

Tourism Activity

October 2012

Positive trend in overnight stays but revenue declines

The tourism accommodation activity accounted for 3.5 million overnight stays in October 2012, 1.5% more than in the same month of the previous year. Among the main inbound markets, the emphasis goes to the contributions of the Irish, the German and the British, that altogether grew by 12.3% in year-on-year terms. In October, the internal market declined again (-11.4%), after a rise in September which interrupted a 12 month period of declining results.

The revenue from the activity kept a declining trend, showing decreasing year-on-year change rates of 4.5% in total revenue and 3% in revenue from the accommodation.

Table 1. Global provisional results from tourism activity

GLOBAL PROVISIONAL RESULTS	Month		Accumulated	
	Oct 12	Year-on-year change rate (%)	Jan to Oct 12	Year-on-year change rate (%)
Guests (thousand)	1 249.9	-1.5	12 373.7	-1.2
Overnight stays (thousand)	3 540.2	1.5	36 088.6	0.4
Residents in Portugal	861.1	-11.4	11 171.4	-7.5
Non residents	2 679.1	6.6	24 917.2	4.5
Average stay (no. of nights)	2.8	0.1	2.9	0.0
Net bed occupancy rate (%)	39.6	-0.4 p.p.	42.1	-1.0 p.p.
Total revenue (€ Million)	162.8	-4.5	1 689.0	-2.5
Revenue from accommodation (€ Million)	111.7	-3.0	1 179.9	-1.5
RevPar (Average revenue per available room) (€)	27.8	-5.1	30.7	-3.8

Less guests and more overnight stays

In the period January to October 2012, the tourism accommodation activity establishments hosted 12.4 million guests, which in turn originated 36.1 million overnight stays. In year-on-year terms, these figures stand for a decline on the number of guests (-1.2%) and to a slight increase in overnight stays (+0.4%).

On an international level, preliminary results made available by the World Tourism Organization for the period January to August 2012, estimate a total of 705 million international arrivals, 4.1% more than in the same period of 2011. For this outcome there was the contribution of developed economies (+3.6%) and also from emerging economies (+4.6%).

On a regional level, in overall, the trend was positive, more so in the Asia and The Pacific region (+7.3%), and in Africa (+6.1%). Europe grew by 3.4%, with all sub-regions contributing, namely Central and Eastern Europe (+9.2%) and Western Europe (+3.3%). The Middle East was the only region recording a declining trend (-1.4%).

In **October 2012**, the tourism accommodation activity establishments hosted 1.2 million guests (1.5% less than in October 2011) and accounted for 3.5 million overnight stays (+1.5% in year-on-year terms).

Tourist villages and tourist apartments presented the best results in terms of the total number of overnight stays (+15.6% and +13.4% respectively, compared with October 2011).

Apartment hotels (+3.7%), benefited from the contribution of 4 star units (+7.2%), which stood for 70% of the total of overnight stays within this typology. Five star units decreased by 14.8% while 2 and 3 star units recorded a similar number of overnight stays.

In hotels, the number of overnight stays recorded slight changes (-0.2%), caused by the negative contribution of 3 star units (-7.2%) as opposed to the positive trend in the remaining hotel categories.

The "*pousadas*" kept a declining trend throughout 2012 (10.6% less overnight stays in October 2012).

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

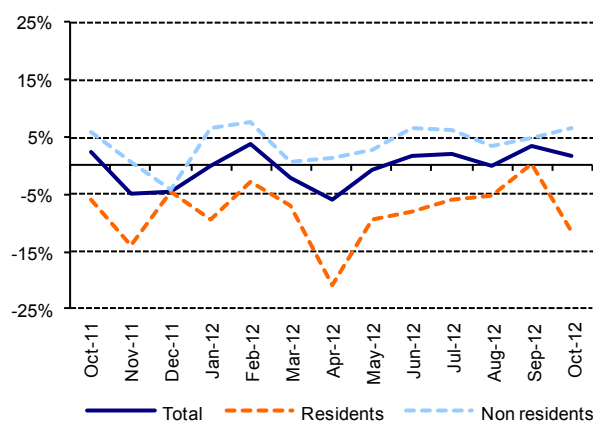
Type of establishment and category	Overnight stays (10 ³)		Year-on-year change rate
	Oct-11	Oct-12	%
Total	3 486.6	3 540.2	1.5
Hotels	2 227.3	2 223.7	-0.2
*****	403.1	409.1	1.5
****	1 059.2	1 077.3	1.7
***	562.8	522.3	-7.2
** / *	202.3	214.9	6.2
Apartment hotels	525.2	544.4	3.7
*****	44.3	37.8	-14.8
****	355.9	381.7	7.2
*** / **	124.9	125.0	0.0
Pousadas	35.9	32.1	-10.6
Tourist apartments	285.9	324.4	13.4
Tourist villages	141.7	163.8	15.6
Other tourist establishments	270.6	251.8	-6.9

Overnight stays spent by non residents increased but residents spent less overnight stays yet again

Residents spent 861 thousand overnight stays in October 2012, which stands for a decrease in year-on-year terms (-11.4%), following the slight improvement recorded in the previous month (+0.4%) which had interrupted a 12 month period of declining results.

Non residents kept a positive trend (+6.6%) which begun in January, reaching 2.7 million overnight stays in October.

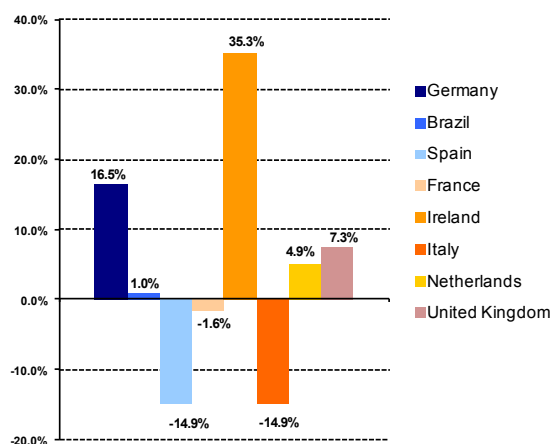
Figure 1. Overnight stays, month-to-month change rate



In October, the evolution of the main inbound markets of origin was positive in overall. The Irish market had the best performance comparing with October 2011 (+35.3% of overnight stays), followed by the German (+16.5%) and the British (+7.3%). The Spanish and the Italian markets had negative evolutions, with 14.9% decreases in both.

As a whole, the group of the 8 main inbound markets represented 3/4 of overnight stays spent by non residents.

Figure 2. Overnight stays by main inbound markets – month-to-month change rate – October 2012



Algarve and Lisbon with more overnight stays

The regions of Algarve and Lisbon were the only ones to record increasing year-on-year change rates in overnight stays (+8.9% and +5%, respectively), a trend regarding Algarve since May and since March in what concerns Lisbon. The remaining regions continued the reduction trend that has been predominant in recent months, more so in the Azores with an 18.5% decrease.

In the Algarve, there was a year-on-year growth as far as the inbound markets are concerned namely the German (+15.1%), the British (+12.4%) and the Dutch (+6.2%). Together, these markets represented about 75% of overnight stays spent by non residents in the region. As far as the internal market is concerned, the declining trend continued (-9.9%).

The positive results from Lisbon were also exclusively due to non residents (+7.9%), since residents recorded a 3.6% decrease.

In the Azores the trend, in overall, declined (-28.2% concerning overnight stays spent by residents, representing 44.3% of the total and -8.7% of overnight stays spent by non residents).

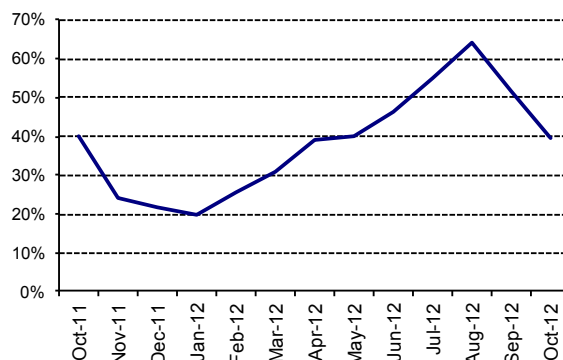
Table 3. Overnight stays by region (NUTS II)

NUTS II	Overnight stays (10 ³)		Year-on-year change rate
	Oct-11	Oct-12	%
Portugal	3 486.6	3 540.2	1.5
North	423.1	407.0	-3.8
Centre	377.1	340.6	-9.7
Lisbon	868.9	912.6	5.0
Alentejo	101.2	91.3	-9.8
Algarve	1 161.8	1 264.7	8.9
Azores	83.3	67.9	-18.5
Madeira	471.3	456.2	-3.2

Net bed occupancy rate stabilizes

The net bed occupancy rate in tourism accommodation activity establishments was 39.6%, quite similar to the one of October 2011 (40%).

Figure 3. Net bed occupancy rate



As usual, the regions with the best results as far as this indicator is concerned were Lisbon (52.7%), Madeira (52%) and Algarve (40.3%). In year-on-year terms, Algarve and Lisbon were the only ones where this indicator had improved figures, of +2.3 p.p. and +0.6 p.p., respectively. In the remaining regions the occupancy rates had reductions, more so in Azores (-5.4 p.p.) and in the Centre (-4 p.p.).

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

NUTS II	Occupancy rate		Average stay	
	%		(No. of nights)	
	Oct-11	Oct-12	Oct-11	Oct-12
Portugal	40.0	39.6	2.7	2.8
North	34.5	32.3	1.7	1.7
Centre	30.9	26.9	1.9	1.7
Lisbon	52.1	52.7	2.3	2.3
Alentejo	25.7	23.3	1.6	1.6
Algarve	38.0	40.3	4.3	4.8
Azores	30.9	25.5	3.1	2.9
Madeira	53.0	52.0	5.4	5.4

When compared with October 2011, tourist villages accounted for the highest increase in the occupancy rate (+3.7 p.p.), followed by apartment hotels (+0.8 p.p.). In the latter, there was a positive contribution of the 2 to 4 star units, while 5 star units declined (-2.2 p.p.).

Hotels presented a decrease of 1 p.p. in the occupancy rate, except for 5 star units (+3.2 p.p.).

The "pousadas" maintained to record the least favorable results (-13.2 p.p.).

Considering the units category, 5 star hotels presented the highest occupancy rate (52.4%), followed by 4 star units (46.4%) and by 4 and 5 star apartment hotels (45.2% and 42.1%, 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)	
	Oct-11	Oct-12	Oct-11	Oct-12
Total	40.0	39.6	2.7	2.8
Hotels	44.5	43.5	2.4	2.5
*****	49.2	52.4	2.7	2.8
****	47.4	46.4	2.6	2.7
***	41.2	38.2	2.2	2.2
** / *	34.9	33.5	1.8	1.9
Apartment hotels	42.2	43.0	4.2	4.3
*****	44.3	42.1	4.1	5.1
****	44.7	45.2	4.1	4.2
*** / **	36.0	37.8	4.4	4.3
Pousadas	46.8	33.6	1.5	1.6
Tourist apartments	30.1	30.6	5.2	5.6
Tourist villages	29.2	32.9	4.9	5.1
Other tourist establishments	27.9	27.8	2.3	2.3

Average stay with no major changes

The average stay was 2.8 nights, similar to the one of October 2011 (2.7 nights).

The region of Madeira recorded the longest average stay (5.4 nights). The Algarve followed (4.8 nights), where occurred the highest increase in this indicator (4.3 nights in October 2011).

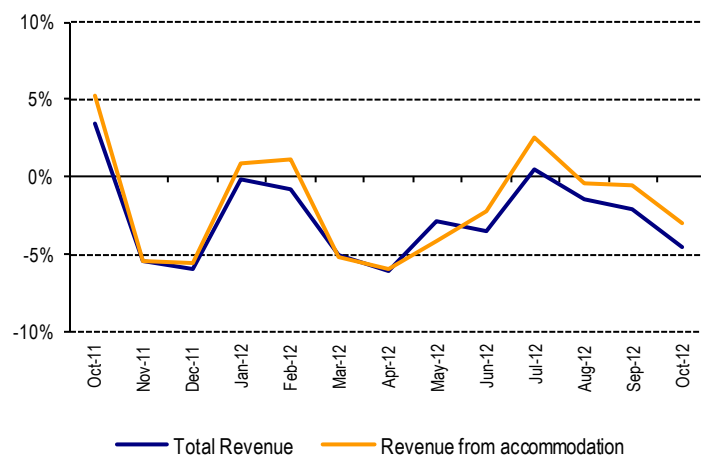
By type of establishment, tourist apartments led (5.6 nights), followed by tourist villages and 5 star apartment hotels (5.1 nights in both).

Revenue still decreasing

As in the previous month, the total revenue from tourist accommodation activity revealed a downward trend and did not match the increase in overnight stays.

Tourist accommodation activity establishments accounted for EUR 162.8 million in total revenue, which stood for 4.5% less than in October 2011. The revenue from accommodation also recorded a slight decrease in year-on-year terms (-3%), corresponding to EUR 111.7 million.

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



On a regional level, in terms of revenue, the trend declined in overall, with the biggest fall in Azores: -22.8% in total revenue and -21.7% in revenue from accommodation.

Only the Algarve presented positive results (+4.4% in total revenue and +6.3% in revenue from accommodation), continuing the growing trend that occurs for the sixth consecutive month, unrivalled by any of the remaining regions.

Table 6. Revenue by region (NUTS II)

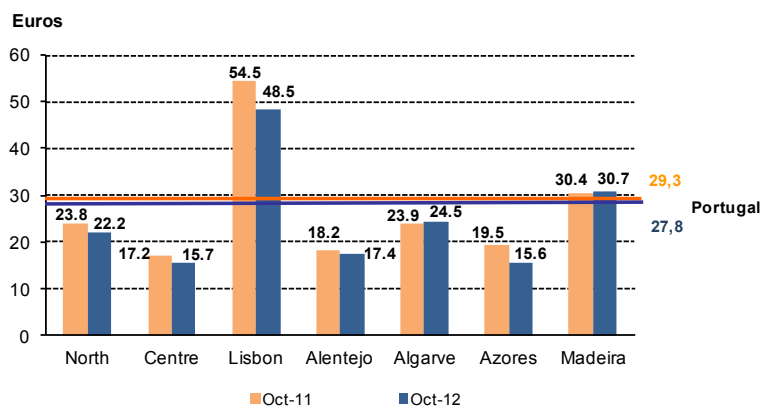
NUTS II	Total revenue (10 ⁶ euros)		Revenue from accommodation	
	Oct-12	Year-on-year change rate (%)	Oct-12	Year-on-year change rate (%)
Portugal	162.8	-4.5	111.7	-3.0
North	19.5	-4.3	13.5	-4.2
Centre	15.1	-9.8	9.6	-6.3
Lisbon	54.1	-7.9	39.9	-7.3
Alentejo	4.5	-11.8	3.1	-8.6
Algarve	45.8	4.4	30.5	6.3
Azores	2.9	-22.8	2.0	-21.7
Madeira	21.0	-4.8	13.1	-0.5

Average revenue per available room decreases

RevPAR from tourist accommodation activity was EUR 27.8, 5.1% less than in October 2011.

Lisbon (EUR 48.5), Madeira (EUR 30.7) and Algarve (EUR 24.5) were the regions recording the highest values in RevPAR. The last two were the only ones that accounted for improvements in comparison with October 2011 (+2.5% in Algarve and +1% in Madeira). The remaining regions reported declining results, more so in Azores (-20%) and Lisbon (-11%).

Figure 5. Average revenue per room



The highest values of RevPAR came from 5 star hotels (EUR 63.6).

With regard to the type of establishment, the "*pousadas*" (EUR 41.1) stood out as well as hotels (EUR 33), with a RevPAR above the national average (EUR 27.8).

The year-on-year trend declined in overall, with the highest decreases in 3 star hotels (-14.7%) and in the "*pousadas*" (-9.1%). Tourist villages recorded relevant positive results (+34.8%).

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

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Oct-11	Oct-12	%
Total	29.3	27.8	-5.1
Hotels	35.7	33.0	-7.6
*****	65.5	63.6	-2.9
****	35.2	33.6	-4.5
***	25.2	21.5	-14.7
** / *	19.5	17.6	-9.7
Apartment hotels	26.0	25.2	-3.1
*****	27.7	26.2	-5.4
****	28.5	27.1	-4.9
*** / **	19.5	20.2	3.6
Pousadas	45.2	41.1	-9.1
Tourist apartments	13.0	12.9	-0.8
Tourist villages	16.1	21.7	34.8
Other tourist establishments	16.3	15.6	-4.3

In the period of January to October 2012, hotel accommodation activity establishments accounted for total revenue of EUR 1,689 million, corresponding to a 2.5% year-on-year decrease. A total of EUR 1,179.9 million resulted from the revenue from accommodation, corresponding to a year-on-year decrease of 1.5%.

The RevPAR was EUR 30.7, 3.8% less than in October 2011.

EXPLANATORY NOTES

Data disseminated in this “Press Release” refers to the following data outputs:

2012 – October and September – preliminary data

January to August – revised data

2011 – Definitive data

Net bed occupancy rate – corresponds to the relation between the number of overnight stays and the number of available beds, in the reference period, counting as two beds 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.

Rounded figures might imply that totals don’t correspond to the sum of the parcels.

ABBREVIATIONS

RevPAR – Revenue Per Available Room

Date of next press release: 14 January 2013