

Trends in telecommunications prices

Summary

- In March 2015, telecommunications prices¹ remained unchanged from the previous month.

In year-on-year terms, the increase in prices (3.36 percent) was the 6th highest among the sectors of the Portuguese economy and the largest reported since June 2011. The increase over CPI (3.05 percent) was the largest reported since at least 2010.

On average annual terms, prices increased by 0.72 percent, 0.99 percentage points over inflation (-0.27 percent). The increase in prices was the 16th highest among the 43 products/services considered (14th highest in March 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 prices have been increasing at average annual rates above the rate of change reported in CPI.

- The increase in prices reported in Portugal in March 2015 was the 2nd highest in the European Union in year-on-year terms - 4.30 percentage points higher than the EU average.

On average annual terms, Portugal was the EU country with the 5th highest increase in prices. Only 4 countries reported increases that were higher than in Portugal: Austria, Finland, Cyprus and Poland. On average, telecommunications prices in the EU have been falling (-1.63 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 - March 2015

According to INE (Statistics Portugal)², in March 2015, telecommunications prices in Portugal increased by 3.36 percent versus March 2014 and by 0.72 percent on average over the last twelve months. In relation to the previous month, prices remained unchanged.

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

	March 2015			2014 Average change 12 months
	Year-on-Year change	Average change 12 months	Change versus prior month	
CPI	0.31%	-0.27%	1.89%	-0.28%
.. Telecommunications	3.36%	0.72%	0.00%	0.59%
Ranking in descending order (43 groups)	6	16	24	16

Source: INE (Statistics Portugal)

Unit: %

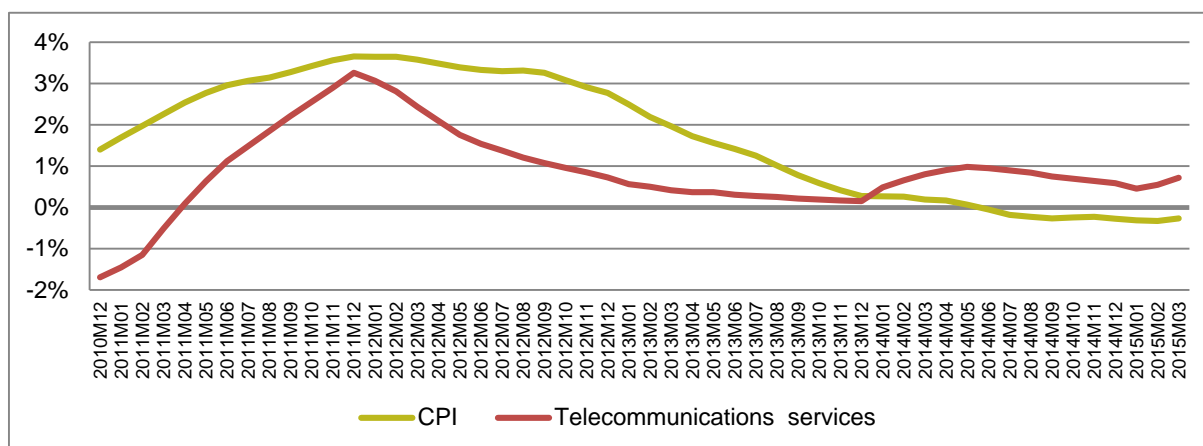
On a year-on-year basis, the increase in prices (3.36 percent) was the 6th highest among the sectors of the Portuguese economy and the largest reported since June 2011. The increase over CPI (3.05 percent) was the largest reported since at least 2010.

In average terms, the annual increase in prices reported was the 16th 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 March 2015, the difference between the two rates was reported at 0.99 percentage points.

See "Consumer Price Index" – March 2015" (INE, 2015), available at [Taxa de variação homóloga do IPC situou-se em 0,3% - Março de 2015](#)

Graph 1 - Monthly change in CPI and telecommunications prices



Source: INE (Statistics Portugal)
Unit: %

2. Trends in EU telecommunications prices - March 2015

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

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

	Year-on-Year change	March 2015		2014
		Average change 12 months	Change versus prior month	Average change 12 months
EU	-0.94%	-1.63%	-0.07%	-1.94%
Portugal	3.36%	0.72%	0.00%	0.58%
PT / EU difference	4.30 p.p	2.34 p.p	0.07 p.p	2.53 p.p
Ranking in descending order (23 countries)	2	5	6	6

Source: EUROSTAT
Unit: %, p.p.

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

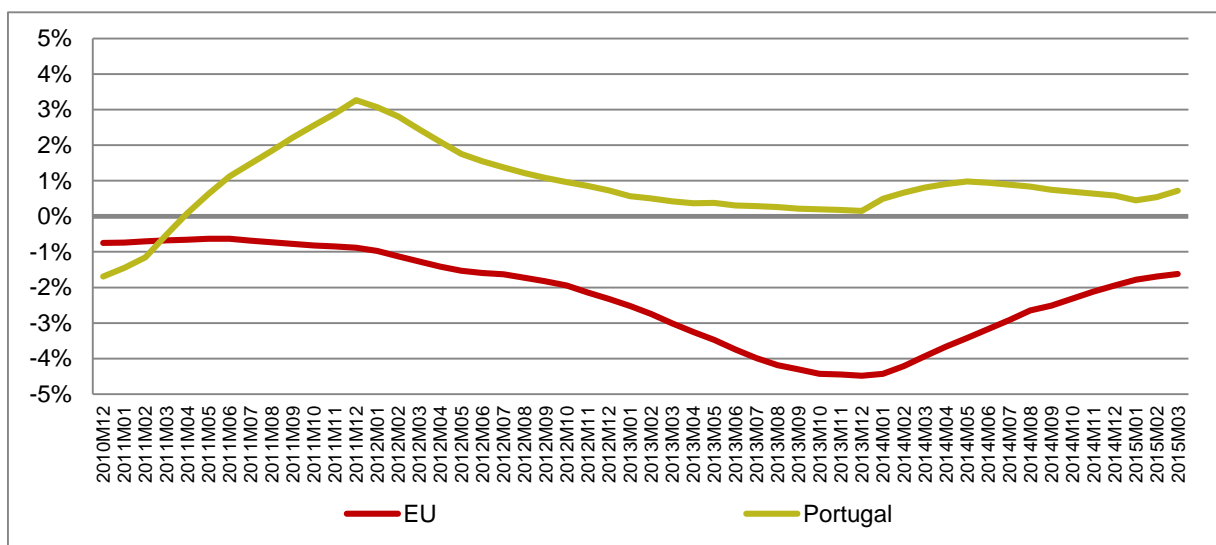
³ See HICP- monthly data (EUROSTAT, 2015), available at [Eurostat - monthly data \(index\)](#).

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

On average terms, in March 2015, the annual increase in prices reported in Portugal was 2.34 percentage points above the EU average, so that the price increase in Portugal is the 5th largest among EU countries. Only four countries reported increases that were higher than in Portugal: Austria, Finland, Cyprus and Poland. In all other countries, apart from Hungary, Croatia and Greece, 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: %