
TRENDS IN
TELECOMMUNICATIONS
PRICES
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Trends in telecommunications prices

Summary

- In February 2015, telecommunications prices¹ increased by 1.9 percent versus the previous month.

In year-on-year terms, the increase in prices (2.83 percent) was the 6th highest among the sectors of the Portuguese economy and the largest reported since June 2011. The increase over CPI (3.03 percent) was the largest reported since at least 2010.

On average annual terms, prices increased by 0.54 percent, 0.87 percentage points over inflation (-0.33 percent). The increase in prices was the 17th highest among the 43 products/services considered (16th highest in February 2014). The sectors where prices increased more than in the telecommunications sector were mostly sectors of non-transactional goods, regulated prices or subject to specific control.

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

- The increase in prices reported in Portugal in February 2015 was the 2nd highest in the European Union in year-on-year terms - 3.74 percentage points higher than the EU average.

On average annual terms, Portugal was the EU country with the 6th highest increase in prices. Only 5 countries reported increases that were higher than in Portugal: Austria, Finland, Cyprus, Poland and Hungary. On average, telecommunications prices¹ in the EU have been falling (-1.69 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 - February 2015

According to INE (Statistics Portugal)², in February 2015, telecommunications prices in Portugal rose in real terms, increasing 1.90 percent over the previous month, by 2.83 percent versus February 2014 and by 0.54 percent on average over the last twelve months.

In recent years, telecommunications prices have been increasing in nominal and real terms at the beginning of each year, as a result of the "price adjustments" brought in by providers.

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

| | February 2015 | | | 2014 |
|--|---------------------|--------------------------|---------------------------|--------------------------|
| | Year-on-Year change | Average change 12 months | Change versus prior month | Average change 12 months |
| CPI | -0.21% | -0.33% | -0.07% | -0.28% |
| Telecommunications | 2.83% | 0.54% | 1.90% | 0.59% |
| Ranking in descending order (43 groups) | 6 | 17 | 4 | 16 |

Source: INE (Statistics Portugal)

Unit: %

The telecommunications sector reported the fourth largest increase in prices among all sectors of the Portuguese economy.

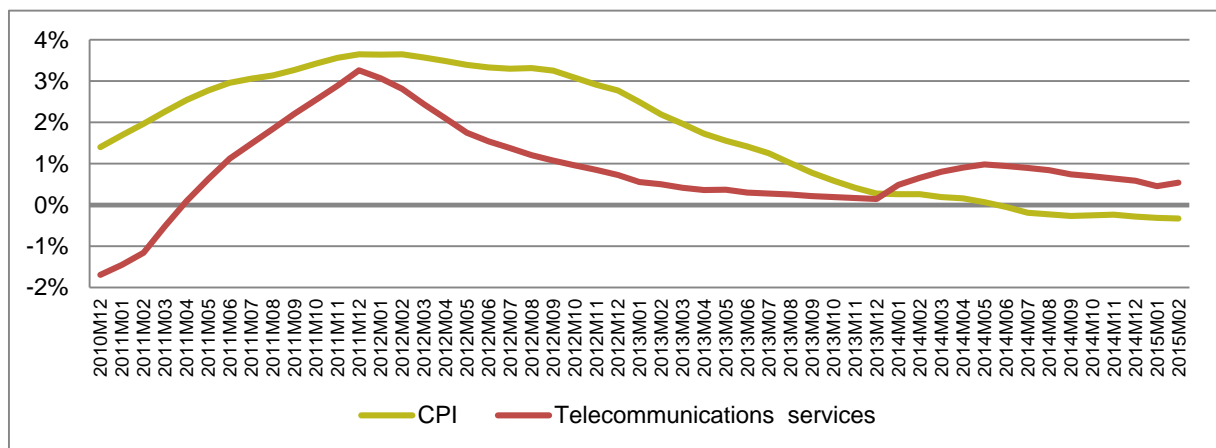
On a year-on-year basis, the increase in prices (2.83 percent) was the 6th highest among the sectors of the Portuguese economy and the largest reported since June 2011. The increase over CPI (3.03 percent) was the largest reported since at least 2010

² See "Consumer Price Index" – February 2015" (INE, 2015), available at ["Taxa de variação homóloga do IPC situou-se em -0,2% - Fevereiro de 2015"](#).

In average terms, the annual increase in prices reported was the 17th highest among 43 products/service considered. The sectors where prices rose more than in the telecommunications sector were mostly sectors of non-transactional goods, regulated prices or subject to specific control.

Since January 2014, telecommunications prices have been increasing at average annual rates above the rate of change reported in CPI. In February 2015, the difference between the two rates was reported at 0.87 percentage points.

Graph 1 - Monthly change in CPI and telecommunications prices



Source: INE (Statistics Portugal)
Unit: %

2. Trends in EU telecommunications prices - February 2015

According to EUROSTAT³, in February 2015, telecommunications prices in Portugal increased versus February 2014, while falling in the EU⁴.

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

⁴ Information for Ireland, Malta, Netherlands, Sweden and United Kingdom not available. Information for Estonia available from 2011.

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

| | February 2015 | | | 2014 |
|---|---------------------|--------------------------|---------------------------|--------------------------|
| | Year-on-Year change | Average change 12 months | Change versus prior month | Average change 12 months |
| EU | -0.92% | -1.69% | 0.23% | -1.94% |
| Portugal | 2.82% | 0.54% | 1.89% | 0.58% |
| PT / EU difference | 3.74 p.p. | 2.23 p.p. | 1.66 p.p. | 2.53 p.p. |
| Ranking in descending order (23 countries) | 2 | 6 | 3 | 6 |

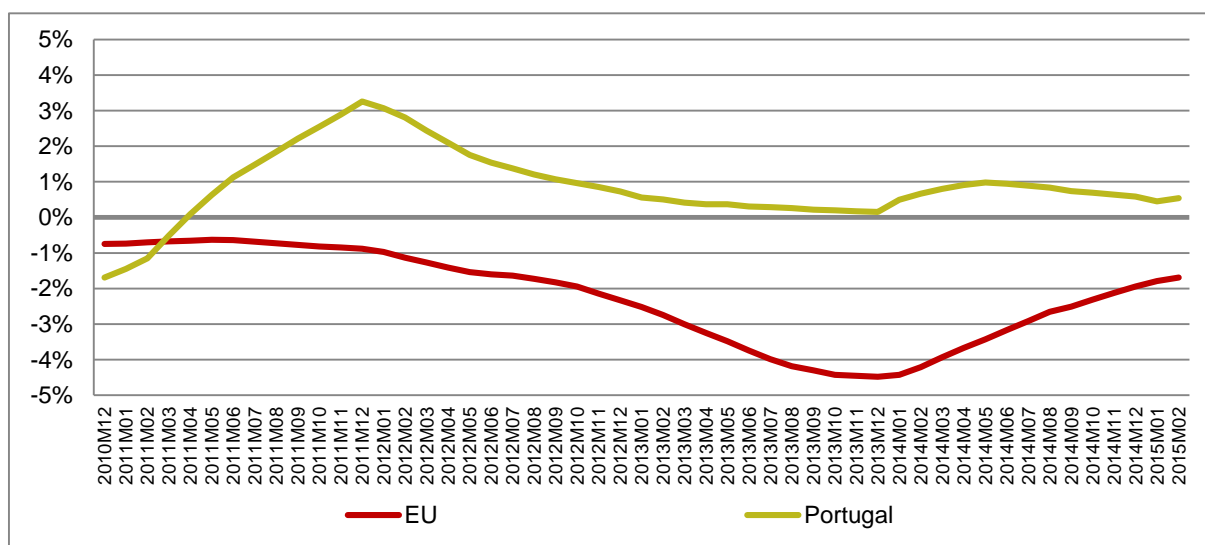
Source: EUROSTAT
Unit: %, p.p.

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

On average terms, in February 2015, the annual increase in prices reported in Portugal was 2.23 percentage points above the EU average, so that the price increase in Portugal is the 6th largest among EU countries. Only five countries reported increases that were higher than in Portugal: Austria, Finland, Cyprus, Poland and Hungary. In all other countries, apart from Greece, Croatia and Romania, prices fell.

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 vs. EU



Source: EUROSTAT
Unit: %

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