May, 2 nd 2017

Tourist Demand of Residents

4th Quarter 2016

Tourism trips of residents increased in the 4th quarter and in the year 2016, but with decelleration

In the **4th quarter 2016**, residents in Portugal made 4.4 million tourist trips, which stood for a 6.2% increase vis-à-vis the 4th Q 2015[1] (9.6% in the 3rd Q 2016). Short term trips increased by 11.4% (11.8% in the 3rd Q 2016) and corresponded to 80.7% of the total trips. Domestic trips grew by 6.2% (9.9% in the 3rd Q 2016) and represented 90.9% of the total.

"Visit to relatives or friends" was the main reason behind 2.6 million trips (59.4% of the total, -1.4 p.p., from -1.7 p.p. in the 3rd Q). "Leisure, recreation or holidays" as a motivation to travel accounted for 1.2 million trips (28.1% of the total, +4.1 p.p.) and "professional or business" reasons triggered 364.1 thousand trips (8.2% weight, -3.1 p.p.).

With 85.7% of all overnight stays, "free private accommodation" increased its representativeness (+1.5 p.p., following +2.1 p.p. in the 3rd Q). With 11.0% of overnight stays, "hotels and similar accommodation" lost importance (-1.2 p.p.) as in the preceding quarter (-1.1 p.p. in the 3rd Q).

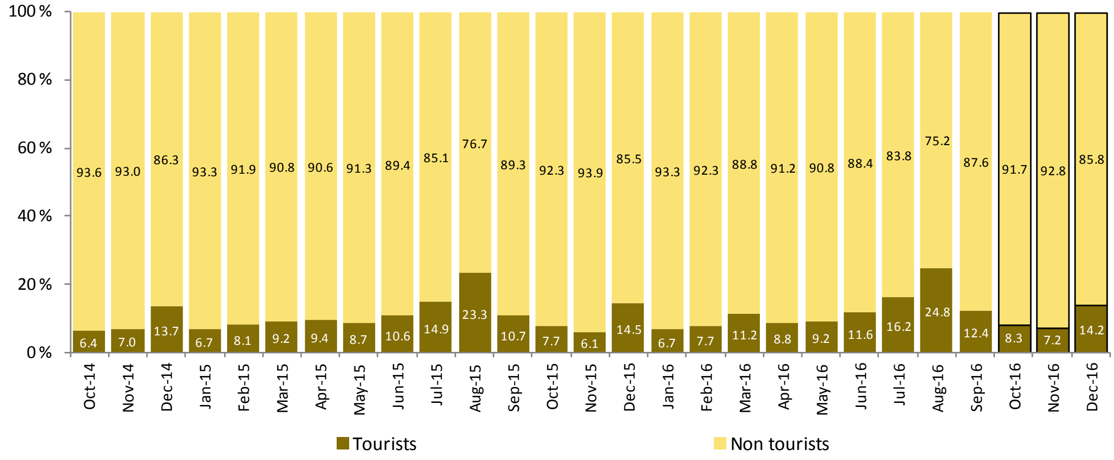
In the **year 2016**, 20.05 million tourist trips were made, reflecting an increase of 4.7% (7.0% in 2015). The main reason to travel was the "visit to relatives or friends", which originated 8.81 million trips (43.9%, -0.9 p.p.), followed closely by "leisure, recreation or holiday", with 8.78 million trips (43.8%, +1.6 p.p.).

Slight decline in the proportion of tourists

In the 4th quarter 2016, 17.3% of the resident population in Portugal made at least one tourist trip (-0.1 p.p.). This slight reduction was a result of the decline (-0.3 p.p.) in the proportion of tourists in December (14.2%), given that in October (8.3%) and in November (7.2%) there were increases in the weight of tourists among the resident population (+0.5 p.p. and +1.1 p.p., respectively).

[1] Unless stated otherwise, the change rates in this press release correspond to year-on-year change rates.

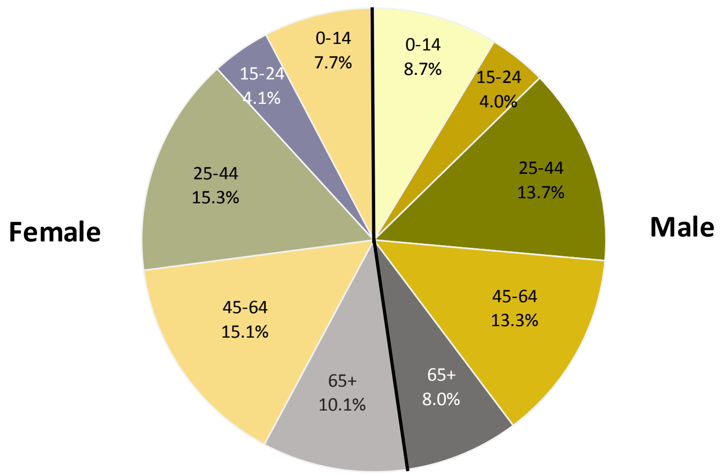
Figure 1. Percentage of tourists and non tourists in the resident population, by month



In the last quarter 2016, female tourists were 52.3% of the total (-0.7 p.p.).

Tourists belonging to the 25 to 44 years age group were predominant (29.0% of the total) but lost representativeness (-1.4 p.p.). Conversely, tourists belonging to the 45 to 64 years age group (28.4%) presented a 0.9 p.p. increase in terms of weight, which also happened in the age group until 14 years old (+1.7 p.p.; 16.4% weight).

Figure 2. Breakdown of tourists by sex and age group (4th quarter 2016)

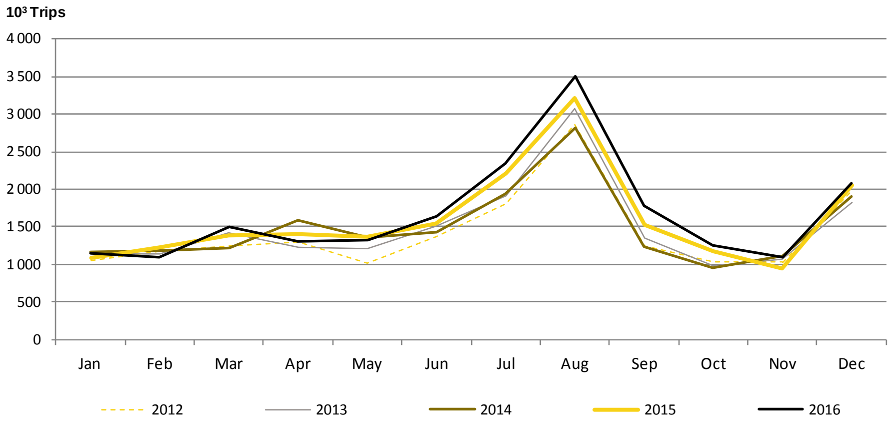


Increased weight in tourist trips made for "leisure, recreation or holiday"

In the last quarter 2016, residents in Portugal made 6.2% more trips, amounting to 4.4 million. Compared with the previous quarter, the growth rate was less intense (9.6% in the 3rd Q 2016), although both quarters stood apart from the less significant change rates of the two preceding quarters (-1.2% in the 2nd Q 2016 and +0.8% in the 1st Q 2016).

In **2016** as a whole, 20.05 million tourist trips were made, which stood for a 4.7% increase, following +7.0% in 2015 and +0.2% in 2014.

Figure 3. Tourist trips from residents, by month and year

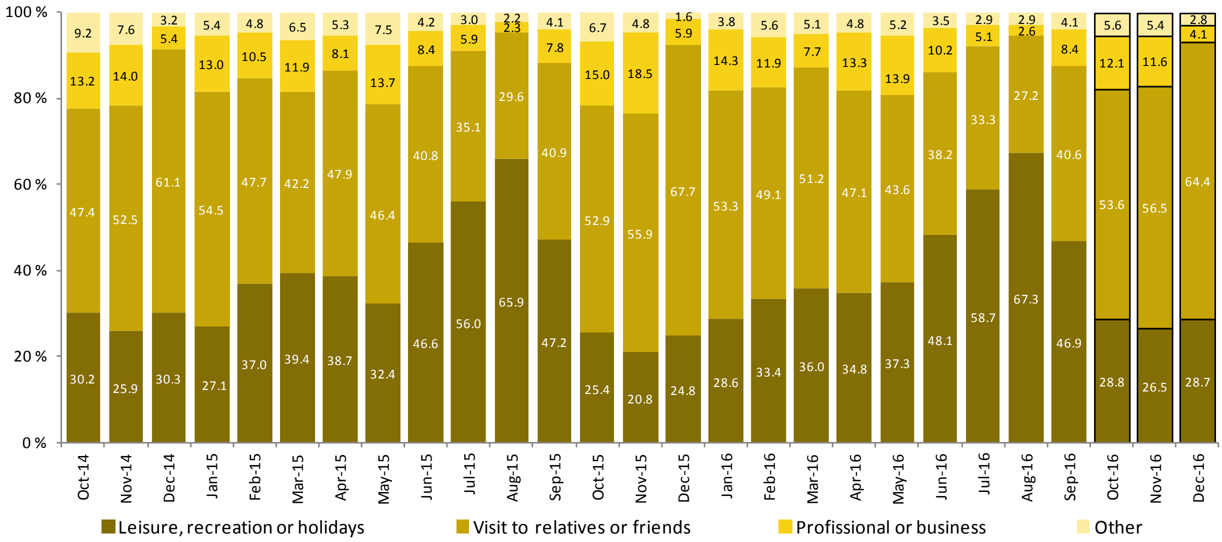


With a total of 2.6 million trips, "visit to relatives or friends" was the main reason to travel in the 4th Q 2016, representing 59.4% (-1.4 p.p.) of the total number of trips.

"Leisure, recreation or holiday" reasons were behind 1.2 million trips (28.1% of the total), which stood for a gain of 4.1 p.p. in its representativeness. Trips made for "professional or business" reasons (364.1 thousand) stood for a 3.1 p.p. decline in terms of weight in the 4th quarter, representing 8.2% of the total.

In **2016** the "visit to relatives or friends" continued to be the main reason for traveling, resulting in 8.81 million trips (43.9%, -0.9 p.p. vis-à-vis 2015), followed closely by "leisure, recreation or holiday", with 8.78 million (43.8%, +1.6 p.p.).

Figure 4. Breakdown of trips according to main motivations, by month

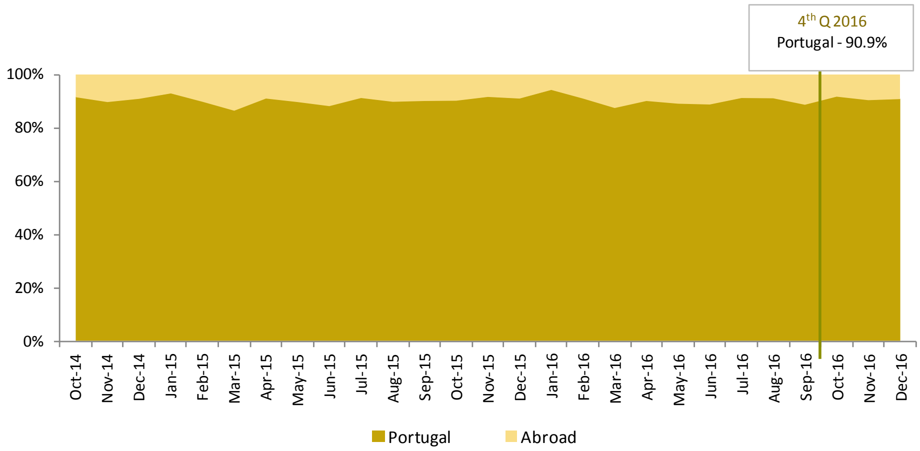


Domestic and international trips with increases

In the 4th Q 2016, around 4.0 million domestic trips were made (90.9% of the total, with no change in its weight), which stood for a 6.2% increase (9.9% in the 3rd Q). The number of trips with a foreign destination also increased (5.8%; 7.1% in the 3rd Q), and with no change in terms of representativeness (9.1% of the total number of trips).

In **2016** trips in the national territory accounted for 90.4% of the total (+0.3 p.p. than in 2015).

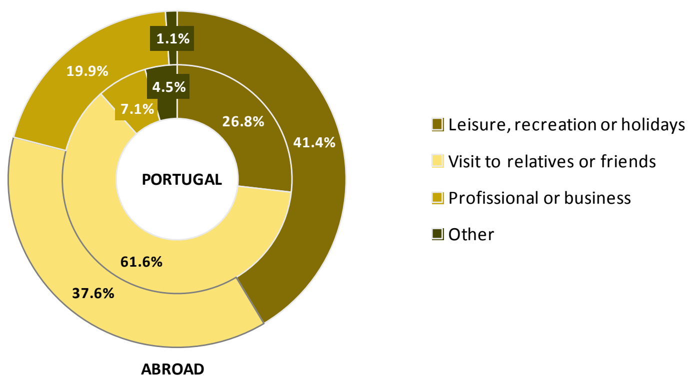
Figure 5. Breakdown of tourist trips, according to the destination



Considering trips towards foreign destinations, "leisure, recreation or holiday" reasons (41.4%) were the main motivation to travel, while domestic trips had as a main justification the "visit to relatives or friends", corresponding to 61.6% of the total.

In the whole of **2016**, "leisure, recreation or holiday" accounted for 54.7% of trips abroad (+5.0 p.p.). Considering domestic trips, "visits to relatives or friends" corresponded to 46.3% of trips (-0.9 p.p.).

Figure 6. Breakdown of trips according to motivations, by destination (4th quarter 2016)

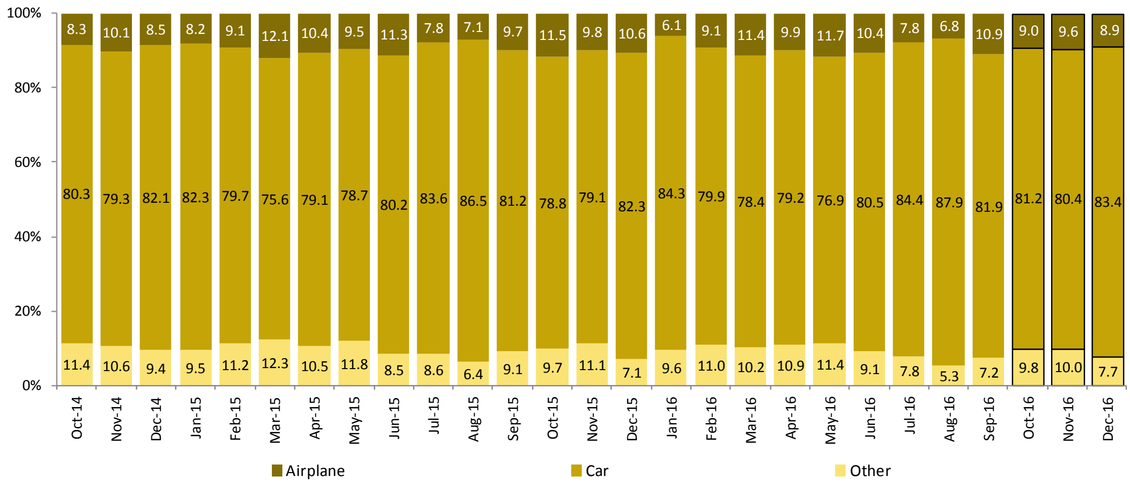


Strengthened importance of passenger cars

The passenger car was used in 3.6 million trips in the 4th Q, with an 82.0% share, increasing by 1.5 p.p. its weight in the total. Trips made by airplane represented 9.1% of the total (-1.6 p.p.) and amounted to 401.4 thousand. The other means of transport (railway, inland waterways, amongst others) showed stability in terms of representativeness (8.9%, +0.1 p.p.).

In **2016**, 16.5 million trips were carried out by car (+6.1%), with this mean of transport ensuring 82.4% of travels (81.3% in 2015). Air travel (9.0% of the total) amounted to 1.8 million trips (-0.2%).

Figure 7. Breakdown of tourist trips by main means of transport used, by month

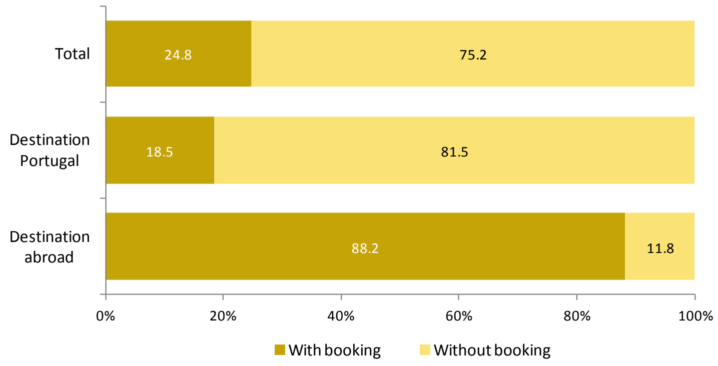


Booking in advance in ¼ of total trips

In the 4th quarter 2016, 24.8% of total tourist trips were made with services booked in advance (1.1 million trips; -1.0 p.p.). Booking in advance was particularly important in trips abroad (88.2%), although less expressive (-4.6 p.p.) than in the same quarter of 2015.

In **2016** the proportion of trips with early booking decreased to 29.0% (-1.3 p.p.); in trips abroad the advanced booking reduced to 88.6% (-1.7 p.p.).

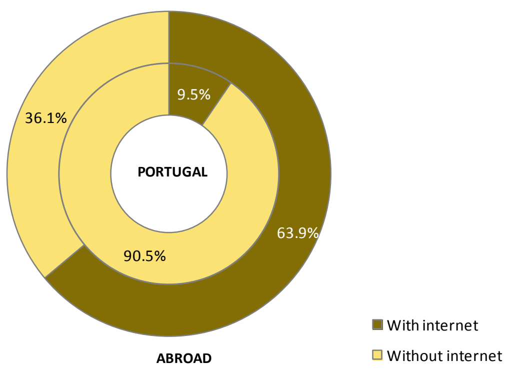
Figure 8. Breakdown of trips according to booking, by destination (4th quarter 2016)



The internet was used in the planning of 14.5% of trips made (-0.9 p.p.), particularly in trips with a foreign destination (63.9%, +3.4 p.p.).

In **2016** the use of internet occurred in 15.8% of the trips, just as in 2015.

Figure 9. Breakdown of tourist trips according to the use of the Internet, by destination (4th Q 2016)



The use of travel agencies (3.4% of trips) continued to decline (-1.3 p.p.), used in 1.9% of domestic trips (-0.3 p.p.) and in 18.7% of trips abroad (-11.3 p.p.).

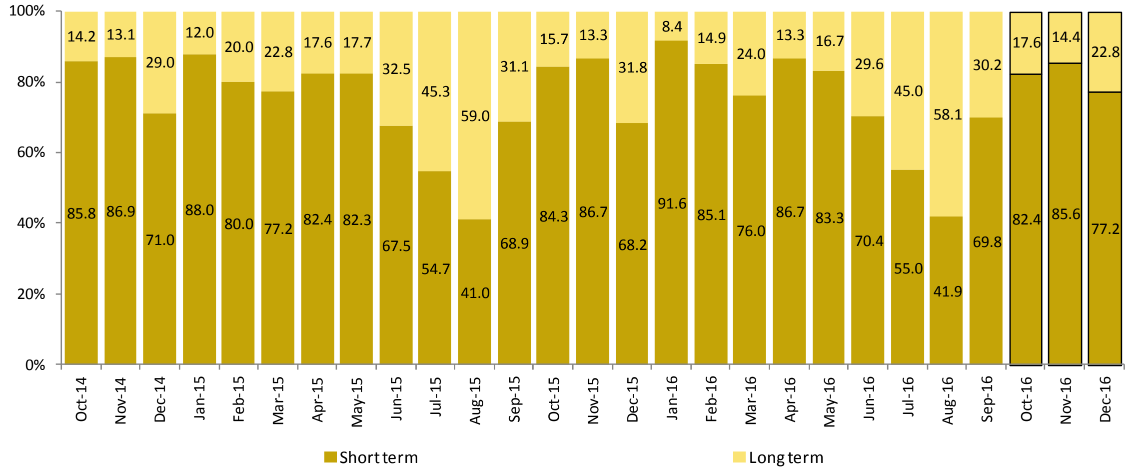
In the total of **2016**, 5.9% of the trips were made using a travel agency (-0.4 p.p.).

Short term trips continued to rise

Short term trips (up to 3 nights) increased by 11.4% in the 4th Q 2016, with a growth rate close to the preceding quarter (11.8% in the 3rd Q), representing 80.7% of total trips. On the contrary, long term trips (4 or more nights) presented a decline (-11.4%), in contrast with the preceding quarter (+7.4% in the 3rd Q) but closer to previous quarters (-11.3% in Q2 and -10.8% in Q1 2016).

In the whole **2016**, short trips corresponded to 70.2% of the total (+1.7 p.p.).

Figure 10. Breakdown of tourist trips according to duration, by month

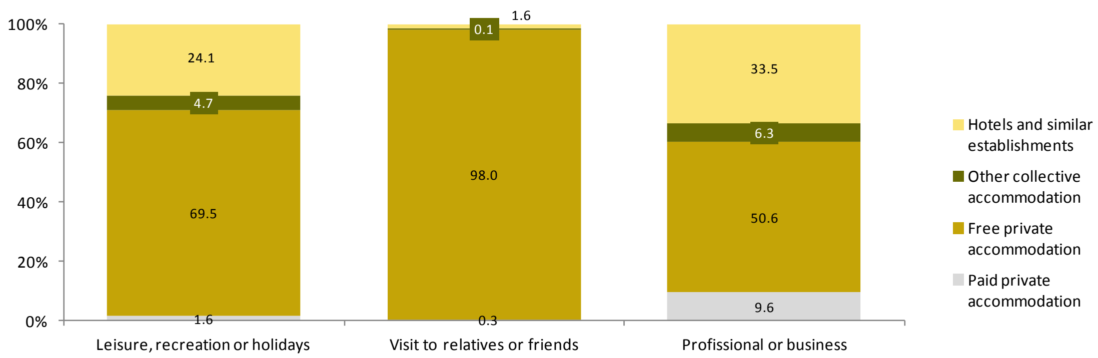


"Free private accommodation" predominant in all main reasons to travel

The large majority of overnight stays resulting from tourist trips were spent in "free private accommodation" (85.7%), increasing by 1.5 p.p. on its weight in relation to the total and surpassing 50% when considering "professional or business" reasons. Overnight stays in "hotels and similar establishments" corresponded to 11.0% of the total (-1.2 p.p.).

In **2016** overnight stays in "free private accommodation" accounted for 71.3% of the total (+2.5 p.p.), with overnight stays in "hotels and similar establishments" corresponding to 15.4% (-2.4 p.p.).

Figure 11. Breakdown of overnight stays by type of accommodation, according to motivation (4th quarter 2016)



METHODOLOGICAL NOTES

Data for 2015 – final data.

Data for 2016 – provisional data.

Results from the "Survey on Tourist Demand of Residents" are gathered from surveying a sample of about 5 000 accommodation units (12 000 individuals), with a 50% rotation in the beginning of each year according to a quarterly telephone interview preceded by a face to face interview.

Tourist – Traveler staying at least one night in a private or collective accommodation site in a particular place, regardless of the motivation to travel.

Tourist trip – A trip to one or multiple tourist destinations, including the returning trip to the starting point and covering the whole period of time during which an individual remains outside its usual living environment.

Usual living environment – Environment in the proximity of an individual's residence, in relation to its working and studying places, as well as other places frequently visited. Distance and frequency are two closely related dimensions to this concept and include the places located near the place of residence, regardless of how often visited and the places located at a considerable distance of the place of residence (including those in a foreign country), frequently visited (once or several times per week on average) on a routine basis.
One individual has only one usual living environment, with the concept applied on both levels of domestic tourism and international tourism.

Hotels and similar establishments – Tourist accommodation establishments whose main economic activity consists on the provision of accommodation services and other complementary or support services, with or without provision of meals, in exchange for payment.

Other collective accommodation – Establishments, places or facilities providing accommodation services to tourists mostly in exchange for payment, including camping sites, holiday camps, youth hostels, collective means of transportation, working or holiday projects, amongst others.

Free private accommodation – Accommodation used by tourists consisting of a second residence or provided by relatives or friends, for free.

Paid private accommodation – Private accommodation, with or without official licensing for the provision of tourist accommodation, having available a limited number of paid independent places (rooms or housing).

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