15 March 2018

Tourism Activity
January 2018

Slowdown in the main indicators of tourist accommodation activity

The tourist accommodation activity recorded 1.0 million guests and 2.5 million overnight stays in January 2018, figures that relate to year-on-year change rates[1] of +3.7% and +5.1% (+11.5% and +10.0% in December, respectively). Overnight stays of the internal market increased by 7.0% (+12.2% in the previous month) while those from the external markets grew by 4.3% (+8.7% in December).

The average stay (2.47 nights) increased by 1.4% (+3.9% in the case of residents and -0.1% for non residents). The net bed occupancy rate (30.0%) increased by 1.1 p.p.

As in the case of overnight stays, revenue decelerated, with its total having increased by 12.2% (+17.5% in December), ascending to EUR 138.2 million. Revenue from accommodation increased by 14.0% (+21.0% in the previous month) totalling EUR 96.2 million.

Table 1. Global preliminary results from the tourist accommodation activity

	Unit	Dec-17		Jan-18	
		Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)
Guests	**10^3**	**1 179.7**	**11.5**	**1 019.2**	**3.7**
Residents in Portugal	"	605.4	9.6	469.6	2.9
Residents abroad	"	574.3	13.5	549.6	4.4
Overnight stays	**10^3**	**2 727.9**	**10.0**	**2 517.8**	**5.1**
Residents in Portugal	"	1 009.9	12.2	764.8	7.0
Residents abroad	"	1 718.0	8.7	1 753.0	4.3
Average stay	**no. of nights**	**2.31**	**-1.3**	**2.47**	**1.4**
Residents in Portugal	"	1.7	2.3	1.6	3.9
Residents abroad	"	3.0	-4.1	3.2	-0.1
Net bed occupancy rate	%	32.5	2.2 p.p.	30.0	1.1 p.p.
Total revenue	EUR 10^6	159.5	17.5	138.2	12.2
Revenue from accommodation	"	108.2	21.0	96.2	14.0
RevPAR (Average revenue per available room)	EUR	28.3	18.4	25.1	11.6

Guests and overnight stays growing but at a slower pace

In January 2018, the tourist accommodation activity hosted 1.0 million guests who spent 2.5 million overnight stays (+3.7% and +5.1% respectively), decelerating vis-à-vis December (+11.5% and +10.0% respectively).

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

Overnight stays in hotels (72.8% of the total) increased by 6.4%, with the emphasis, as in previous months, on the evolution in three star units (+8.8%).

It is also worth mentioning the 11.2% rise in overnight stays in tourist apartments (5.5% share).

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

Unit: 10^3

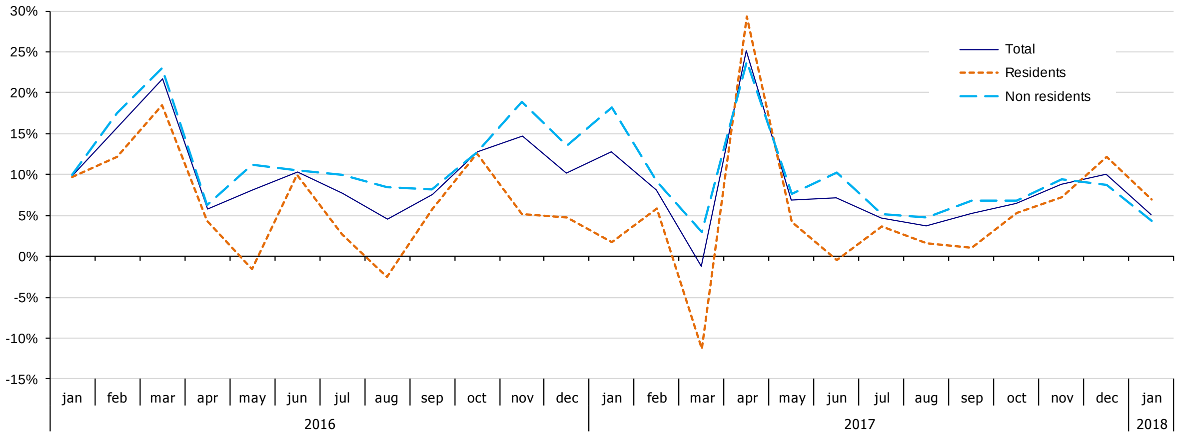
Type of establishment and category	Overnight stays		Year-on-year change rates (%)
	Jan 17	Jan 18	Jan 18
Total	**2 395.7**	**2 517.8**	**5.1**
Hotels	**1 721.8**	**1 832.6**	**6.4**
*****	318.1	326.9	2.8
****	835.7	899.5	7.6
***	380.1	413.6	8.8
** / *	187.8	192.6	2.5
Apartment hotels	**316.5**	**305.8**	**- 3.4**
*****	20.9	22.3	6.9
****	221.1	218.4	- 1.2
*** / **	74.5	65.0	- 12.7
Pousadas	**27.1**	**28.2**	**4.1**
Tourist apartments	**125.0**	**139.1**	**11.2**
Tourist villages	**84.9**	**89.3**	**5.1**
Other tourist establishments	**120.4**	**122.9**	**2.0**

Internal and external markets decelerated

In January, the internal market contributed with 764.8 thousand overnight stays which stood for a 7.0% increase (+12.2% in December).

The external markets decelerated to a 4.3% increase (+8.7% in the preceding month) attaining 1.8 million overnight stays.

Figure 1. Overnight stays in the tourist accommodation activity - Year-on-year change rates



Swedish market grows steeply

The thirteen main inbound markets[2] represented 79.9% of total overnight stays from non residents.

The British market (17.7% of the total overnight stays of non residents) kept the trend of the latest months declining by 7.2%.

Overnight stays of German guests (13.4% of the total) had a slight 0.5% reduction in January, following a 6.5% increase in December.

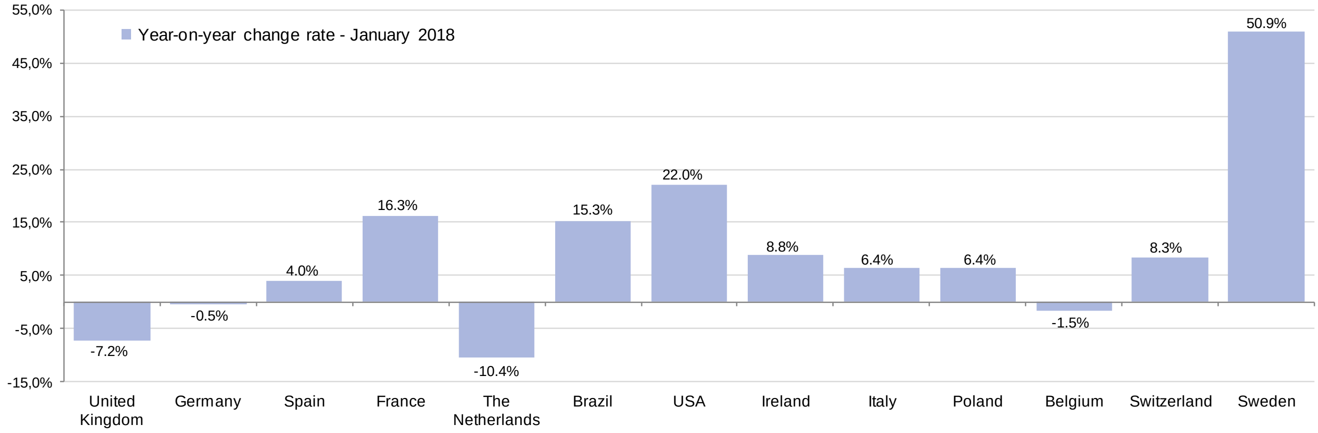
The Spanish market (8.6% share) grew by 4.0%, slowing down compared with the significant growth in December (+21.2%) and November (+15.4%).

The French market (8.1% of the total) grew by 16.3%, following -0.6% in December.

Overnight stays of guests from the Netherlands (6.2% of the total) declined by 10.4%, keeping the downward trend of the last two months (-6.3% in December and -6.7% in November).

Sweden stood out in January, growing by 50.9%. The evolutions of the North American (+22.0%) and Brazilian (+15.3%) markets were also worthy of note.

Figure 2. Overnight stays in the tourist accommodation activity by main inbound markets: year-on-year change rates



Overnight stays with different trends between regions

In January, there were noticeable increases in overnight stays in the AR Açores (+12.4%) and Alentejo (+11.4%), while in Algarve results stabilized.

[2] Based on provisional results of overnight stays in 2017.

Overnight stays were mostly concentrated in MA Lisboa (32.2% weight), Algarve and AR Madeira (both with 18.9%).

In this month, there were 122.1 thousand more overnight stays (compared with the same month of the previous year), of which 30.5% from MA Lisboa (37.2 thousand additional overnight stays) and 26.5% from the Norte (32.4 thousand more overnight stays).

All regions presented increases in overnight stays of residents, with special emphasis on the evolution in Alentejo (+13.0%), AR Madeira (+12.8%) and Algarve (+12.6%).

In January, as regards overnight stays of non residents, the increases recorded in the Centro (+16.5%) and AR Açores (+14.9%) stood out, in contrast with the 2.4% reduction in Algarve.

Table 3. Overnight stays in the tourist accommodation activity by region NUTS II

Unit: 10^3

NUTS II	Overnight stays					
	Total		Residents		Non residents	
	Jan 18	Y-o-y change rate (%)	Jan 18	Y-o-y change rate (%)	Jan 18	Y-o-y change rate (%)
Portugal	**2 517.8**	**5.1**	**764.8**	**7.0**	**1 753.0**	**4.3**
Norte	386.3	9.2	194.5	8.9	191.8	9.4
Centro	228.8	7.8	149.2	3.7	79.6	16.5
A.M. Lisboa	810.7	4.8	211.2	2.6	599.5	5.6
Alentejo	72.8	11.4	50.5	13.0	22.4	8.0
Algarve	476.5	0.0	86.2	12.6	390.3	-2.4
R.A. Açores	68.0	12.4	37.0	10.4	31.0	14.9
R.A. Madeira	474.8	4.6	36.3	12.8	438.5	4.0

Average stay rised due to residents

The average stay (2.47 nights) grew by 1.4% with the sole positive contribution of residents (+3.9%) given that non residents had slight shorter stays (-0.1%).

The most significant increases were recorded in the Norte (+3.0%), MA Lisboa (+2.9%) and Centro (+2.8%). This indicator was higher in the AR Madeira (5.55 nights), followed by the Algarve (4.26 nights).

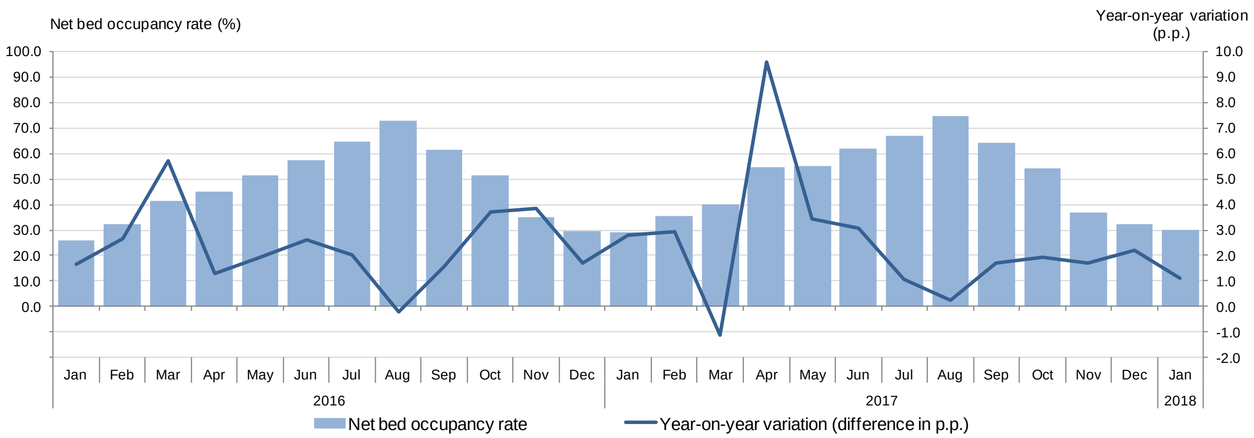
Table 4. Average stay and net bed occupancy rate, by region NUTS II

NUTS II	Average stay			Occupancy rate		
	No. of nights		Y-o-y change rate (%)	%		Y-o-y variation (p.p.)
	Jan 17	Jan 18		Jan 17	Jan 18	
Portugal	**2.44**	**2.47**	**1.4**	**28.9**	**30.0**	**1.1**
Norte	1.62	1.67	3.0	27.0	28.1	1.2
Centro	1.48	1.52	2.8	17.9	19.2	1.3
MA Lisboa	2.15	2.21	2.9	39.4	40.2	0.8
Alentejo	1.57	1.56	-0.3	17.0	19.4	2.4
Algarve	4.22	4.26	0.9	20.6	21.0	0.4
AR Açores	2.67	2.64	-1.0	21.4	23.0	1.6
AR Madeira	5.47	5.55	1.6	54.1	54.7	0.6

Increase in the occupancy rate

The net bed occupancy rate (30.0%) increased by 1.1 p.p. in January (+2.2 p.p. in the previous month). The highest occupancy rates occurred in AR Madeira (54.7%) and MA Lisboa (40.2%). The most noteworthy raises in this indicator were recorded in Alentejo (+2.4 p.p.) and in AR Açores (+1.6 p.p.).

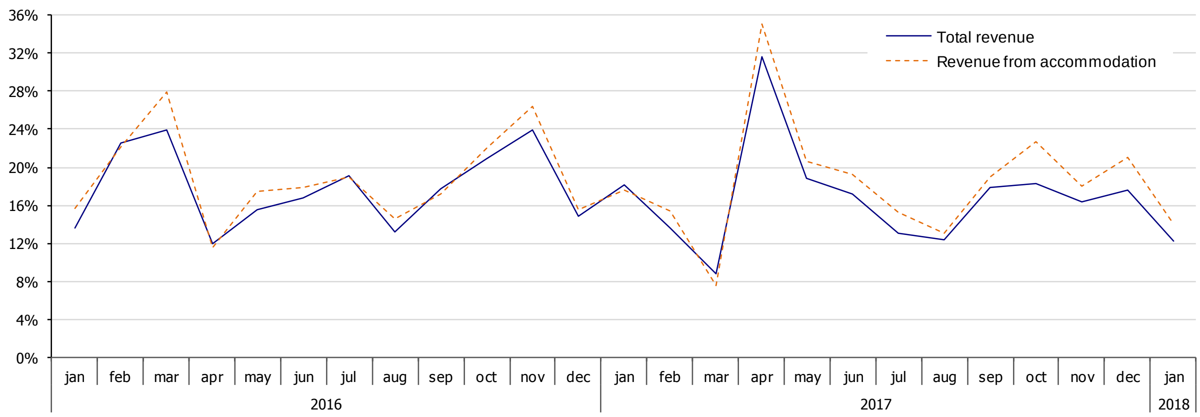
Figure 3. Net bed occupancy rate



Revenue decelerated but kept noteworthy increases

Total revenue amounted to EUR 138.2 million and revenue from accommodation stood at EUR 96.2 million (+12.2% and +14.0% respectively) decelerating vis-à-vis the previous month (+17.5% and +21.0% respectively).

Figure 4. Total revenue and revenue from accommodation - Year-on-year change rates



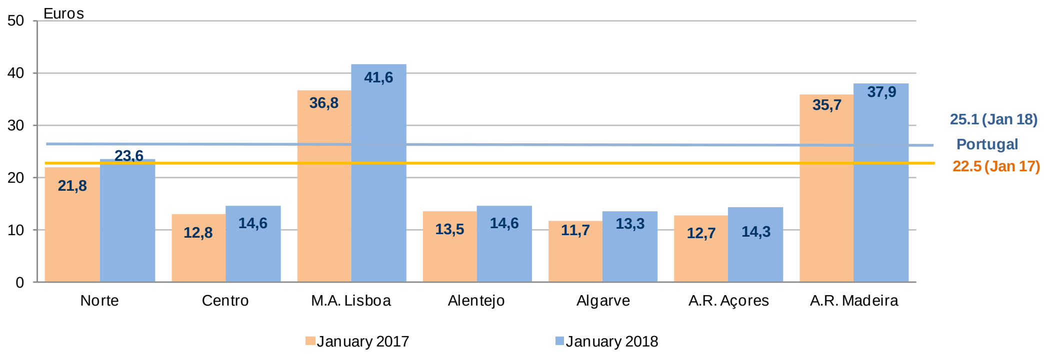
Amongst the various regions, the emphasis went to the increases in the AR Açores (+19.9% in total revenue and +18.7% in revenue from accommodation), Centro (+15.4% and +16.0% respectively) and MA Lisboa (+13.7% and +16.5% respectively).

Table 5. Revenue by region NUTS II

NUTS II	Total revenue			Revenue from accommodation		
	EUR 10^6		Y-o-y change rate (%)	EUR 10^6		Y-o-y change rate (%)
	Jan 17	Jan 18		Jan 17	Jan 18	
Portugal	**123.2**	**138.2**	**12.2**	**84.4**	**96.2**	**14.0**
Norte	18.8	21.3	12.9	13.6	15.4	13.1
Centro	11.2	12.9	15.4	7.3	8.4	16.0
MA Lisboa	47.8	54.4	13.7	34.1	39.8	16.5
Alentejo	3.8	4.1	8.4	2.4	2.5	7.0
Algarve	16.6	18.1	8.8	10.8	12.3	13.6
AR Açores	2.4	2.9	19.9	1.7	2.0	18.7
AR Madeira	22.5	24.6	9.1	14.5	15.8	9.0

The average revenue per available room (RevPAR) was EUR 25.1 in January, which corresponded to an increase of 11.6% (+18.4% in December). The highest RevPAR occurred in MA Lisboa (EUR 41.6), followed by the AR Madeira (EUR 37.9). As regards this indicator, the emphasis went to the increases in Centro (+13.8%), Algarve (+13.6%) and MA Lisboa (+13.3%).

Figure 5. Average revenue per available room



The evolution of RevPAR was mostly positive with regard to the different typologies and corresponding categories, with the emphasis on the evolution recorded in apartment hotels (+20.2%).

Table 6. RevPAR by type and category of establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Jan 17	Jan 18	%
Total	**22.5**	**25.1**	**11.6**
Hotels	**25.7**	**28.5**	**10.9**
*****	42.1	46.0	9.3
****	26.4	28.9	9.3
***	17.1	20.1	17.7
** / *	16.4	18.3	11.5
Apartment hotels	**16.5**	**19.8**	**20.2**
*****	19.4	28.1	44.9
****	16.9	20.5	21.2
*** / **	14.0	15.1	7.4
Pousadas	**30.8**	**34.6**	**12.1**
Tourist apartments	**9.8**	**10.9**	**11.0**
Tourist villages	**12.4**	**12.0**	**-3.6**
Other tourist establishments	**16.9**	**19.7**	**16.6**

Camping sites and holiday camps

In January 2018, camping sites hosted 45.1 thousand campers (+9.0%) which spent 206.4 thousand overnight stays (+12.1%). Both the internal market (+14.0%) and the external markets (+10.9%) contributed for the increase in overnight stays. The external markets were predominant representing 61.0% of the total overnight stays. The average stay (4.58 nights) increased by 2.8%.

Holiday camps and youth hostels recorded 11.7 thousand guests (+6.4%) and 23.0 thousand overnight stays (+7.7%). The internal market concentrated 70.1% of the total overnight stays and declined by 2.5% while the external markets grew by 42.6%. The average stay (1.96 nights) increased by 1.2%.

Table 7. Camping, holiday camps and youth hostels

	Unit	Total		Residents		Non residents	
		Jan 18		Jan 18		Jan 18	
		Value	Y-o-y change rate (%)	Value	Y-o-y change rate (%)	Value	Y-o-y change rate (%)
Camping sites							
Campers	10^3	45.1	9.0	23.6	14.7	21.5	3.4
Overnight stays	"	206.4	12.1	80.5	14.0	126.0	10.9
Average stay	no. nights	4.58	2.8	3.41	-0.6	5.85	7.3
Holiday camps and youth hostels							
Guests	10^3	11.7	6.4	9.1	-0.8	2.6	43.0
Overnight stays	"	23.0	7.7	16.1	-2.5	6.9	42.6
Average stay	no. nights	1.96	1.2	1.77	-1.7	2.66	-0.3

EXPLANATORY NOTES

The sources used in this press release are: Survey on guest stays in hotel establishments and other accommodations, Survey on guest stays in camping sites and Survey on guest stays in holiday camps and youth hostels.

Data made available in this press release relates to establishments operating in each reference period, considering:

2017 – January to December: provisional results; 2018 - preliminary results.

In between preliminary, provisional and final data, results are revised due to definitive answers instead of provisional and mainly due to the replacement of non response estimates by effective responses. These effective responses include situations of suspended activity (seasonal, temporarily for other reasons or definitive) not duly reported, resulting on substitution of estimates by null result, a situation with higher occurrence during the low season.

The degree of revision, measured by the difference in percentage points from the year-on-year change rates of provisional versus preliminary data is as follows:

	Overnight stays	Revenue from accommodation
Jan to Dec 17	0.0 p.p.	0.0 p.p.

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 (assignment of spaces, 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 revenue from accommodation and the number of available rooms, in the reference period.

Hotel accommodation activity – Includes establishments with 10 or more bed places: hotels, apartment hotels, "*pousadas*", tourist apartments and tourist villages, as well as other accommodation establishments namely boarding houses, motels and inns including "quintas da Madeira".

Camp sites –A collective, fenced-off facility for tents, caravans, trailers and mobile homes.

Holiday camp – A holiday complex with appropriate facilities for providing free or low-cost holidays, usually as a social service by public or private entities.

Youth hostel – A non-profit establishment providing accommodation for young people or small groups of young people.

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.

Year-on-year variation (p.p.) – comparison between the variable level in the reference period and the same period of the year before presented as a difference in percentage points.

In order to simplify the language, the term "foreigner" might be used instead of "non resident".

ABBREVIATIONS

RevPAR – Revenue per Available Room

Date of next press release: April 13, 2018