15 July, 2015

Tourism activity

May 2015

Overnight stays still increasing
Revenue growth slowed down

Hotel establishments recorded 4.6 million overnight stays in May 2015, resulting on a year-on-year increase[1] of 5.8%, above the result of April (+0.7%). The internal market grew by 7.4%, contrary to the result of the preceding month (-4.9%). The inbound markets strengthened their growing evolution (+5.2% vis-à-vis +2.8% in April). Guests from the two main inbound markets, United Kingdom and Germany, resulted on overnights stays growing 6.5% and 11.7%.

There was a reduction in average stay (-2.1% corresponding to 2.68 nights), contrary to the occupancy rate (48.4%; +1.1 p.p.).

Revenue also recorded increases (+6.5% in total revenue and +7.0% in revenue from accommodation), but less than in April (+7.8% and +10.9%). RevPAR stood at EUR 37.3 (+3.1%).

Table 1. Global preliminary results from tourism activity

Global preliminary results	Unit	Month		Accumulated	
		May-15	Year-on-year change rate (%)	Jan to May 15	Tvh (%)
Guests	10^3	1 735.2	8.0	5 985.6	8.3
Overnight stays	10^3	4 644.7	5.8	15 723.5	6.8
Residents in Portugal	10^3	1 139.8	7.4	4 416.7	8.1
Residents abroad	10^3	3 504.9	5.2	11 306.8	6.3
Average stay	no. of nights	2.68	-2.1	2.63	-1.4
Net bed occupancy rate	%	48.4	1.1 p.p.	36.9	1.8 p.p.
Total revenue	EUR 10^6	229.5	6.5	741.7	10.4
Revenue from accommodation	EUR 10^6	160.8	7.0	513.5	11.9
RevPAR (Average revenue per available room)	EUR	37.3	3.1	26.7	9.3

Guests and overnight stays continue to increase

In May 2015, tourism accommodation establishments welcomed 1.7 million guests originating 4.6 million overnight stays (+8.0% and +5.8% respectively). These results surpassed those of the preceding month (+4.0% and +0.7%), although not reaching the levels of the first quarter (+11.2% of overnight stays).

[1] Unless stated otherwise, the change rates presented in this press release were calculated in relation to the same period of the previous year, therefore they should be considered as year-on-year change rates.

In the period January to May the number of guests increased by 8.3% and overnight stays grew by 6.8%.

The emphasis went to the increases in overnight stays in tourist villages and hotels (+8.8% and +8.7% respectively in overnight stays), particularly four star units in the latter (+9.1%). The remaining typologies also presented increasing results with the exception of apartment hotels (-2.4%) in which the increase in the five star category (+2.1%) was not enough to surpass the decline in the remaining categories. "Other tourist accommodations" also declined (-1.9%).

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 rate
	May-14	May-15	%
Total	**4 391.6**	**4 644.7**	**5.8**
Hotels	**2 866.0**	**3 114.1**	**8.7**
*****	563.5	612.1	8.6
****	1 387.5	1 514.1	9.1
***	638.8	692.6	8.4
** / *	276.2	295.3	6.9
Apartment hotels	**665.4**	**649.2**	**-2.4**
*****	42.8	43.6	2.1
****	472.0	464.1	-1.7
*** / **	150.7	141.4	-6.2
Pousadas	**43.5**	**45.8**	**5.2**
Tourist apartments	**390.3**	**398.3**	**2.0**
Tourist villages	**180.4**	**196.2**	**8.8**
Other tourist establishments	**245.8**	**241.1**	**-1.9**

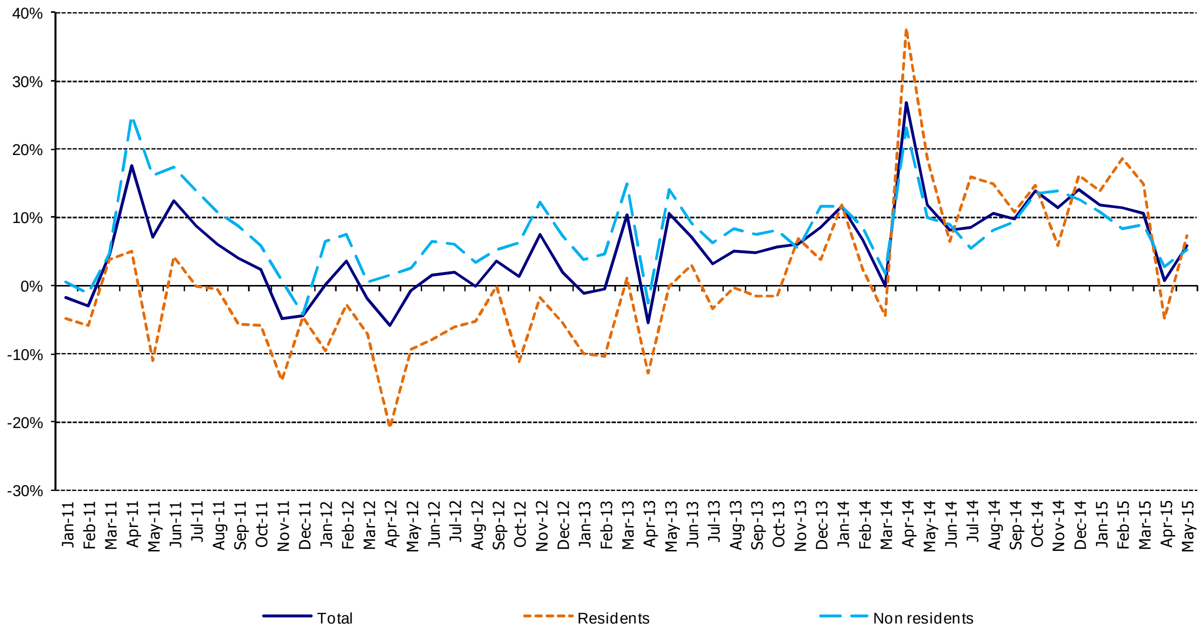
Internal market resumes positive results

The internal market was responsible for 1.1 million overnight stays (+7.4%), reversing the evolution of the preceding month (-4.9%) and resuming the growing trend shown since the 2nd quarter 2014.

Overnight stays from non residents (3.5 million) increased by 5.2% in May, above the results of the previous month (+2.8%) but below those of the 1st quarter 2015 (+9.2%)

In the period January to May, overnight stays from residents increased by 8.1% and those from the external markets grew by 6.3%.

Figure1. Month-on-month change rates



The ten main inbound markets[2] increased their share (82.4% vis-à-vis 81.5% in May 2014), having presented a mostly positive evolution.

The British market (25.5% of overnight stays from non residents) resumed growth (+6.5%), surpassing the occasional decline of April (-3.4%).

The positive performance of the German market (+11.7%) was in line with the growth of the most recent months (+12.2% in April and +10.4% in March) and corresponded to an increase in its share (14.3% in view of 13.4% in May 2014).

Overnight stays from French residents (12.2% of the total) slowed down (+6.8% vis-à-vis +17.1% in April and +17.0% in March). In the period January to May, overnight stays increased by 15.1%.

With regard to Spain, the decline of the previous month was again present (-9.8% in May and -11.1% in April) although the results from January to May had still been positive (+1.6%). Its relative weight was 6.7%.

Italy, Belgium and the Netherlands presented remarkable increases in overnight stays (+24.9%, +11.2% and +10.5%), while Ireland declined (-1.1%).

[2] Based on overnight stays in 2014 (provisional results)

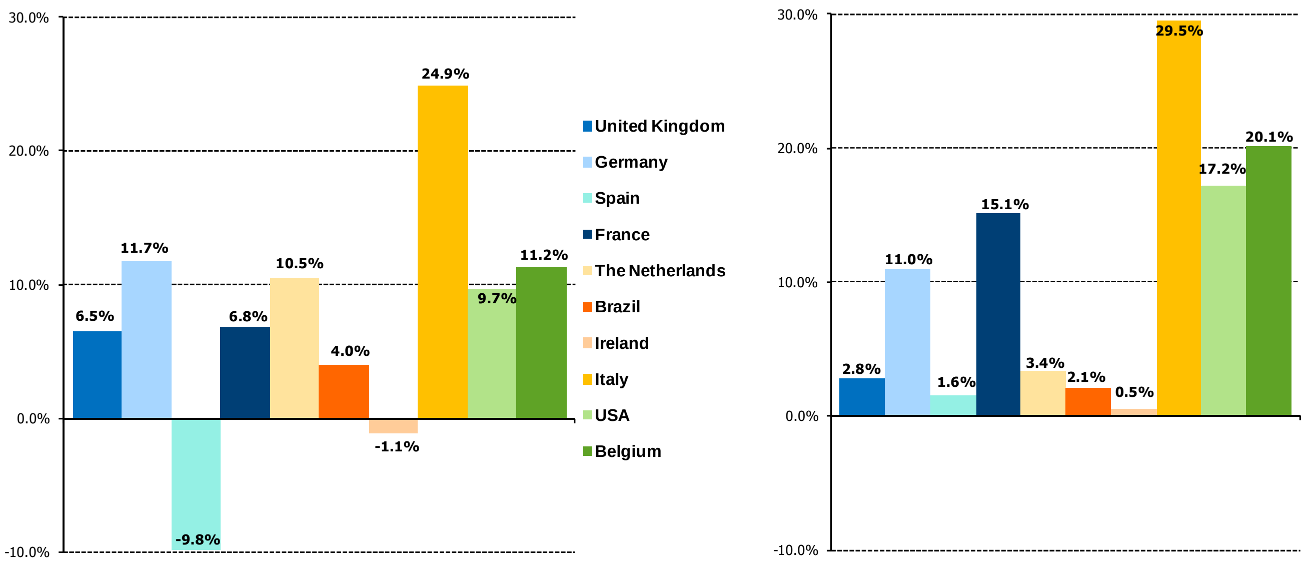
Figure 2. Overnight stays by main inbound markets – Month-on-month change rate

2a. Month-on-month change rate

May 2015

2b. Accumulated month-on-month change rate

January to May 2015



Demand increases sharply in Azores and in the North

Overnight stays have increased in all regions, with the emphasis on the Azores (+26.6%), growing above the results of April (+20.7%). The increases in the North (+14.9%), Centre (+8.8%) and Lisbon (+6.1%) are also worth mentioning. In the Algarve and in Alentejo, following reductions of 6.9% and 10.7% respectively in April, there were increasing results in overnight stays once again (+2.6% and +1.6% respectively).

As usual, the main destinations were the Algarve (34.0% of total overnight stays), Lisbon (26.2%) and Madeira (12.8%).

The internal market increased sharply in the Azores (+50.6% of overnight stays) reflecting the implementation of new air transport services in the region. The increases in the Centre (+14.6%), Alentejo (+12.7%) and the North (+12.4%) are also worthy of note. In Madeira it declined (-16.7%) as well as in Algarve but less so (-2.9%). Demand from the internal market was mainly focused in Lisbon (23.4%) and in the North (21.4%)

Overnight stays from non residents increased in all regions with the exception of Alentejo. The North and the Azores recorded the largest increases (+16.7% and +12.9% respectively), followed by Lisbon (+6.5%). The Algarve presented a 3.6% increase following a decline in the previous month (-3.4%). This region concentrated 38.7% of overnight stays from non residents, followed by Lisbon (27.2%) and Madeira (15.6%).

Table 3. Overnight stays by region (NUTS II)

Unit: 10^3

NUTS II	Total of overnight stays				Overnight stays from residents				Overnight stays from non residents			
	May-15		Jan to May 15		May-15		Jan to May 15		May-15		Jan to May 15	
	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)
Portugal	**4 644.7**	**5.8**	**15 723.5**	**6.8**	**1 139.8**	**7.4**	**4 416.7**	**8.1**	**3 504.9**	**5.2**	**11 306.8**	**6.3**
North	586.1	14.9	2 040.3	13.3	244.4	12.4	1 000.2	10.6	341.7	16.7	1 040.1	16.0
Centre	421.2	8.8	1 459.2	12.2	223.8	14.6	896.8	13.9	197.4	2.9	562.4	9.6
M. A. Lisbon	1218.2	6.1	4 441.1	10.2	266.2	4.8	1 087.3	6.4	952.0	6.5	3 353.8	11.5
Alentejo	122.6	1.6	439.9	4.9	79.9	12.7	293.8	6.8	42.7	-14.2	146.2	1.3
Algarve	1577.6	2.6	4 516.2	-0.1	222.6	-2.9	758.4	1.8	1 355.1	3.6	3 757.8	-0.5
A. R. Azores	124.8	26.6	360.4	23.8	54.1	50.6	181.9	32.8	70.7	12.9	178.5	15.8
A. R. Madeira	594.2	0.8	2 466.4	4.6	48.8	-16.7	198.3	-7.0	545.4	2.8	2 268.1	5.8

Average stays kept declining

The average stay was 2.68 nights, reducing by 2.1%.

The tendency for shorter stays came predominantly from the Azores (-7.5%) and the Centre (-2.6%). The Alentejo presented a slight increase (+1.8%).

The highest values in this indicator came from Madeira (5.20 nights) and Algarve (4.08 nights).

In the period January to May, the average stay was 2.63 nights (-1.4%).

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

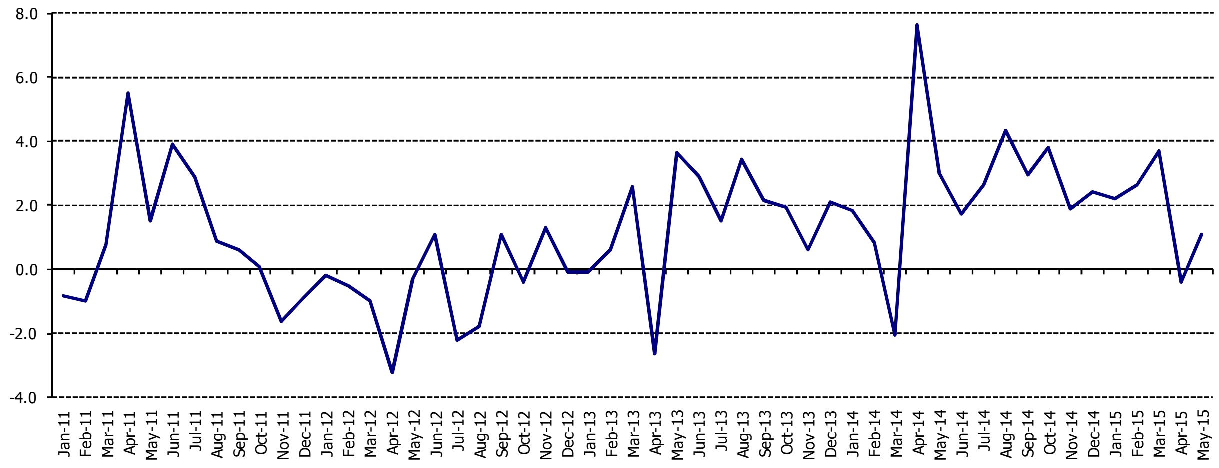
NUTS II	Average stay			Occupancy rate		
	(No. of nights)		Year-on-year change rate (%)	%		Year-on-year variation (p.p.)
	May-14	May-15		May-14	May-15	
Portugal	**2.73**	**2.68**	**-2.1**	**47.3**	**48.4**	**1.1**
North	1.77	1.77	0.3	39.8	44.8	5.0
Centre	1.66	1.62	-2.6	30.9	29.9	-1.0
M. A. Lisbon	2.32	2.31	-0.1	63.0	63.8	0.7
Alentejo	1.60	1.63	1.8	30.3	31.1	0.8
Algarve	4.15	4.08	-1.4	45.8	46.6	0.8
A. R. Azores	3.16	2.92	-7.5	36.9	44.9	8.0
A. R. Madeira	5.23	5.20	-0.6	65.7	65.7	0.0

Slight increase in occupancy rate

The net bed occupancy rate was 48.4%, above the one recorded in May 2014 in 1.1 p.p. In April there had been a reduction of 0.4 p.p. in this indicator.

In the period January to May, the evolution of this indicator was also positive (+1.8 p.p., corresponding to 36.9%).

Figure 3. Net bed occupancy rate – year-on-year variation (difference in p.p.)



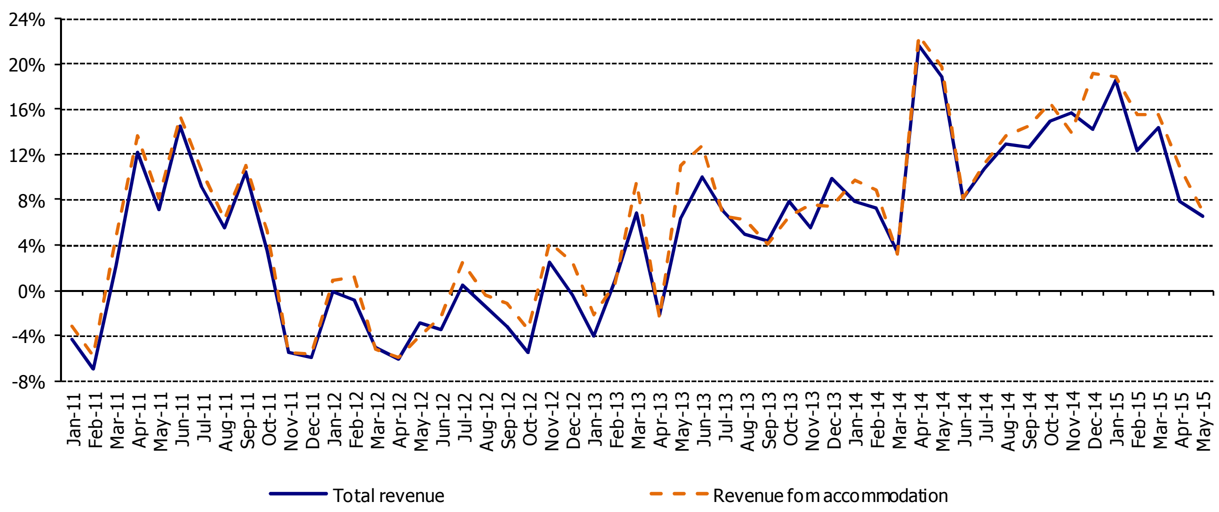
As in the previous month, the highest occupancy rates occurred in Madeira (65.7%) and in Lisbon (63.8%).

In terms of the evolution of this indicator the Azores stood out (+8.0 p.p.) and the North (+5.0 p.p.) The Centre was the only region with reduced occupancy rates (-1.0 p.p.).

Slowdown in revenue

In May 2015, hotel accommodation activity accounted for EUR 229.5 million in total revenue and EUR 160.8 million in revenue from accommodation, representing increases of 6.5% and 7.0% respectively. These results stood below the ones of April (+7.8% and +10.9%) and those from the accumulated period of January to May (+10.4% and +11.9%).

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



Revenue increased in all regions, with a greater impact on the Azores (+24.5% in total revenue and +28.0% in revenue from accommodation), the North (+17.6% and +25.2%) and the Centre (+16.2% and +13.2%). Revenue in Lisbon recorded a steep slowdown (+1.1% and +0.6% from +12.5% and +13.8% in April).

Table 5. Revenue by region (NUTS II)

Unit: EUR 10^6

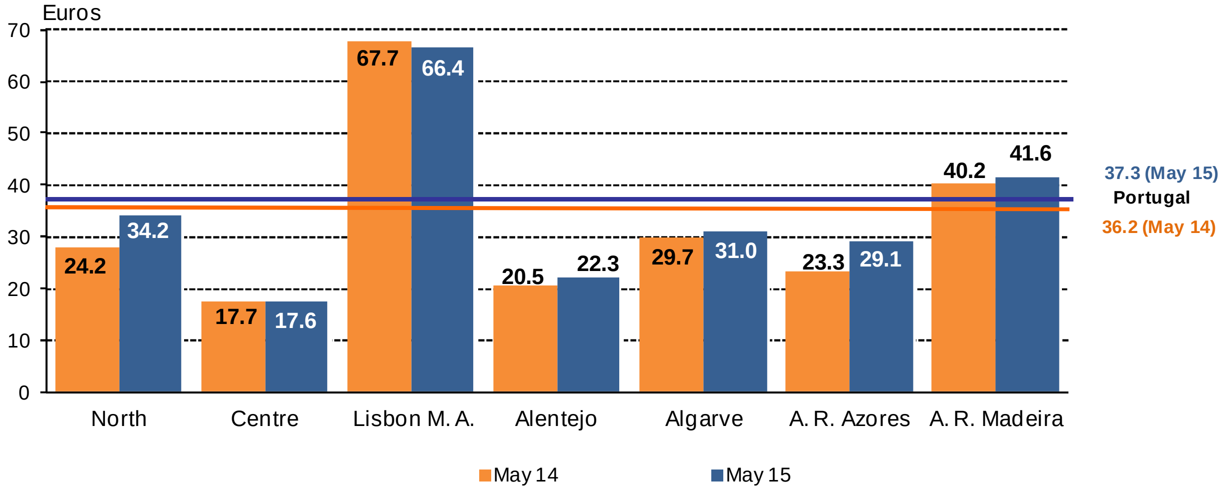
NUTS II	Total revenue		Revenue from accommodation	
	May-15	Year-on-year change rate (%)	May-15	Year-on-year change rate (%)
Portugal	**229.5**	**6.5**	**160.8**	**7.0**
North	28.7	17.6	21.4	25.2
Centre	18.9	16.2	12.3	13.2
M. A. Lisbon	79.7	1.1	59.7	0.6
Alentejo	6.0	9.1	4.1	9.6
Algarve	61.6	5.7	41.3	6.3
A. R. Azores	5.2	24.5	3.8	28.0
A. R. Madeira	29.5	5.0	18.2	4.2

The average revenue per available room (RevPAR) was EUR 37.3 (+3.1%) slowing down in view of the previous month (+8.9%).

In the period of January to May, RevPAR stood at EUR 26.7 (+9.3%).

In Lisbon and Madeira RevPAR were EUR 66.4 and EUR 41.6 respectively, with also a relevant performance from the North (EUR 34.2). The latter region and the Azores presented the largest increases (+22.7% and +24.6% respectively).

Figure 5. Average revenue per available room



The *"pousadas"* and hotels presented the highest values in RevPAR (EUR 58.2 and EUR 43.3 respectively) with the emphasis on five star hotels with a significantly higher value (EUR 81.9).

Three and two star apartment hotels presented noteworthy increases (+17.0%), as well as the *"pousadas"* (+13.6%). In five star apartment hotels and tourist villages (-21.9% in both) the declining results already shown in the previous month deepened.

Table 6. RevPAR by type and category of establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	May-14	May-15	%
Total	**36.2**	**37.3**	**3.1**
Hotels	**42.0**	**43.3**	**3.0**
*****	76.8	81.9	6.7
****	41.6	40.9	-1.8
***	27.4	29.9	9.1
** / *	23.1	24.4	5.8
Apartment hotels	**32.5**	**33.0**	**1.7**
*****	49.7	38.8	-21.9
****	34.8	35.2	1.3
*** / **	21.7	25.4	17.0
Pousadas	**51.2**	**58.2**	**13.6**
Tourist apartments	**15.9**	**17.3**	**8.8**
Tourist villages	**31.0**	**24.2**	**-21.9**
Other tourist establishments	**20.6**	**21.6**	**4.8**

Camping sites and holiday camps

In May 2015, camping sites hosted 114.3 thousand campers which spent 320.2 thousand overnight stays (+14.1% and +18.4% respectively), reflecting results quite above the ones of April (-2.8% and +2.8% respectively).

Overnight stays from residents stood for 60.0% of the total and had a strong contribution for the global result (+28.2%). The external markets have also increased but less so (+6.3%). The average stay was 2.80 nights (+3.7%).

In holiday camps, the number of guests (32.2 thousand) had slight changes in relation to the same month of 2014 (+0.1%), but overnight stays have reduced (-3.0%, corresponding to 55.1 thousand). The internal market concentrated 75.8% of overnight stays, having decreased by 3.7%.

The average stay in holiday camps was 1.71 nights (-3.1%). The evolution of the markets recorded a decrease in stays from residents (-11.1%) on a par with an increase from non residents (+29.0%, corresponding to 2.05 nights).

Table 7. Camping, holiday camps and youth hostels by origin of the guests

Month: May 2015

	Unit	Camping sites						Holiday camps and youth hostels					
		Total	Year-on-year change rate (%)	Residents	Year-on-year change rate (%)	Non residents	Year-on-year change rate (%)	Total	Year-on-year change rate (%)	Residents	Year-on-year change rate (%)	Non residents	Year-on-year change rate (%)
Campers / Guests	10^3	114.3	14.1	67.1	25.3	47.2	1.3	32.2	0.1	25.7	8.3	6.5	-22.8
Overnight stays	10^3	320.2	18.4	192.3	28.2	127.9	6.3	55.1	-3.0	41.8	-3.7	13.3	-0.4
Average stay	no. nights	2.80	3.7	2.87	2.3	2.71	4.9	1.71	-3.1	1.62	-11.1	2.05	29.0

EXPLANATORY NOTES

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

2015 – May and April – preliminary data; January to march – provisional data.

2014 – January to December – provisional data.

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

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, including situations of temporary suspended activity not duly reported. 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 Mar 15	-0.7 p.p.	+0.3 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 hotels, apartment hotels, "*pousadas*", tourist apartments and tourist villages, as well as other accommodation establishments namely boarding houses, motels and inns that still maintain the former economic activity classification although currently not recognized as such.

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.

Rounded figures may imply that totals do not correspond to the sum of the parcels.

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

The "Lisbon Metropolitan Area" (Lisbon M. A.) is referred to in the text as "Lisbon".

ABBREVIATIONS

RevPAR – Revenue per Available Room

Date of next press release: 14 August 2015