

14 March 2013

Tourism Activity

January 2013

Slight increase in overnight stays but decline in revenue

The number of overnight stays spent in tourism accommodation activity establishments stood at 1.6 million in January 2013, increasing 1.1% when compared with the same month of the previous year. This growth resulted from overnight stays spent by non residents, which increased 5.2% (+7.4% in the previous month), since there was a year-on-year change rate of -6.2% in overnight stays by residents (-5.4% in the previous month).

The Dutch, British and French inbound markets recorded quite significant year-on-year increases (+17.8%, +15.4% and +13.9% respectively). On the contrary, the Spanish, Italian and Irish markets presented a declining trend.

The revenue from the activity accounted for decreases when compared with January 2012 (-1.7% in total revenue and -0.2% in revenue from the accommodation).

Table 1. Global preliminary results from tourism activity

GLOBAL PRELIMINARY RESULTS	Month	
	Jan 13	Year-on-year change rate (%)
Guests (thousand)	642.9	-1.3
Overnight stays (thousand)	1 588.2	1.1
Residents in Portugal	531.3	-6.2
Non residents	1 056.9	5.2
Average stay (no. of nights)	2.5	0.1
Net bed occupancy rate (%)	20.3	-0.1 p.p.
Total revenue (€ Million)	73.1	-1.7
Revenue from accommodation (€ Million)	48.6	-0.2
RevPar (Average revenue per available room) (€)	13.6	-2.2

Slight changes in figures for guests and overnight stays

In **January 2013**, the tourism accommodation activity establishments hosted 642.9 thousand guests, which in turn originated 1.6 million overnight stays.

When compared with the same month of the previous year, these figures stand for slight changes in the number of guests (-1.3%) and overnight stays (+1.1%), in line with the previous month, December 2012 (-0.5% of guests and +1.9% of overnight stays).

Tourism activity – January 2013

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Tourist villages had a significant increase in the number of overnight stays (36.6% more than in January 2012), contributing for the steady positive results which begun in September 2012.

In tourist apartments the growth in overnight stays, with regard to the year-on-year change rate, accounted for +17.2%, while in hotels that change was only +1.9%. In the latter, all categories contributed in a positive way, mostly 5 star (+6.1%). However, in 5 star hotels, in year-on-year terms, the growth stood below the ones of November (+12.7%) and December (+10.7%) of last year.

Apartment hotels presented declining results in overnight stays (-4.9%), for which all categories contributed, with further declines in the remaining typologies.

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

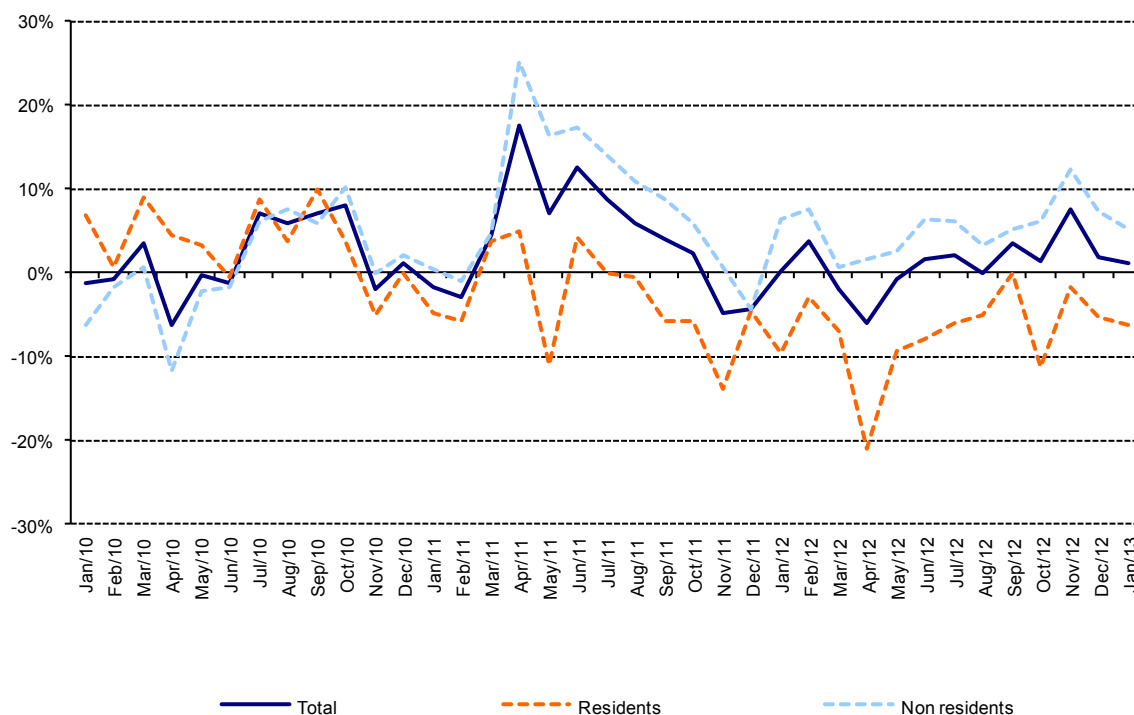
Type of establishment and category	Overnight stays (10 ³)		Year-on-year change rate
	Jan-12	Jan-13	%
Total	1 571.3	1 588.2	1.1
Hotels	1 015.0	1 033.8	1.9
*****	179.5	190.5	6.1
****	479.0	482.4	0.7
***	241.9	243.3	0.6
** / *	114.6	117.5	2.5
Apartment hotels	255.1	242.5	-4.9
*****	24.2	19.3	-20.4
****	162.7	161.1	-1.0
*** / **	68.2	62.2	-8.9
Pousadas	16.1	12.9	-20.0
Tourist apartments	87.9	103.0	17.2
Tourist villages	48.1	65.8	36.6
Other tourist establishments	149.1	130.2	-12.7

Residents spent less overnight stays while non residents continued to spend more

Residents spent 531.3 thousand overnight stays, which stood for a year-on-year decline of 6.2%, which confirmed the declining evolution of December (-5.4%) and November (-2.7%) of 2012.

Non residents originated 1.1 million overnight stays, 5.2% more than the number of overnight stays in January 2012 (+7.4% and +13.1% respectively in December and November 2012).

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



The 8 main inbound markets of origin (according to the preliminary results of 2012) originated 73.5% of overnight stays spent by non residents in January 2013, and performed quite differently from each other.

The United Kingdom, main inbound market (24.1% of the total of overnight stays spent by non residents), grew by 15.4% in year-on-year terms.

The German market (with a 15.1% share) presented almost the same number of overnight stays as in January 2012.

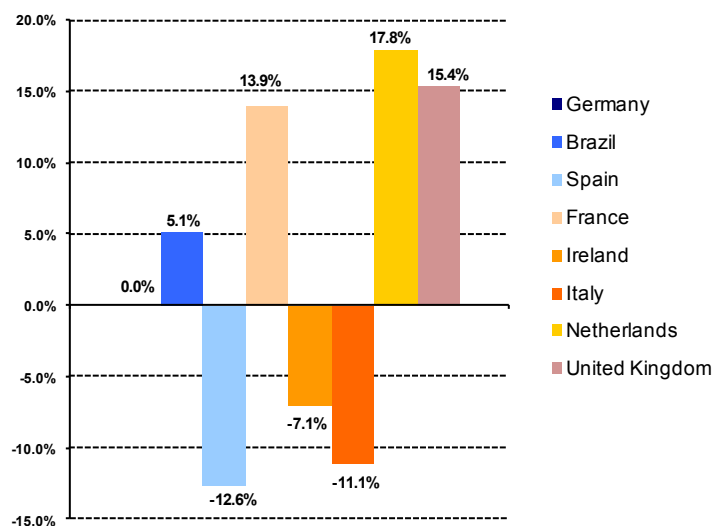
The Netherlands (9.7% of the total) recorded the highest year-on-year increase in overnight stays (+17.8%).

Overnight stays originated by the French (5.5% share) and Brazilian (7.2%) markets increased by 13.9% and by 5.1% respectively.

Spain (7.8% of the total) performed differently presenting declining results (-12.6% of overnight stays).

Italy (3.1%) and Ireland (1.0%) also stood for declining year-on-year change rates (-11.1% and -7.1%, respectively).

Figure 2. Overnight stays by main inbound markets ⁽¹⁾ – month-to-month change rate – January 2013



(1) 2012 Main Inbound Markets

In January 2013, there were other relevant increases coming from inbound markets such as the Russian (+18.8%, with a 2.8% weight in this month), the Danish (+24.9%, weighting at 2.3%) and the Finnish (+27.4%, with a 1.9% weight).

Still in January 2013, the United States of America stood for 2.1% of overnight stays spent by non residents, while Sweden had a 1.8% share of the total value.

It is worth mentioning that January, a low season month, registered the lowest number of overnight stays spent by both residents and non residents when considering overall year 2012.

Algarve and Madeira with positive results

The Algarve and Madeira were the only regions presenting positive year-on-year change rates for the total of overnight stays (+7.4% and +6.4%, respectively).

Lisbon and the North recorded very slight changes (-0.8% in both). The decline in Lisbon, although a slight one, goes against the positive results recorded during 2012.

The remaining regions presented higher year-on-year declining trends, namely the Alentejo and the Azores (-17.0% and -8.8% respectively). The latter region, after an improvement recorded in the previous month (+2.0%), declined yet again, although below the year-on-year declines of October and November of 2012 (-18.0% in both).

When considering overnight stays spent by residents, Lisbon was the only region to present an year-on-year increase (+1.5%). In the other regions there were declines, more so in the Alentejo (-28.5%), Algarve (-15.1%) and Madeira (-11.9%).

The highest increase in the number of overnight stays spent by non residents occurred in Alentejo (+22.0%), representing 33.6% of the total of overnight stays in the region, however not enough to compensate for the decline of the internal market.

The Algarve (+12.1%), Madeira (+8.3%) and the North (+3.9%) also recorded year-on-year increases concerning overnight stays by non residents, as in the previous seven months, while the remaining regions declined, more so in the Centre (-11.2%) and in Azores (-10.3%).

It is worth mentioning that the regions of North and Lisbon had increases concerning non residents stays along the year 2012.

Table 3. Overnight stays by region (NUTS II)

NUTS II	Overnight stays (10 ³)		Year-on-year change rate	Residents overnight stays (10 ³)		Year-on- year	Non residents overnight stays (10 ³)		Year-on- year
	Jan-12	Jan-13	%	Jan-12	Jan-13	%	Jan-12	Jan-13	%
Portugal	1 571.3	1 588.2	1.1	566.6	531.3	-6.2	1 004.8	1 056.9	5.2
North	222.6	220.8	-0.8	139.8	134.9	-3.5	82.8	86.0	3.9
Centre	158.5	146.6	-7.5	119.6	112.1	-6.3	38.9	34.6	-11.2
Lisbon	461.1	457.4	-0.8	159.7	162.1	1.5	301.4	295.3	-2.0
Alentejo	50.2	41.7	-17.0	38.8	27.7	-28.5	11.5	14.0	22.0
Algarve	362.0	388.7	7.4	62.4	53.0	-15.1	299.6	335.7	12.1
Azores	28.2	25.7	-8.8	19.2	17.6	-8.1	9.0	8.1	-10.3
Madeira	288.7	307.2	6.4	27.2	24.0	-11.9	261.5	283.2	8.3

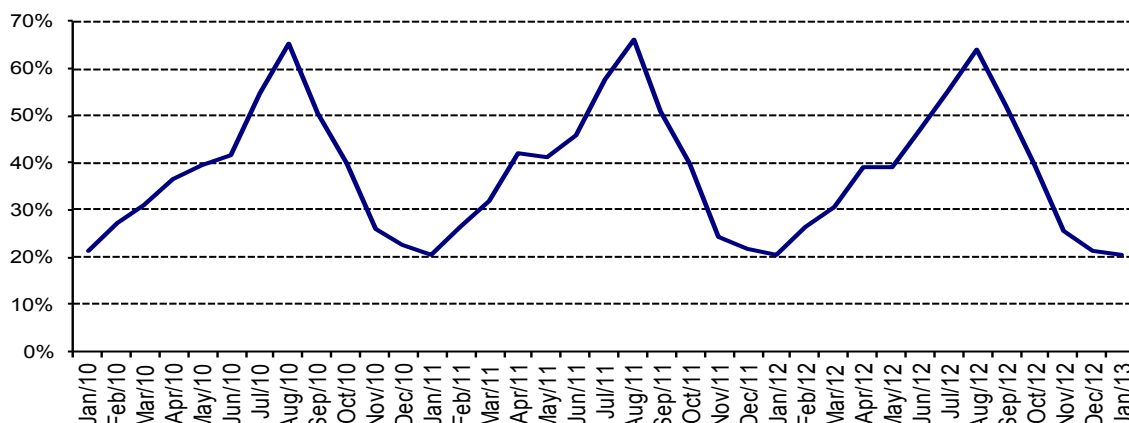
The figures regarding the Algarve resulted from the positive contributions of its main markets, mainly the British (+25.7%) and the Dutch (+20.2%), representing 68.1% of overnight stays spent by non residents in the region.

A similar outcome occurred in Madeira, with increases in overnight stays from the British (+7.3%) and the German (+2.7%) markets, together with a relative weight of 58.5%.

Net bed occupancy rate with stable results

In **January 2013**, the net bed occupancy rate in tourism accommodation activity establishments was 20.3%, considering the availability of beds offered to the market by these establishments, a quite similar ratio to the one recorded in January 2012 (20.4%).

Figure 3. Net bed occupancy rate



Keeping the trend of the last two months, Madeira presented the highest net bed occupancy rate (38.8%), which also corresponded to the highest year-on-year increase (+3.6 p.p.). Considering the remaining regions, only the Algarve has an increase in this indicator (+0.9 p.p.).

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

NUTS II	Occupancy rate		Average stay	
	%		(No. of nights)	
	Jan-12	Jan-13	Jan-12	Jan-13
Portugal	20.4	20.3	2.4	2.5
North	18.5	17.5	1.6	1.5
Centre	14.1	12.5	1.6	1.5
Lisbon	27.0	26.5	2.0	2.0
Alentejo	13.7	12.1	1.5	1.7
Algarve	16.1	17.0	4.3	4.5
Azores	11.6	10.8	2.4	2.2
Madeira	35.2	38.8	5.7	5.9

When considering the net bed occupancy rate in relation to the type of tourist accommodation activity establishment, the emphasis goes to the tourist villages which presented improved results when compared with January 2012 (+3.1 p.p.).

The remaining typologies showed some stability as far as this indicator is concerned.

Five star hotels (25.6%) and four star apartment hotels (23.0%) outstood as the categories that recorded the highest occupancy rates.

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)	
	Jan-12	Jan-13	Jan-12	Jan-13
Total	20.4	20.3	2.4	2.5
Hotels	22.4	22.1	2.1	2.1
*****	25.9	25.6	2.3	2.4
****	23.2	22.9	2.3	2.4
***	20.1	20.2	1.9	1.9
** / *	20.5	19.2	1.6	1.6
Apartment hotels	22.4	22.7	4.6	4.4
*****	28.0	20.3	4.0	5.8
****	21.0	23.0	4.7	4.2
*** / **	24.4	22.8	4.6	4.6
Pousadas	23.3	15.6	1.5	1.5
Tourist apartments	12.9	13.5	5.8	6.3
Tourist villages	11.5	14.6	4.7	5.2
Other tourist establishments	16.9	16.4	2.0	2.0

Average stay with slightly higher results

The average stay was 2.5 nights, slightly above the one of January 2012 (2.4 nights).

Throughout 2012 this indicator showed a relative stability in year-on-year terms, only growing by 0.1 p.p. in February, July and October.

As usual, Madeira recorded the longest average stay (5.9 nights), followed by the Algarve (4.5 nights). Vis-à-vis January 2012, these two regions increased slightly (+0.2 nights).

As in many other occasions, tourist apartments presented, on average, longer stays (6.3 nights in January 2013), changing by +0.5 p.p. in this particular month.

An improvement of +0.5 p.p. also occurred in tourist villages (5.2 nights).

Five star apartment hotels (5.8 nights) stood out as the category that presented the most significant increase (+1.8 nights) vis-à-vis January 2012, an outcome already shown since August 2012.

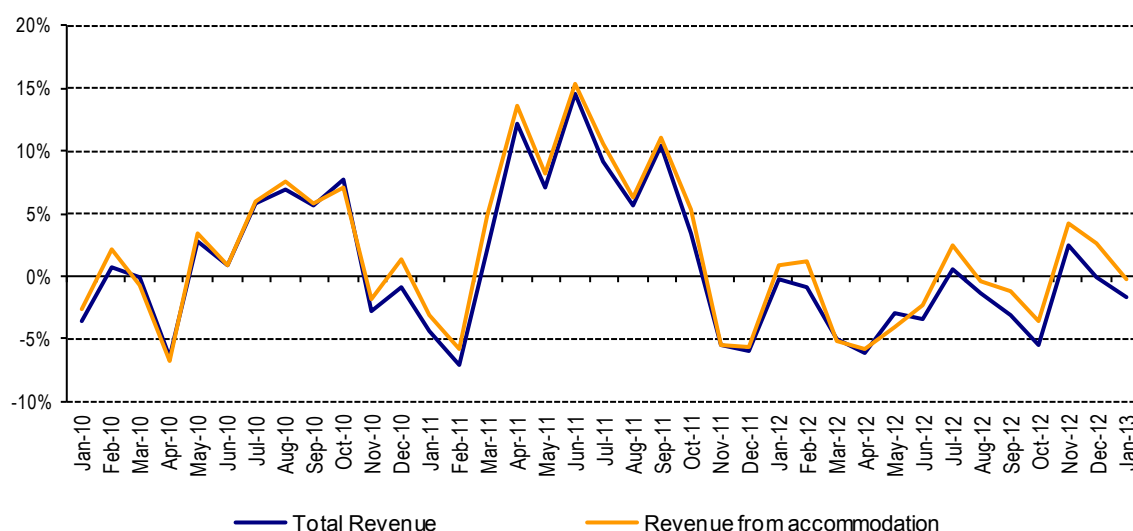
Revenue declined

In January, tourist accommodation activity establishments accounted for EUR 73.1 million in total revenue, 1.7% less than in January 2012 (-0.1% in December).

This reduction in total revenue, in January 2013, follows year-on-year declines throughout almost every month of 2012 (except for July and November, both recording slight improvements).

The revenue from accommodation (-0.2%) stood at similar figures when compared with the same month of the previous year, corresponding to EUR 48.6 million.

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



The region of Madeira recorded the best results in both indicators, with year-on-year increases of 12.3% in total revenue and 14.2% in revenue from accommodation.

The Algarve also increased but not as much, with +3.0% in total revenue and +11.4% in revenue from accommodation.

In the remaining regions the revenue presented a declining trend, namely the Alentejo and Lisbon.

When compared with the trend showed by the occupancy variables, the emphasis goes to two regions: Lisbon, although recording a mere 0.8% decline in overnight stays, presented reductions in revenue above 7%, and Madeira, on the contrary, having a 6.4% growth in overnight stays, recorded a 12.3% increase in total revenue and 14.2% more revenue from the accommodation.

Table 6. Revenue by region (NUTS II)

NUTS II	Total revenue (10 ⁶ euros)		Revenue from accommodation	
	Jan-13	Year-on-year change rate (%)	Jan-13	Year-on-year change rate (%)
Portugal	73.1	-1.7	48.6	-0.2
North	10.6	-2.8	7.3	-0.8
Centre	7.1	-4.1	4.5	-3.5
Lisbon	26.6	-7.3	18.1	-7.4
Alentejo	2.1	-17.0	1.3	-17.4
Algarve	11.5	3.0	7.8	11.4
Azores	1.2	-3.1	0.8	-3.4
Madeira	14.1	12.3	8.8	14.2

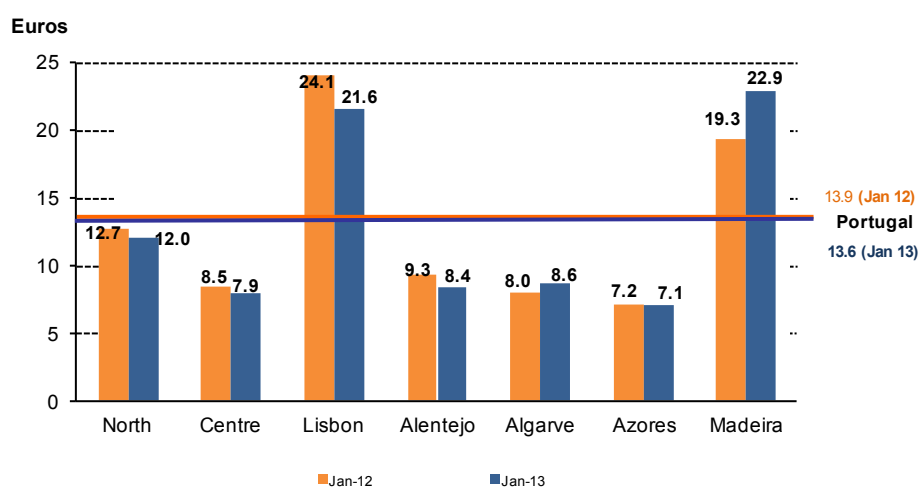
RevPAR decreases

In January 2013, the RevPAR (revenue per available room) from tourist accommodation activity was EUR 13.6, lower by 2.2% when compared with January 2012.

Madeira recorded the highest RevPAR (EUR 22.9), corresponding to the highest year-on-year increase (+18.7%). Lisbon presented the second best result (EUR 21.6), although recording the most significant decline (-10.4%) in year-on-year terms.

The remaining regions had reductions in this indicator, with the exception of the Algarve, with RevPAR increasing by 7.5% when compared with January 2012.

Figure 5. Average revenue per room



Five and four star category hotels recorded the highest RevPAR (EUR 29.7 and EUR 15.4, respectively), an outcome already present since September 2012.

In year-on-year terms, tourist villages recorded a quite significant increase (+54.7%).

Apartment hotels grew by 8.2%, with all categories contributing except for 5 star units (-18.3%).

In hotels, with a 4.8% decline in RevPAR, all categories performed negatively, with the exception of 3 star units with a slight increase of 0.9%.

The remaining typologies declined, namely tourist apartments (-12,0%) where a trend reversal occurred (+18.4% in December 2012 and +7.5% in November).

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

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Jan-12	Jan-13	%
Total	13.9	13.6	-2.2
Hotels	16.7	15.9	-4.8
*****	32.5	29.7	-8.6
****	16.1	15.4	-4.3
***	11.0	11.1	0.9
** / *	10.7	9.7	-9.3
Apartment hotels	12.2	13.2	8.2
*****	14.2	11.6	-18.3
****	12.7	14.4	13.4
*** / **	10.1	10.6	5.0
Pousadas	17.9	14.3	-20.1
Tourist apartments	5.0	4.4	-12.0
Tourist villages	6.4	9.9	54.7
Other tourist establishments	9.4	8.7	-7.4

MAIN INBOUND MARKETS IN 2012

The British market

The British market ranks first in terms of relative importance amongst the main inbound markets, having represented 23.4% of overnight stays spent by non residents in **2012** (preliminary results).

Throughout the year, tourism accommodation activity establishments hosted 1.3 million British guests, which in turn spent 6.4 million overnight stays. These figures stood for year-on-year increases of 3.8% in guests and 2.2% in overnight stays.

The main destinations were the Algarve (70.6% of overnight stays spent by British residents) and Madeira (18,0%), while Lisbon (ranking third) weighted only 7.3%.

The most sought-after establishments were hotels (42.2% of overnight stays), apartment hotels (27.5%) and tourist apartments (18.8%).

More than half of overnight stays in hotels were spent in 4 star units (51.7%), as well as in 4 star apartment hotels (70.1% of overnight stays spent in this typology).

The average stay was 5 nights, with tourist apartments recording a higher value (6.1 nights) as well as apartment hotels (5.7 nights).

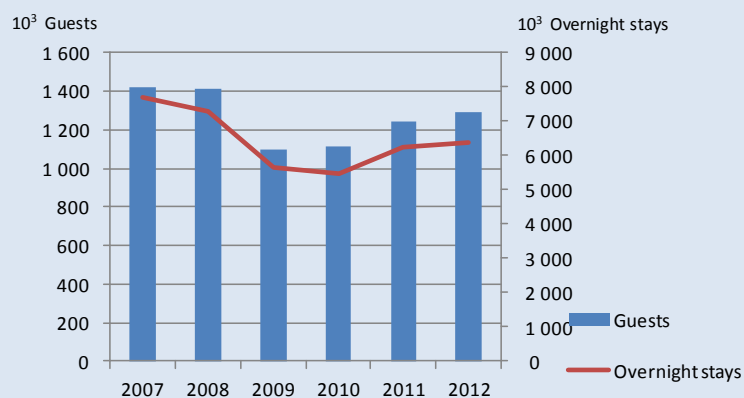
In terms of regions, the average stay in Madeira was 6.7 nights, while in Algarve it stood at 5.4 nights.

The period June to September 2012 concentrated 49.9% of the total of overnight stays, with the greatest share recorded in September (13.5%), followed by July (12.4%).

The trend over the **last five years** resulted in an uneven curve, partly due to the international economic crisis. There were year-on-year decreases in overnight stays, from 5.2% in 2008, to 22.4% in 2009 and 3.1% in 2010. In 2011, a recovery took place (+13.9%) and continued throughout 2012 but with less intensity (year-on-year change rate of +2.2%).

In 2012, the number of overnight stays with a British origin (6.4 million) stood below the one recorded in 2007 (7.7 million) and 2008 (7.3 million).

Evolution of guests and overnight stays from the British market



EXPLANATORY NOTES

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

2013 – January – preliminary data

2012 – December – preliminary data

January to November – provisional data

In between preliminary, provisional and definitive data, results are updated due to definitive answers instead of provisional and mainly due to the replacement of non response estimates by effective responses.

Data refers to tourism accommodation establishments with activity, in each reference period.

Guest – Individual that spends at least one overnight stay in a tourism accommodation activity establishment.

Overnight stay – Time spent by an individual between midday and midday of the following day.

Average stay – Relation between the number of overnight stays and the number of guests that originated those overnight stays during the reference period.

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.

Total revenue – revenue from the activity of tourism accommodation establishments: room renting, food and beverage and others related to the activity itself (conference room renting, laundry, tobacco, communications, etc.).

Revenue from accommodation – revenue from overnight stays spent by guests in all tourist accommodation establishments.

RevPAR – 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 – comparison between the variable level in the reference period and the same period of the year before. 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: 16 April 2013