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TRENDS IN  
TELECOMMUNICATIONS  
PRICES  
DEC '14

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

### Highlights

- In 2014, telecommunications prices<sup>1</sup> increased, in average annual terms, at a rate of 0.59 percent, 0.87 percentage points over inflation (-0.28 percent) and 0.49 percentage points above the rate reported in 2013 (+0.15 percent).

The increase in prices was the 16th highest among the 43 products/services considered (24th highest in 2013).

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<sup>1</sup> have been increasing at average annual rates above the rate of change reported in CPI.

- The increase in prices reported in Portugal was 2.53 percentage points higher than the EU average.

Portugal is the EU country with the sixth highest increase in prices. Only five countries reported increases that were higher than in Portugal: Austria, Finland, Cyprus and Romania. In all other countries, apart from Greece, prices fell.

Telecommunications prices have been increasing more in Portugal than in the EU since March 2011.

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<sup>1</sup> 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 - December 2014

According to INE (Statistics Portugal)<sup>2</sup>, in December 2014, telecommunications prices<sup>1</sup> rose in real terms, increasing 0.11 percent versus December 2013 and by 0.59 percent on average over the last twelve months. Prices remain in line with November 2014.

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

	December 2014			2013
	Year-on-Year change	Average change 12 months	Change versus prior month	Average change 12 months
<b>CPI</b>	-0.36%	-0.28%	-0.02%	0.27%
.. Telecommunications <sup>1</sup>	0.11%	0.59%	0.00%	0.15%
<b>Ranking in descending order (43 groups)</b>	<b>22</b>	<b>16</b>	<b>18</b>	<b>24</b>

Source: INE

Unit: %

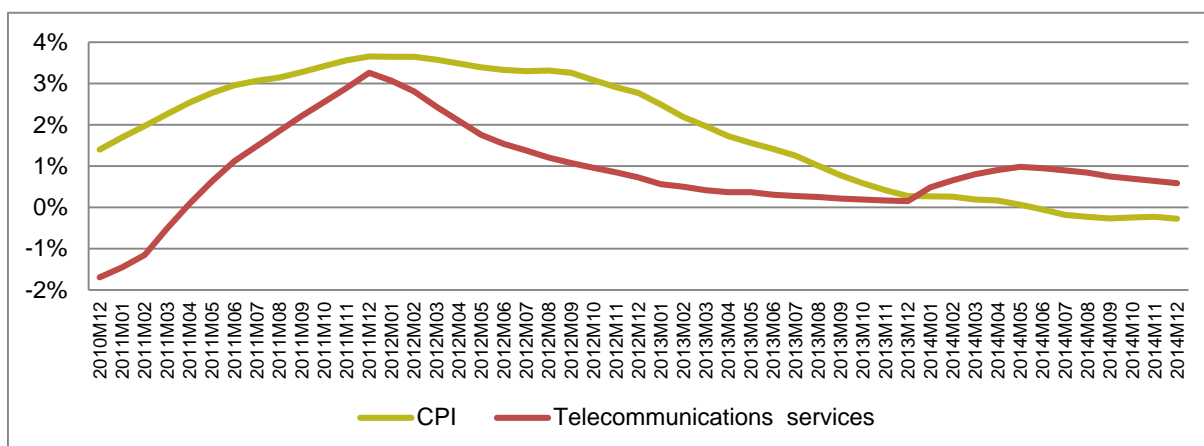
In average terms, the annual increase in prices reported was the 16th highest among 43 products/service considered. The sectors where prices rose more than in the telecommunications sector<sup>1</sup> were mostly sectors of non-transactional goods, regulated prices or subject to specific control.

In recent years, telecommunications prices<sup>1</sup> have increased in nominal and real terms at the beginning of each year, as a result of the "price adjustments" brought in by providers.

Since January 2014, telecommunications prices<sup>1</sup> have been increasing at average annual rates above the rate of change reported in CPI. In December 2014, the difference between the two rates was reported at 0.87 percentage points.

<sup>2</sup> See "Consumer Price Index" – December 2014" (INE, 2014), available at [http://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine\\_destaquas&DESTAQUESdest\\_boui=211221946&DESTAQUEStema=00&DESTAQUESmodo=2](http://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaquas&DESTAQUESdest_boui=211221946&DESTAQUEStema=00&DESTAQUESmodo=2)

**Graph 1 - Monthly change in CPI and telecommunications prices <sup>1</sup>**



Source: INE (Statistics Portugal)  
Unit: %

## 2. Trends in EU telecommunications prices<sup>1</sup> - December 2014

According to EUROSTAT<sup>3</sup>, in December 2014, telecommunications prices<sup>1</sup> in Portugal increased versus December 2013, while falling in the EU<sup>4</sup>.

On average terms, in December 2014, the annual increase in prices reported in Portugal was 2.53 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 and Romania. In all other countries, apart from Greece, prices fell.

<sup>3</sup> See: HICP- monthly data (EUROSTAT, 2014), 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).

<sup>4</sup> Information for Ireland, Malta, Netherland, Sweden and United Kingdom not available. Information for Estonia available from 2010.

**Table 2 – Change in telecommunications prices<sup>1</sup>: Portugal vs. EU**

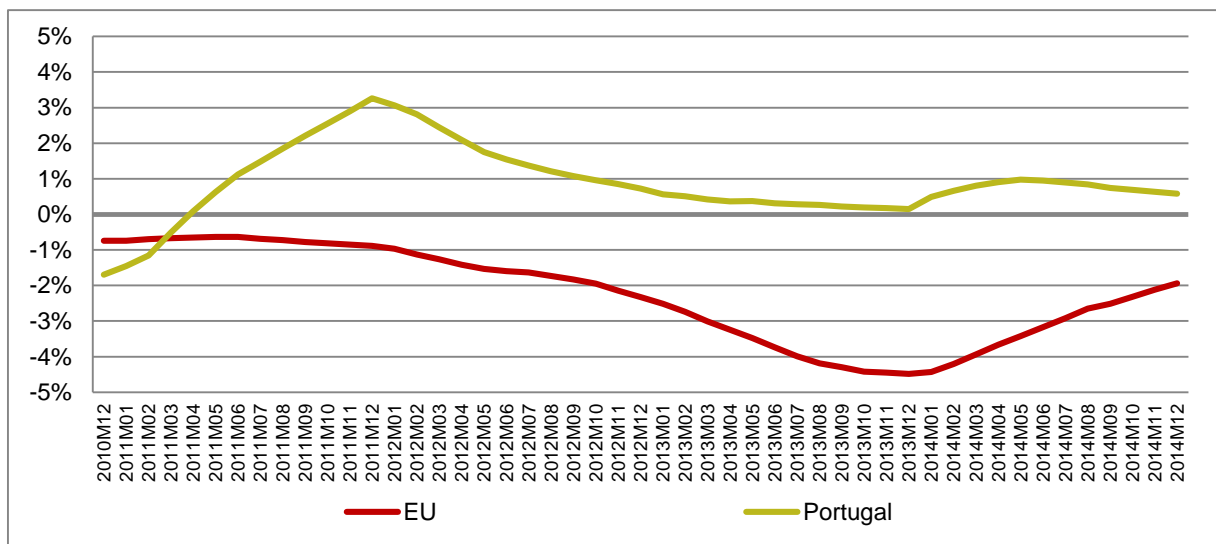
	December 2014			2013
	Year-on-Year change	Average change 12 months	Change versus prior month	Average change 12 months
EU	-1.57%	-1.94%	-0.06%	-4.48%
Portugal	0.11%	0.58%	0.00%	0.15%
<b>PT / EU difference</b>	<b>1.68 p.p</b>	<b>2.53 p.p</b>	<b>0.06 p.p</b>	<b>4.64 p.p</b>
<b>Ranking in descending order (23 countries)</b>	<b>7</b>	<b>6</b>	<b>5</b>	<b>4</b>

Source: EUROSTAT  
Unit: %, percentage points (p.p.)

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

Since March 2011, telecommunications prices<sup>1</sup> 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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