16 May 2014

Tourism activity

March 2014

Slight reduction in overnight stays and shorter stays

Tourism accommodation establishments recorded 2.7 million overnight stays in March 2014 (-0.8%[1] than in March 2013, following a 6.5% increase in February 2014). Overnight stays from residents declined by 3.1% (+1.9% in the previous month), while non residents spent almost the same number of overnight stays (+0.2%, following +8.6% in February). With regard to the main inbound markets evolution, the emphasis went to the positive contributions of Brazil (+34.5%), Belgium (+34.3%) and France (+15.1%) and the declines of Spain (-42.7%) and Ireland (-15.3%).

These less favourable results are closely related to a calendar effect, since Easter was celebrated in April 2014, while in 2013 it was celebrated in March.

Revenue rose (2.9% in total revenue and 3.1% in revenue from accommodation) but less so when compared with February 2014 (7.3% and 7.6%, respectively).

Table 1. Global preliminary results from tourism activity

GLOBAL PRELIMINARY RESULTS	Unit	Month		Accumulated	
		Mar 14	Year-on-year change rate (%)	Jan to Mar 14	Year-on-year change rate (%)
Guests	10^3	1 039.1	2.7	2 514.0	6.1
Overnight stays	10^3	2 739.6	-0.8	6 478.8	4.2
Residents in Portugal	10^3	800.9	-3.1	1 969.6	1.8
Non residents	10^3	1 938.7	0.2	4 509.3	5.3
Average stay	No. of nights	2.64	-3.4	2.58	-1.8
Net bed occupancy rate	%	32.6	-0.8 p.p.	27.4	0.6 p.p.
Total revenue	10^6 €	121.7	2.9	287.4	5.3
Revenue from accommodation	10^6 €	82.1	3.1	192.6	5.9
RevPAR (Average revenue per available room)	€	21.4	0.8	17.9	3.6

Increased number of guests but shorter stays

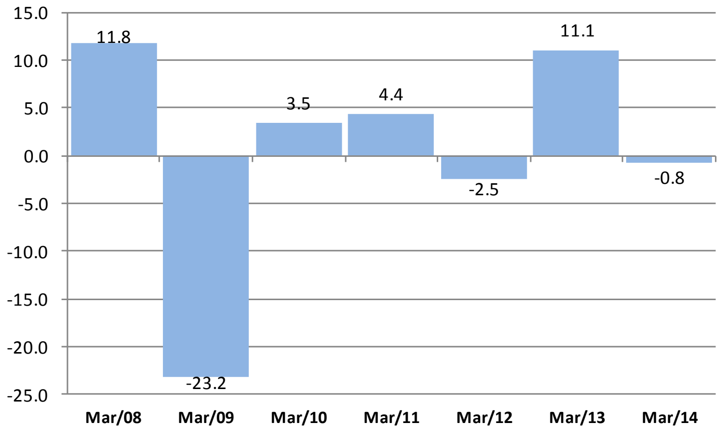
In March 2014, tourism accommodation establishments hosted one million guests and 2.7 million overnight stays, with these figures standing for a 2.7% increase in guests (+7.2% in the previous month) but a slight 0.8% decline in overnight stays (+6.5% in February 2014), which is largely due to the above mentioned different periods of celebration

[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.

of Easter. The Carnival festivities in March 2014 did not compensate the reduction in overnight stays which resulted from the aforementioned calendar effect.

Figure 1. Overnight stays in March, 2008 to 2014 – year-on-year change rates -

In 2008 and 2013 Easter occurred in March and, in the remaining years, in April



Considering quarter results, the outcome of the first quarter of 2014 were mostly positive (+6.1% in guests and +4.2% in overnight stays).

Worthy of mention the 9.4% increase in overnight stays spent in tourist villages in March 2014 (-1.3% in February), with Hotels also recording an increase (+1.2% in March, from +7.3% in February), particularly in 5 star category units (+3.8%).

In the period January to March 2014, the evolution of overnight stays by type of establishment was mostly positive, worth mentioning the growth in hotels (+6.0%) and in tourist villages (+4.3%).

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

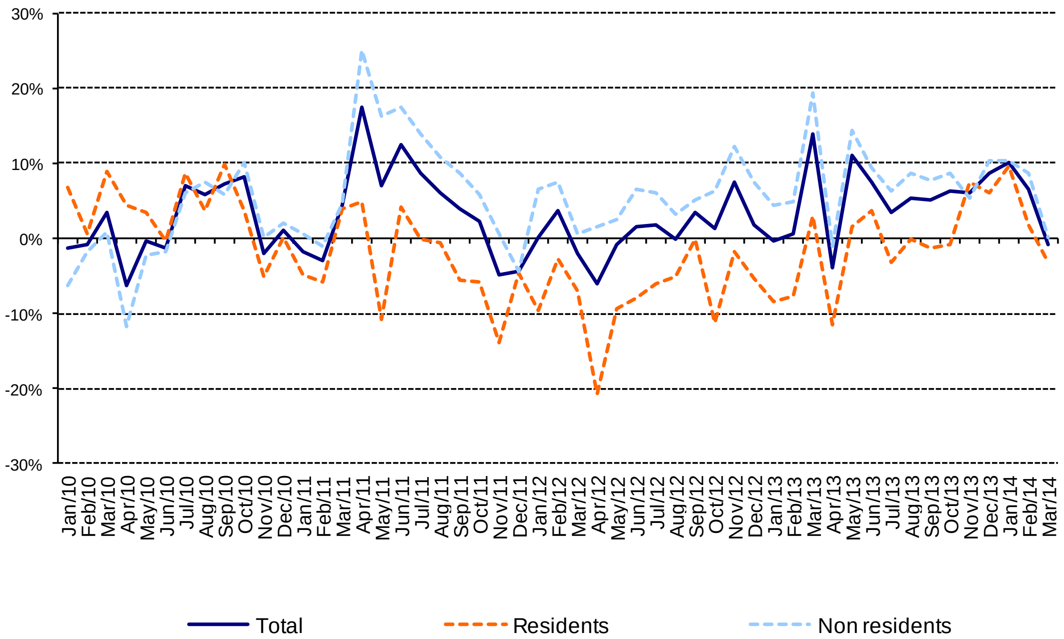
Type of establishment and category	Overnight stays (10^3)		Year-on-year change rate
	Mar-13	Mar-14	%
Total	**2 761.8**	**2 739.6**	**-0.8**
Hotels	**1 798.8**	**1 821.1**	**1.2**
*****	341.3	354.2	3.8
****	873.1	887.6	1.7
***	403.7	403.6	0.0
** / *	180.7	175.7	-2.8
Apartment hotels	**419.4**	**401.4**	**-4.3**
*****	34.0	37.2	9.6
****	290.0	271.1	-6.5
*** / **	95.5	93.1	-2.6
Pousadas	**29.6**	**27.1**	**-8.3**
Tourist apartments	**214.5**	**188.3**	**-12.2**
Tourist villages	**113.7**	**124.4**	**9.4**
Other tourist establishments	**185.8**	**177.2**	**-4.6**

Stable results in overnight stays spent by non residents and reduction in those spent by residents

In March 2014, overnight stays spent by non residents totalled 1.9 million (70.8% of the total), a similar figure to the one of March 2013 (+0.2%). In the first quarter 2014, there was a higher increase (+5.3%) as a result of the growth in January (+10.7%) and February (+8.6%).

The number of overnight stays spent by residents stood at 800.9 thousand, corresponding to a decline of 3.1%. Considering the first quarter, despite the referred reduction, overnight stays spent by residents increased 1.8%.

Figure 2. Overnight stays, month-to-month change rate



In March 2014, the group of the 10 main inbound markets[2] represented 75.0% of the total overnight stays from non residents (76.6% in March 2013), with the emphasis on the performances of Brazil and Belgium (+34.5% and +34.3% of overnight stays, respectively).

The main market, the United Kingdom (weighting 20.9%), recorded a 6.5% increase in overnight stays. The emphasis also went to France (+15.1%) and the Netherlands (+10.5%), with shares of 7.1% and 7.9%, respectively.

Spain recorded a steep decline of 42.7% of overnight stays in March 2014, a month without the traditional increase of Spanish tourists spending their Easter holiday period, which was celebrated in April. This outcome closely reflected the representativeness of this market (7.8% in March 2014 compared with 13.7% in March 2013).

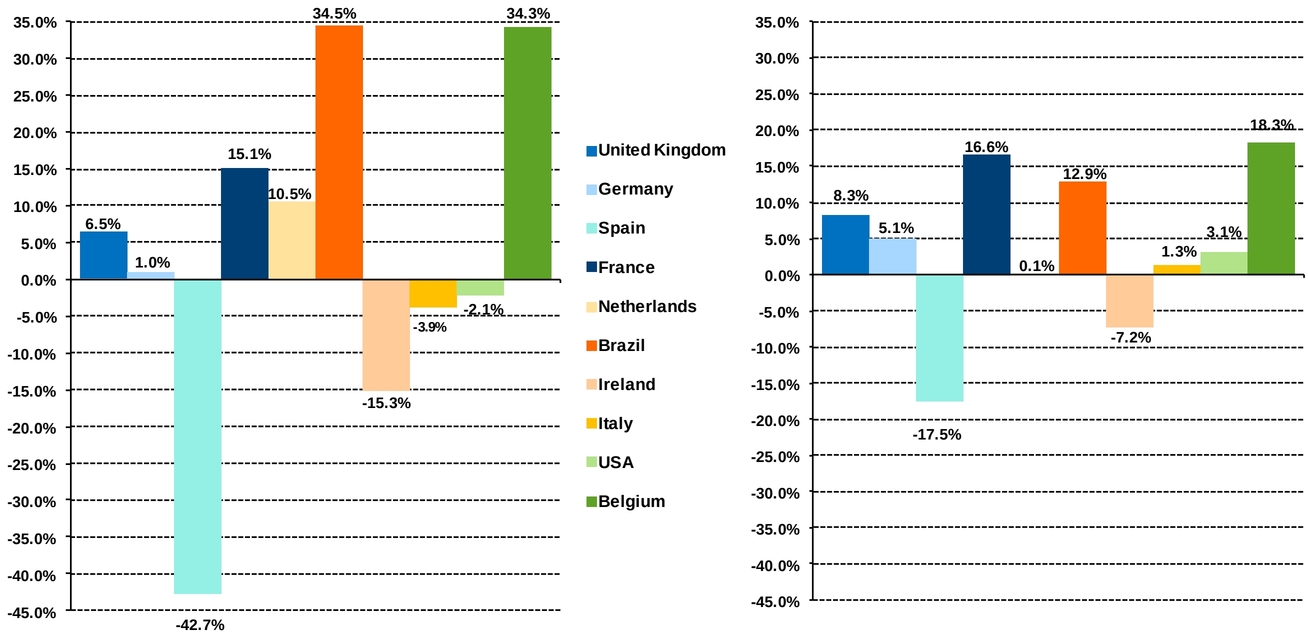
Ireland presented declining results in March (-15.3%), as in the whole of the first quarter.

[2] Based on 2013 preliminary results for overnight stays

In the first three months of the year, the emphasis went to the growth in the number of overnight stays from guests of France (+16.6%), Belgium (+18.3%) and Brazil (+12.9%).

Figure 3. Overnight stays by main inbound markets (1) – year-on-year change rates

3a. Year-on-year change rate March 2014 | **3b. Year-on-year change rate January to March 2014**



(1) Main inbound markets according to preliminary results from overnight stays in 2013 (in graph by descending order)

Alentejo, Madeira and Lisbon standout with results from overnight stays

In March 2014, the evolution in overnight stays was positive in the Alentejo (+6.4%), Madeira (+6.3%) and Lisbon (+5.5%) and declined in the remaining regions. The declining results of Algarve (-7.6%) were reflected in the 1.7% decrease in the first quarter 2014, in spite of the growth of January (+2.3%) and February (+4.9%).

As in the previous month, the number of overnight stays spent by residents increased significantly in Madeira (+33.3%) and in Lisbon (+10.7%). In Algarve, there was a decline (-28.4%) in overnight stays from residents (-17.5% in February).

Demand from the internal market was mostly focussed in Lisbon (25.9%), North (23.0%) and Centre (20.7%).

The number of overnight stays from non residents grew in Alentejo (+13.0%), Madeira (+4.0%) and Lisbon (+3.8%) and declined in the remaining regions. In the North and in Algarve, the declines of March 2014 (-1.9% and -2.7%) resulted nevertheless in a positive outcome in the first quarter 2014.

In March 2014, the main destinations chosen by non residents were the Algarve (33.6%), Lisbon (29.8%) and Madeira (22.2%).

Table 3. Overnight stays by region (NUTS II)

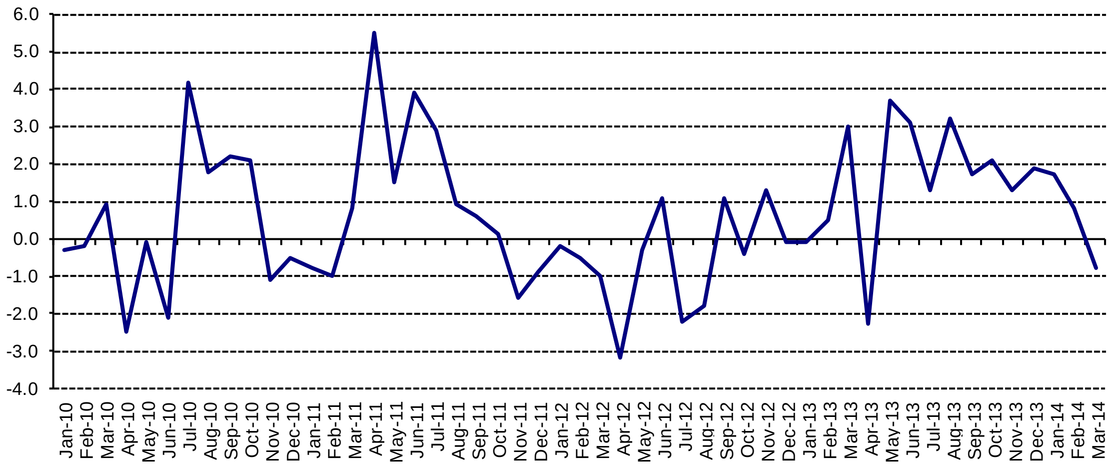
NUTS II	Overnight stays (10^3)				Residents overnight stays (10^3)				Non residents overnight stays (10^3)			
	Mar 14	Year-on-year change rate (%) Mar 14	Jan to Mar 14	Year-on-year change rate (%) Jan-Mar 14	Mar 14	Year-on-year change rate (%) Mar 14	Jan to Mar 14	Year-on-year change rate (%) Jan-Mar 14	Mar 14	Year-on-year change rate (%) Mar 14	Jan to Mar 14	Year-on-year change rate (%) Jan-Mar 14
Portugal	**2 739.6**	**-0.8**	**6 478.8**	**4.2**	**800.9**	**-3.1**	**1 969.6**	**1.8**	**1 938.7**	**0.2**	**4 509.3**	**5.3**
North	336.9	-0.7	848.3	6.0	184.5	0.4	483.9	4.3	152.4	-1.9	364.4	8.4
Centre	243.8	-11.0	583.7	-3.7	165.8	-9.5	410.0	-4.0	78.0	-14.1	173.7	-3.2
Lisbon	785.2	5.5	1 852.8	8.5	207.2	10.7	549.9	10.7	578.1	3.8	1 302.8	7.6
Alentejo	80.9	6.4	175.7	4.7	56.4	3.8	123.3	4.8	24.5	13.0	52.4	4.4
Algarve	764.1	-7.6	1 685.6	-1.7	112.1	-28.4	235.0	-17.3	651.9	-2.7	1 450.6	1.4
Azores	51.4	-2.7	110.0	-2.0	28.9	7.0	65.7	1.1	22.5	-12.9	44.4	-6.3
Madeira	477.4	6.3	1 222.7	10.5	46.1	33.3	101.8	26.1	431.3	4.0	1 120.9	9.3

Decrease in net bed occupancy rate

In March 2014, the net bed occupancy rate in tourism accommodation establishments was 32.6% (-0.8 p.p.).

In the first quarter 2014, the evolution of this indicator was positive (+0.6 p.p., corresponding to a 27.4% rate).

Figure 4. Net bed occupancy rate – year-on-year variation (difference in p.p.)



In Madeira, the occupancy rate was 56.9%, corresponding to the highest year-on-year increase (+3.6 p.p.). Lisbon followed (43.5%) with an occupancy rate similar to the one of March 2013 (43.4%). Algarve recorded the steepest decline (-3.1 p.p.).

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

NUTS II	Occupancy rate			Average stay		
	%		Year-on-year variation (p.p.)	(No. of nights)		Year-on-year change rate (%)
	Mar-13	Mar-14		Mar-13	Mar-14	
Portugal	**33.4**	**32.6**	**-0.8**	**2.73**	**2.64**	**-3.4**
North	26.6	26.4	-0.2	1.70	1.67	-1.7
Centre	23.0	20.7	-2.2	1.75	1.64	-6.1
Lisbon	43.4	43.5	0.1	2.34	2.27	-3.0
Alentejo	21.0	22.2	1.1	1.66	1.71	3.2
Algarve	31.4	28.3	-3.1	4.38	4.09	-6.8
Azores	21.4	20.9	-0.6	2.78	2.77	-0.4
Madeira	53.3	56.9	3.6	5.36	5.29	-1.3

The main typologies, hotels and apartment hotels, recorded occupancy rates of 35.4% and 36.2%, respectively, but with slight declines in terms of evolution. It should be noticed the increases in the occupancy rates of tourist villages (+3.5 p.p.) and "*pousadas*" (+2.6 p.p.).

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		
	%		Year-on-year variation (p.p.)	(No. of nights)		Year-on-year change rate (%)
	Mar-13	Mar-14		Mar-13	Mar-14	
Total	**33.4**	**32.6**	**-0.8**	**2.73**	**2.64**	**-3.4**
Hotels	**36.2**	**35.4**	**-0.9**	**2.40**	**2.31**	**-3.5**
*****	41.6	38.1	-3.5	2.72	2.67	-1.9
****	39.0	39.5	0.5	2.59	2.45	-5.3
***	31.4	30.1	-1.3	2.13	2.08	-2.5
** / *	29.0	27.8	-1.2	1.84	1.78	-3.1
Apartment hotels	**37.0**	**36.2**	**-0.8**	**4.12**	**4.09**	**-0.8**
*****	40.8	38.5	-2.4	4.94	4.43	-10.4
****	37.5	37.1	-0.5	4.02	4.03	0.2
*** / **	34.4	33.3	-1.1	4.20	4.15	-1.3
Pousadas	**28.0**	**30.6**	**2.6**	**1.74**	**1.67**	**-4.1**
Tourist apartments	**25.9**	**21.0**	**-4.8**	**5.57**	**5.35**	**-3.9**
Tourist villages	**24.3**	**27.8**	**3.5**	**5.55**	**5.76**	**3.8**
Other tourist establishments	**24.3**	**24.8**	**0.5**	**2.23**	**2.21**	**-1.1**

Average stay trending downwards

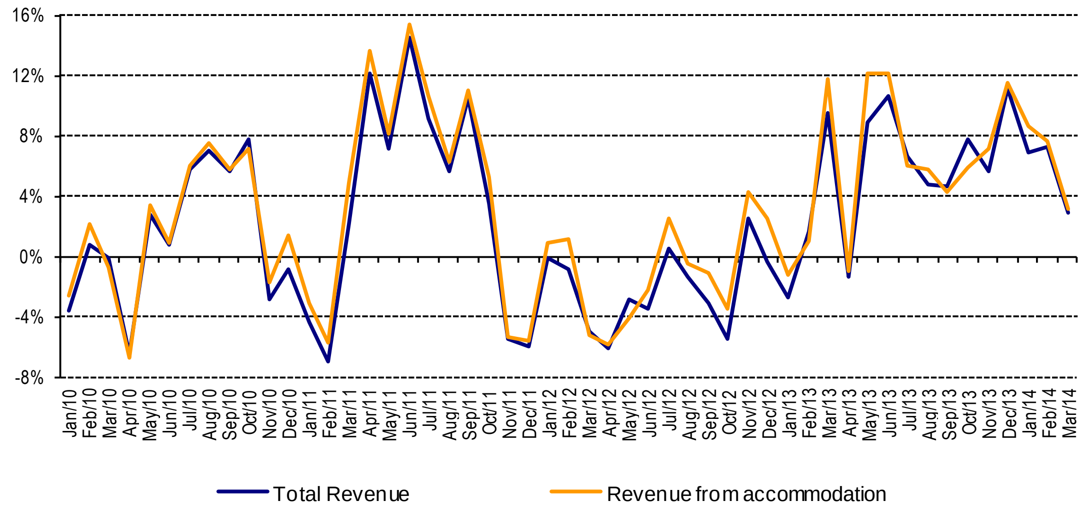
In March 2014, the average stay was 2.64 nights (-3.4%).

There was an almost overall reduction in average stays by region (except in Alentejo with +3.2%) and by type of establishment (except tourist villages and 4 star apartment hotels).

Revenue and RevPAR kept trending upwards

In March 2014, tourist accommodation establishments accounted for EUR 121.7 million in total revenue (+2.9%) and EUR 82.1 million in revenue from accommodation (+3.1%), following the increases of 7.3% and 7.6% in February. When considering the first quarter of the current year as a whole, in terms of revenue, the change rate was +5.3% for total revenue and +5.9% for revenue from accommodation.

Figure 5. Total revenue and total revenue from accommodation - month-to-month change rate



As in the previous year, Madeira presented significant increases in revenue (+17.7% in total revenue and +13.0% in revenue from accommodation in March), quite above the growth in overnight stays (+6.3%). Lisbon also recorded an increase in revenue from accommodation (+8.8%), above the increase in overnight stays (+5.5%). In Algarve, the 7.6% reduction in overnight stays was reflected in the 9.4% decrease in revenue from accommodation. These results show different regional approaches to the prices in tourism establishments.

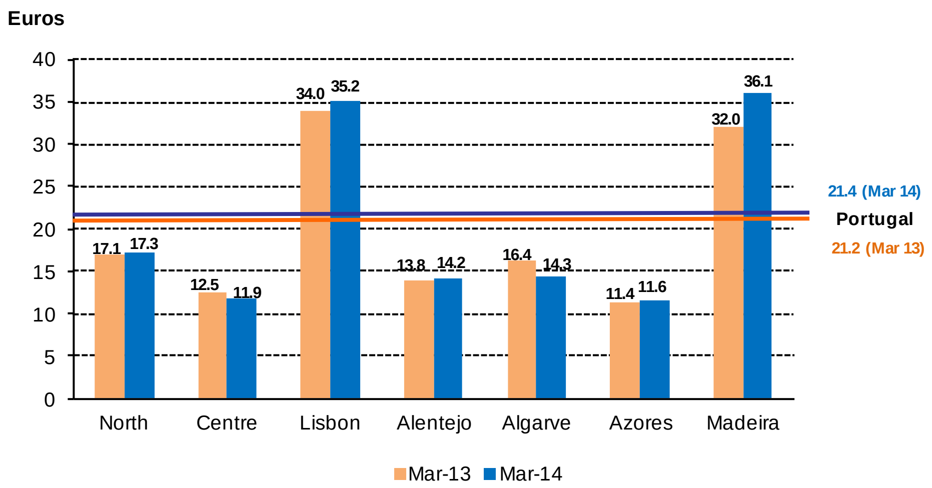
Table 6. Revenue by region (NUTS II)

NUTS II	Total revenue (10^6 euros)		Revenue from accommodation	
	Mar-14	Year-on-year change rate (%)	Mar-14	Year-on-year change rate (%)
Portugal	**121.7**	**2.9**	**82.1**	**3.1**
North	14.8	0.3	10.6	2.3
Centre	10.1	-8.2	6.8	-5.6
Lisbon	42.6	6.8	30.5	8.8
Alentejo	3.5	-1.1	2.3	3.0
Algarve	24.8	-7.6	15.7	-9.4
Azores	2.0	0.0	1.4	2.5
Madeira	24.0	17.7	14.8	13.0

In March 2014, the revenue per available room (RevPAR) from tourist accommodation activity was EUR 21.4, quite close to the one recorded in the same month of the previous year (EUR 21.2).

Madeira and Lisbon recorded the highest RevPAR (EUR 36.1 and EUR 35.2) and simultaneously grew the most when compared with the other regions (+13.1% and +3.4%, respectively). In March 2013, the highest RevPAR occurred in Lisbon, but in March 2014 it came from Madeira.

Figure 6. Average revenue per available room



Tourist villages stood out with an 8.7% increase in RevPAR, on a par with the raise in overnight stays (+9.4%). In hotels there was a slightly higher increase in RevPar (+1.7%) in relation to the one recorded in overnight stays (+1.2%). In the majority of the remaining typologies there were declining evolutions as far as this indicator is concerned.

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

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Mar-13	Mar-14	%
Total	**21.2**	**21.4**	**0.8**
Hotels	**24.5**	**24.9**	**1.7**
*****	45.7	44.9	-1.7
****	24.4	24.9	2.2
***	15.8	15.9	0.3
** / *	13.9	13.8	-0.7
Apartment hotels	**21.3**	**20.0**	**-6.3**
*****	25.9	24.9	-4.0
****	23.0	21.4	-7.3
*** / **	15.4	14.6	-4.8
Pousadas	**30.9**	**28.6**	**-7.2**
Tourist apartments	**9.2**	**8.2**	**-11.4**
Tourist villages	**12.9**	**14.1**	**8.7**
Other tourist establishments	**13.5**	**14.1**	**3.8**

Camping sites and holiday camps

In March 2014, camping sites hosted 52.3 thousand campers (+3.7%) and recorded a total of 190.4 thousand overnight stays (+11.6%). Overnight stays from residents increased by 12.2%, slightly more than those spent by non residents (+11.1%).

The average stay increased 7.6% to 3.64 nights. The tendency for longer average stays in the low season was kept, namely from non resident tourists (4.50 nights, +6.3%).

In holiday camps, the main indicators kept declining steeply. The number of guests stood at 21.1 thousand and the number of overnight stays totalled 38.5 thousand. These figures stood for declines of 23.2% and 31.2%, respectively. The average stay was 1.83 nights, also below the one of March 2013 (-10.4%).

Table 8. Camping sites, holiday camps and youth hostels, by origin of the guests, March 2014

	Unit	Camping sites				Holiday camps and youth hostels			
		Total	Year-on-year change rate (%) mar 14	Residents	Non residents	Total	Year-on-year change rate (%) mar 14	Residents	Non residents
Campers / Guests	10^3	52.3	3.7	31.0	21.3	21.1	-23.2	16.6	4.5
Overnight stays	10^3	190.4	11.6	94.4	96.0	38.5	-31.2	30.0	8.5
Average stay	nights	3.64	7.6	3.05	4.50	1.83	-10.4	1.81	1.89

EXPLANATORY NOTES

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

2014 – February and March – preliminary data; January – provisional data.

2013 – 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 14	-0.23 p.p.	-0.86 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.

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.

ABBREVIATIONS

RevPAR – Revenue per Available Room

Date of next press release: 18 June 2014