

Tourism Activity

August 2012

Tourism accommodation activity with slight decreases in overnight stays and total revenue

The tourism accommodation activity accounted for 6 million overnight stays in August 2012, slightly less (-0.5%) than in the same month of the previous year. The internal market kept declining (-5.3%), a trend that has been present since a year ago. The performance of the foreign markets was, in most cases, positive, with the emphasis on the German market, the French and the Irish (together changing +12.1%).

The revenue from the activity presented a slight change in terms of year-on-year change rates: a decline in total revenue (-0.8%) and an increase with regard to the revenue from the accommodation (+0.6%).

Table 1. Global provisional results from tourism activity

GLOBAL PROVISIONAL RESULTS	Month		Accumulated	
	Aug 12	Year-on-year change rate (%)	Jan to Aug 12	Year-on-year change rate (%)
Guests (thousand)	1807.9	-3.1	9 564.6	-1.7
Overnight stays (thousand)	6 035.8	-0.5	27 906.8	-0.4
Residents in Portugal	2 279.9	-5.3	8 967.4	-8.1
Non residents	3 755.9	2.7	18 939.4	3.8
Average stay (no. of nights)	3.3	0.0	2.9	0.0
Net bed occupancy rate (%)	63.3	-2.9 p.p.	41.1	-1.4 p.p.
Total revenue (€ Million)	297.9	-0.8	1307.2	-2.0
Revenue from accommodation (€ Million)	224.2	0.6	915.5	-1.0
RevPar (Average revenue per available room) (€)	54.5	-1.6	30.0	-3.7

Overnight stays

In the period January to August 2012, the tourism accommodation establishments hosted 9.6 million guests, 1.7% less than in the same period of the previous year.

There was a slightly less number of overnight stays (-0.4%), nearing 28 million.

The accumulated results until August 2012 show that non residents totaled 67.9% of all overnight stays and kept trending positively in year-on-year terms (+3.8%). Concerning residents, on the contrary, declining results still occurred (-8.1%).

On an international level, preliminary results for the first six months of 2012 made available by the World Tourism Organization, point towards a year-on-year growth in the number of international arrivals of tourists (+4.9%), corresponding to 467 million. For this outcome, there was the contribution of both the developed economies (+5%) and the emerging economies (+4.8%).

All regions of the world presented improved results, more so in Asia and the Pacific (+8%) and in Africa (+7.2%). In Europe, the tourist demand grew by 3.8%, with Central and Eastern Europe (+6.9%) and Western Europe (+5%) leading.

The WTO predicts an amount of a thousand million international arrivals by the end of 2012 that will probably correspond to a year-on-year increase of around 3% to 4%.

In August 2012, tourism accommodation activity establishments hosted 1.8 million guests, 3.1% less than in August 2011. Overnight stays stood at 6 million, quite close to the value of the same month of the previous year (-0.5%).

The tourist apartments presented the best results with a 10% year-on-year increase in the number of overnight stays.

Apartment hotels (+2.3%) came next, benefiting solely from the contribution of four star units (+5.9%). The remaining categories presented decreases, more so in five star apartment hotels (-16.2%).

Overnight stays in hotels declined slightly (-1%), a common trend to all categories, with the exception of two and one star units that grew 8.8% (in part still due to the conversion process of non official typologies).

The remaining typologies had their number of overnight stays reduced. In the "*pousadas*", the outcome was unfavorable (-25.3%), presenting declining results for eight consecutive months.

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

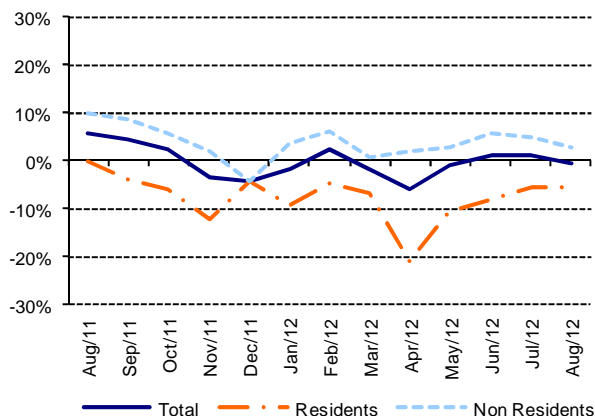
Unit: 10³

Type of establishment and category	Overnight stays		Year-on-year change rate
	Aug-11	Aug-12	%
Total	6 067.2	6 035.8	-0.5
Hotels	3 466.5	3 431.2	-1.0
*****	619.7	612.8	-1.1
****	1677.4	1667.3	-0.6
***	864.3	819.1	-5.2
** / *	305.1	332.0	8.8
Apartment hotels	994.7	1 018.1	2.3
*****	90.3	75.7	-16.2
****	647.6	686.1	5.9
*** / **	256.9	256.3	-0.2
Pousadas	68.4	51.0	-25.3
Tourist apartments	728.8	801.7	10.0
Tourist villages	350.5	342.2	-2.4
Other tourist establishments	458.2	391.5	-14.6

Residents spent 2.3 million overnight stays, down by 5.3% when compared with the same period of the previous year, strengthening the declining trend that started a year ago.

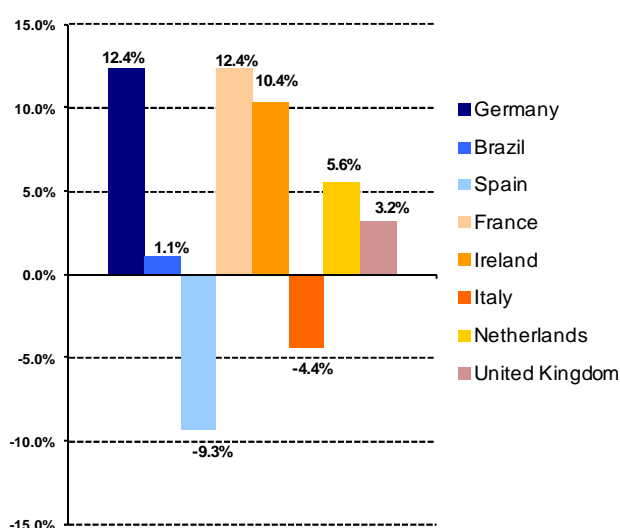
Non residents spent 3.8 million overnight stays, which contributed to maintain a year-on-year positive trend (+2.7%), which started in the beginning of 2012.

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



The group of the main markets of origin performed positively, in most cases, with the emphasis on the German and French markets (both with year-on-year increases of 12.4% in the number of overnight stays), followed by the Irish market (+10.4%). Keeping a downward trend, the Spanish market declined by 9.3% and the Italian had a 4.4% decrease.

**Figure 2. Overnight stays, by main markets of origin –
month-to-month change rate – August 2012**



The region of Lisbon presented the best results, with a year-on-year increase of 2.1%. The Algarve followed (+1.5%), concentrating 43.3% of the total of overnight stays. The remaining regions recorded a declining trend, more so in the Alentejo (-8.7%) and the Centre (-7.7%).

Table 3. Overnight stays by region (NUTS II)

Unit: 10³

NUTS II	Overnight stays		Year-on-year change rate
	Aug-11	Aug-12	%
Portugal	6 067.2	6 035.8	-0.5
North	631.9	618.0	-2.2
Centre	640.5	591.0	-7.7
Lisbon	1 152.5	1 176.2	2.1
Alentejo	212.7	194.2	-8.7
Algarve	2 572.4	2 611.8	1.5
Azores	178.4	173.4	-2.8
Madeira	678.9	671.2	-1.1

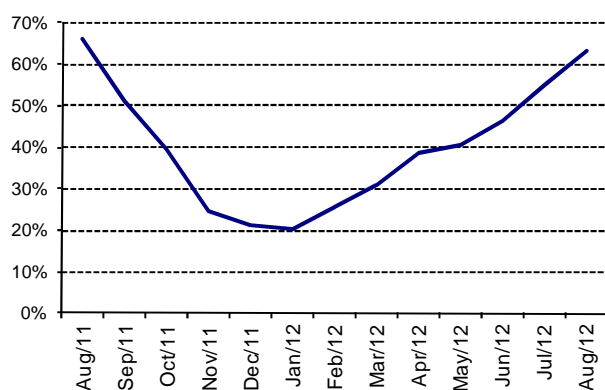
The good results presented by the region of Lisbon were mainly due to the positive contributions of the French market (+20.4%), the British (+15.4%) and the German (+14.6%). On the contrary, the Spanish market (-15.6%) and the internal market (-5.2%) kept a downward trend.

The Algarve performed similarly, with the positive contributions of the main markets of origin of the region (+10.8% for the German, +8.3% for the British and +6.2% for the Dutch market), accounting for approximately 60% of the overnight stays of non residents. These results allowed some compensation for the negative effects from the Spanish market (-11.9%) and the internal market (-2.6%), in this region.

Net bed occupancy rate and average stay

In August 2012, the net bed occupancy rate in tourism accommodation activity establishments was 63.3%, 2.9 p.p. less than in August 2011.

Figure 3. Net bed occupancy rate



The region of Madeira led as far as the results of this indicator are concerned (75.1%), followed by Algarve (74.5%), Lisbon (66.8%) and Azores (65.2%). However, in most regions, there was a declining trend in year-on-year terms, more so in the Centre (-5.9 p.p.), the Algarve (-4.1 p.p.) and the Alentejo (-4 p.p.).

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

NUTS II	Occupancy rate		Average stay	
	%		(No. of nights)	
	Aug-11	Aug-12	Aug-11	Aug-12
Portugal	66.2	63.3	3.3	3.3
North	49.4	46.0	1.9	1.9
Centre	50.0	44.1	2.1	2.1
Lisbon	66.8	66.8	2.5	2.6
Alentejo	49.5	45.5	2.1	2.2
Algarve	78.6	74.5	5.2	5.3
Azores	64.8	65.2	3.2	3.2
Madeira	74.9	75.1	5.8	5.9

By type of establishment, there were widespread decreases on the occupancy rate in comparison with the same period of the previous year.

The lowest results came from the "pousadas", which occupancy rate decreased to almost half the ratio of 2011.

Tourist villages and tourist apartments followed (-7.4 p.p. and -5.1 p.p., respectively).

Five star hotels were the only ones that recorded better results in this indicator (+2.9 p.p.).

Five star apartment hotels was the category with the highest value in the occupancy rate (78.6%), while the whole typology recorded 74.7%.

Likewise, in hotels (65.2%), five and four star units recorded occupation levels above the total of the typology (76.1% and 70.6%, respectively).

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-11	Aug-12	Aug-11	Aug-12
Total	66.2	63.3	3.3	3.3
Hotels	68.0	65.2	2.8	2.8
*****	73.2	76.1	3.5	3.5
****	73.2	70.6	3.1	3.2
***	62.4	57.6	2.4	2.4
** / *	52.6	49.4	1.9	2.0
Apartment hotels	76.8	74.7	5.1	5.1
*****	86.4	78.6	5.2	6.0
****	75.9	74.9	5.4	5.2
*** / **	76.2	73.2	4.5	4.6
Pousadas	78.1	39.3	2.1	2.0
Tourist apartments	69.7	64.6	5.7	5.7
Tourist villages	67.4	60.0	5.5	5.5
Other tourist establishments	40.9	40.4	2.2	2.3

The average stay was 3.3 nights, the same as in August 2011.

In year-on-year terms, the evolution of this indicator reveals no major changes, whether by region or by typology, with the exception of five star hotel apartments (+0.8 days).

The region of Madeira recorded, on average, the longest stays (5.9 nights), followed by the Algarve (5.3).

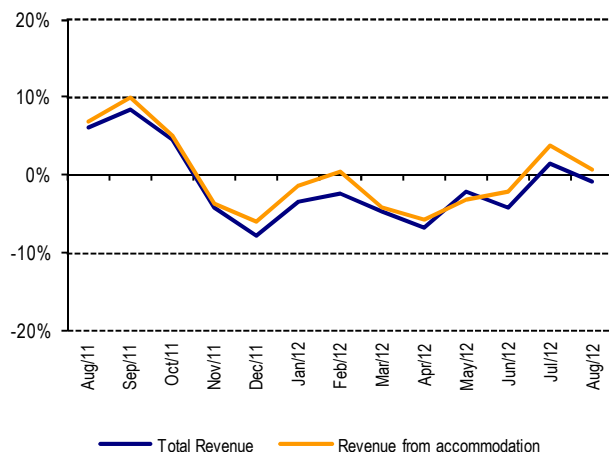
The tourist apartments presented the highest average stay (5.7 nights), followed by tourist villages (5.5 nights) and the apartment hotels (5.1 nights). In the latter, five star units recorded the highest value for the indicator (6 nights).

Revenue and Average Revenue per Available Room (RevPAR)

The total revenue from tourist accommodation activity establishments was EUR 297.9 million, which stood for 0.8% less than in August 2011.

The total revenue from accommodation recorded a slight increase in year-on-year terms (+0.6%), corresponding to EUR 224.2 million.

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



The Algarve and the Madeira were the only regions to present improved results in both indicators, with the emphasis on the growing results of the Algarve for the fourth consecutive month.

The remaining regions recorded declines, more so in the Alentejo and the Centre.

Table 6. Revenue by region (NUTS II)

Unit: 10⁶euros

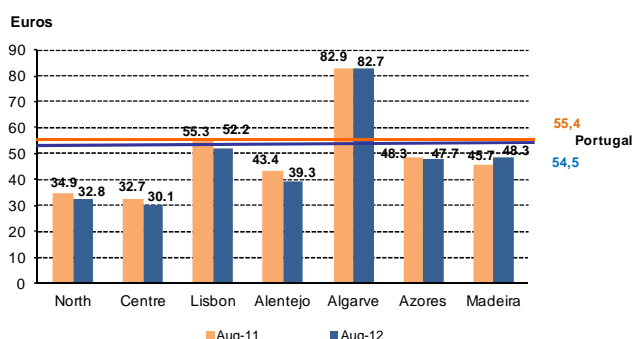
NUTS II	Total revenue		Revenue from accommodation	
	Aug-12	Year-on-year change rate (%)	Aug-12	Year-on-year change rate (%)
Portugal	297.9	-0.8	224.2	0.6
North	27.8	-3.3	20.4	-2.7
Centre	26.2	-9.5	18.9	-6.6
Lisbon	56.0	-3.3	42.8	-3.4
Alentejo	9.8	-11.2	7.3	-12.5
Algarve	138.4	3.5	108.1	5.0
Azores	7.7	-6.9	6.0	-4.7
Madeira	31.9	1.4	20.7	4.2

RevPAR from tourist accommodation activity was EUR 54.5, 1.6% less than in August 2011.

The Algarve recorded the highest RevPAR (EUR 82.7), followed by Lisbon (EUR 52.2) and Madeira (EUR 48.3). In year-on-year terms, the region of Madeira was the only one to present improved results (+5.7%).

The remaining regions had decreases, more so in the Alentejo (-9.4%) and the Centre (-8%).

Figure 5. Average revenue per room



With regard to the type of establishment, the highest values of RevPAR came from the "pousadas" (EUR 70.7), apartment hotels (EUR 66.8) and tourist villages (EUR 62.1). Nonetheless, the highest values came from five star hotels and apartment hotels (EUR 102.1 and EUR 85.3, respectively).

In year-on-year terms, in most cases, there were declining results, more so in the "pousadas" (-9%) and in tourist villages (-7%).

In hotels (-3.9%), the growth in four and five star units was not enough to compensate for the losses in the remaining units.

As far as apartment hotels are concerned (-2.2%), there was a decrease in RevPAR in five and four star units, while all remaining units increased.

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-11	Aug-12	%
Total	55.4	54.5	-1.6
Hotels	58.3	56.0	-3.9
*****	98.7	102.1	3.4
****	59.8	60.0	0.3
***	42.3	36.9	-12.8
** / *	32.5	27.6	-15.1
Apartment hotels	68.3	66.8	-2.2
*****	89.4	85.3	-4.6
****	71.9	70.1	-2.5
*** / **	51.9	52.6	1.3
Pousadas	77.7	70.7	-9.0
Tourist apartments	54.3	56.6	4.2
Tourist villages	66.8	62.1	-7.0
Other tourist establishments	26.0	25.7	-1.2

In the period of January to August 2012, hotel accommodation activity establishments accounted for EUR 1 307.2 million of total revenue and EUR 915.5 million of revenue from accommodation, corresponding to slight year-on-year decreases of 2% and 1%, respectively.

The RevPAR was EUR 30, also declining (-3.7%) when compared with the same period of 2011.

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: 15 November 2012