
TRENDS IN
TELECOMMUNICATIONS
PRICES
OCT '15

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Trends in telecommunications prices¹

Summary

- In October 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 6th 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 3.19 percent, 2.82 percentage points over inflation (0.37 percent). This increase over CPI is the largest reported since at least 2010. The increase in prices was the 5th 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 2nd highest increase in prices. This increase in prices results from variations occurring in January and February 2015.

Poland was the only country to report an increase that was higher than in Portugal. On average, telecommunications prices¹ in the EU have been falling (-0.49 percent).

Since March 2011, telecommunications prices 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 in October 2015

According to INE (Statistics Portugal)², in October 2015, telecommunications prices in Portugal remained unchanged from the previous month and increased 4.41 percent versus October 2014. Telecommunications prices¹ have increased by 3.19 percent on average over the last twelve months.

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

	October de 2015			2014 Average change 12 months
	Year-on-Year change	Average change 12 months	Change versus prior month	
CPI	0.63%	0.37%	0.09%	-0.28%
.. Telecommunications	4.41%	3.19%	0.00%	0.59%
Ranking in descending order (43 groups)	6	5	30	16

Source: INE (Statistics Portugal)

Unit: %

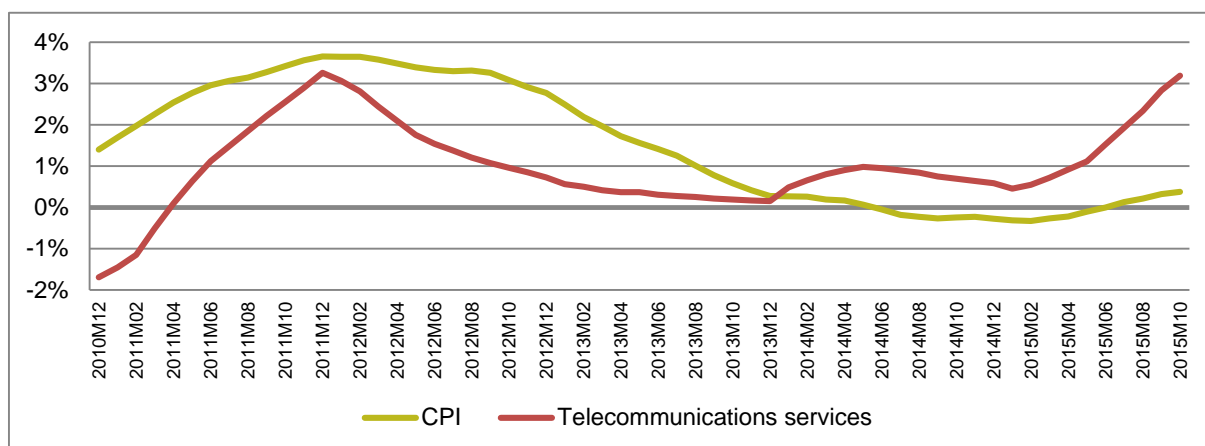
On a year-on-year basis, the increase in prices (4.41 percent) was the 6th highest among the sectors of the Portuguese economy. The difference between this increase and the change in CPI was reported at 3.77 percentage points.

In average terms, the annual increase in prices reported (3.19 percent) was the 5th 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 October 2015, the difference between the two rates was reported at 2.82 percentage points - the widest since at least 2010.

² See "Consumer Price Index" – October 2015" (INE, 2015), available at https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaquas&DESTAQUESdest_boui=224666437&DESTAQUESmodo=2

Graph 1 - Monthly change in CPI and telecommunications prices¹



Source: INE (Statistics Portugal)
Unit: %

2. Trends in EU telecommunications prices¹ October 2015

According to EUROSTAT³, in October 2015, the increase in prices in average annual terms reported in Portugal was 3.68 percentage points above the EU average. On average annual terms, Portugal was the EU country with the 2nd highest increase in prices. Poland was the only country to report an increase that was higher than in Portugal⁴.

Table 2 – Change in telecommunications prices¹: Portugal vs. EU

	Year-on-Year change	October 2015		2014
		Average change 12 months	Change versus prior month	Average change 12 months
EU	0.23%	-0.49%	-0.13%	-1.94%
Portugal	4.41%	3.19%	0.00%	0.58%
PT / EU difference	4.18 p.p	3.68 p.p	0.13 p.p	2.53 p.p
Ranking in descending order (23 countries)	1	2	7	6

Source: EUROSTAT
Unit: %, p.p.

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

³ See HICP- monthly data (EUROSTAT, 2015), available at http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_hicp_midx&lang=en.

Methodology described at

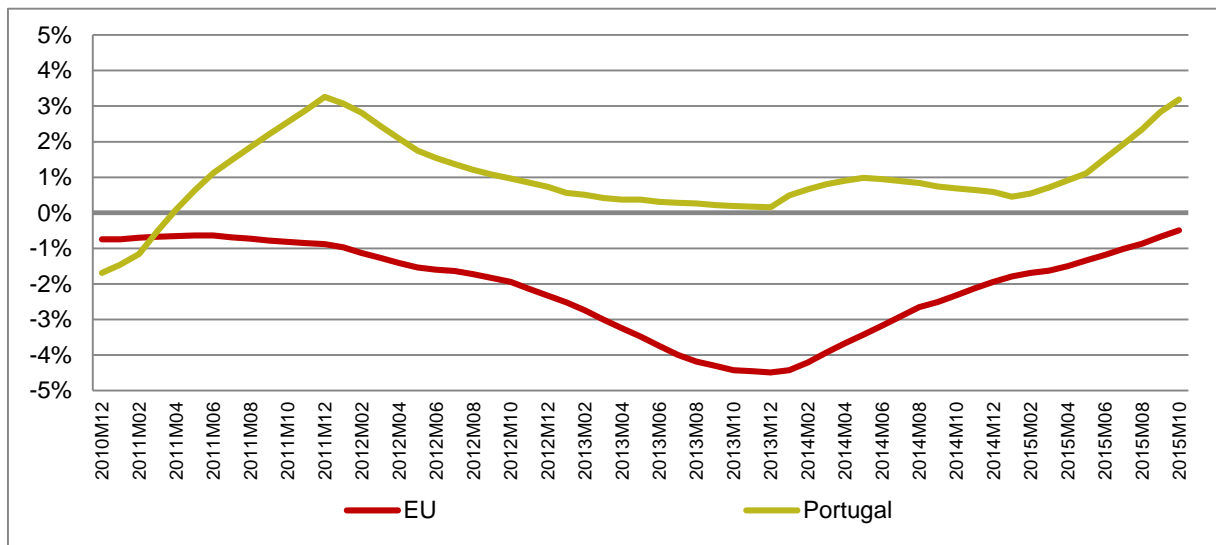
http://ec.europa.eu/eurostat/statistics-explained/index.php/HICP_methodology

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

In relation to October 2014, the increase in telecommunications prices¹ in Portugal is the largest in the EU⁵.

Since March 2011, telecommunications prices¹ 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 vs. EU



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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