
TRENDS IN
TELECOMMUNICATIONS
PRICES
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Trends in telecommunications prices¹

Summary

- In March 2016, telecommunications prices in Portugal¹ decreased by 0.4 percent versus the previous month (no change March 2015).

In year-on-year terms, the increase in prices (2.78 percent) was the 6th highest among the sectors of the Portuguese economy.

On average annual terms, prices increased by 4.21 percent, 3.56 percentage points over inflation (0.65 percent). The increase in prices was the 5th highest among the 43 products/services considered.

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

- On average annual terms, Portugal was the EU country with the highest increase in prices in March 2016. On average, telecommunications prices¹ in the EU increase by 0.06 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 – March 2016

According to INE (Statistics Portugal)², in March 2016, telecommunications prices in Portugal fell by 0.4 percent over the previous month (no change in March 2015).

Versus March 2015, telecommunications prices¹ increased by 2.78 percent, while increasing by 4.21 percent on average over the last twelve months.

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

	March 2016			2015 Average change 12 months
	Year-on-Year change	Average change 12 months	Change versus prior month	
CPI	0.45%	0.65%	1.94%	0.49%
.. Telecommunications ¹	2.78%	4.21%	-0.40%	3.90%
Ranking in descending order (43 groups)	6	5	40	6

Source: INE (Statistics Portugal)

Unit: %

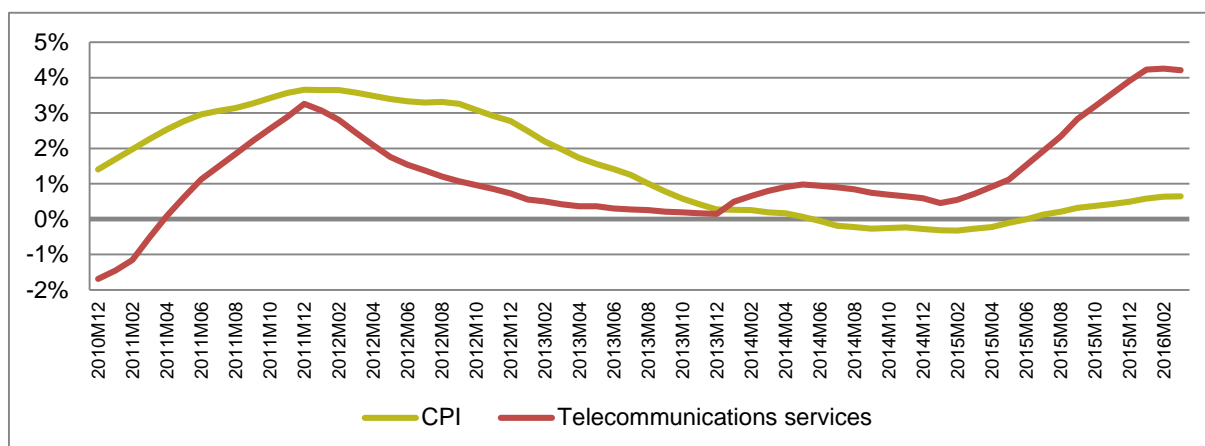
On a year-on-year basis, the increase in prices (2.78 percent) was the 6th highest among the sectors of the Portuguese economy. The difference between this increase and the change in CPI was reported at 2.33 percentage points.

On average terms, the annual increase in prices reported (4.21 percent) was the 5th 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 March 2016, the difference between the two rates was reported at 3.56 percentage points.

² See "Consumer Price Index – March 2016" (INE, 2016), available at https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaquas&DESTAQUESdest_boui=249277277&DESTAQUESmodo=2

Graph 1 - Monthly change in CPI and telecommunications prices ¹



Source: INE (Statistics Portugal)

Unit: %

2. Trends in telecommunications prices¹ in the EU³ - March 2016

According to EUROSTAT⁴, in March 2016, the increase in prices in average annual terms reported in Portugal was 4.14 percentage points above the EU average³. On average annual terms, Portugal was the EU country with the highest increase in prices.

Table 2 – Change in telecommunications prices¹: Portugal vs. EU ³

	Year-on-Year change	March 2016		2015
		Average change 12 months	Change versus prior month	Average change 12 months
EU ³	0.06%	0.06%	0.11%	-0.22%
Portugal	2.78%	4.20%	-0.40%	3.90%
PT / EU difference³	2.72 p.p	4.14 p.p	-0.51 p.p	4.12 p.p
Ranking in descending order (22 countries)	4	1	19	1

Source: EUROSTAT

Unit: %, p.p

Note: Information for Ireland, Sweden and United Kingdom not available. In March 2016, information was not available for Denmark. Information available from December 2015 for Malta and Netherlands was not included.

³ Information for Ireland, Sweden and United Kingdom not available. In March 2016, information was not available for Denmark. Information available from December 2015 for Malta and Netherlands was not included.

⁴ See HICP - monthly data (EUROSTAT, 2016), available at http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_hicp_midx&lang=en.

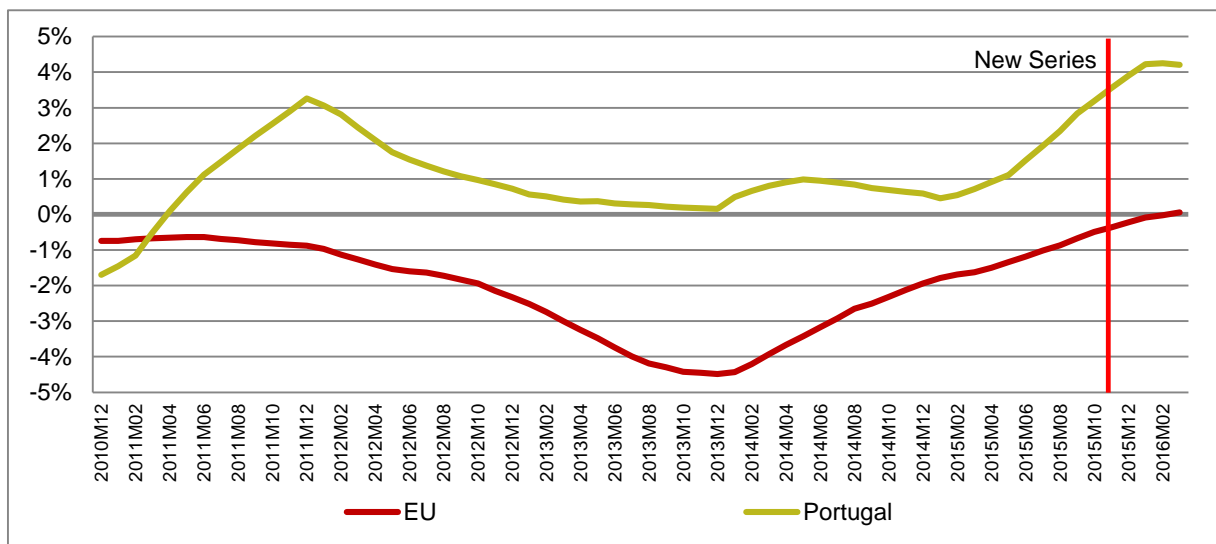
Methodology described at

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

In relation to March 2015, the increase in telecommunications prices¹ in Portugal is the 4th largest in the EU³. Larger increases were reported in Slovenia, Belgium and Spain.

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

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



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. The series to October 2015 was calculated using 2005 as base period and the "European Union (28 countries)" indicator to calculate the values for the EU, while the series from November 2015 was calculated using 2015 as base period and using "European Union (EU6-1972, EU9-1980, EU10-1985, EU12-1994, EU15-2004, EU25-2006, EU27-2013, EU28)" as an indicator to calculate the values of the EU. 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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