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TRENDS IN  
TELECOMMUNICATIONS  
PRICES  
MAY '17

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ANACOM



AUTORIDADE  
NACIONAL  
DE COMUNICAÇÕES

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

## Summary

- In May 2017, telecommunications prices<sup>1</sup> increased 0.14% compared to the previous month (in May 2016 there was no change). This increase results from changes in two tariffs of mobile Internet via PC/tablet by one provider.

On a year-on-year basis, the increase in prices (2.94%) was the 10th highest among the sectors of the Portuguese economy.

On average annual terms, prices increased by 2.30%, 1.25 percentage points over inflation (1.04%). The increase in prices reported was the 10th 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 May 2017, in average annual terms, Portugal reported the sixth highest increase in prices in the EU. On average, telecommunications prices<sup>1</sup> in the EU fell by 0.33%.

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 May 2017

According to INE<sup>2</sup>, in May 2017, telecommunications prices increased 0.14% compared to the previous month (in May 2016 there was no change)<sup>1</sup>. This increase results from changes in two tariffs for mobile Internet via PC/tablet by one provider.

Compared with the corresponding month of the previous year, and the average in the last 12 months, telecommunications prices<sup>1</sup> increased by 2.94% and by 2.30%, respectively.

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

	May 2017			2016 Var. average 12 months
	Var. Year-on- year	Var. average 12 months	Var. previous month	
<b>CPI</b>	1.45%	1.04%	-0.24%	0.61%
.. Telecommunications <sup>1</sup>	2.94%	2.30%	0.14%	2.61%
<b>Ranking in descending order (43 groups)</b>	<b>10</b>	<b>10</b>	<b>22</b>	<b>7</b>

Source: INE

Unit: %

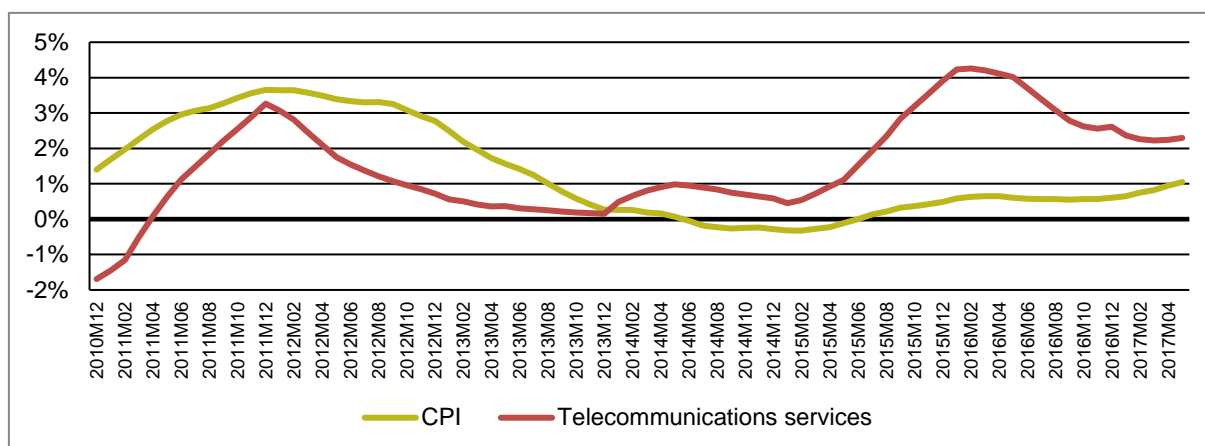
On a year-on-year basis, the increase in prices (2.94%) was the 10th highest among the sectors of the Portuguese economy. The difference between the CPI was 1.49 percentage points (p.p.).

On average annual terms, the increase in prices reported (2.30%) was the 10th 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 May 2017, the difference between the two rates was reported at 1.25 percentage points, the narrowest since May 2015.

<sup>2</sup> See “Consumer Price Index – May 2017” (INE, 2017), available at [https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine\\_destaquas&DESTAQUESdest\\_boui=281092420&DESTAQUESmodo=2](https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaquas&DESTAQUESdest_boui=281092420&DESTAQUESmodo=2)

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



Source: INE  
Unit: %

## 2. Changes in telecommunication prices<sup>1</sup> in the UE.<sup>3</sup> in May 2017

According to EUROSTAT<sup>4</sup>, in May 2017, the increase in prices in average annual terms reported in Portugal was 2.63 percentage points above the EU average<sup>3</sup>, with Portugal the EU country with the sixth highest increase in prices. The countries with larger increases than in Portugal were Belgium, Finland, Latvia, Slovenia and Spain.

On a year-on-year basis, the variation in telecommunications prices<sup>1</sup> in Portugal was the second highest among the EU countries.<sup>3,5</sup>

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

<sup>4</sup> See HICP- monthly data (EUROSTAT, 2017), 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)

<sup>5</sup> The country reporting highest year-on-year increases was Latvia.

## 2 –Changes in telecommunications prices<sup>1</sup> Portugal vs EU<sup>3</sup>

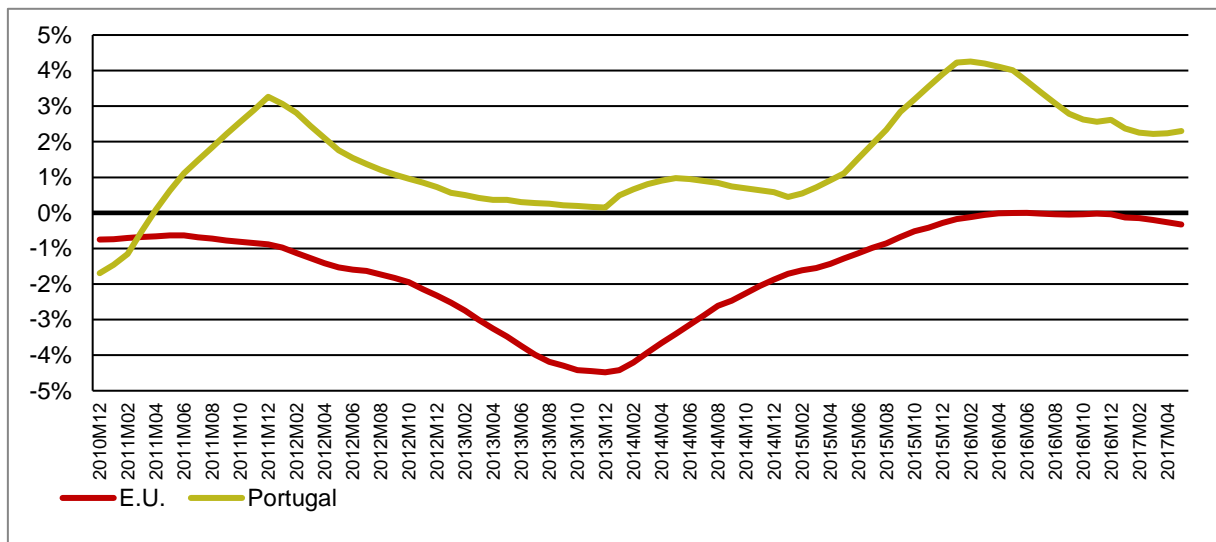
	Var. Year-on-year	May 2017 Var. average 12 months	Var. previous month	2016 Var. average 12 months
EU <sup>3</sup>	-0.70%	-0.33%	0.07%	-0.05%
Portugal	2.94%	2.30%	0.14%	2.61%
<b>Deviation PT / E.U.<sup>3</sup></b>	<b>3.64 p.p.</b>	<b>2.63 p.p.</b>	<b>0.07 p.p.</b>	<b>2.66 p.p.</b>
<b>Ranking in descending order (24 countries)</b>	<b>2</b>	<b>6</b>	<b>7</b>	<b>5</b>

Source: EUROSTAT  
Unit: %, pp

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

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 twelve months - telecommunications prices: Portugal vs EU<sup>3</sup>**



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