April, 17th 2017

Tourism Activity
February 2017

Hotel accommodation activity slowed down

Hotel establishments recorded 1.1 million guests and 2.8 million overnight stays in February 2017, figures that relate to increases[1] of 8.6% and 7.9% (13.8% and 12.7% respectively in January 2017). Overnight stays of the internal market increased by 4.8% (1.5% in January) and those of the external markets increased by 9.2% (18.2% in the previous month).

The average stay (2.56 nights) declined 0.7%. The net bed occupancy rate (35.0%) went up 2.5 p.p.

Revenue slowed down to a 14.4% growth (18.3% in the preceding month), with a total of EUR 136.8 million, of which EUR 94.4 million from accommodation, with a 15.6% raise (17.7% in January).

Table 1. Global preliminary results from tourism activity

Global preliminary results	Unit	January 2017		February 2017		Jan - Feb 17	
		Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)
Guests	10^3	982,9	13,8	1 082,5	8,6	2 065,4	11,0
Overnight stays	10^3	2 395,7	12,7	2 766,9	7,9	5 162,6	10,0
Residents in Portugal	10^3	715,1	1,5	822,5	4,8	1 537,6	3,2
Residents abroad	10^3	1 680,6	18,2	1 944,4	9,2	3 625,0	13,2
Average stay	no. of nights	2,44	-1,0	2,56	-0,7	2,50	-0,9
Net bed occupancy rate	%	28,9	2,8 p.p.	35,0	2,5 p.p.	31,9	2,6 p.p.
Total revenue	EUR 10^6	123,2	18,3	136,8	14,4	260,0	16,2
Revenue from accommodation	EUR 10^6	84,4	17,7	94,4	15,6	178,8	16,6
RevPAR (Average revenue per available room)	EUR	22,5	16,1	26,5	15,4	24,4	15,7

Guests and overnight stays slowed down compared with January

In February 2017, hotel establishments hosted 1.1 million guests who spent 2.8 million overnight stays (+8.6% and +7.9%, respectively), slowing down compared with the results of January (+13.8% and +12.7%). In the accumulated period January to February there were increases of 11.0% and 10.0%, respectively.

Overnight stays in hotels (70.4% of the total overnight stays) presented a 10.7% growth. The *"pousadas"* (+14.1%) and apartment hotels (+8.9%) also recorded increases. The remaining typologies had reductions.

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

Considering total overnight stays, the increase was 202.0 thousand in February (compared to the same month of the previous year), of which 54.6% (110.3 thousand overnight stays) came from overnight stays in 4-star hotels.

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 rates (%)	
	Feb 16	Feb 17	Jan - Feb 17	Feb 17	Jan - Feb 17
Total	**2 564.9**	**2 766.9**	**5 162.6**	**7.9**	**10.0**
Hotels	**1 759.9**	**1 948.8**	**3 670.6**	**10.7**	**13.0**
*****	332.7	368.3	686.4	10.7	13.5
****	839.4	949.7	1 785.5	13.1	16.1
***	397.5	432.4	812.5	8.8	8.8
** / *	190.2	198.4	386.2	4.3	7.5
Apartment hotels	**353.1**	**384.5**	**701.0**	**8.9**	**9.9**
*****	21.3	26.6	47.5	25.0	18.1
****	250.5	271.9	493.1	8.5	11.0
*** / **	81.2	85.9	160.4	5.8	4.8
Pousadas	**26.4**	**30.2**	**57.3**	**14.1**	**22.9**
Tourist apartments	**180.2**	**165.8**	**290.8**	**-8.0**	**- 7.6**
Tourist villages	**110.0**	**109.1**	**194.1**	**-0.8**	**4.2**
Other tourist establishments	**135.4**	**128.5**	**248.9**	**-5.1**	**- 3.3**

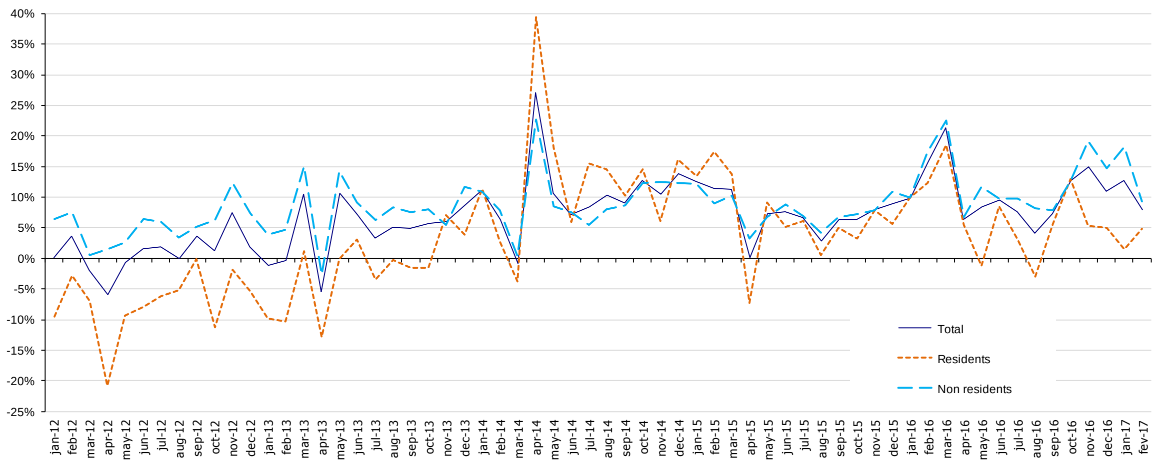
Non residents contributed the most for the increase in overnight stays

The internal market, that increased 4.8% (+1.5% in January), contributed with 822.5 thousand overnight stays, accelerating after slowing down for three consecutive months.

Overnight stays of non residents slowed down (from +18.2% in January to +9.2% in February), for a total of 1.9 million. Even so, the increase of 164.2 thousand overnight stays (compared to February 2016) provided by foreign markets accounted for 81.3% of the total increase in overnight stays.

In the period January to February, overnight stays of the internal market increased by 3.2% and those of the external markets grew by 13.2%.

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



Positive evolution in the main markets

The thirteen main inbound markets[2] represented 80.7% of total overnight stays of non residents and presented mostly a positive evolution.

Overnight stays of residents in the United Kingdom (21.3% of the total overnight stays of non residents) recorded a 5.6% growth, a similar outcome to the one of January (+5.3%).

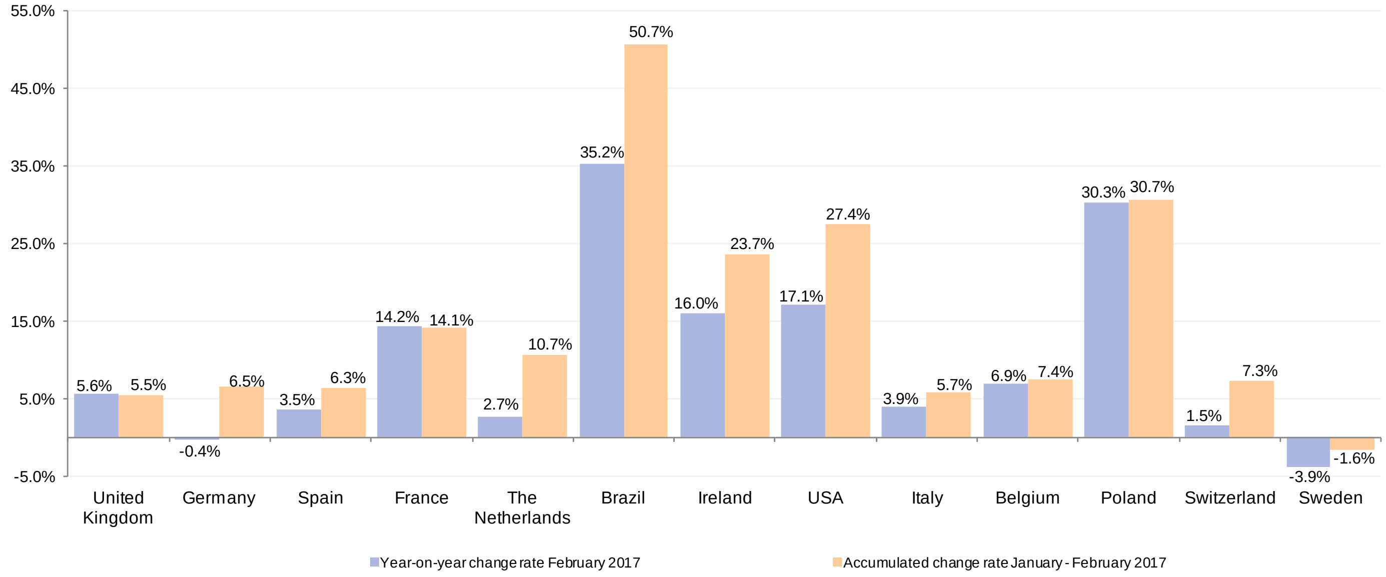
Overnight stays of the German market (15.0% of the total) declined by 0.4% in February, contrary to the trend of the latest months (above 10%). In spite of the declining evolution of the last month, in the months of January and February together, this market presented a 6.5% growth.

The Spanish market (9.3% of the total) continued to perform irregularly, having grown by 3.5% (from +10.1% in January and -3.4% in December 2016).

The French market kept growing expressively (+14.2%, after +13.8% in January), representing 8.3% of the total.

In February, considering the main inbound markets, the largest increases came from the Brazilian (+35.2%), Polish (+30.3%), American (+17.1%) and Irish (+16.0%) markets.

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



[2] Based on provisional results on overnight stays in 2016

MA Lisboa and AR Açores with the largest increases in overnight stays

The number of overnight stays increased in all regions, more so in the AR Açores (+14.3%) and in MA Lisboa (+13.0%). Overnight stays were distributed mainly by MA Lisboa (28.9%), Algarve (24.4%) and AR Madeira (17.6%).

The evolution of overnight stays of the internal market was overall positive, with the emphasis on the steep increase recorded in AR Açores (+29.1%), being also worth mentioning the increases in Alentejo (+8.0%) and Centro (+7.1%).

The performance of the external markets in February stood below the one recorded in January for all regions. MA Lisboa presented the largest increase (+17.4% from +27.7% in January), followed by Norte (+15.4%; +20.6% in January) and Centro (+14.5%; +25.2% in January). Guests from foreign countries visited mainly MA Lisboa (30.7% of overnight stays), Algarve (29.5% of the total) and AR Madeira (23.1% weight).

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			
	Feb 17		Jan - Feb 17		Feb 17		Jan - Feb 17		Feb 17		Jan - Feb 17	
	Value	Y-o-y change rate (%)	Value	Y-o-y change rate (%)	Value	Y-o-y change rate (%)	Value	Y-o-y change rate (%)	Value	Y-o-y change rate (%)	Value	Y-o-y change rate (%)
Portugal	**2 766.9**	**7.9**	**5 162.6**	**10.0**	**822.5**	**4.8**	**1 537.6**	**3.2**	**1 944.4**	**9.2**	**3 625.0**	**13.2**
Norte	388.5	8.7	742.4	7.9	200.7	3.1	379.3	-0.1	187.8	15.4	363.1	17.9
Centro	259.9	9.4	472.0	8.3	176.9	7.1	320.7	3.8	83.0	14.5	151.3	19.1
Lisboa MA	801.0	13.0	1 574.5	17.4	204.2	1.8	410.0	5.6	596.8	17.4	1 164.5	22.2
Alentejo	80.5	5.0	145.9	7.7	56.2	8.0	100.9	5.9	24.3	-1.5	45.0	12.0
Algarve	676.3	4.5	1 152.8	6.8	102.9	1.7	179.5	-1.3	573.4	5.0	973.3	8.5
AR Açores	73.4	14.3	133.8	10.3	44.2	29.1	77.7	20.2	29.1	-2.6	56.1	-0.9
AR Madeira	487.3	3.1	941.2	5.7	37.2	1.4	69.4	-1.5	450.1	3.2	871.8	6.3

Slight reduction in average stay

The average stay (2.56 nights) decreased slightly by 0.7%, more so in AR Açores (-5.3%) and in Alentejo (-5.1%). The Algarve (4.30 nights; +1.8%), MA Lisboa (2.22 nights; +1.6%) and Norte (1.66 nights; +1.6%) were the only regions that presented increases in this indicator. In the AR Madeira the average stay was the highest one, corresponding to 5.49 nights (-1.1%).

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

NUTS II	Average stay			Occupancy rate		
	No. of nights		Y-o-y change rate (%)	%		Y-o-y variation (p.p.)
	Feb 16	Feb 17		Feb 16	Feb 17	
Portugal	**2.57**	**2.56**	**-0.7**	**32.5**	**35.0**	**2.5**
Norte	1.64	1.66	1.6	29.5	31.1	1.6
Centro	1.59	1.56	-1.9	21.3	24.0	2.7
Lisboa MA	2.19	2.22	1.6	39.3	42.2	2.9
Alentejo	1.76	1.67	-5.1	22.7	23.3	0.6
Algarve	4.22	4.30	1.8	27.1	29.3	2.2
AR Açores	2.90	2.75	-5.3	26.5	28.3	1.8
AR Madeira	5.55	5.49	-1.1	60.0	63.7	3.7

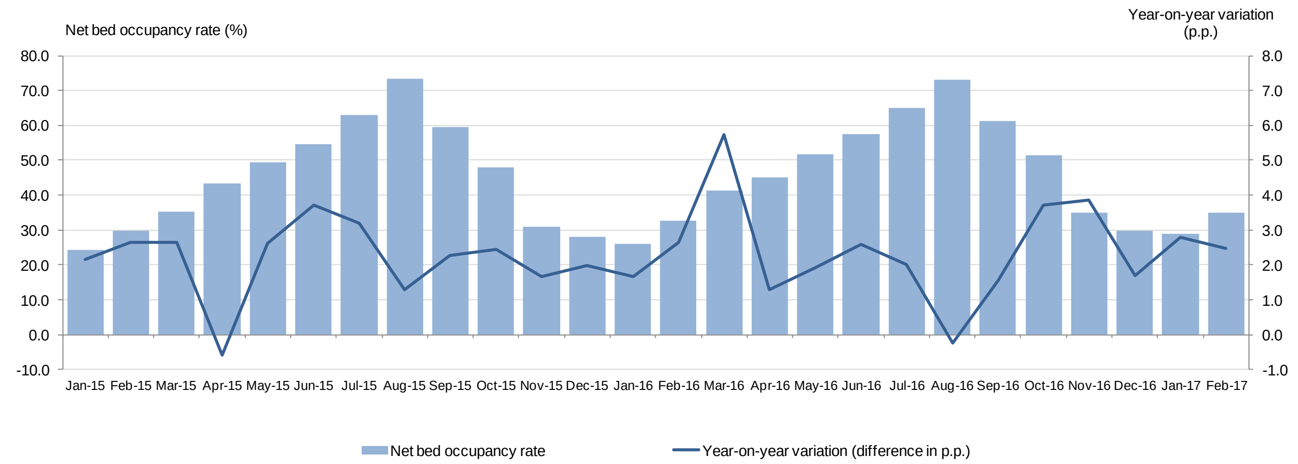
Occupancy rate slowed down

The net bed occupancy rate (35.0%) changed by +2.5 p.p., slowing down compared with the previous month (+2.8 p.p. in January).

The highest occupancy rates occurred in AR Madeira (63.7%) and MA Lisboa (42.2%), with both these regions also recording the largest increases in this indicator (+3.7 p.p. and +2.9 p.p., respectively).

In the accumulated period of the first two months of the year, this indicator stood at 31.9% (+2.6 p.p.).

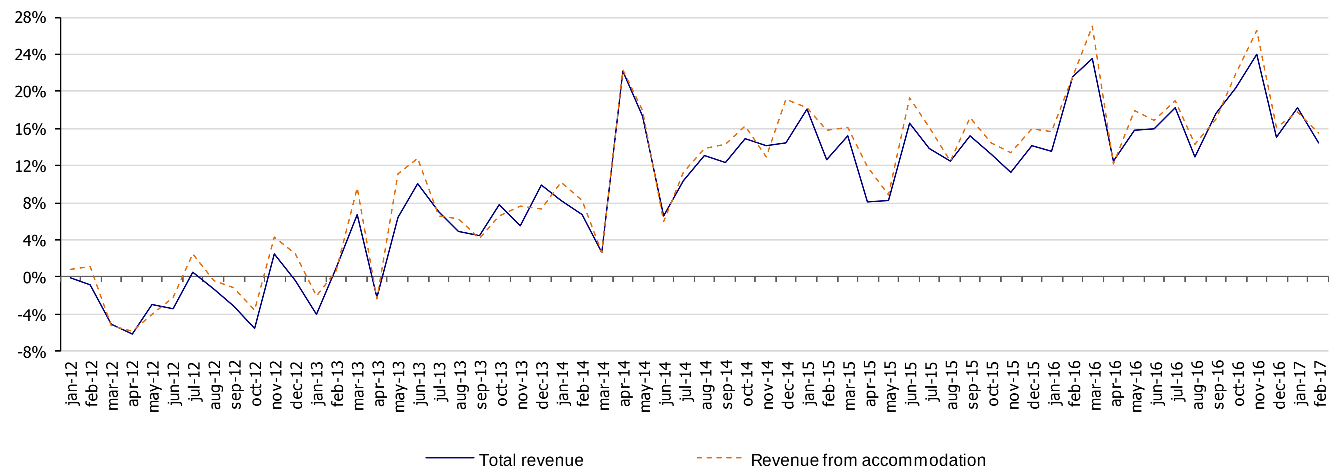
Figure 3. Net bed occupancy rate



Revenue growing but at a slower pace

Total revenue amounted to EUR 136.8 million and revenue from accommodation stood at EUR 94.4 million (+14.4% and +15.6% respectively), slowing down compared with the previous month (+18.3% and +17.7%).

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



All regions presented increases in revenue, more so the MA Lisboa (+20.8% in total revenue and +20.7% in revenue from accommodation), AR Açores (+21.1% and +16.6%) and Norte (+17.8% and +18.4%).

Table 5. Revenue by region (NUTS II)

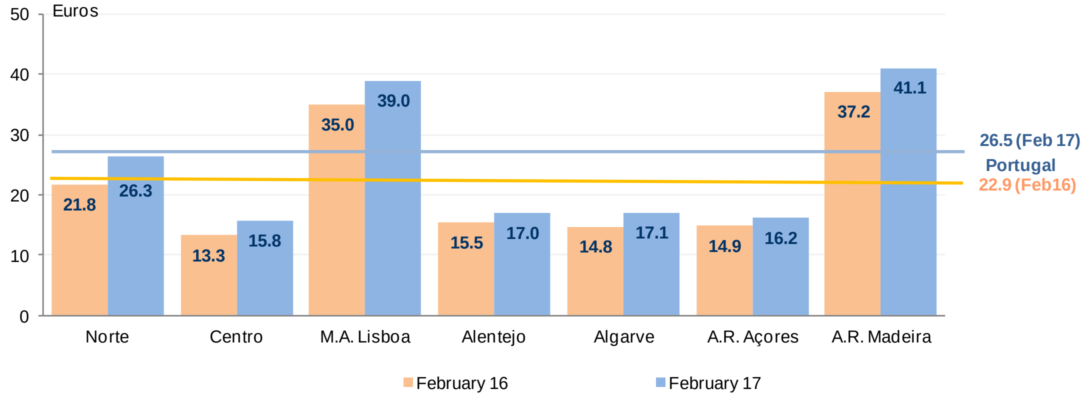
Unit: EUR 10^6

NUTS II	Total revenue		Revenue from accommodation	
	Feb 17	Year-on-year change rate (%)	Feb 17	Year-on-year change rate (%)
Portugal	**136.8**	**14.4**	**94.4**	**15.6**
Norte	20.4	17.8	14.9	18.4
Centro	11.9	9.2	8.1	12.7
Lisboa MA	49.9	20.8	35.7	20.7
Alentejo	4.3	22.0	2.7	11.1
Algarve	23.6	11.4	15.7	12.7
AR Açores	2.9	21.1	2.0	16.6
AR Madeira	23.7	3.8	15.2	7.4

The average revenue per available room (RevPAR) was EUR 26.5, corresponding to an increase of 15.4%, below the one recorded in the previous month (+16.1%).

In the AR Madeira and MA Lisboa the RevPAR was EUR 41.1 and EUR 39.0, respectively. The increases in the Norte (+21.0%), Centro (+18.3%) and in Algarve (+15.8%) stood out.

Figure 5. Average revenue per available room



The evolution of RevPAR was overall positive, particularly in hotels (+15.3%). Five star hotels and *"pousadas"* stood out with RevPAR at EUR 49.2 and EUR 36.6, respectively.

Table 6. RevPAR by type and category of establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Feb 16	Feb 17	%
Total	**22.9**	**26.5**	**15.4**
Hotels	**25.7**	**29.6**	**15.3**
*****	44.5	49.2	10.5
****	25.7	30.8	19.8
***	17.2	18.5	8.0
** / *	16.0	18.8	17.6
Apartment hotels	**20.1**	**21.8**	**8.4**
*****	25.3	27.1	7.4
****	21.1	22.6	6.9
*** / **	15.8	17.2	9.1
Pousadas	**33.7**	**36.6**	**8.7**
Tourist apartments	**11.1**	**12.0**	**7.4**
Tourist villages	**15.0**	**16.7**	**11.7**
Other tourist establishments	**16.8**	**19.6**	**16.4**

Camping sites and holiday camps with decline

In February 2017, camping sites hosted 43.0 thousand campers (-7.6%) which spent 202.9 thousand overnight stays (-5.1%). The external markets contributed for the decline in overnight stays (-10.0%), given that the internal grew by 3.7%, now representing 39.0% of the total. The average stay was 4.72 nights (+2.7%).

Holiday camps and youth hostels recorded 15.5 thousand guests (-18.0%) and 30.2 thousand overnight stays (-14.5%). The internal market concentrated 74.7% of the total overnight stays and declined by 21.3%, contrary to the external markets (+15.0%). The average stay (1.95 nights) increased by 4.3%, with the positive contribution mainly of the external markets (+11.5%), given that the internal market recorded a marginal growth (+0.6%).

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

Feb 17	Unit	Camping sites						Holiday camps and youth hostels					
		Total	Y-o-y change rate (%)	Residents	Y-o-y change rate (%)	Non residents	Y-o-y change rate (%)	Total	Y-o-y change rate (%)	Residents	Y-o-y change rate (%)	Non residents	Y-o-y change rate (%)
Campers / Guests	10^3	43.0	-7.6	23.8	-7.3	19.2	-7.9	15.5	-18.0	12.6	-21.7	2.9	3.1
Overnight stays	10^3	202.9	-5.1	79.2	3.7	123.7	-10.0	30.2	-14.5	22.6	-21.3	7.6	15.0
Average stay	no. nights	4.72	2.7	3.33	11.9	6.45	-2.3	1.95	4.3	1.80	0.6	2.61	11.5

EXPLANATORY NOTES

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

2017 – February: preliminary results; January: provisional results.

2016 – January to December: provisional results.

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 17	0.1 p.p.	0.5 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 establishments with 10 or more bed places: hotels, apartment hotels, "*pousadas*", tourist apartments and tourist villages, as well as other accommodation establishments - boarding houses, motels and inns.

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 "Metropolitan Area of Lisboa" (MA Lisboa) may be referred in the text as "Lisboa".

ABBREVIATIONS

RevPAR – Revenue per Available Room

Date of next press release: May 16th, 2017