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TRENDS IN  
TELECOMMUNICATIONS  
PRICES  
JULY 18

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ANACOM



AUTORIDADE  
NACIONAL  
DE COMUNICAÇÕES

# Changes in telecommunication prices

## Executive summary

- In July 2018, telecommunication prices<sup>1</sup> decreased 0.43% compared to the previous month (in July 2017 there was no change). The variation which occurred was due to the change in the monthly payments for triple play offers by two providers.

Compared with the corresponding month of the previous year, the variation in prices was +0.26%.

In average annual terms, the change was 1%, 0.15 p.p. below inflation (1.15%). Since December 2013, telecommunications prices have not increased at average annual rates below the rate of change reported in the CPI.

The telecommunications prices rhythm was the 25th highest among the 43 products/services considered.

- In July 2018, in average annual terms, Portugal was the seventh country in the EU with the highest price increase. On average, telecommunication prices in the EU fell by 0.5%.

Since April 2011, telecommunication prices have grown more in Portugal than in the E.U.

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<sup>1</sup> "Telephone, and telefax services" sub-index of the Consumer Price Index (CPI) and of the Harmonized 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. Analysis of the prices presented in this report should be complemented by an examination of the characteristics of the offers; this information is available in the reports: "Electronic communications bundles", "Fixed telephone service and nomadic VoIP", "Mobile services", "Internet access service" and "Subscription television service", all available on ANACOM's website.

## 1. Changes in telecommunication prices in July 2018

According to the INE<sup>2</sup>, in July 2018, telecommunications prices decreased 0.43% compared to the previous month (in July 2017 there was no change).

Compared with the corresponding month of the previous year, and the average in the last 12 months, telecommunications prices have changed by 0.26% and by 1.00%, respectively.

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

	July 2018			2017 Var. average 12 months
	Var. Year-on- year change	Var. average 12 months	Var. previous month	
<b>CPI</b>	1.58%	1.15%	-0.61%	1.37%
..Telecommunications	0.26%	1.00%	-0.43%	2.35%
<b>Ranking in descending order</b> (43 groups)	<b>28</b>	<b>25</b>	<b>34</b>	<b>10</b>

Unit: %

Source: INE

**Note:** The deviation between the year-on-year change in the CPI and the telecommunications sub-index resulting from the table is different from that mentioned in the text due to rounding.

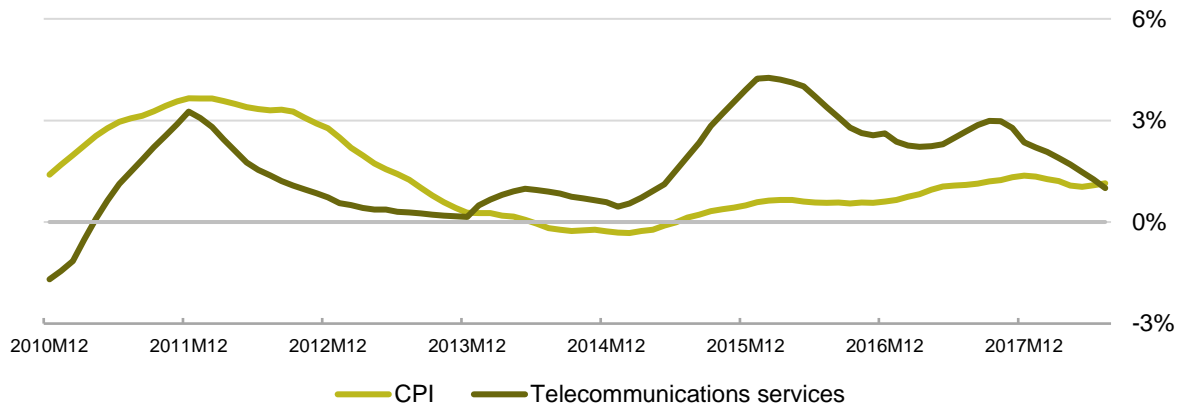
Compared with the corresponding month of the previous year, the variation in prices (+0.26%) was the 28th highest among the sectors of the Portuguese economy. The difference between the CPI was -1.31 p.p.

In average annual terms, the observed price increase (1%) was the 25th highest among the 43 products/services considered.

In May 2018, the difference between the two rates was reported at -0.15 percentage points (p.p.). Since December 2013, telecommunications prices have not increased at average annual rates below the rate of change reported in the CPI.

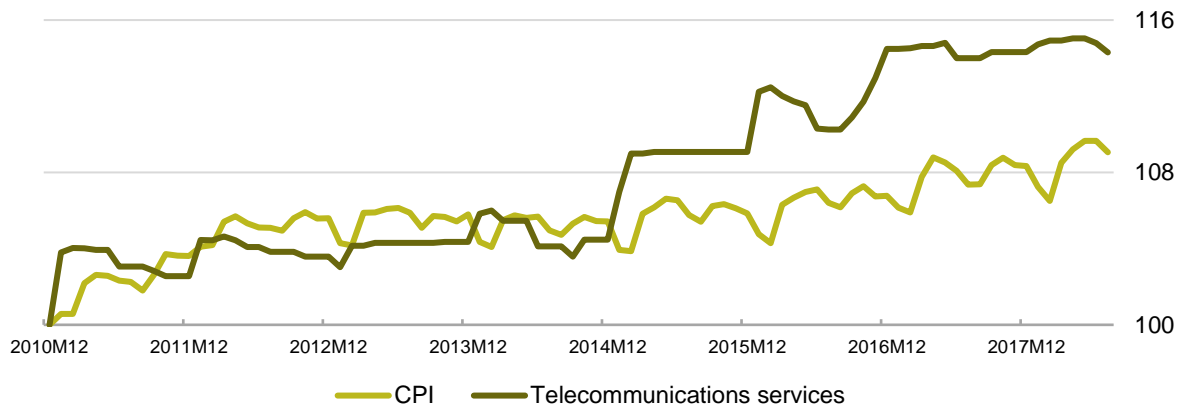
<sup>2</sup> See "Consumer Price Index – July 2018" (INE, 2018), available at [https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine\\_destaques&DESTAQUESdest\\_boui=315399899&DESTAQUESmodo=2](https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaques&DESTAQUESdest_boui=315399899&DESTAQUESmodo=2)

**Graph 1 – Average 12-month change in CPI and telecommunications prices**



Unit: %  
Source: INE

**Graph 2 – Change in Consumer Price Index (CPI) and Telecommunications Prices in Portugal (2010M12 = Base 100)**



Unit: index (2010M12 = Base 100)  
Source: ANACOM, based on data from INE

## 2. Changes in telecommunication prices in the E.U. in July 2018

According to EUROSTAT<sup>3</sup>, in July 2018, the price increase in Portugal was 1.5 p.p. higher than the E.U. average in annual average terms, Portugal being the seventh country with the highest price increase. The countries with larger price increases than Portugal were Spain, Latvia, Malta, Romania, Greece and Sweden.

On a year-on-year basis, the increase in telecommunications prices in Portugal was the 10th highest among the EU countries.

**Table 2 – Changes in telecommunications prices: Portugal vs E.U.**

	July 2018			2017
	Var. Year-on-year change	Var. average 12 months	Var. previous month	Var. average 12 months
E.U.	0.3%	-0.5%	0.1%	-0.9%
Portugal	0.3%	1.0%	-0.4%	2.4%
<b>Deviations PT / E.U.</b>	<b>-0.1 p.p.</b>	<b>1.5 p.p.</b>	<b>-0.6 p.p.</b>	<b>3.2 p.p.</b>
<b>Ranking in descending order (26 countries)</b>	<b>10</b>	<b>7</b>	<b>22</b>	<b>2</b>

Unit: %, p.p.

Source: EUROSTAT

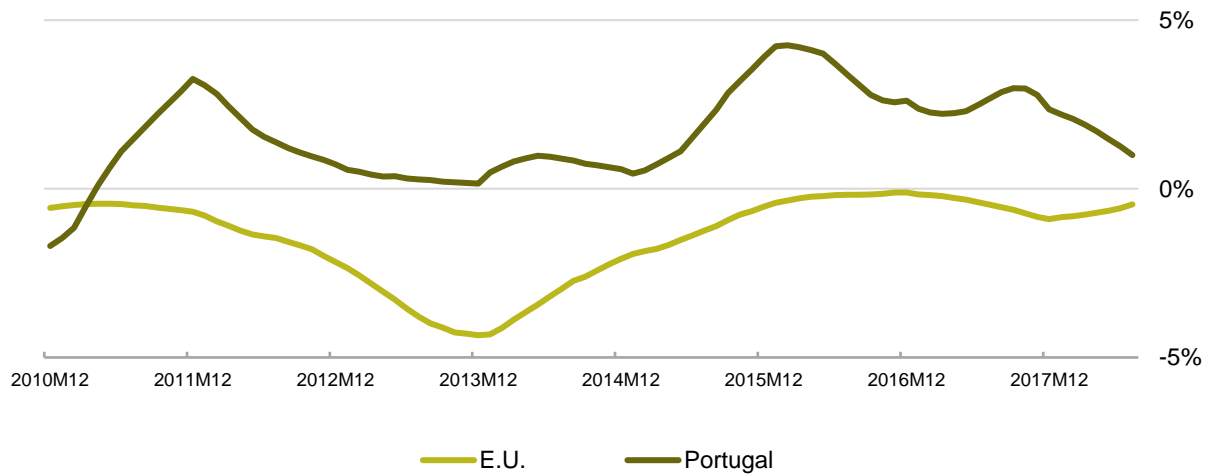
**Note:** Information not available for the United Kingdom. Ireland was also not included in the ranking due to a lack of information before December 2016.

Since April 2011, telecommunication prices have grown more in Portugal than in the E.U. (in average annual terms).

<sup>3</sup> See HICP- monthly data (EUROSTAT, 2018), 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).

The methodology used is described at [http://ec.europa.eu/eurostat/statistics-explained/index.php/HICP\\_methodology](http://ec.europa.eu/eurostat/statistics-explained/index.php/HICP_methodology)

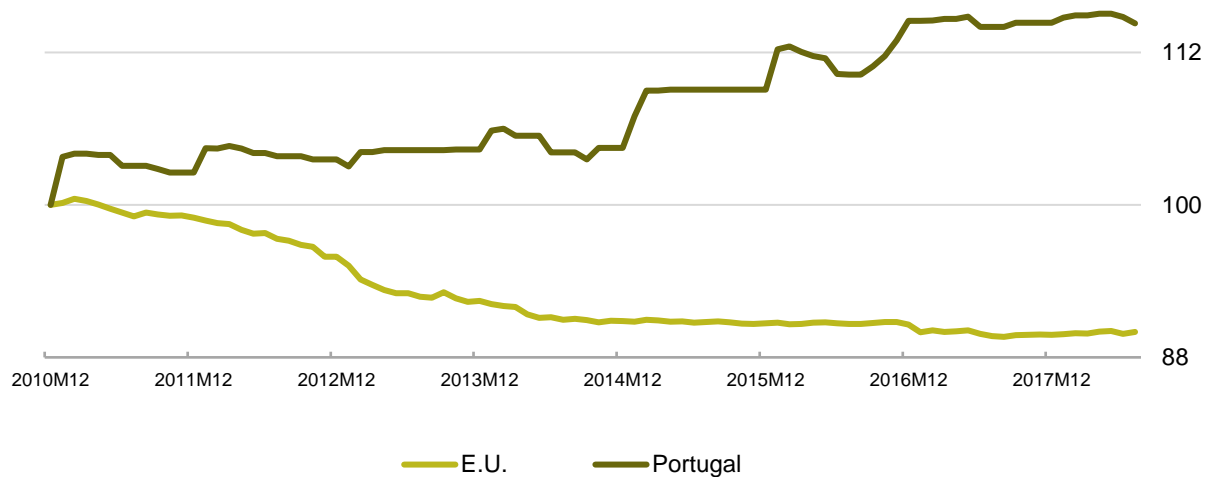
**Graph 3 – Average rate of change over previous 12 months - telecommunications prices: Portugal vs E.U.**



Unit: %  
Source: EUROSTAT

**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. There may be differences in the series due to rounding effects<sup>4</sup>.

**Graph 4 – Changes in Telecommunications Prices in Portugal and the E.U. (2010M12 = Base 100)**



Unit: index (2010M12 = Base 100)  
Source: ANACOM, based on data from EUROSTAT

<sup>4</sup> For further information, please go to <http://ec.europa.eu/eurostat/documents/272892/272971/HICP+reference+year+2015%3D100/>.

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