16 May 2016

Tourism Activity

March 2016

Easter boosts results in tourism accommodation

Hotel establishments recorded 1.4 million guests and 3.7 million overnight stays in March 2016, the equivalent to year-on-year increases[1] of 18.8% and 20.3%. This outcome surpassed the one in the preceding month (+14.9% and +15.5%) and is partly linked to a calendar effect since Easter was celebrated in March 2016 while in 2015 it was celebrated in April. The increase in overnight stays benefited from the contribution of the internal market (+18.5%) and from the external markets (+21.0%).

The average stay was 2.70 nights (+1.2%) and the net bed occupancy rate stood at 41.1% (+5.9 p.p.).

Revenue also increased (+22.5% in total revenue and +25.6% in revenue from accommodation), accelerating when compared with the preceding month (+21.5% and +21.4%).

Table 1. Global preliminary results from tourism activity

Global preliminary results	Unit	Month		Accumulated	
		Mar-16	Year-on-year change rate (%)	Jan to Mar 16	Tvh (%)
Guests	10^3	1 353.8	18.8	3 214.3	14.9
Overnight stays	10^3	3 651.8	20.3	8 343.3	16.0
Residents in Portugal	10^3	1 071.0	18.5	2 560.4	13.6
Residents abroad	10^3	2 580.8	21.0	5 782.9	17.1
Average stay	no. of nights	2.70	1.2	2.60	1.0
Net bed occupancy rate	%	41.1	5.9 p.p.	33.5	3.6 p.p.
Total revenue	EUR 10^6	170.6	22.5	394.3	19.7
Revenue from accommodation	EUR 10^6	118.7	25.6	272.0	21.5
RevPAR (Average revenue per available room)	EUR	29.6	22.1	24.1	17.8

Increase in the number of guests and overnight stays linked with the Easter celebration

In March 2016, tourism accommodation establishments hosted 1.4 million guests (+18.8%) which originated 3.7 million overnight stays (+20.3%). These results meant an acceleration (+14.9% and +15.5% in February) associated to the different month of the Easter celebration, which in 2016 occurred in March, whereas in 2015 it took place in April.

In April 2014, also subject to the Easter calendar effect, the increases in guests and overnight stays stood at 24.4% and 27.0%, respectively. On that occasion, the change rates recorded in the following month decreased to 14.6% in guests and 10.7% in overnight stays.

In the first quarter 2016, the number of guests increased by 14.9% and overnight stays grew by 16.0%.

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

Overnight stays in hotels increased by 21.9% and corresponded to 69.0% of the total. All hotel categories presented significant change rates, mainly four star units (+24.2%) which represented almost half of overnight stays from this typology (48.7%).

As in the previous month, the emphasis also went to tourist apartments (+37.0%) in spite of recording a much lower share (7.6% of overnight stays).

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
	Mar-15	Mar-16	%
Total	**3 036.8**	**3 651.8**	**20.3**
Hotels	**2 068.8**	**2 521.6**	**21.9**
*****	401.1	475.6	18.6
****	988.6	1 227.5	24.2
***	468.1	560.5	19.7
** / *	211.1	258.1	22.2
Apartment hotels	**442.1**	**496.7**	**12.3**
*****	36.2	32.0	-11.4
****	311.9	349.4	12.0
*** / **	94.0	115.2	22.5
Pousadas	**34.1**	**39.4**	**15.5**
Tourist apartments	**202.7**	**277.7**	**37.0**
Tourist villages	**112.7**	**147.7**	**31.1**
Other tourist establishments	**176.4**	**168.8**	**-4.3**

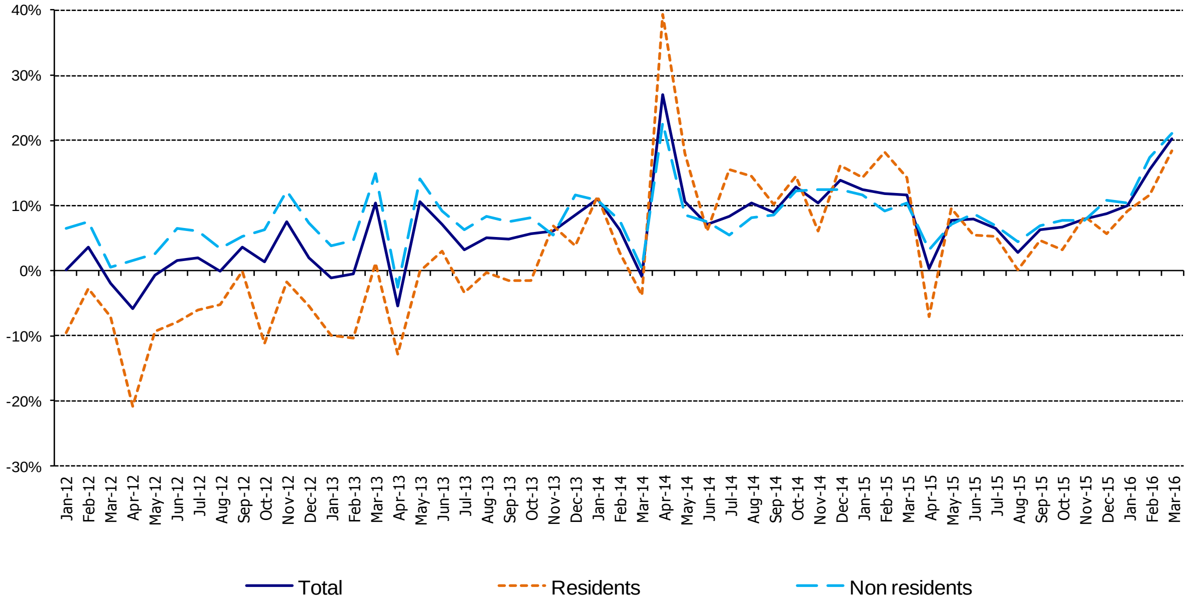
Overnight stays from residents and non residents increased steeply

The internal market was responsible for 1.1 million overnight stays (+18.5%), accelerating in relation to the most recent months (+11.6% in February and +9.1% in January).

Overnight stays from the external markets (2.6 million) represented 70.7% of the total and increased by 21.0% (+17.3% in February). The growth in March was surpassed only in April 2014 (+22.7%), a month also under the change in the Easter calendar effect comparing with the preceding year.

In the period January to March, overnight stays from residents increased by 13.6% and those from non residents by 17.1%.

Figure 1. Overnight stays - Month-on-month change rates



Spanish market with a steep growth

The twelve main inbound markets[2] have slightly increased their representativeness (81.4%, from 80.9% in March 2015).

The British market (20.2% of overnight stays from non residents) presented a significant increase (+19.7%).

Germany grew by 13.0%, below the raise in February (+17.6%) but clearly above the one in January (+6.6%). The weight of this market reduced from 18.8% in March 2015 to 17.6% in March 2016.

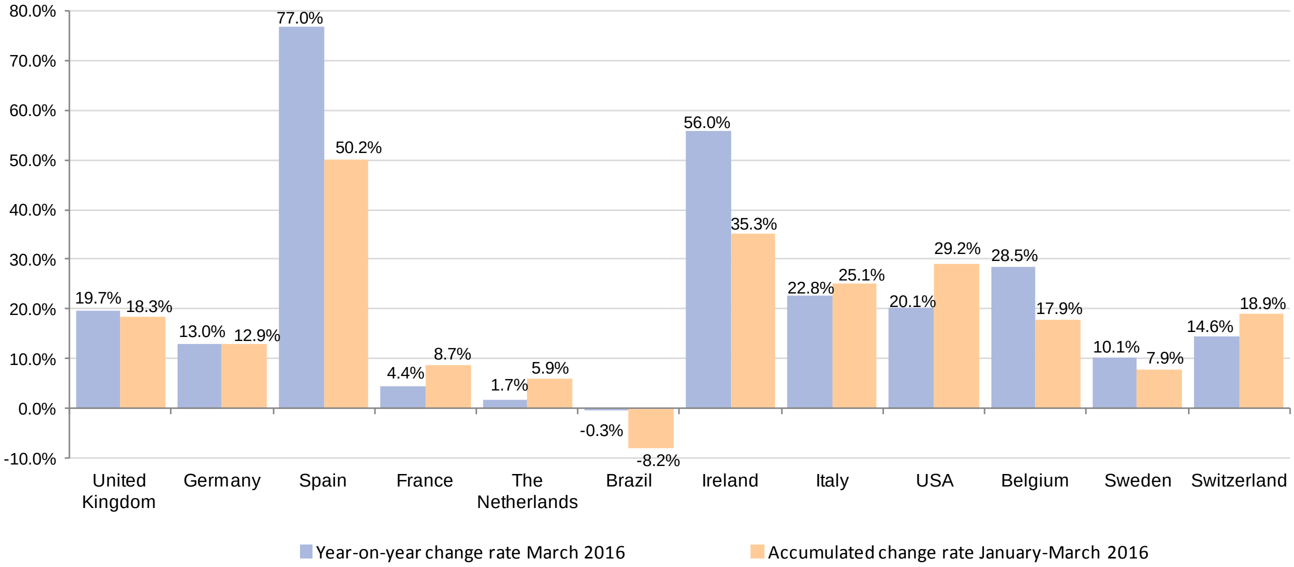
As usual in the Easter period, demand from the Spanish market increased steeply (+77.0% in overnight stays), but nevertheless below April 2014 (+125.1%). The share of this market (14.4%) largely surpassed the one of March 2015 (9.8%).

The French and the Dutch markets presented increases of 4.4% and 1.7%, slowing down in comparison with the preceding months. These two markets held shares of 6.6% and 5.7%, respectively.

Ireland, Belgium and the USA recorded steep increases (+56.0%, +28.5% and +20.1%), while Brazil kept declining (-0.3%).

[2] Based on overnight stays in 2014

Figure 2. Overnight stays by main inbound markets: year-on-year and accumulated change rates



The regions of the North, Centre, Algarve and the Azores with noteworthy increases in overnight stays from non residents

All regions showed significant increases in overnight stays, more so the A. R. of the Azores (+55.6%), as it has been the case in the latest months. In mainland Portugal, it is worth noticing the increases in the Algarve (+28.2%), the North (+25.3%) and in Alentejo (+21.8%). The results recorded in the North and in Algarve might have been influenced not only by the Easter period but also by the occurrence of international motor car events.

The most sought after regions were the Algarve (28.4% of the total overnight stays) and Lisbon (27.5%).

Overnight stays from residents increased steeply in the Autonomous Regions (+51.6% in the Azores and +43.1% in Madeira). In the mainland, there were significant increases as well, more so in the Alentejo (+27.3%), Algarve (+18.4%) and in the North (+18.2%). The Lisbon Metropolitan Area ranked first as a destination for residents (22.9% of overnight stays), but less so when compared with the same month of 2015 (24.3%); it was followed by the North (22.5%) and the Centre (19.6%).

Considering overnight stays from non residents, the A. R. of the Azores kept the largest increase (+60.9%), followed by the North (+32.9%), Algarve (+30.7%) and the Centre (+27.9%). Worth noticing is the contribution of the Spanish market, with increases of 85.8% in the North and 103.3% in the Algarve. In the latter region, also worth mentioning are the increases in the German (+34.4%) and British (+24.9%) markets, which together represented more than half the number of overnight stays from non residents in the region.

The Algarve, Lisbon and the A. R. of Madeira were the most sought after regions by guests coming from abroad (32.8%, 29.4% and 20.1%, respectively, of overnight stays).

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			
	Mar-16		Jan to Mar 16		Mar-16		Jan to Mar 16		Mar-16		Jan to Mar 16	
	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	**3 651.8**	**20.3**	**8 343.3**	**16.0**	**1 071.0**	**18.5**	**2 560.4**	**13.6**	**2 580.8**	**21.0**	**5 782.9**	**17.1**
North	492.4	25.3	1 180.2	22.1	241.4	18.2	621.2	15.2	251.0	32.9	559.1	31.0
Centre	340.4	18.5	776.3	12.2	210.0	13.3	518.9	7.4	130.3	27.9	257.4	23.3
M. A. Lisbon	1004.0	14.8	2 345.3	9.2	245.0	11.3	633.4	6.7	759.0	15.9	1 711.9	10.2
Alentejo	109.8	21.8	245.2	16.6	75.6	27.3	170.9	16.7	34.2	11.1	74.4	16.5
Algarve	1038.7	28.2	2 117.8	23.2	192.3	18.4	374.1	19.8	846.4	30.7	1 743.7	23.9
A. R. Azores	95.1	55.6	216.4	59.2	52.7	51.6	117.4	48.1	42.4	60.9	99.0	74.7
A. R. Madeira	571.6	9.9	1 462.0	10.7	54.0	43.1	124.5	25.6	517.5	7.3	1 337.5	9.5

Slight increase in average stay

The average stay was 2.70 nights (+1.2%), whereas the one recorded in the first quarter stood at 2.60 nights (+1.0%).

The A. R. of Madeira and the Algarve recorded the highest values in this indicator (5.42 nights and 4.15 nights respectively); however, there was a slight decline in the Algarve (-1.1%). The emphasis went to the 6.4% increase in average stay in the A. R. of the Azores.

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

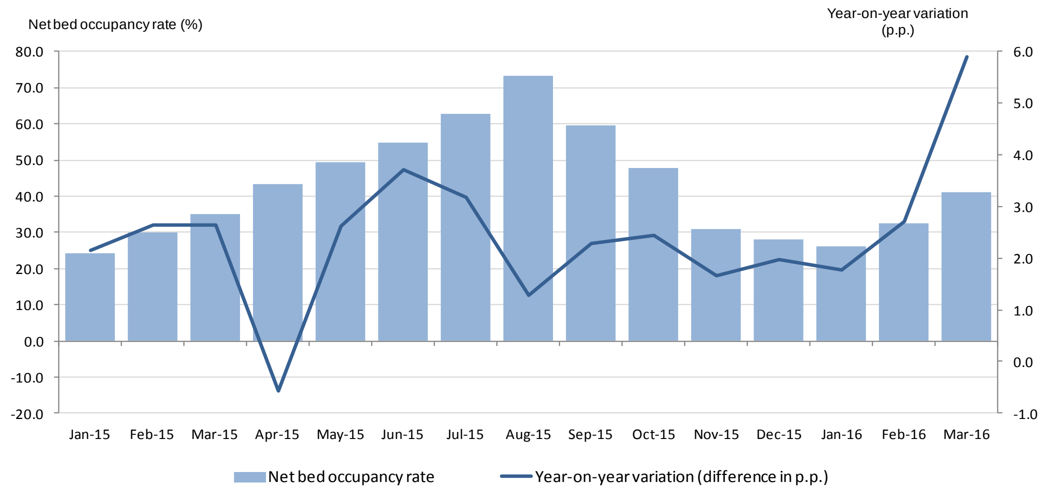
NUTS II	Average stay			Occupancy rate		
	(No. of nights)		Year-on-year change rate (%)	%		Year-on-year variation (p.p.)
	Mar-15	Mar-16		Mar-15	Mar-16	
Portugal	**2.66**	**2.70**	**1.2**	**35.2**	**41.1**	**5.9**
North	1.70	1.75	3.0	30.6	36.8	6.2
Centre	1.70	1.69	-0.1	23.6	27.1	3.5
M. A. Lisbon	2.34	2.38	1.8	45.9	51.9	6.0
Alentejo	1.71	1.79	4.6	23.7	29.6	5.8
Algarve	4.20	4.15	-1.1	29.6	36.4	6.8
A. R. Azores	2.82	3.01	6.4	23.9	35.9	12.0
A. R. Madeira	5.37	5.42	1.0	61.2	65.9	4.7

Noteworthy increase in occupancy rate

The net bed occupancy rate was 41.1%, corresponding to a considerable increase of 5.9 p.p. This increase largely surpassed those recorded in the preceding months (+2.7 p.p. in February).

In the accumulated period of January to March, the occupancy rate was 33.5% (+3.6 p.p.).

Figure 3. Net bed occupancy rate



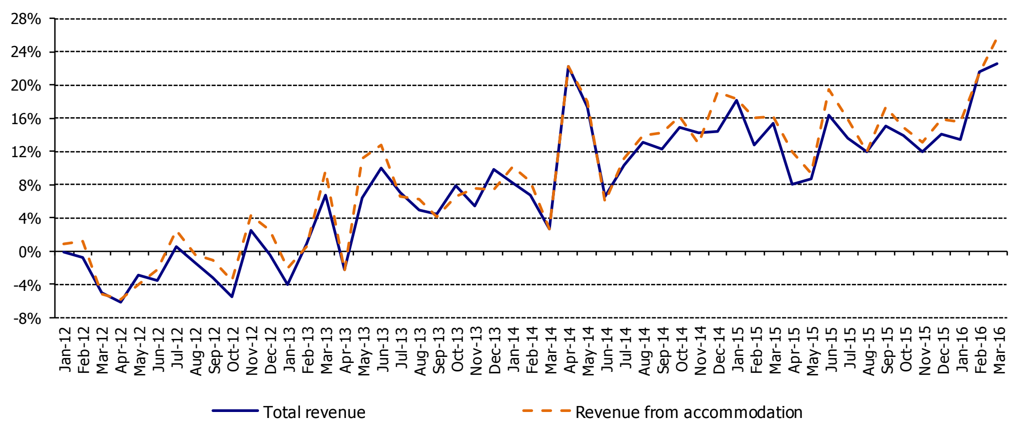
In March, the highest occupancy rates were recorded in the A. R. of Madeira (65.9%) and in Lisbon (51.9%).

The emphasis went to the evolutions in the A. R. of Azores (+12.0 p.p.) and in Algarve (+6.8 p.p.).

Revenue accelerated

Total revenue from hotel accommodation activity amounted to EUR 170.6 million (+22.5%) and revenue from accommodation was EUR 118.7 million (+25.6%). These increases surpassed those of the previous month (+21.5% and +21.4%). The first quarter 2016 revealed increases of 19.7% and 21.5% respectively in total revenue and in revenue from accommodation.

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



All regions recorded significant increases in revenue, with revenue from accommodation growing more than total revenue in all regions except in Algarve.

There were noteworthy increases in revenue from accommodation in the A. R. of the Azores (+64.7%), Algarve (+34.4%) and in the North (+33.8%). The A. R. of Madeira was the only region to decelerate vis-à-vis the preceding month (+20.1%).

Table 5. Revenue by region (NUTS II)

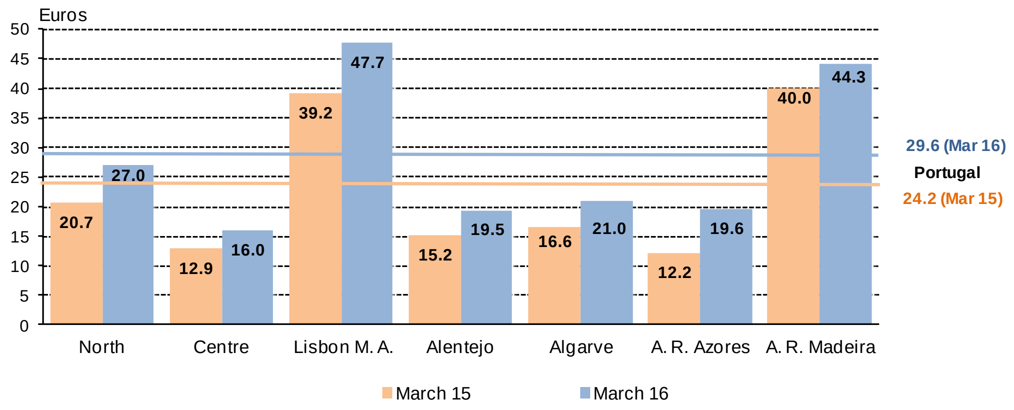
Unit: EUR 10^6

NUTS II	Total revenue		Revenue from accommodation	
	Mar-16	Year-on-year change rate (%)	Mar-16	Year-on-year change rate (%)
Portugal	**170.6**	**22.5**	**118.7**	**25.6**
North	23.1	27.9	17.1	33.8
Centre	14.7	26.7	9.8	28.7
M. A. Lisbon	58.9	16.5	43.3	21.7
Alentejo	5.0	20.7	3.4	23.8
Algarve	36.9	34.9	24.1	34.4
A. R. Azores	3.5	62.9	2.5	64.7
A. R. Madeira	28.5	12.0	18.6	13.2

The average revenue per available room (RevPAR) increased considerably (+22.1%), and stood at EUR 29.6.

Lisbon and the A. R. of Madeira recorded the highest values in this indicator (EUR 47.7 and EUR 44.3). There was an overall positive evolution in RevPAR, more so in the A. R. of the Azores (+60.4%) and in the North (+30.2%).

Figure 5. Average revenue per available room



As in the previous month, five star hotels and the *"pousadas"* held the highest values in RevPAR (EUR 60.0 and EUR 48.0 respectively), with corresponding increases of 27.1% and 54.9%.

The evolution of RevPAR in tourist apartments stood out (+44.9%).

Table 6. RevPAR by type and category of establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Mar-15	Mar-16	%
Total	**24.2**	**29.6**	**22.1**
Hotels	**27.3**	**33.3**	**21.8**
*****	47.2	60.0	27.1
****	27.5	32.9	19.9
***	18.2	22.0	20.9
** / *	16.6	19.9	20.2
Apartment hotels	**23.6**	**25.8**	**9.5**
*****	30.6	34.5	12.9
****	25.4	27.1	6.8
*** / **	16.1	20.1	24.7
Pousadas	**31.0**	**48.0**	**54.9**
Tourist apartments	**10.2**	**14.8**	**44.9**
Tourist villages	**16.6**	**19.0**	**14.4**
Other tourist establishments	**16.9**	**19.5**	**15.2**

Camping sites and holiday camps

In March 2016, camping sites hosted 66.0 thousand campers (+10.9%) and had 254.7 thousand overnight stays (+12.8%), results that stood below the ones from the previous month (+16.6% and +20.6%). The internal market recorded slight changes (+0.1% in overnight stays) while the external markets presented a considerable growth (+25.4%, representing 55.8% of the total). The average stay was 3.86 nights (+1.6%).

Holiday camps and youth hostels recorded 27.5 thousand guests and 52.2 thousand overnight stays (+30.7% and +26.3%, respectively) an outcome showing a strong acceleration in relation to the previous month (+2.4% and +17.0%). These results had the contribution of both residents (+24.0% of overnight stays) and of non residents (+36.5%), with the internal market holding a share of 79.8%. The average stay declined 3.4%, corresponding to 1.90 nights.

The outstanding results from non residents came mostly from the evolutions recorded in the regions of the North and Lisbon.

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

Month: March 2016

	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	66.0	10.9	34.6	-2.1	31.5	30.0	27.5	30.7	22.3	26.1	5.2	54.8
Overnight stays	10^3	254.7	12.8	112.5	0.1	142.2	25.4	52.2	26.3	41.7	24.0	10.5	36.5
Average stay	no. nights	3.86	1.6	3.26	2.2	4.52	-3.6	1.90	-3.4	1.87	-1.7	2.02	-11.8

EXPLANATORY NOTES

Data disseminated in this "Press Release" includes tourism accommodation establishments in operation, in each reference period, and refers to:

2016 – March: preliminary results; January and February: provisional results.

2015 – January to December: provisional results.

Note: Beginning in January 2016, preliminary data is revised in the month immediately after (then becoming provisional data), with final data still becoming available when dissemination of annual data occurs.

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 Feb 16	+0.2 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 might 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: 15 June 2016