15 July 2016

Tourism Activity

May 2016

Slight acceleration in overnight stays and revenue based on the external market

Hotel establishments recorded 1.8 million guests and 5.0 million overnight stays in May 2016, corresponding to year-on-year increases[1] of 5.1% and 7.8% respectively (+7.6% and +6.1% in April). For the rise in overnight stays only non residents have contributed (+10.7% from +6.5% in the preceding month), since the internal market declined by 1.1% (+5.2% in April), interrupting the positive trend of the latest months.

The average stay increased (+2.6%; 2.73 nights) and also the net bed occupancy rate (+2.5 p.p.; 52.0%).

Total revenue (+14.9%) and revenue from accommodation (+15.8%) accelerated in comparison with the preceding month (+12.5% and +12.1% respectively).

Table 1. Global preliminary results from tourism activity

Global preliminary results	Unit	Month		Accumulated	
		May-16	Year-on-year change rate (%)	Jan to May 16	Tvh (%)
Guests	10^3	1 845.9	5.1	6 631.8	10.4
Overnight stays	10^3	5 045.3	7.8	17 533.1	11.3
Residents in Portugal	10^3	1 146.7	-1.1	4 768.5	7.8
Residents abroad	10^3	3 898.6	10.7	12 764.6	12.7
Average stay	no. of nights	2.73	2.6	2.64	0.8
Net bed occupancy rate	%	52.0	2.5 p.p.	40.1	3.0 p.p.
Total revenue	EUR 10^6	265.9	14.9	868.3	16.6
Revenue from accommodation	EUR 10^6	187.5	15.8	606.3	17.6
RevPAR (Average revenue per available room)	EUR	43.4	13.4	30.8	14.5

Slight acceleration in overnight stays

In May 2016, tourism accommodation establishments hosted 1.8 million guests (+5.1%) which originated 5.0 million overnight stays (+7.8%). The evolution in guests stood below the one recorded in the preceding month (+7.6%), but surpassed it in terms of overnight stays (+6.1% in April).

In the period January to May, the number of guests increased by 10.4% and overnight stays went up by 11.3%.

Overnight stays in hotels (+9.0%) represented 67.9% of the total, with four star units (49.5% of the typology) having surpassed this rise (+10.4%). The *"pousadas"* also stood out (+11.9%) as well as tourist apartments (+8.2%).

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

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-15	May-16	%
Total	**4 680.7**	**5 045.3**	**7.8**
Hotels	**3 140.2**	**3 423.7**	**9.0**
*****	606.1	661.3	9.1
****	1 536.3	1 695.7	10.4
***	699.8	740.4	5.8
** / *	298.1	326.3	9.5
Apartment hotels	**649.4**	**697.8**	**7.4**
*****	45.3	38.3	-15.5
****	464.4	506.9	9.2
*** / **	139.7	152.6	9.2
Pousadas	**45.8**	**51.2**	**11.9**
Tourist apartments	**412.6**	**446.3**	**8.2**
Tourist villages	**192.6**	**201.1**	**4.4**
Other tourist establishments	**240.1**	**225.1**	**-6.2**

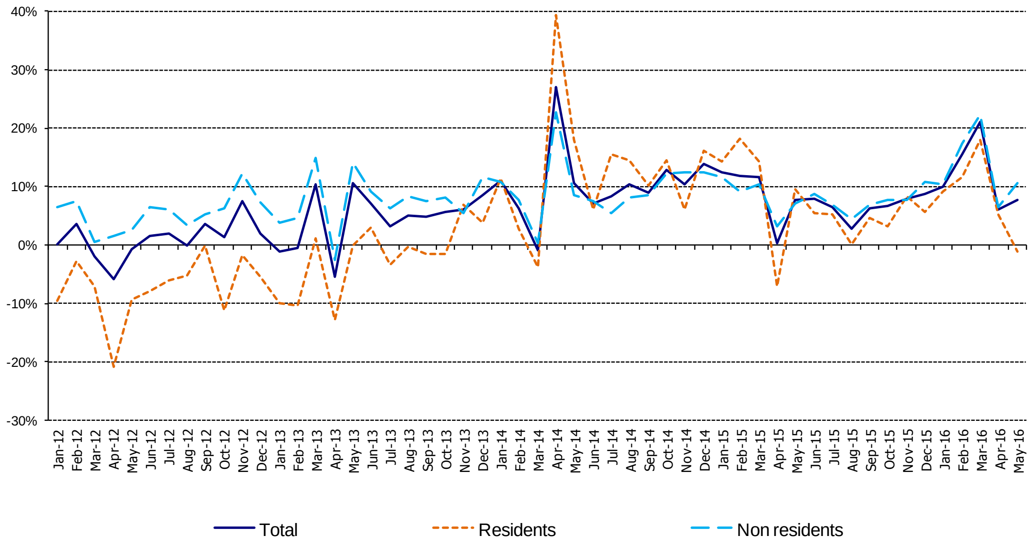
Overnight stays from non residents with steep increase

The internal market contributed with 1.1 million overnight stays (-1.1%), interrupting the growing trend of the previous months (+5.2% in April and +18.1% in March). The last declining result occurred in April 2015 (-7.1%).

The external markets (3.9 million overnight stays) presented a particularly positive evolution (+10.7%), strengthening the growth of April (+6.5%).

In the period January to May, overnight stays from residents increased by 7.8% and those from non residents grew by 12.7%.

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



Main markets with positive evolution

The thirteen main inbound markets[2] concentrated 87.3% of overnight stays from non residents (86.4% in May 2015).

The United Kingdom (25.8% of overnight stays from non residents) recorded a significant 12.9% growth, however below the one of April (+15.9%) and below the accumulated period of 2016 (+16.2%).

Germany recovered (+13.0% vis-à-vis +1.1% in April), coming close to the results of March (+12.9%). Its weight stood at 14.5%.

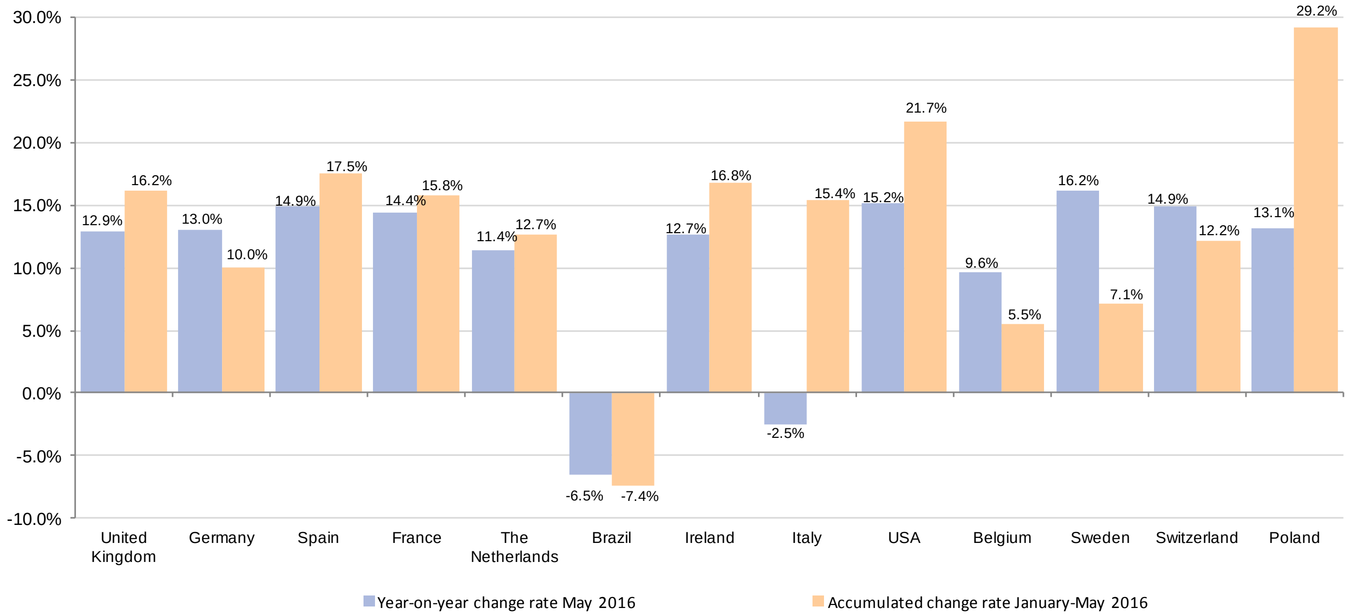
Overnight stays from the French market increased by 14.4% and represented 12.5% of the total. When considering the first five months of the year as a whole, the increase was slightly higher (+15.8%).

The Netherlands and Spain recorded similar shares (6.9% and 6.8% respectively) and presented positive change rates (+11.4% and +14.9%) yet below the accumulated period from January to May (+12.7% and +17.5%, respectively).

Ireland, with a weight of 4.3%, grew by 12.7%; also worth noticing the performance of the Swedish market (+16.2%) and the North American (+15.2%).

Brazil kept declining (-6.5%) while Italy (-2.5%) had opposing results to the quite strong positive evolution previously recorded (+17.0% in April and +23.6% in March).

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



[2] Based on overnight stays in 2015

Steep increase of overnight stays in the Autonomous Regions

The Autonomous Regions presented steep increases in overnight stays (+19.6% in the Azores and +12.2% in Madeira). In the Mainland the emphasis went to the Algarve (+11.0%) and the North (+9.1%), in contrast with the declining results of the Alentejo (-3.8%) and the Centre (-0.6%). Demand was mostly focused in the Algarve (35.1% of the total overnight stays), Lisbon (25.0%), Madeira (13.4%) and the North (12.7%).

The A. R. of Madeira presented a noticeable increase in overnight stays from residents (+22.4%). In the Mainland there were increases only in the Algarve (+2.7%) and in the North (+1.1%), while the remaining regions had reductions, more so the Centre (-10.0%). Therefore, this latter region recorded a decline in its share (17.8% from 19.6% in May 2015). The main destinations were Lisbon (22.9% of overnight stays from the internal market), the North (22.1%) and Algarve (20.1%).

Overnight stays from non residents increased in all regions, with greater expression in the Azores (+29.8%), the North (+15.0%) and the Algarve (+12.4%). In the Centre, demand from the external markets (+10.1% in overnight stays) contrasted strongly with the demand from residents (-10.0%). It is worth mentioning the contribution from the main external markets for this region (Spain and France) which presented increases of 16.7% and 17.2%, corresponding to 40.1% of overnight stays from foreigners in the Centre.

The first choice for non residents was the Algarve (39.5%), followed by Lisbon (25.6%) and Madeira (15.7%).

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-16		Jan to May 16		May-16		Jan to May 16		May-16		Jan to May 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	**5 045.3**	**7.8**	**17 533.1**	**11.3**	**1 146.7**	**-1.1**	**4 768.5**	**7.8**	**3 898.6**	**10.7**	**12 764.6**	**12.7**
North	640.2	9.1	2 360.2	15.5	253.3	1.1	1 112.4	10.6	387.0	15.0	1 247.8	20.3
Centre	425.3	-0.6	1 564.9	7.0	204.1	-10.0	923.0	3.2	221.2	10.1	641.9	13.0
M. A. Lisbon	1259.7	3.7	4 677.4	5.4	262.6	-3.0	1 134.2	3.3	997.0	5.6	3 543.2	6.1
Alentejo	126.2	-3.8	489.5	8.4	74.5	-7.2	320.6	9.3	51.8	1.7	168.9	6.8
Algarve	1770.8	11.0	5 206.2	15.1	230.3	2.7	797.8	6.4	1 540.5	12.4	4 408.4	16.8
A. R. Azores	148.6	19.6	489.9	36.0	57.7	6.5	233.2	27.8	90.9	29.8	256.7	44.5
A. R. Madeira	674.4	12.2	2 745.0	10.9	64.2	22.4	247.3	22.5	610.2	11.3	2 497.7	9.9

Increased average stay

The average stay (2.73 nights; +2.6%) evolved in contrast with the previous month (-1.3%).

When considering the first five months of the year, results were also positive but less so (+0.8%; 2.64 nights).

As in the previous month, the A. R. of Madeira and the Algarve recorded high average stays (4.98 and 4.27 nights on average). However, while the Algarve recorded the largest increase (+5.5%), Madeira recorded a decline (-2.4%).

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

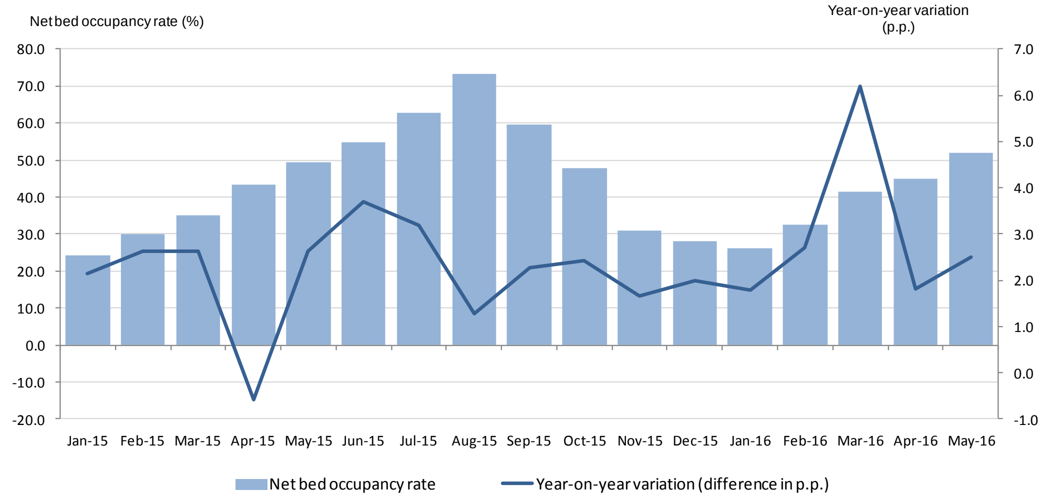
NUTS II	Average stay			Occupancy rate		
	(No. of nights)		Year-on-year change rate (%)	%		Year-on-year variation (p.p.)
	May-15	May-16		May-15	May-16	
Portugal	**2.67**	**2.73**	**2.6**	**49.4**	**52.0**	**2.5**
North	1.78	1.79	0.7	44.9	47.6	2.6
Centre	1.63	1.64	1.1	33.8	32.2	-1.6
M. A. Lisbon	2.30	2.28	-0.7	63.6	63.4	-0.2
Alentejo	1.63	1.59	-2.4	32.3	31.1	-1.2
Algarve	4.05	4.27	5.5	46.9	51.5	4.5
A. R. Azores	2.91	3.06	4.9	44.7	50.7	6.0
A. R. Madeira	5.10	4.98	-2.4	66.7	73.9	7.2

Occupancy rate still increasing

The net bed occupancy rate was 52.0%, surpassing by 2.5 p.p. the one from the same month a year earlier.

In the first five months of the year, this rate stood at 40.1% (+3.0 p.p.).

Figure 3. Net bed occupancy rate

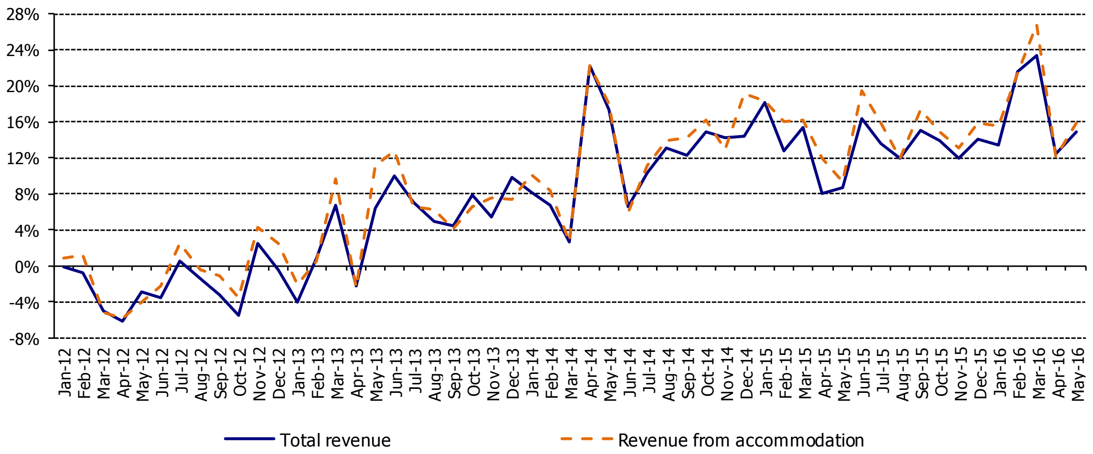


The A. R. of Madeira recorded the highest occupancy rate (73.9%) to which corresponded the largest increase (+7.2 p.p.). Lisbon followed (63.4%) but changing slightly (-0.2 p.p.). Azores and the Algarve presented noteworthy results (+6.0 p.p. and +4.5 p.p.).

Slight acceleration in revenue

Total revenue from hotel accommodation activity amounted to EUR 265.9 million (+14.9%) and revenue from accommodation was EUR 187.5 million (+15.8%). These results stood above the ones from the preceding month (+12.5% and +12.1%) but below the results of January to May (+16.6% and +17.6% respectively).

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



All regions recorded rises in revenue, mostly the A. R. of the Azores (+27.1% in total revenue and +24.4% in revenue from accommodation) and the A. R. of Madeira (+19.3% and +22.0%). The regions of the North and the Algarve also stood out, the former in total revenue (+19.0%) and the latter in revenue from accommodation (+19.3%).

Table 5. Revenue by region (NUTS II)

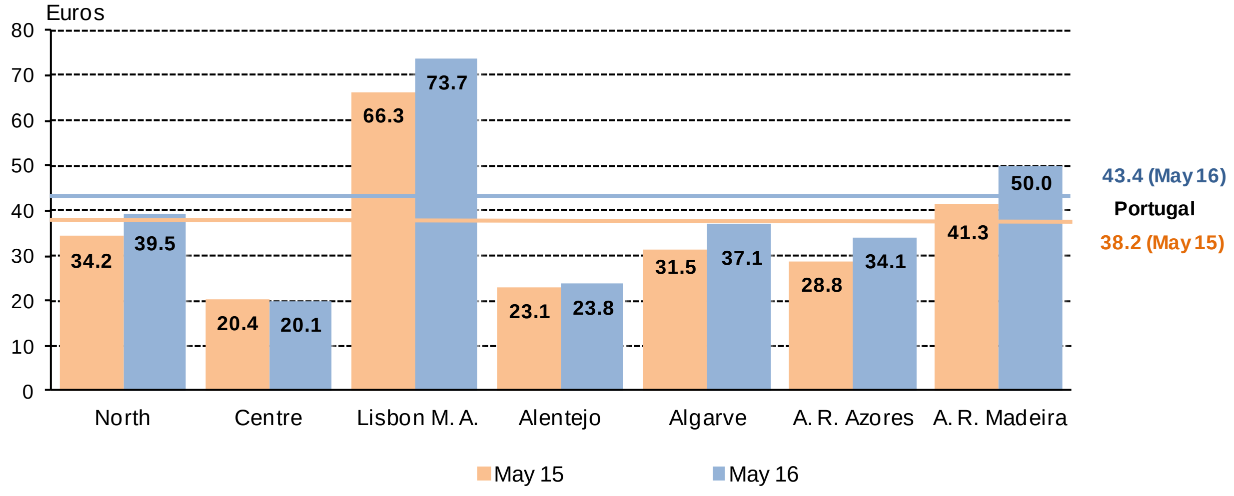
Unit: EUR 10^6

NUTS II	Total revenue		Revenue from accommodation	
	May-16	Year-on-year change rate (%)	May-16	Year-on-year change rate (%)
Portugal	**265.9**	**14.9**	**187.5**	**15.8**
North	34.2	19.0	25.3	18.6
Centre	19.9	0.7	12.8	2.9
M. A. Lisbon	90.1	13.5	67.8	13.5
Alentejo	6.7	4.8	4.5	2.1
Algarve	73.8	17.4	50.3	19.3
A. R. Azores	6.5	27.1	4.7	24.4
A. R. Madeira	34.7	19.3	22.1	22.0

The average revenue per available room (RevPAR) amounted to EUR 43.4, corresponding to an increase of 13.4% (+9.8% in April).

Lisbon and Madeira stood out with RevPAR values ascending to EUR 73.7 and EUR 50.0, with the A. R. of Madeira recording the largest increase (+21.0%). Azores, Algarve and the North also recorded noticeable increases (+18.3%, +17.9% and +15.4%).

Figure 5. Average revenue per available room



This indicator amounted to EUR 91.7 in five star hotels, EUR 66.1 in "*pousadas*" and EUR 56.1 in five star apartment hotels. The overall evolution was positive, with the emphasis on five star apartment hotels (+27.3%) and tourist apartments (+19.2%).

Table 6. RevPAR by type and category of establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	May-15	May-16	%
Total	**38.2**	**43.4**	**13.4**
Hotels	**44.7**	**49.6**	**10.9**
*****	81.5	91.7	12.5
****	44.3	49.7	12.2
***	30.0	32.0	6.6
** / *	24.6	26.2	6.3
Apartment hotels	**33.2**	**37.7**	**13.7**
*****	44.1	56.1	27.3
****	35.0	39.1	11.7
*** / **	25.3	28.8	13.9
Pousadas	**58.2**	**66.1**	**13.5**
Tourist apartments	**17.5**	**20.8**	**19.2**
Tourist villages	**25.6**	**30.1**	**17.7**
Other tourist establishments	**21.8**	**26.3**	**20.2**

Camping sites and holiday camps

In May 2016, camping sites hosted 113.4 thousand campers who originated 323 thousand overnight stays, the equivalent to declines of 3.5% and 2.6%. Overnight stays from the internal market represented slightly more than half the total (50.9%) and declined steeply (-15.1%), possibly under the influence of unfavorable weather conditions in May with higher levels of rain than usual. The external markets presented opposing results (+15.0% overnight stays), with a 49.1% share. The average stay also increased slightly (+1.0%, corresponding to 2.85 nights).

Holiday camps and youth hostels hosted 26.2 thousand guests and 47.8 thousand overnight stays (-19.7% and -13.9%), deepening the declining results of the preceding month (-14.5% guests and -6.6% overnight stays). Residents were the only ones contributing for this reduction (-19.8% overnight stays, corresponding to 70.2% of the total), since non residents increased by 4.4%. The average stay was 1.83 nights (+7.3%).

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

Month: May 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	113.4	-3.5	52.6	-20.2	60.8	17.7	26.2	-19.7	19.4	-25.0	6.8	0.8
Overnight stays	10^3	323.0	-2.6	164.3	-15.1	158.7	15.0	47.8	-13.9	33.6	-19.8	14.3	4.4
Average stay	no. nights	2.85	1.0	3.12	6.4	2.61	-2.3	1.83	7.3	1.73	6.9	2.10	3.6

EXPLANATORY NOTES

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

2016 – May: preliminary results; January to April: 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 the 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 Apr. 16	+0.0 p.p.	+0.1 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 in the text as "Lisbon".

ABBREVIATIONS

RevPAR – Revenue per Available Room

Date of next press release: 16 August 2016