
TRENDS IN
TELECOMMUNICATIONS
PRICES
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Trends in telecommunications prices¹

Summary

- In June 2015, telecommunications prices in Portugal¹ were unchanged from the previous month.

In year-on-year terms, the increase in prices (4.76 percent) was the 3rd highest among the sectors of the Portuguese economy.

On average annual terms, prices increased by 1.52 percent, 1.53 percentage points over inflation (-0.01 percent). This increase over CPI is the largest reported since at least 2010. The increase in prices was the 9th highest among the 43 products/services considered.

Telecommunications prices¹ have been increasing at average annual rates above the rate of change reported in CPI since January 2014.

- On average annual terms, Portugal was the EU country with the 4th highest increase in prices. Only 3 countries reported increases that were higher than in Portugal: Austria, Cyprus and Poland. On average, telecommunications prices¹ in the EU have been falling (-1.18 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 - June 2015

According to INE (Statistics Portugal)², in June 2015, telecommunications prices¹ in Portugal increased by 4.76 percent versus June 2014 and by 1.52 percent on average over the last twelve months. In relation to the previous month, prices are unchanged.

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

	June 2015			2014
	Year-on-Year change	Average change 12 months	Change versus prior month	Average change 12 months
CPI	0.80%	-0.01%	-0.08%	-0.28%
.. Telecommunications 1	4.76%	1.52%	0.00%	0.59%
Ranking in descending order (43 groups)	3	9	15	16

Source: INE (Statistics Portugal)

Unit: %

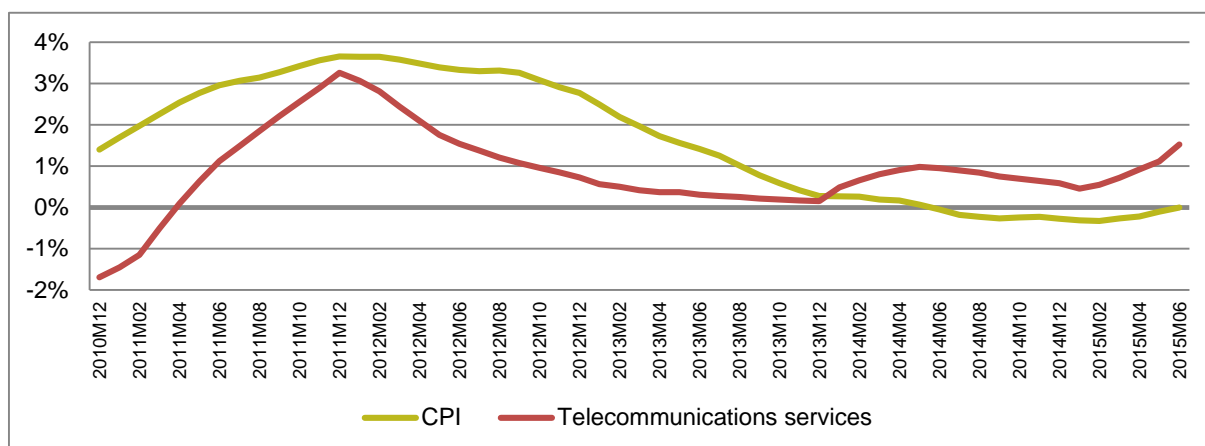
On a year-on-year basis, the increase in prices (4.76 percent) was the 3rd highest among the sectors of the Portuguese economy and the largest reported since March 2011. The difference between this increase and the change in CPI was reported at 3.96 percentage points – the largest difference since at least 2010.

On average terms, the annual increase in prices reported (+1.52 percent) was the 9th 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 June 2015, the difference between the two rates was reported at 1.53 percentage points - the widest since at least 2010.

² See "Consumer Price Index" – June 2015" (INE, 2015), available at https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaquas&DESTAQUESdest_boui=224666340&DESTAQUESmodo=2

Graph 1 - Monthly change in CPI and telecommunications prices 1



Source: INE (Statistics Portugal)
Unit: %

2. Trends in EU telecommunications prices¹ June 2015

According to EUROSTAT³, in June 2015, the average annual increase in prices reported in Portugal was 2.70 percentage points above the EU average, so that the price increase in Portugal is the 4th largest among EU countries. Only three countries reported increases that were higher than in Portugal: Austria, Cyprus and Poland. In all other countries, apart from Croatia, Finland, Hungary, Latvia and Greece, prices fell

Table 2 – Change in telecommunications prices 1: Portugal vs. EU

	Year-on-Year change	June 2015		2014
		Average change 12 months	Change versus prior month	Average change 12 months
EU	-0.03%	-1.18%	0.10%	-1.94%
Portugal	4.76%	1.52%	0.00%	0.58%
PT / EU difference	4.80 p.p	2.70 p.p	-0.10 p.p	2.53 p.p
Ranking in descending order (23 countries)	1	4	8	6

Source: EUROSTAT
Unit: %, p.p.

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

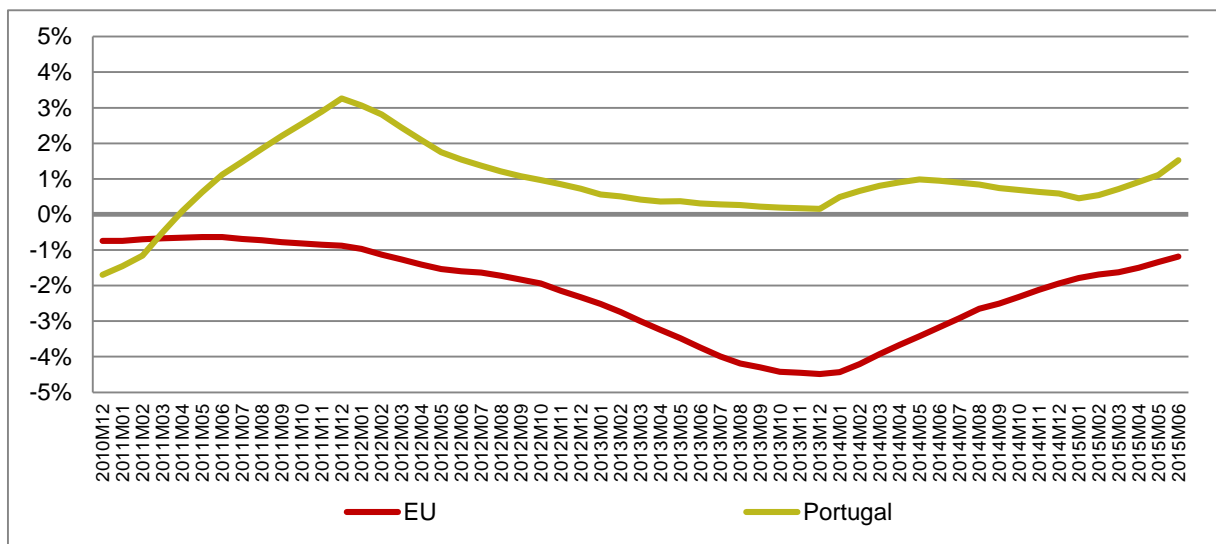
³ See HICP- monthly data (EUROSTAT, 2015), available at http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_hicp_midx&lang=en.

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

In relation to June 2014, telecommunications prices¹ in Portugal have increased more than across the EU⁴, while EU prices have fallen.

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: %

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

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