

Tourism Activity

May 2011

Tourism accommodation activity continues to show positive results

In the month of May 2011 tourism accommodation establishments registered 3.6 million overnight stays, 8.2% more than in the same month of the previous year. For this outcome, only non residents contributed (+17.6%), while residents, on the contrary, had a decrease on the total number of overnight stays (-10.6%). The main markets of origin are still presenting increased figures, with the emphasis on the British, Brazilian, French and Irish markets.

The total revenue from the activity reached EUR 176.6 million and EUR 117.9 million from accommodation, corresponding to year-on-year increases of 7.3% and 8.6%, respectively.

Table 1. Global provisional results from tourism activity

GLOBAL RESULTS	Month		Accumulated	
	May 11	Change rate % 11/10	Jan to May 11	Change rate % 11/10
HOTEL ESTABLISHMENTS				
Guests (thousand)	13413	3.9	4 980.7	4.4
Overnight stays (thousand)	3 604.1	8.2	13 117.5	7.1
Residents in Portugal	999.5	-10.6	4 357.7	-15
Non residents	2 604.6	17.6	8 759.8	12.0
Average stay (no. of nights)	2.7	0.1	2.6	0.0
Net bed occupancy rate (%)	41.1	18 p.p.	32.5	12 p.p.
Total revenue (€Million)	176.6	7.3	604.2	2.8
Revenue from accommodation (€Million)	117.9	8.6	400.4	4.7
Rev Par (Average revenue per available room) (€)	29.8	3.5	22.0	0.5

Overnight stays

In the period of **January to May 2011** tourism accommodation activity accounted for around 5 million guests, corresponding to 13.1 million overnight stays, representing year-on-year increases of 4.4% and 7.1%, respectively.

During this five month period, the contribution of non-residents is outstanding, with a 12% growth, corresponding to 2/3 of the total of overnight stays.

On an international level, the latest estimates available from the World Tourism Organization in terms of international tourist arrivals, for the period of January to April 2011, point towards a year-on-year overall growth of 4.5%.

A more significant growth trend still originates in the Developing economies (+5.9%) when compared with figures from the Developed economies (+3.2%).

Europe showed the best results when compared with the same period of the previous year (+6.4%), followed by America (+5.4%), Asia and The Pacific (+4.7%) and Africa (+2%).

The Middle East decreased by 7%, although the lesser results came from Northern Africa (-10.9%), as a consequence of the instability within the region.

In **May 2011**, on a national level, tourist accommodation establishments accommodated 1.3 million guests which originated 3.6 million overnight stays, resulting in year-on-year increases of 3.9% and 8.2%, respectively.

When comparing with May 2010, the distribution of overnight stays by type of establishment reveals significant growths in apartment hotels, hotels and tourist apartments.

Within the most representative category - hotels - five star units were predominant (+34.7%), followed by four, two and one star units (between 10% and 15%).

As previously stated, there has been a correspondence between the increase of the demand and the increase on the offer of these types of establishments, mainly in five star apartment hotels as well as in all hotel categories, partly due to ongoing sector conversion.

Tourist villages and "*pousadas*" accounted for negative evolutions, with year-on-year decreases of approximately 6%.

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

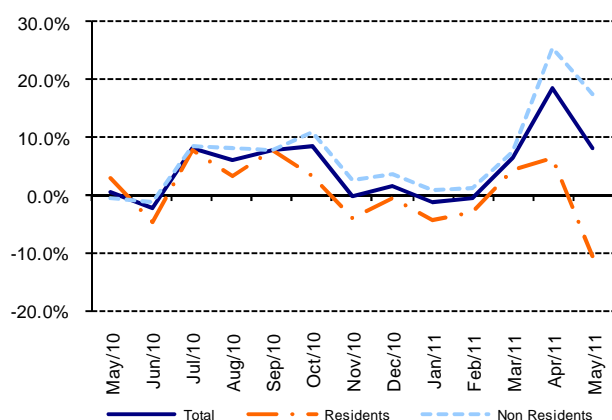
Unit: Thousand

Type of establishment and category	Overnight stays		Year-on-year change rate
	May-10	May-11	%
Total	3 332.2	3 604.1	8.2
Hotels	2 021.2	2 221.6	9.9
*****	278.4	374.9	34.7
****	975.4	1 077.6	10.5
***	590.6	564.9	-4.4
** / *	176.8	204.3	15.5
Apartment hotels	459.0	572.8	24.8
*****	22.9	41.1	79.9
****	307.6	402.4	30.8
*** / **	128.6	129.3	0.5
<i>Pousadas</i>	37.1	35.0	-5.7
Tourist apartments	301.6	320.9	6.4
Tourist villages	128.4	120.7	-6.0
Inns, Motels and Boarding houses	384.9	333.2	-13.4

Residents originated around a million overnight stays, 10.6% less than in May 2010, which stands for a reversed trend following two consecutive months with positive results.

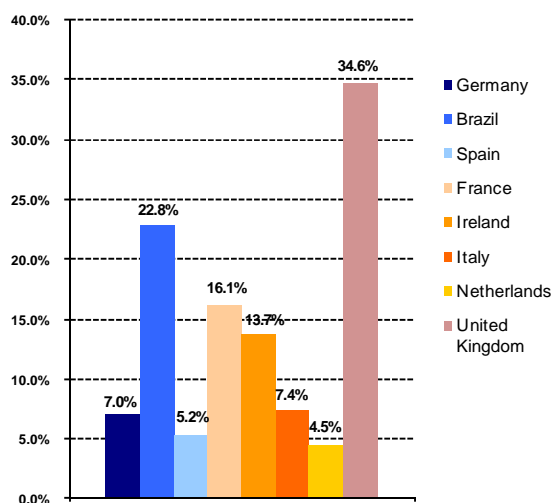
On the contrary, non residents still present a positive evolution (+17.6%), corresponding to 2.6 million overnight stays.

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



The group of the main markets of origin presented a significant positive performance, led by both the United Kingdom (+34.6% of overnight stays towards May 2010) and the Brazilian (+22.8%) markets. The improved results of the last three months of some of the main markets might be linked to the situation of instability in some of the alternative destinations, namely in Northern Africa and The Middle East.

Figure 2. Overnight stays, by main markets of origin – month-to-month change rate – May 2011



Considering overnight stays, the analysis of the regional outcome reveals overall performance improvements in Madeira (+31.9%), Algarve (+8%) and in Lisbon (+4.7%). Reversely, the Azores still present a negative trend with its origin at the end of last year.

The good performance evidenced by the region of Madeira, although compared with the fairly negative results of the previous year, showed an even better result than the one of May 2009 (+11%), for which there was the contribution of promotional campaigns aimed at the internal market and the main markets of origin of tourists of the region.

Table 3. Overnight stays by region (NUTS II)

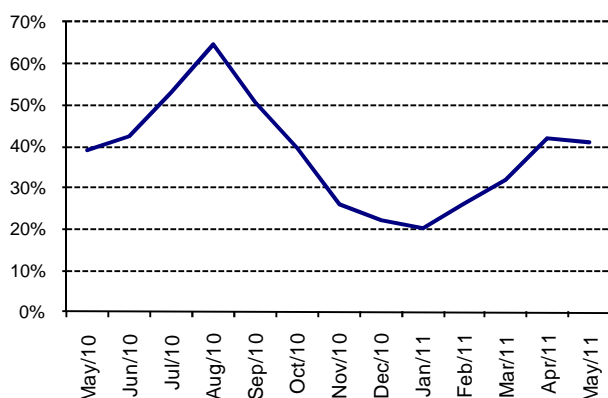
Unit: Thousand

NUTS II	Overnight stays		Year-on-year change rate
	May-10	May-11	%
PORTUGAL	3 332.2	3 604.1	8.2
North	408.0	421.3	3.3
Center	376.6	377.9	0.3
Lisbon	805.2	842.8	4.7
Alentejo	102.1	104.5	2.2
Algarve	1 100.4	1 188.6	8.0
AZORES	109.5	101.4	-7.4
MADEIRA	430.4	567.6	31.9

Net bed occupancy rate and Average Stay

In the month of May 2011 tourist accommodation establishments registered an occupancy rate of 41.1%, 1.8 p.p. higher than the one registered in the same month of the previous year.

Figure 3. Net bed occupancy rate



The region of Madeira registered the highest value in the bed occupancy rate (63.6%), corresponding also to the highest increase (+15.1 p.p. towards May 2010).

The regions of Algarve and Lisbon also presented increases in their bed occupancy rates (+1.9 and +0.7 p.p., respectively). The remaining regions had reduced occupancy rates.

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

NUTS II	Occupancy rate		Average stay	
	%		(No. of nights)	
	May-10	May-11	May-10	May-11
PORTUGAL	39.3	41.1	2.6	2.7
North	34.9	34.2	1.7	1.7
Center	31.7	30.7	1.8	1.8
Lisbon	48.8	49.5	2.1	2.2
Alentejo	28.8	26.2	1.4	1.6
Algarve	37.2	39.1	4.1	4.3
AZORES	41.2	37.6	3.0	3.0
MADEIRA	48.5	63.6	4.6	5.0

By type of establishment, apartment hotels and tourist apartments grew the most in terms of occupancy rates (+5.7 p.p. and 2.3 p.p., respectively), when compared with the same period of the previous year, with the

emphasis on four star apartment hotels (+7.8 p.p.). Hotels in general and "pousadas" presented no significant changes, although five star hotels registered a 5.5 p.p. increase. On the contrary, tourist villages had a 2.6 p.p. reduction in their 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)	
	May-10	May-11	May-10	May-11
Total	39.3	41.1	2.6	2.7
Hotels	44.8	45.7	2.3	2.4
*****	41.3	46.8	2.4	2.7
****	47.9	49.6	2.5	2.5
***	43.3	42.0	2.2	2.1
** / *	40.7	37.3	1.8	1.9
Apartment hotels	41.5	47.2	4.1	4.3
*****	44.5	48.0	4.8	3.6
****	42.6	50.4	4.1	4.4
*** / **	38.8	39.1	4.0	4.2
Tourist Apartments	30.7	33.0	5.0	4.8
Tourist villages	27.5	24.9	4.9	4.7
Pousadas	43.0	43.4	1.5	1.4
Inns, Motels and Boarding houses	29.1	29.1	2.1	2.1

The overall average stay was 2.7 nights, slightly above the one registered in May 2010 (2.6).

In average, the region of Madeira presented higher average stays (5 nights), followed by the Algarve (4.3). By type of establishment, apartments and tourist villages (with approximately 5 nights) as well as apartment hotels (4.3) led.

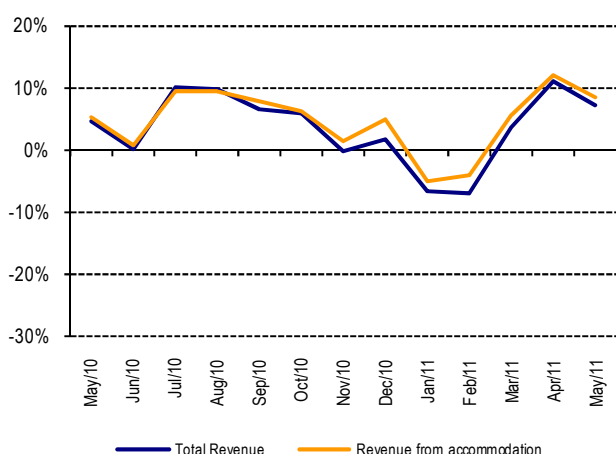
Revenue and Average Revenue per Available Room (Rev Par)

In the month of **May 2011** tourist accommodation activity registered EUR 176.6 million of total revenue

and EUR 117.9 million from accommodation, corresponding to year-on-year increases of 7.3% and 8.6%, respectively.

In the period under review, Rev Par from tourist accommodation activity was 29.8 €, higher than in May 2010 (28.8 €).

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



The regions of Madeira and Lisbon had better year-on-year results in both indicators (positive increases of approximately 30% in Madeira and 12% to 15% in Lisbon). On the contrary, the Azores accounted for a decrease (-15.2% in total revenue and -12.4% in total revenue from accommodation).

The regions of Lisbon and Madeira registered the highest average revenues (52.2 € and 34.7 €, respectively) and were also the ones that grew the most in year-on-year terms (+30.9% in Madeira and +10.1% in Lisbon).

Figure 5. Average revenue per room

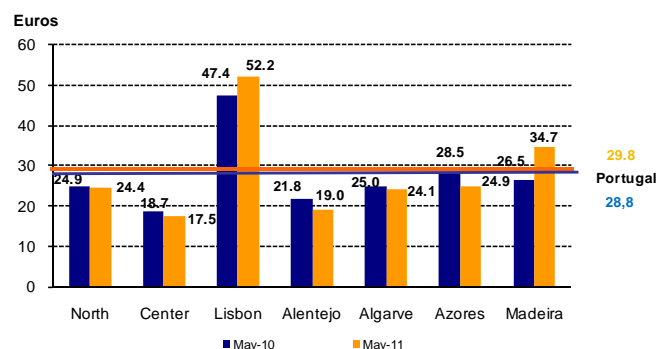


Table 6. Revenue by region (NUTS II)

Unit: Million Euros

NUTS II	Total revenue	Year-on-year change rate	Revenue from accommodation	Year-on-year change rate
	May-11	%	May-11	%
Portugal	176.6	7.3	117.9	8.6
North	211	2.3	14.4	3.6
Center	17.7	-3.4	10.6	-1.0
Lisbon	58.7	12.4	42.2	14.8
Alentejo	5.2	-4.6	3.5	0.2
Algarve	44.0	2.6	28.9	1.4
Azores	4.5	-15.2	3.2	-12.4
Madeira	25.3	29.0	15.1	30.9

When focusing the analysis on the type of establishment, it becomes clear that tourist apartments grew the most concerning this indicator (year-on-year rate of 16.3%), far above "pousadas" (+3.4%), apartment hotels (+3.1%) and hotels (+0.6%).

The relative stability of hotels had, however, different readings in each category: in spite of a significant increase in the average revenue of five star units as well as in two and one star units, there was a fall in the average revenue of three and four star units.

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

Unit:€

Type of establishment and category	RevPar		Year-on-year change rate
	May-10	May-11	%
Total	28.8	29.8	3.5
Hotels	35.8	36.0	0.6
*****	59.1	64.1	8.5
****	35.6	35.5	-0.3
***	28.2	25.2	-10.6
** / *	22.2	22.6	1.8
Apartment hotels	26.2	27.0	3.1
*****	33.6	33.6	0.0
****	28.8	29.4	2.1
*** / **	19.1	19.5	2.1
Tourist apartments	14.1	16.4	16.3
Tourist villages	18.4	18.4	0.0
Pousadas	41.5	42.9	3.4
Inns, Motels and Boarding houses	16.4	17.2	4.9

accommodation, corresponding to year-on-year positive changes of 2.8% and 4.7%, respectively.

The Rev Par was 22 €, almost the same as in the same period of the year before (21.9 €).

In the period of **January to May 2011** tourist accommodation establishments registered EUR 604.2 million of total revenue and EUR 400.4 million from

Methodology notes

Net bed occupancy rate – the relation between the number of overnight stays and the number of available beds, in the reference period, accounting two beds for 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.

Date of next press release: 10th of August 2011