13th of October 2011

Tourism Activity

August 2011

Tourism accommodation activity still showing good results

In August 2011 tourism accommodation establishments registered 6 million overnight stays, 5.6% more than in the same month of the previous year. Non residents contributed for this outcome (+9.8%), mainly the Brazilian, British, Dutch and French markets. Together, these markets stood for 40% of the total of overnight stays by non residents and accounted for a 17.2% increase in view of August 2010.

The total revenue from the activity reached EUR 301.8 million and EUR 224.2 million from accommodation, corresponding to year-on-year increases of 6.2% and 6.8%, respectively.

Table 1. Global provisional results from tourism activity

GLOBAL RESULTS	Month		Accumulated	
	Aug 11	Change rate % 11/10	Jan to Aug 11	Change rate % 11/10
HOTEL ESTABLISHMENTS				
Guests (thousand)	1 858.9	5.4	9 782.8	6.1
Overnight stays (thousand)	6 047.4	5.6	28 156.0	8.1
Residents in Portugal	2 423.3	0.0	9 849.9	0.2
Non residents	3 624.0	9.8	18 306.1	12.9
Average stay (no. of nights)	3.3	0.1	2.9	0.1
Net bed occupancy rate (%)	65.7	0.3 p.p.	42.0	1.5 p.p.
Total revenue (€ Million)	301.8	6.2	1 343.4	7.3
Revenue from accommodation (€ Million)	224.2	6.8	931.3	8.6
Rev Par (Average revenue per available room) (€)	55.5	2.4	31.1	19.7

Overnight stays

In the period of **January to August 2011** tourism accommodation activity accounted for 9.8 million guests and 28.2 million overnight stays, representing year-on-year increases of 6.1% and 8.1%, respectively.

Non residents contributed mostly for the growth in overnight stays (+12.9%), with the internal market registering a very slight increase (+0.2%).

The last estimates disseminated by the World Tourism Organization, regarding the first six months of 2011, show a 4.5% year-on-year increase of the arrivals of international tourists, corresponding to 440 million. Developed economies grew by 4.3%, closing the gap on the developing economies (+4.8%). There was a 6.4% growth in Europe for which all regions contributed, with the emphasis on Central and Eastern Europe (+9.4%) and Southern and Mediterranean Europe (+7.4%). America grew by 5.6%, Asia and the Pacific increased by 5.1%. On the contrary, Northern Africa and the Middle East presented negative results (-12.9% and -10.8%, respectively), due to a decrease on the demand, which went more towards some of the European regions.

The results from **August 2011** kept the positive overall trend from recent months, although with a slowing down of the main indicators in view of July. In August, tourist accommodation establishments accommodated 1.9 million guests, originating 6 million overnight stays, corresponding to year-on-year increases of 5.4% and 5.6%, respectively.

When comparing with August 2010, Hotels grew the most (+9.3%), which represented approximately 57% of the total of overnight stays. All categories contributed for this outcome (growing more than 12%), with the exception of three star units which presented a slight decrease (-0.2%). Tourist villages had an increase of 8.4%, after three consecutive months of decreasing results, followed by apartment hotels (+5.7%), with the contribution of five and four star units. On the contrary, the number of overnight stays in *"pousadas"* had a slight decrease (-0.5%).

Table 2. Overnight stays by type and category of the establishment

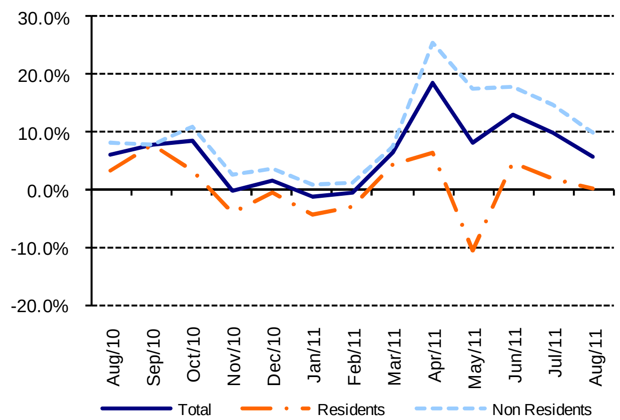
Unit: Thousand

Type of establishment and category	Overnight stays		Year-on-year change rate
	Aug-10	Aug-11	%
Total	**5 724.1**	**6 047.4**	**5.6**
Hotels	3 141.9	3 434.0	9.3
*****	529.4	603.2	13.9
****	1497.3	1677.9	12.1
***	852.5	850.4	-0.2
** / *	262.8	302.5	15.1
Apartment hotels	928.1	981.1	5.7
*****	64.9	86.7	33.6
****	605.7	645.9	6.6
*** / **	257.5	248.5	-3.5
Pousadas	68.4	68.1	-0.5
Tourist apartments	726.2	737.5	1.5
Tourist villages	336.5	364.7	8.4
Inns, Motels and Boarding houses	523.0	462.1	-11.6

The number of overnight stays spent by residents was 2.4 million, almost the same as recorded in August 2010.

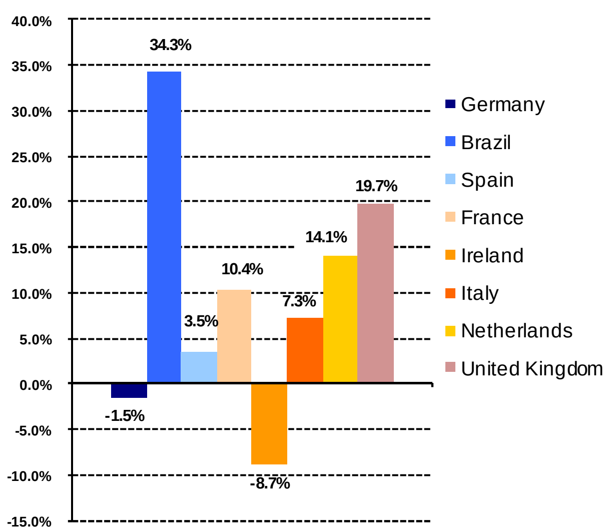
Non residents maintained a positive trend (+9.8%), although with a slow down *vis-à-vis* the last four months.

Figure 1. Overnight stays, month-to-month change rate



The performance of the main markets of origin was mainly positive, with the Brazilian market showing the best results (year-on-year change rate of +34.3% in overnight stays), followed by the British (+19.7%) and the Dutch (+14.1%). Within the group of the main markets, only the Irish and the German markets showed decreasing results (-8.7% and -1.5%, respectively), after a consecutive period of growth.

Figure 2. Overnight stays, by main markets of origin – month-to-month change rate – August 2011



Comparing with the same period of the previous year, all regions registered growths, more so in the Alentejo (+16.9%) and Madeira (+8.6%).

The Alentejo showed good results due to not only the increase in demand but also to more offer from the respective tourism establishments. The internal market, which represented 77% of the total of overnight stays in the region, grew as much as 13% when compared with the same period of the previous year. The Spanish market (+31.3%) was the most important considering inbound tourism (32% of the total of overnight stays spent by non residents). The Algarve grew by 4.5%, concentrating 43% of the total of overnight stays, with the contribution of non residents (+9.3%), since the internal market decreased (-1.6%).

Table 3. Overnight stays by region (NUTS II)

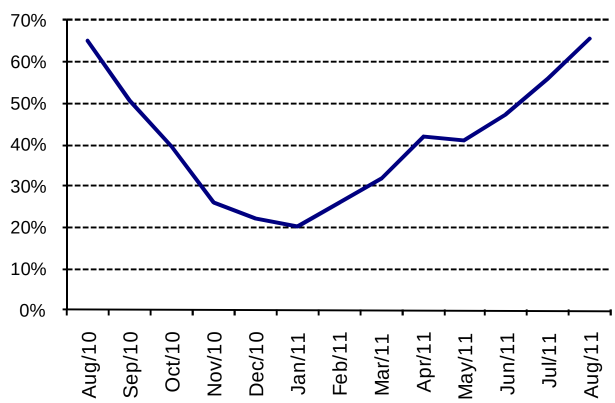
Unit: Thousand

NUTS II	Overnight stays		Year-on-year change rate
	Aug-10	Aug-11	%
PORTUGAL	5 724.1	6 047.4	5.6
North	587.8	627.9	6.8
Center	6017	627.2	4.2
Lisbon	1087.1	1147.2	5.5
Alentejo	178.4	208.5	16.9
Algarve	2 468.9	2 580.5	4.5
AZORES	175.8	178.2	14
MADEIRA	624.4	677.8	8.6

Net bed occupancy rate and Average Stay

In the month of August 2011, tourism accommodation establishments registered an occupancy rate of 65.7%, quite similar to the one registered on the same month of the year before (65.3%).

Figure 3. Net bed occupancy rate



On a regional level, by comparison with the same period of the year before, results show that the region of Madeira grew the most in terms of occupancy rate (+5.7 p.p.), followed by the Alentejo (+1.3 p.p.). The Azores, on the contrary, registered the highest fall (-2.4 p.p.), while the remaining regions did not show significant changes regarding this indicator.

Table 4. Net bed occupancy rate and average stay, by region

NUTS II	Occupancy rate %		Average stay (No. of nights)	
	Aug-10	Aug-11	Aug-10	Aug-11
PORTUGAL	**65.3**	**65.7**	**3.2**	**3.3**
North	49.0	48.3	19	19
Center	49.2	48.9	2.1	2.1
Lisbon	65.9	65.9	2.5	2.5
Alentejo	48.7	50.0	2.1	2.1
Algarve	78.3	78.5	5.2	5.3
AZORES	**67.1**	**64.7**	**3.2**	**3.2**
MADEIRA	**68.9**	**74.6**	**5.5**	**5.8**

By type of establishment, apartment hotels had slight increases in their occupancy rates (+0.3 p.p. in view of August 2010) mainly in five star units where there was a higher increase (+2.8 p.p.). In overall, hotels kept the same net bed occupancy rate when compared with August 2010, although three star units decreased 2.7 p.p. and four star units increased 2.9 p.p. The occupancy rates of the remaining types decreased, more so in *"pousadas"* (-3 p.p.).

Table 5. Net bed occupancy rate and average stay, by type and category of the establishment

Type of establishment and category	Occupancy rate %		Average stay (No. of nights)	
	Aug-10	Aug-11	Aug-10	Aug-11
Total	**65.3**	**65.7**	**3.2**	**3.3**
Hotels	67.1	67.1	2.8	2.8
*****	72.1	715	3.3	3.5
****	70.2	73.1	3.0	3.1
***	63.9	612	2.5	2.4
** / *	54.4	514	19	19
Apartment hotels	76.0	76.3	5.2	5.2
*****	88.4	912	5.9	6.1
****	74.8	75.7	5.3	5.5
*** / **	76.1	73.9	4.9	4.4
Tourist Apartments	70.8	69.9	5.9	5.7
Tourist villages	70.8	68.5	6.1	5.7
Pousadas	80.8	77.8	2.0	2.0
Inns, Motels and Boarding houses	412	40.7	2.2	2.2

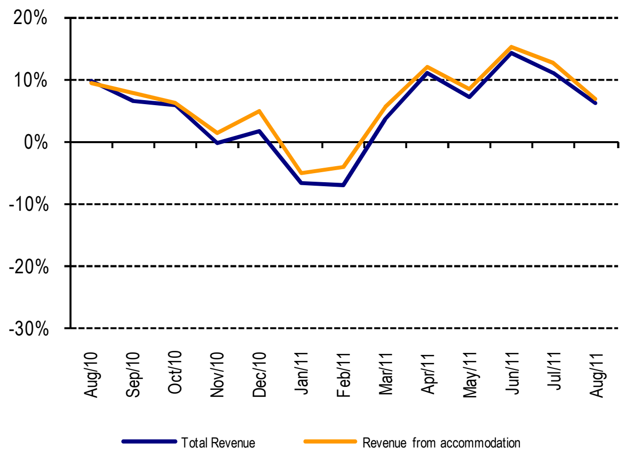
The overall average stay was 3.3 nights, slightly above the one of the same month of the year before (3.2), resulting, on a regional level, from a recovery of 0.3 p.p. in Madeira. In terms of type and category of establishment, only five and four star hotels and apartment hotels had a slight improvement.

The region of Madeira registered the highest stays (5.8 nights), while by type of establishment stress should be laid on tourist apartments and tourist villages as well as apartment hotels (more than five nights).

Revenue and Average Revenue per Available Room (Rev Par)

In the month of **August 2011**, tourist accommodation activity registered EUR 301.8 million of total revenue and EUR 224.2 million from accommodation, corresponding to year-on-year increases of 6.2% and 6.8%, respectively.

Figure 4. Total revenue and total revenue from accommodation - month-to-month change rate



Keeping the trend of the previous month, most regions had positive performances in both indicators, more so in the Alentejo (+15.1% in total revenue and +17.1% in total revenue from accommodation) and in the region of Madeira (+10.9% in total revenue and +10.5% from accommodation).

Table 6. Revenue by region (NUTS II)

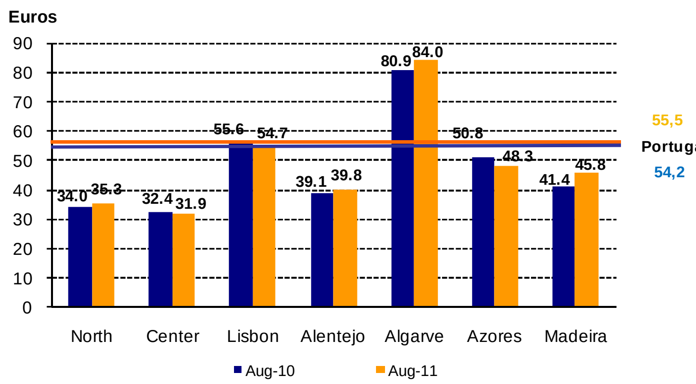
Unit: Million Euros

NUTS II	Total revenue	Year-on-year change rate	Revenue from accommodation	Year-on-year change rate
	Aug-11	%	Aug-11	%
Portugal	**301.8**	**6.2**	**224.2**	**6.8**
North	29.0	9.6	21.4	11.2
Center	28.7	0.4	19.9	2.3
Lisbon	58.1	1.8	44.1	0.9
Alentejo	10.1	15.1	7.4	17.1
Algarve	136.0	7.3	105.1	8.7
Azores	**8.3**	**1.2**	**6.3**	**-0.9**
Madeira	**31.7**	**10.9**	**19.9**	**10.5**

In the period under review, Rev Par from tourist accommodation activity was 55.5 €, 2.4% higher than in August 2010 (54.2 €).

The region of Algarve registered the highest average revenues (84 €), followed by Lisbon (54.7 €) and the Autonomous Regions of Azores (48.3 €) and Madeira (45.8 €). In terms of year-on-year growth, the region of Madeira kept the lead (+10.6%), followed by the Algarve and the North (both with 3.8%). On the contrary, the Azores, Lisbon and the Center were the regions with the highest decreases in Rev Par (-4.9%, -1.6% and -1.5%, respectively).

Figure 5. Average revenue per room



When focusing the analysis on the type of establishment, the higher Rev Par figures came from *"Pousadas"* and tourist villages (78 € and 71 €, respectively), also corresponding to the highest increases in year-on-year change rates (+5.5% and +12.9%).

On the contrary, hotels registered a fall (57.7 € equivalent to a year-on-year change rate of -0.9%), for which all categories contributed, with the exception of four star units which recorded a 1.5% growth.

Table 7. Average revenue per room, by type and category of the establishment

Unit:€

Type of establishment and category	RevPar		Year-on-year change rate
	Aug-10	Aug-11	%
Total	**54.2**	**55.5**	**2.4**
Hotels	58.2	57.7	-0.9
*****	97.6	96.2	-14
****	59.0	59.9	15
***	43.4	419	-3.5
** / *	33.8	315	-6.8
Apartment hotels	66.5	68.6	3.2
*****	79.1	98.1	24.0
****	70.3	72.3	2.8
*** / **	54.7	50.4	-7.9
Tourist apartments	55.3	56.2	16
Tourist villages	62.9	710	12.9
Pousadas	73.9	78.0	5.5
Inns, Motels and Boarding houses	25.5	26.0	2.0

In the period of January to August 2011, tourist accommodation establishments registered EUR 1 343.4 million of total revenue and EUR 931.3 million from accommodation, corresponding to year-on-year positive changes of 7.3% and 8.6%, respectively.

The Rev Par was 31.1 €, which stands for a significant improvement over the same period of the year before (26 €), accounting for a 19.7% increase.

Methodology notes

Net bed occupancy rate – the relation between the number of overnight stays and the number of available beds, in the reference period, accounting two beds for each double bed.

RevPar (*Revenue per Available Room*) – Revenue per available room, measured by the relation between the revenues from accommodation and the number of available rooms, in the reference period.

Year-on-year change rates – the calculation of year-on-year change rates for the main indicators is based on values in units, although in this press release they are visible only in thousands.

Date of next press release: 11th of November 2011