

September, 15th 2016

Tourism Activity

July 2016

Main indicators kept growing

Hotel establishments recorded 2.1 million guests and 6.5 million overnight stays in July 2016, corresponding to year-on-year increases¹ of 10.2% and 7.0% respectively (+10.3% and +9.5% in June). The internal market recorded a steep slowdown (+2.0% from +8.5% in the preceding month), while overnight stays from the external markets had a slighter slowdown (+9.3% in July and +9.8% in June).

The average stay decreased 2.9% to 3.13 nights. The net bed occupancy rate raised 2.1 p.p. to 65.0%.

Total revenue increased by 16.8% and revenue from accommodation grew by 17.5% (+16.0% and +16.9% in the preceding month, respectively).

Table 1. Global preliminary results from tourism activity

Global preliminary results	Unit	Month		Accumulated	
		Jul-16	Year-on-year change rate (%)	Jan to Jul 16	Tvh (%)
Guests	10 ³	2 082.1	10.2	10 604.7	10.7
Overnight stays	10 ³	6 517.8	7.0	29 561.1	10.2
Residents in Portugal	10 ³	1 912.7	2.0	8 216.7	6.7
Residents abroad	10 ³	4 605.1	9.3	21 344.4	11.6
Average stay	no. of nights	3.13	-2.9	2.79	-0.5
Net bed occupancy rate	%	65.0	2.1 p.p.	46.6	2.5 p.p.
Total revenue	EUR 10 ⁶	371.6	16.8	1 537.1	16.7
Revenue from accommodation	EUR 10 ⁶	280.6	17.5	1 104.2	17.8
RevPAR (Average revenue per available room)	EUR	63.6	13.4	38.9	13.4

Slight slowdown in overnight stays

In July 2016, tourism accommodation establishments recorded 2.1 million guests which in turn originated 6.5 million overnight stays (+10.2% and +7.0% respectively). The evolution of guests was similar to the one recorded a month earlier (+10.3%) and to the period January to July (+10.7%), but overnight stays slowed down (+9.5% in June and +10.2% in the accumulated total of the seven first months of the year).

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

Hotels concentrated 63.9% of overnight stays which corresponded to the largest increase (+10.6%) within the several typologies. The apartment hotels followed (+9.4%) with the emphasis on four star units (+11.2%). There was a decline in tourist apartments (-9.6%), as in the previous month.

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

Unit: 10³

Type of establishment and category	Overnight stays		Year-on-year change rate
	Jul-15	Jul-16	%
Total	6 089.0	6 517.8	7.0
Hotels	3 764.3	4 163.5	10.6
*****	779.0	857.7	10.1
****	1 810.3	2 022.0	11.7
***	826.1	889.5	7.7
** / *	348.9	394.3	13.0
Apartment hotels	923.9	1 010.5	9.4
*****	55.5	58.7	5.7
****	651.0	723.9	11.2
*** / **	217.4	227.9	4.8
Pousadas	57.9	58.4	0.9
Tourist apartments	750.7	678.6	-9.6
Tourist villages	322.9	349.0	8.1
Other tourist establishments	269.3	257.7	-4.3

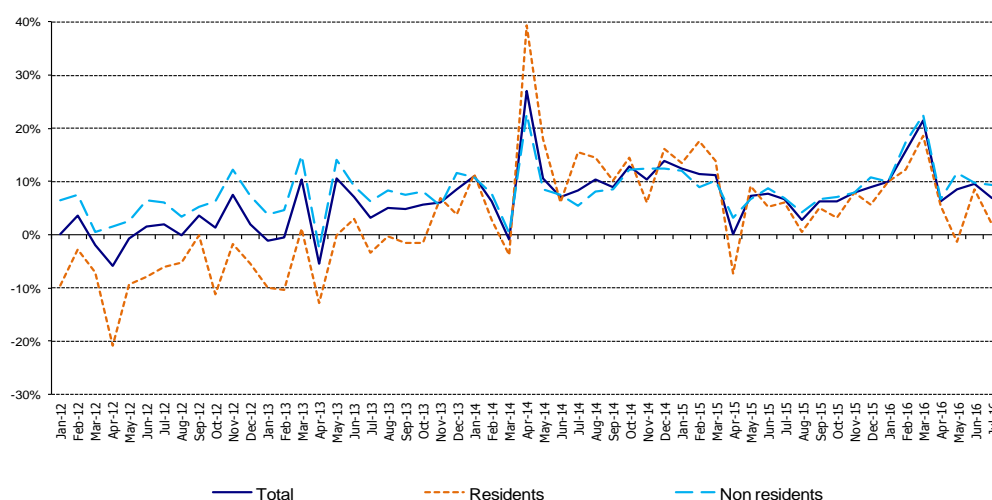
Internal market slows down notably

The internal market (1.9 million overnight stays) slowed down significantly (+2.0% from +8.5% in June), after -1.3% in May.

The evolution of overnight stays from non residents (+9.3%, 4.6 million) came close to the results of the preceding month (+9.8%).

Results of July stood below the ones of the accumulated period of this year, especially for residents (+6.7% from January to July) but also for non residents (+11.6% in the accumulated period).

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



United Kingdom, the main market, keeps growing

The thirteen main inbound markets² represented 86.7% of overnight stays from non residents, a similar share to the one of July 2015 (86.4%).

The United Kingdom, with a weight of 24.8%, recorded a 7.7% increase in overnight stays from its residents, mirroring the preceding month (+7.8%), but below the accumulated from January to July (+12.2%).

As in the preceding year, Spain was the second largest market in July (12.0% of the total), with the same change rate as in June (+8.3%). However, these results stood below the ones from May (+12.6%) and those from January to July (+13.2%).

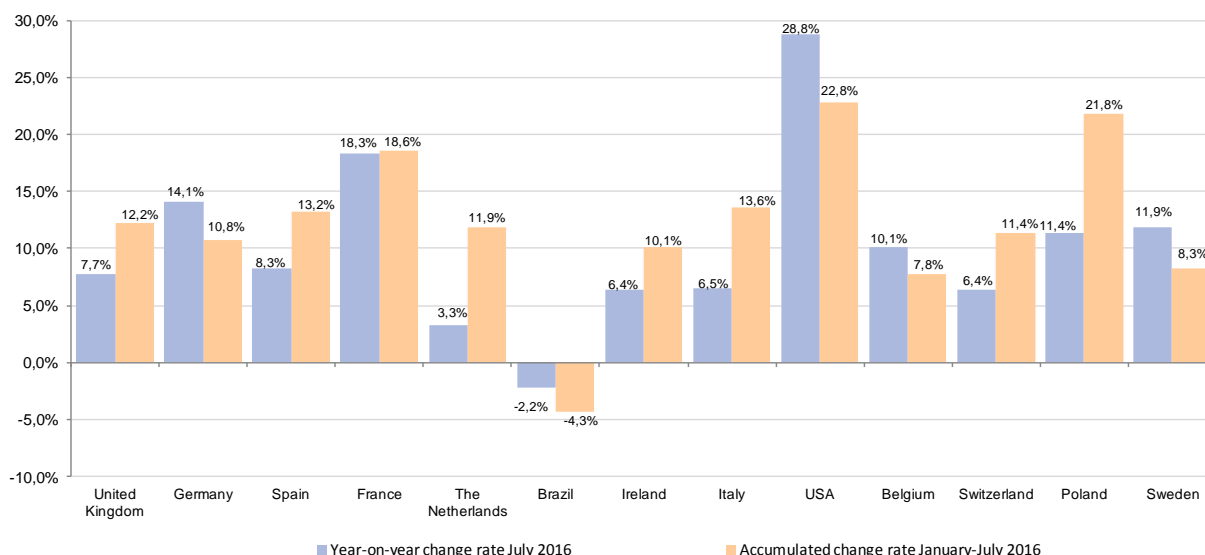
Germany presented a 14.1% increase, above the one of June (+8.4%) and close to the one in May (+14.5%). The share of this market stood at 10.5%.

France recorded a steep increase (+18.3%), although below the one recorded a month earlier (+24.8%). Its representativeness increased (+0.7 p.p. compared to the same month of 2015, reaching 9.5%).

As in 2015, the Dutch market (6.6% share) slowed down steeply in July (from +17.2% in June to +3.3% in July).

The United States recorded the largest increase (+28.8%), while Brazil declined by 2.2%.

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



Overnight stays increased in all regions

On a regional level, the evolution of overnight stays was globally positive, more so in the North and in the A.R. of Azores (+13.6% and +12.0% respectively). The three main tourist regions presented increases with lesser expression

² Based on overnight stays in 2015

(+4.1% in Algarve, +7.7% in Lisbon and +7.3% in the A.R. of Madeira), together representing 74.2% of the national total.

Overnight stays from residents increased significantly in Alentejo and in Azores (+10.7% in both). The North, the Centre and Madeira also presented increasing results about residents, contrary to Algarve and Lisbon (-2.9% and -0.2%) in contrast with June (+1.7% and +9.4% respectively).

The Algarve was the main destination for the internal market (37.2%), followed by Lisbon (16.1%), the North (15.9%) and the Centre (15.7%).

As in the preceding month, all regions presented steep increases in overnight stays from the external markets, namely the North (+20.5%) and Azores (+12.6%). In the Algarve (+6.9%), there was an increase from the British (+7.0% of overnight stays in the region) and from the German markets (+9.6%) but a decline from the Spanish one (-7.2%). This region concentrated 42.7% of overnight stays from non residents, followed by Lisbon (23.3%) and by Madeira (14.7%).

Table 3. Overnight stays by region (NUTS II)

Unit: 10³

NUTS II	Total of overnight stays				Overnight stays from residents				Overnight stays from non residents			
	Jul-16		Jan to Jul 16		Jul-16		Jan to Jul 16		Jul-16		Jan to Jul 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	6 517.8	7.0	29 561.1	10.2	1 912.7	2.0	8 216.7	6.7	4 605.1	9.3	21 344.4	11.6
North	740.6	13.6	3 746.6	15.1	303.6	4.9	1 683.5	9.3	437.0	20.5	2 063.2	20.2
Centre	550.9	8.7	2 588.9	9.3	299.4	7.3	1 468.7	6.5	251.5	10.5	1 120.3	13.2
M. A. Lisbon	1381.7	7.7	7 267.7	6.2	307.6	-0.2	1 717.0	4.0	1 074.2	10.3	5 550.7	6.8
Alentejo	186.7	9.1	831.8	10.9	124.8	10.7	548.6	12.1	61.9	6.0	283.2	8.7
Algarve	2678.4	4.1	10 044.7	10.4	711.5	-2.9	1 997.4	1.3	1 966.8	6.9	8 047.3	13.0
A. R. Azores	204.2	12.0	865.8	25.1	65.4	10.7	365.2	21.8	138.8	12.6	500.6	27.6
A. R. Madeira	775.3	7.3	4 215.6	10.5	100.4	7.5	436.3	17.4	674.9	7.3	3 779.2	9.7

Average stay still declining

The average stay was 3.13 nights (-2.9%), deepening the result of the preceding month (-0.7%).

In the period January to July this indicator also revealed a declining evolution (-0.5%; 2.79 nights).

The regions with the highest average stays were Madeira (5.63 nights), Algarve (4.86) and Azores (3.23). The evolution of this indicator in the regions was mostly a declining one, more so in Algarve (-5.1%). Azores was the only region to record an increase in average stay (+2.5%).

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

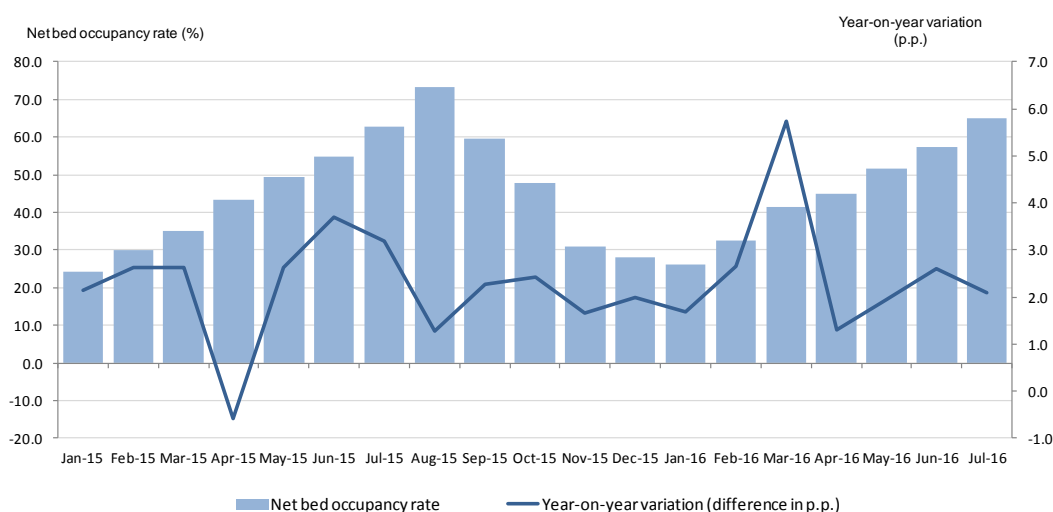
NUTS II	Average stay			Occupancy rate		
	(No. of nights)		Year-on-year change rate (%)	%		Year-on-year variation (p.p.)
	Jul-15	Jul-16		Jul-15	Jul-16	
Portugal	3.22	3.13	-2.9	62.9	65.0	2.1
North	1.92	1.93	0.0	48.5	52.1	3.6
Centre	1.94	1.90	-1.8	39.6	40.6	1.0
M. A. Lisbon	2.47	2.45	-0.8	66.9	68.0	1.2
Alentejo	2.05	2.03	-1.3	40.8	45.3	4.4
Algarve	5.12	4.86	-5.1	73.6	75.0	1.4
A. R. Azores	3.15	3.23	2.5	63.8	67.1	3.3
A. R. Madeira	5.71	5.63	-1.3	77.6	83.9	6.3

Occupancy rate increases

The net bed occupancy rate was 65.0% (+2.1 p.p.), in line with the result of the previous month (+2.6 p.p.).

In the first seven months of the year, the rate was 46.6% (+2.5 p.p.).

Figure 3. Net bed occupancy rate



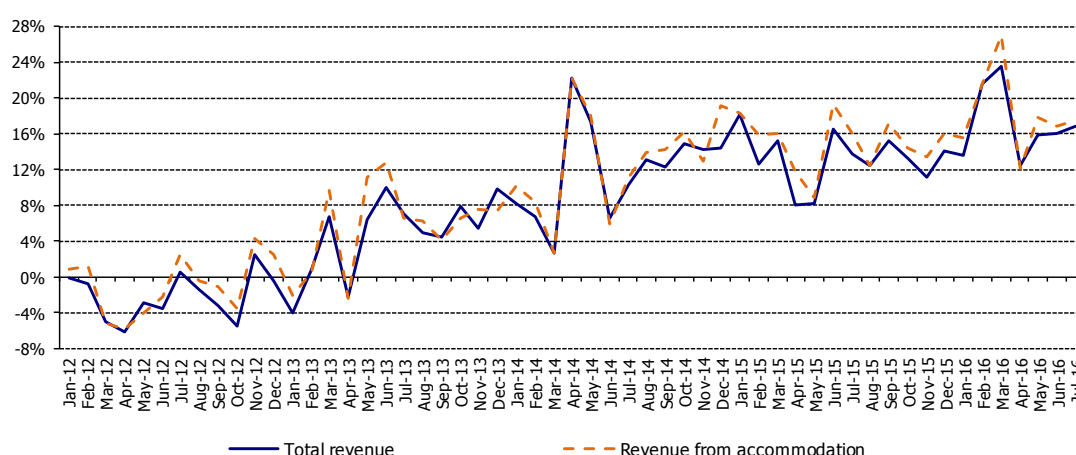
Madeira recorded a high occupancy rate (83.9%), as well as the Algarve (75.0%), Lisbon (68.0%) and Azores (67.1%). The evolution of this indicator was mostly positive, more so in Madeira (+6.3 p.p.), Alentejo (+4.4 p.p.) and the North (+3.6 p.p.).

Revenue with stability in its change rate

Total revenue from hotel accommodation activity amounted to EUR 371.6 million and revenue from accommodation was EUR 280.6 million (+16.8% and +17.5% respectively). These increases stood almost the same in relation to the previous month (+16.0% and +16.9%) and when compared with the accumulated from January to July (+16.7% and +17.8%).

By keeping the trend for over a year, the evolution of revenue stood above the one of overnight stays (above inflation).

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



All regions recorded noteworthy increases in revenue, namely Azores (+25.8% in total revenue and +25.1% in revenue from accommodation) and the North (+23.8% and +24.9%). In July there was an acceleration in Lisbon, both in total revenue (+14.4%, from +4.9% in June) and in revenue from accommodation (+12.2%, from +3.7% in the preceding month), with results similar to the ones of May.

Table 5. Revenue by region (NUTS II)

Unit: EUR 10⁶

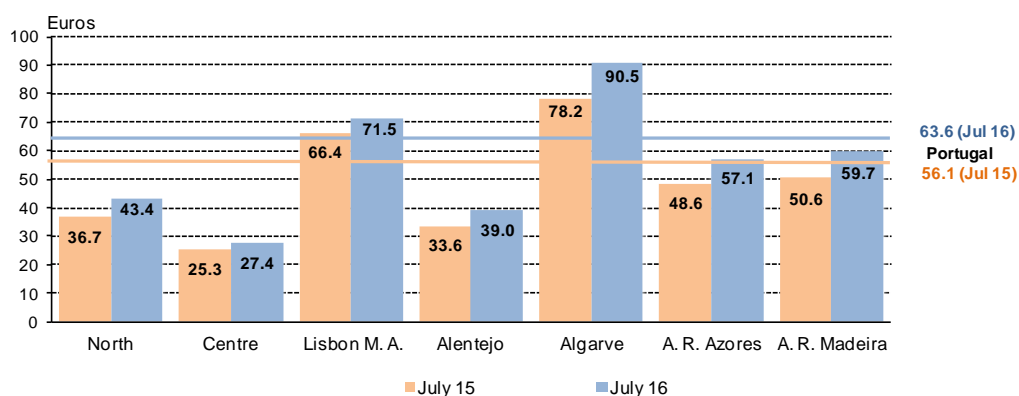
NUTS II	Total revenue		Revenue from accommodation	
	Jul-16	Year-on-year change rate (%)	Jul-16	Year-on-year change rate (%)
Portugal	371.6	16.8	280.6	17.5
North	38.5	23.8	29.2	24.9
Centre	25.5	14.7	17.8	14.6
M. A. Lisbon	87.8	14.4	67.4	12.2
Alentejo	10.1	14.9	7.4	16.4
Algarve	159.1	17.2	124.3	18.9
A. R. Azores	10.5	25.8	8.2	25.1
A. R. Madeira	40.1	14.1	26.3	18.1

The average revenue per available room (RevPAR) was EUR 63.9 (+13.4%).

In the period January to July (EUR 38.9 for RevPAR) the growth stood at 13.4%.

The Algarve recorded the highest value in this indicator (EUR 90.5), followed by Lisbon (EUR 71.5). The evolution was globally positive, more so in the North (+18.1%), Madeira (+18.0%) and Azores (+17.7%).

Figure 5. Average revenue per available room



Five star apartment hotels recorded the highest RevPAR (EUR 121.8), followed by five star hotels (EUR 121.3) and the "pousadas" (EUR 85.3). All the typologies and categories presented increases in RevPAR, namely apartment hotels (+13.6%), "pousadas" (+13.3%) and hotels (+12.5%).

Table 6. RevPAR by type and category of establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Jul-15	Jul-16	%
Total	56.1	63.6	13.4
Hotels	57.9	65.1	12.5
*****	108.3	121.3	12.0
****	58.2	66.0	13.3
***	36.6	39.6	8.3
** / *	28.9	34.5	19.4
Apartment hotels	67.1	76.3	13.6
*****	112.5	121.8	8.3
****	68.0	76.8	13.0
*** / **	54.4	63.4	16.5
Pousadas	75.3	85.3	13.3
Tourist apartments	51.5	57.8	12.3
Tourist villages	59.8	64.6	8.0
Other tourist establishments	25.3	29.7	17.6

Camping sites and holiday camps

In July 2016, camping sites hosted 378.2 thousand campers which originated 1.3 million overnight stays (+17.6% and +20.2%), with change rates closed to the ones from the preceding month (+17.8% and +19.3%).

Overnight stays from residents increased by 23.1% and also corresponded to an increase in representativeness (74.9% from 73.1% in July 2015). The growth of the external markets had a lesser expression (+12.2%).

The average stay was 3.48 nights (+2.2%). As in the previous month, there was an increase in stays from residents (+5.0%; 3.79 nights) and a reduction in those from non residents (-5.3%; 2.81 nights).

Holiday camps and youth hostels deepened the declining trend. The number of guests (44.3 thousand) declined by 12.6% (-4.5% in June). Overnight stays also declined (-18.9%; 99.3 thousand), from -1.9% a month earlier.

The major contribution for the results in overnight stays came from residents (-23.5%, corresponding to a share of 73.8%), with the reduction from non residents being less significant (-2.4%).

The average stay was 2.24 nights (-7.2%).

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

Month: July 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	378.2	17.6	260.3	17.2	117.8	18.5	44.3	-12.6	34.4	-12.0	9.9	-14.5
Overnight stays	10 ³	1317.6	20.2	986.9	23.1	330.8	12.2	99.3	-18.9	73.2	-23.5	26.0	-2.4
Average stay	no. nights	3.48	2.2	3.79	5.0	2.81	-5.3	2.24	-7.2	2.13	-13.0	2.63	14.2

MAIN INBOUND MARKETS IN 2015

The British market

The United Kingdom, first inbound market, represented 24.3% of overnight stays from non residents in 2015 (23.7% in the preceding year).

In 2015, British guests ascended to 1.7 million (+10.5%) and the number of overnight stays totaled 8.3 million (+9.5%), an evolution close to the one recorded in 2014 (+11.9% and +9.1% respectively).

The preferred destinations were the Algarve (67.0% of overnight stays from this market), the A.R. of Madeira (20.2%) and Lisbon (8.3%).

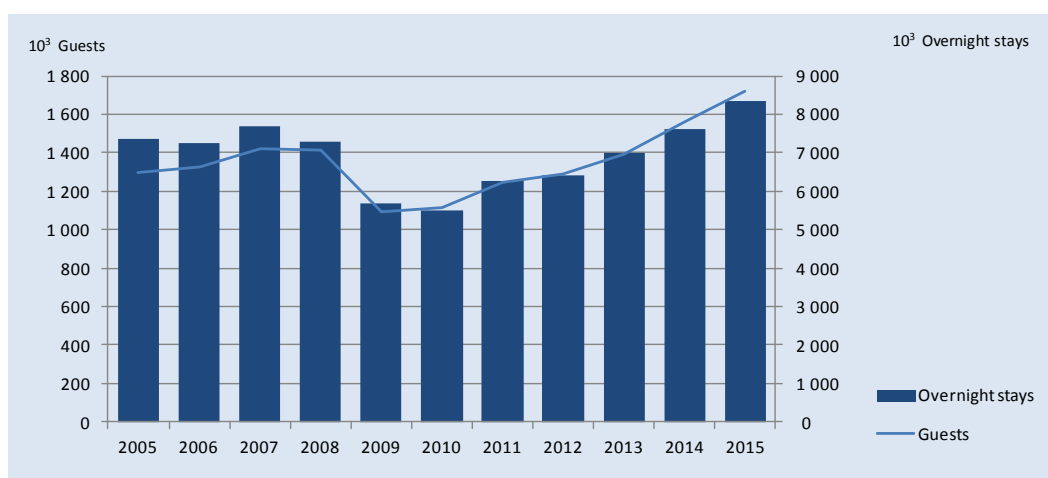
Hotels concentrated 47.0% of overnight stays from British guests, followed by apartment hotels (24.2%) and tourist apartments (16.8%). In hotels, demand was mostly focused on five and four star units (41.8% and 46.6% of the total of this typology), while in apartment hotels four star units stood out particularly (71.1% of overnight stays in apartment hotels).

The average stay was 4.8 nights, slightly below the one in 2014 (4.9). The longest stays took place in tourist apartments and tourist villages (5.9 nights in both) and in apartment hotels (5.7). On a regional level, Madeira and Algarve held the highest stays (6.5 and 5.3 nights on average, respectively).

The period from May to October concentrated 72.8% of annual overnight stays from the British, mainly September (13.2%), July (12.7%) and August (12.5%).

In the last three years, this market had a slight acceleration (+8.7% in 2013, +9.1% in 2014 and +9.5% in 2015). In 2012, there was a lesser growth (+2.6%) in contrast with 2011 (+13.9%), after three year with reductions namely in 2009 (-22.4%).

In the period January to July 2016, British guests originated 5.2 million overnight stays (+12.2%; preliminary data).



EXPLANATORY NOTES

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

2016 – July: preliminary results; January to June: provisional results.

2015 – January to December: final results.

Note: Beginning 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 June 16	-0.1 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 in the text as "Lisbon".

ABBREVIATIONS

RevPAR – Revenue per Available Room

Date of next press release: 14 October 2016