.90 percent on average over the last twelve months.

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

	December 2015			2014 Average change 12 months
	Year-on-Year change	Average change 12 months	Change versus prior month	
IPC	0.40%	0.49%	-0.26%	-0.28%
.. Telecommunications ¹	4.41%	3.90%	0.00%	0.59%
Ranking in descending order (43 groups)	5	6	16	16

Source: INE (Statistics Portugal)

Unit: %

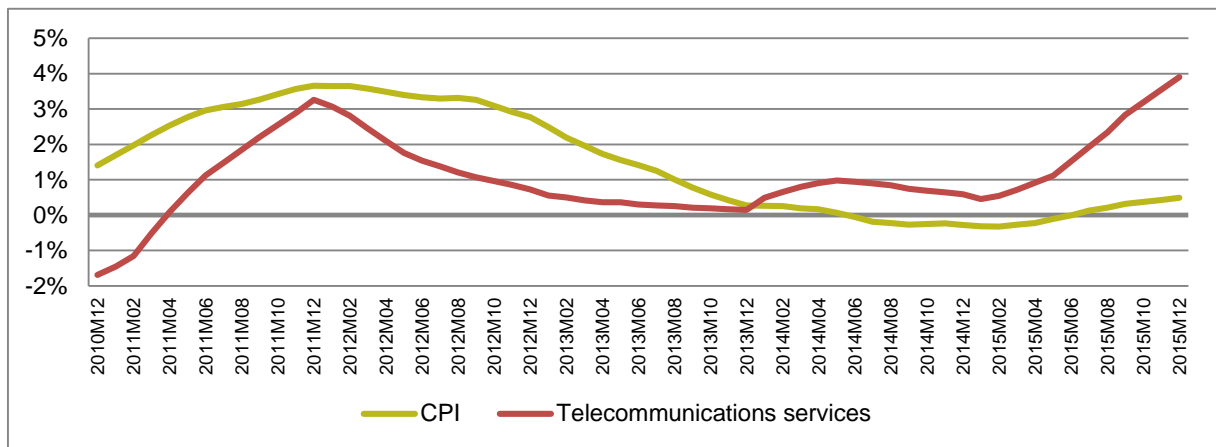
On a year-on-year basis, the increase in prices (4.41 percent) was the 5th highest among the sectors of the Portuguese economy. The difference between this increase and the change in CPI was reported at 4.01 percentage points.

In average terms, the annual increase in prices reported (3.90 percent) was the 6th highest among 43 products/service considered. This is the largest change reported since at least 2010.

Since January 2014, telecommunications prices¹ have been increasing at average annual rates above the rate of change reported in CPI. In December 2015, the difference between the two rates was reported at 3.42 percentage points - the widest since at least 2010.

² See "Consumer Price Index" – December 2015" (INE, 2015), available at [INE](#)

Graph 1 - Monthly change in CPI and telecommunications prices¹



Source: INE (Statistics Portugal)

Unit: %

2. Trends in telecommunications prices¹ in the European Union – December 2015

According to EUROSTAT ³, in December 2015, the increase in prices in average annual terms reported in Portugal was 4.13 percentage points above the EU average. On average annual terms, Portugal was the EU country with the highest increase in prices⁴.

³ See HICP- monthly data (EUROSTAT, 2015), available at [Eurostat](#).

Methodology described at [HICP methodology](#)

⁴ Besides Portugal, prices have increased in the following countries: Poland, Estonia, Latvia, Slovenia, Croatia, Austria, Cyprus, Hungary, France, Lithuania Italy, Romania and Greece.

Table 2 – Change in telecommunications prices: Portugal vs. EU

	December 2015			2014
	Year-on-Year change	Average change 12 months	Change versus prior month	Average change 12 months
EU	0.16%	-0.22%	0.02%	-1.94%
Portugal	4.41%	3.91%	0.00%	0.58%
PT / EU difference	4.25 p.p	4.13 p.p	-0.02 p.p	2.53 p.p
Ranking in descending order (23 countries)	2	1	7	6

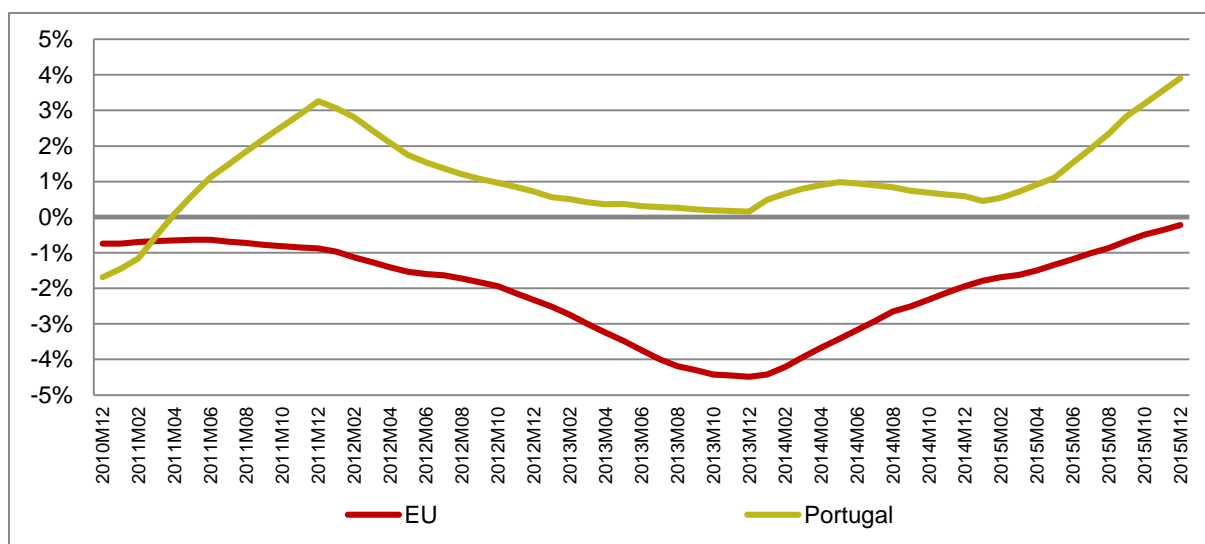
Source: EUROSTAT
Unit: %, p.p

Note: Information for Ireland, Malta, Netherlands, Sweden and United Kingdom not available.

In relation to December 2014, the increase in telecommunications prices¹ in Portugal is the 2nd largest in the EU⁵. The largest increase was reported in Slovenia.

Since March 2011, telecommunications prices have risen more in Portugal than in the EU (in terms of average annual change).

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



Source: EUROSTAT
Unit: %

⁵ Information for Ireland, Malta, Netherlands, Sweden and United Kingdom not available. Information for Estonia available from 2011.

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