
TRENDS IN
TELECOMMUNICATIONS
PRICES
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ANACOM



AUTORIDADE
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Trends in telecommunications prices¹

Summary

- In February 2017, telecommunications prices in Portugal¹ increased by 0.03 % versus the previous month (+0.21 % in February 2016). The increase resulted from a rise in the price of international calls implemented in a provider's mobile telephone service prepaid tariff scheme.

In year-on-year terms, the price increase (1.82 %) was the 14th highest in the Portuguese economy.

In terms of annual averages, the increase was 2.26 %, 1.51 percentage points (p.p.) above inflation (0.75 %). The increase in prices was the 8th highest of the 43 products/services considered.

Since January 2014, telecommunications prices¹ have been increasing at average annual rates above the change in the CPI.

- In February 2017, in average annual terms, Portugal reported the sixth highest increase in prices in the EU. On average, telecommunications prices¹ in the EU fell by 0.15 %.

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

¹ "Telephone 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. The price analysis presented here should be taken alongside an assessment of the supply characteristics – see information available in the reports "Bundled electronic communications services", "Telephone service at a fixed location and nomadic VoIP", "Mobile services", "Internet access service" and "Subscription television service", all available on ANACOM's website.

1. Trends in telecommunications prices¹ in February 2017

According to INE (Statistics Portugal)², in February 2017, telecommunications prices rose 0.03 % over the previous month (+0.21 % in February 2016)¹. The increase resulted from a rise in the international calls price in one provider's mobile telephone service prepaid tariff scheme.

Compared with February 2016, telecommunications prices¹ increased 1.82 % and by an average of 2.26 % over the last twelve months.

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

	February 2017			2016
	Year-on-Year change	Average change 12 months	Change over prior month	Average change 12 months
CPI	1.55 %	0.75 %	-0.23 %	0.61 %
..Telecommunications ¹	1.82 %	2.26 %	0.03 %	2.61 %
Ranking in descending order (43 groups)	14	8	18	7

Source: INE (Statistics Portugal)

Unit: %

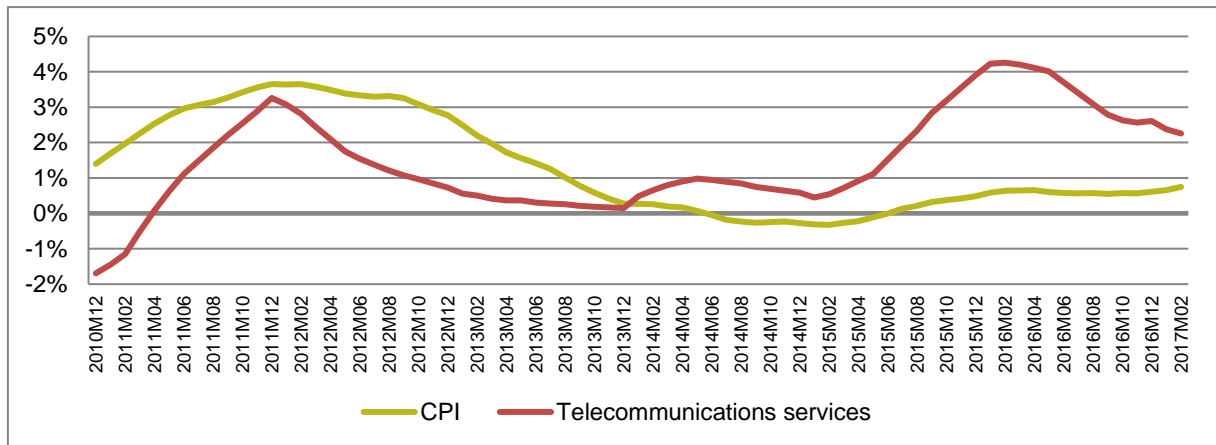
On a year-on-year basis, the increase in prices (1.82 %) was the 14th highest in the Portuguese economy. The difference between this and the deviation relative to the CPI was 0.26 percentage points (p.p.).

On average, the annual increase in prices reported (2.26 %) was the 8th highest of the 43 products/services considered.

Since January 2014, telecommunications prices¹ have been increasing at average annual rates higher than the change in the CPI. In February 2017, the difference between the two rates reached 1.51 percentage points (p.p.), the smallest difference since May 2015.

² See "Consumer Price Index – February 2017 (INE – Statistics Portugal, 2017), at https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaquas&DESTAQUESdest_boui=277696257&DESTAQUESmodo=2

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



Source: INE (Statistics Portugal)
Unit: %

2. Trends in telecommunications¹ in the EU³ in February 2017

According to EUROSTAT⁴, in February 2017 the average annual increase in prices reported for Portugal was 2.41 p.p above the EU average³. Portugal reported the sixth highest increase in prices in the EU. The countries with larger increases were Belgium, Slovenia, Finland, Latvia and Spain.

In relation to February 2016, the change in telecommunications prices¹ in Portugal is the 7th largest within the EU.^{3,5}

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

⁴ See HICP - monthly data (EUROSTAT, 2017), at http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_hicp_midx&lang=en.

Information on the methodology at

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

⁵ Larger increases were reported for Latvia, Belgium, Slovenia, Greece, Finland, and Spain.

Table 2 - Change in telecommunications prices¹: Portugal vs EU³

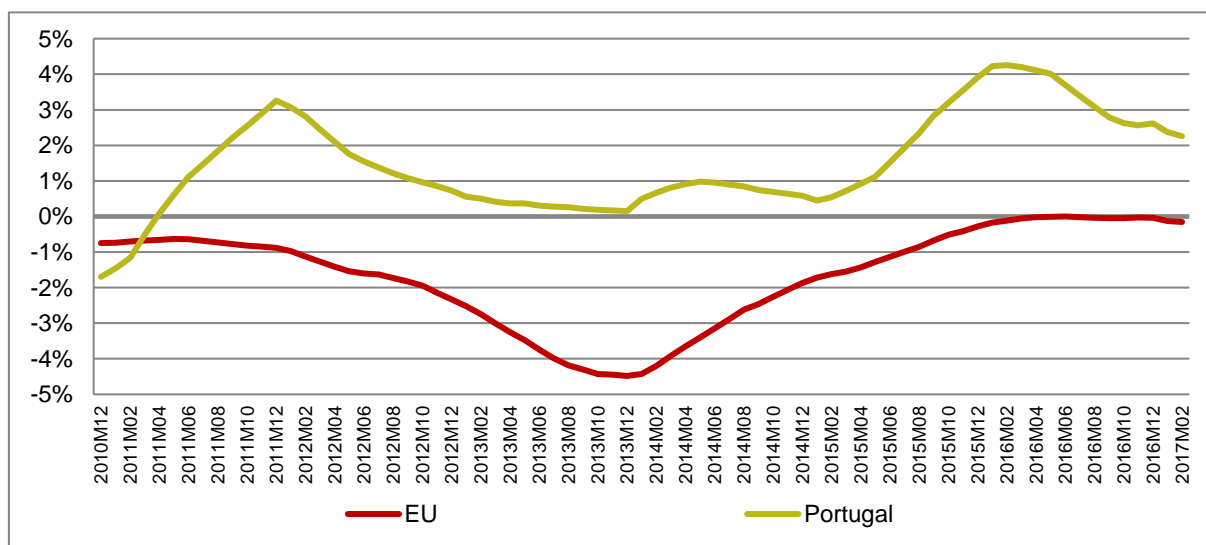
	February 2017			2016
	Year-on-Year change	Average change 12 months	Change over prior month	Average change 12 months
UE ³	-0.54 %	-0.15 %	0.15 %	-0.05 %
Portugal	1.82 %	2.26 %	0.03 %	2.61 %
Deviation PT / EU³	2.36 p.p	2.41 p.p	-0.12 p.p	2.66 p.p
Ranking in descending order (24 countries)	7	6	9	5

SOURCE: EUROSTAT
Unit: %, p.p

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

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

Graph 2 – Average rate of change over last 12 months - telecommunications prices: Portugal vs EU³



Source: EUROSTAT
Unite: %

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

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