14 July 2017

Tourism Activity

May 2017

Overnight stays in hotel activity growing at a slower pace

Hotel establishments recorded 2.0 million guests and 5.4 million overnight stays in May 2017, figures that relate to year-on-year change rates[1] of 7.9% and 7.2% (21.3% and 24.5% in April 2017, respectively). Overnight stays of residents increased by 7.0% (28.0% in April) while those from non residents went up by 7.3% (23.3% in April). The deceleration reflected the Easter calendar effect that positively affected the results for the previous month and negatively those of March. In the three-month period (March, April and May), the number of overnight stays from residents increased by 7.8% and those from non-residents raised 11.3%, leading to a 10.4% increase in total overnight stays.

The average stay (2.73 nights) decreased by 0.7%. The net bed occupancy rate (55.0%) increased by 3.3 p.p.

Total revenue continued to rise (19.5%) although less than in the previous month (31.1% in April), having reached EUR 318.8 million. Revenue from accommodation amounted to EUR 230.0 million, corresponding to +21.0% (34.4% in April).

In addition to the usual information, in this Press Release there is a specific section on UK overnight stays.

Table 1. Global preliminary results from tourism activity

Global preliminary results	Unit	April 2017		May 2017		Jan -May 17	
		Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)
Guests	10^3	1 898.4	21.3	1 989.4	7.9	7 316.5	10.4
Overnight stays	10^3	5 127.9	24.5	5 423.7	7.2	19 363.2	10.4
Residents in Portugal	10^3	1 363.4	28.0	1 218.2	7.0	5 071.3	6.5
Residents abroad	10^3	3 764.4	23.3	4 205.5	7.3	14 291.8	11.8
Average stay	no. of nights	2.70	2.6	2.73	-0.7	2.65	0.0
Net bed occupancy rate	%	54.6	9.6 p.p.	55.0	3.3 p.p.	43.6	3.6 p.p.
Total revenue	EUR 10^6	271.2	31.1	318.8	19.5	1 037.7	19.4
Revenue from accommodation	EUR 10^6	195.7	34.4	230.0	21.0	734.7	20.7
RevPAR (Average revenue per available room)	EUR	46.9	32.0	52.6	20.9	36.9	19.8

Number of guests and overnight stays slowing down

In May 2017, hotel establishments hosted 2.0 million guests who spent 5.4 million overnight stays (7.9% and 7.2%, respectively), much less expressive evolutions than the ones in April (21.3% and 24.5% respectively), a month with results influenced by the Easter calendar effect, which in the previous year took place in March.

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

Overnight stays in hotels (69.2% of the total) presented a 9.3% growth. The remaining typologies and respective categories recorded mostly positive evolutions, with the emphasis on the evolution of five star apartment hotels (+15.1%) and three star hotels (+12.5%).

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 (%)	
	May 16	May 17	Jan -May 17	May 17	Jan -May 17
Total	**5 059.2**	**5 423.7**	**19 363.2**	**7.2**	**10.4**
Hotels	**3 432.7**	**3 750.5**	**13 563.3**	**9.3**	**12.6**
*****	665.2	696.9	2 527.2	4.8	11.2
****	1 699.6	1 864.0	6 690.7	9.7	13.8
***	737.3	829.7	3 000.8	12.5	12.6
** / *	330.6	359.9	1 344.6	8.9	9.7
Apartment hotels	**699.1**	**729.3**	**2 592.4**	**4.3**	**7.4**
*****	38.1	43.9	162.0	15.1	15.2
****	510.0	540.2	1 887.3	5.9	9.9
*** / **	150.9	145.2	543.1	-3.8	- 2.2
Pousadas	**51.3**	**54.9**	**205.6**	**6.9**	**15.3**
Tourist apartments	**450.0**	**450.7**	**1 379.7**	**0.2**	**0.7**
Tourist villages	**202.3**	**214.5**	**771.9**	**6.0**	**10.4**
Other tourist establishments	**223.7**	**223.8**	**850.2**	**0.0**	**0.8**

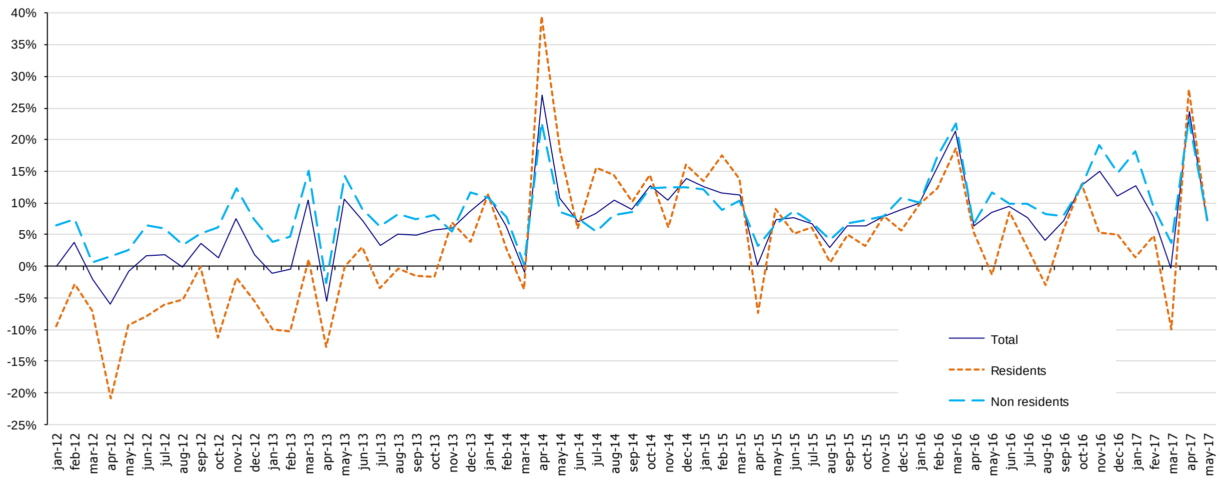
Overnight stays of both residents and non residents with similar evolutions

The internal market contributed with 1.2 million overnight stays which corresponded to a 7.0% growth (28.0% in April).

The external markets also slowed down, growing by 7.3% (23.3% in April), with a total of 4.2 million overnight stays.

In the period January to May, overnight stays of residents increased by 6.5% and those of non residents grew by 11.8%.

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



The Polish, Brazilian and North American markets recorded steep increases

The thirteen main inbound markets[2] represented 85.1% of total overnight stays of non residents and mostly presented positive results.

The British market (24.5% of the total overnight stays of non residents) recorded a 1.1% growth in May, the lowest figure recorded since May 2015. When considering the first five months of the year as a whole, this market grew by 5.7%.

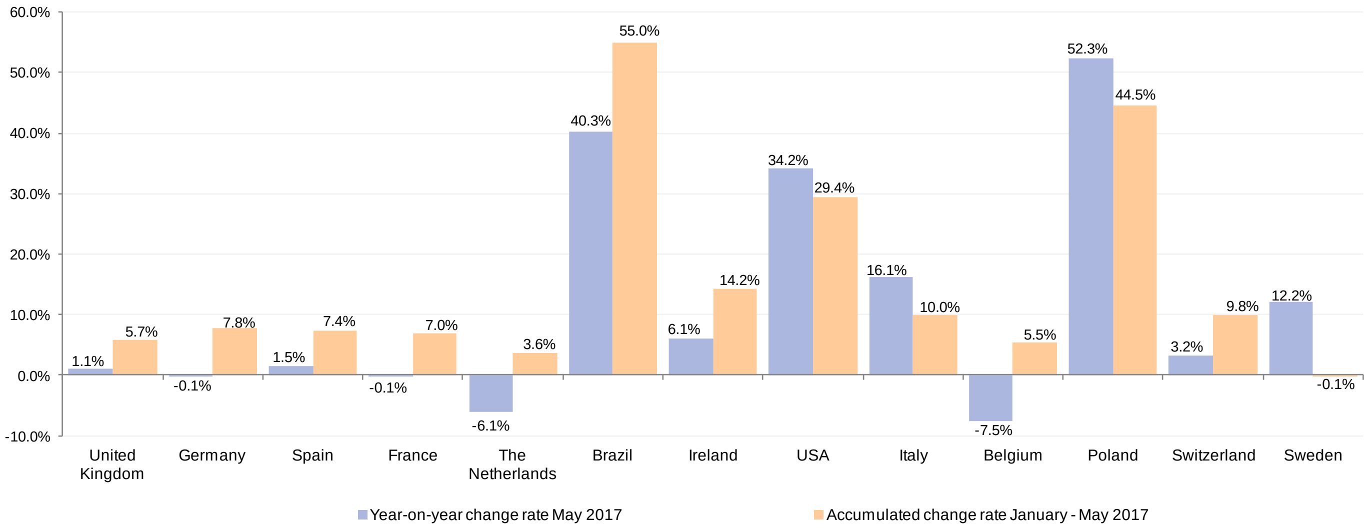
The German (13.5% of the total) and the French (11.6% share) markets recorded a slight 0.1% decrease, albeit growing by 7.8% and 7.0% respectively, since the beginning of 2017.

The Spanish market (6.3% of the total) grew by 1.5% in May and 7.4% between January and May.

The Netherlands (6.1% of the total) declined by 6.1% compared to May 2016, growing by 3.6% in the first five months of the year.

Amongst the main countries, the emphasis went to the increases recorded by the Polish (52.3%), Brazilian (40.3%) and North American (34.2%) markets. These markets, amongst the main ones, stood out the most when considering the evolution in the period between January and May (44.5%, 55.0% and 29.4% respectively).

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



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

Steep increase of non residents in the Centro region

In May, there were increases in overnight stays in most regions, with the emphasis on the increases recorded in the Centro (20.3%) and also AR Açores (20.1%) and Alentejo (18.5%). Overnight stays were mainly distributed by the Algarve (34.7%) and MA Lisboa (24.6%). Throughout this month, there were 364.5 thousand more overnight stays (compared with the same month a year earlier), of which 26.4% resulting from the increase in the Algarve (96.1 thousand added overnight stays) with a further 23.9% coming from the Centro region (87.0 thousand additional overnight stays). In the whole of the first five months of the year, all regions presented increases in overnight stays, more so AR Açores (18.1%) and the Centro (15.3%).

Overnight stays of residents increased in all regions in May, more so in AR Açores (24.9%) and Alentejo (15.3%). In the period January to May, these two regions were also the ones that presented the largest increases in relation to overnights stays of residents (22.0% and 9.6%, respectively).

All regions recorded increases concerning the external markets, with the exception of AR Madeira. The emphasis went to the steep increase recorded in the Centro (32.0%) and the evolutions in Alentejo (23.0%) and AR Açores (17.1%).

The visit of Pope in the month of May influenced the evolution of some external markets, namely in the Centro region. The Spanish (17.2% of the total overnight stays in the Centro region) and the French (16.9%) were the main external markets and presented increases of 15.7% and 9.0%, respectively in this region. The Brazilian (8.4% of the total of the Centro region), Italian (6.6%) and the North American (5.3%) markets followed, with steep increases (64.9%, 64.1% and 82.4% respectively) in the region. Also worth mentioning the evolution of the Polish market in the Centro region (+126.1% compared to the same month of 2016).

In the set of the first five months of the year, all regions presented positive evolutions concerning nights spent by non residents, more so in the Centro (28.1%), Norte (16.1%) and MA Lisboa (15.5%).

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 17		Jan -May 17		May 17		Jan -May 17		May 17		Jan -May 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	**5 423.7**	**7.2**	**19 363.2**	**10.4**	**1 218.2**	**7.0**	**5 071.3**	**6.5**	**4 205.5**	**7.3**	**14 291.8**	**11.8**
Norte	699.4	9.9	2 595.7	10.2	266.3	6.9	1 146.1	3.4	433.1	11.8	1 449.6	16.1
Centro	515.0	20.3	1 807.7	15.3	220.1	7.6	982.5	6.4	294.9	32.0	825.2	28.1
Lisboa MA	1333.3	5.5	5 286.9	12.9	266.3	1.2	1 190.3	4.9	1 067.0	6.6	4 096.6	15.5
Alentejo	146.5	18.5	540.8	11.1	83.5	15.3	349.1	9.6	63.1	23.0	191.6	13.8
Algarve	1879.8	5.4	5 712.6	9.5	237.3	3.8	860.6	8.1	1 642.4	5.6	4 852.0	9.7
AR Açores	179.1	20.1	579.3	18.1	71.1	24.9	283.7	22.0	107.9	17.1	295.6	14.6
AR Madeira	670.7	-0.6	2 840.1	3.5	73.6	14.8	259.0	4.8	597.0	-2.2	2 581.1	3.3

Reduction in average stay

The average stay (2.73 nights) declined by 0.7% (+2.6% in the previous month), mostly due to the contributions of AR Açores (-2.3%) and MA Lisboa (-1.5%). The Centro (+4.9%), was the region with the highest growth in this indicator, followed by the Norte and the Algarve (both regions recording +1.5%).

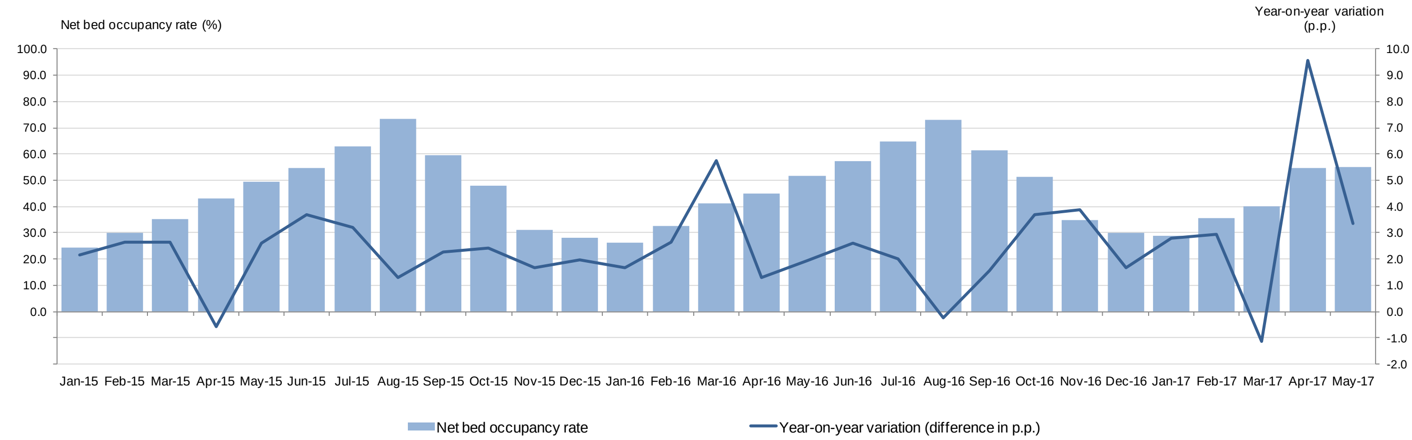
Table 4. Average stay and net bed occupancy rate by region (NUTS II)

NUTS II	Average stay			Occupancy rate		
	No. of nights		Y-o-y change rate (%)	%		Y-o-y variation (p.p.)
	May 16	May 17		May 16	May 17	
Portugal	**2.74**	**2.73**	**-0.7**	**51.6**	**55.0**	**3.3**
Norte	1.79	1.82	1.5	45.7	50.5	4.8
Centro	1.66	1.74	4.9	32.4	39.3	7.0
Lisboa MA	2.29	2.26	-1.5	62.0	65.9	3.9
Alentejo	1.57	1.58	0.8	30.6	35.9	5.4
Algarve	4.30	4.37	1.5	51.9	53.3	1.4
AR Açores	3.05	2.98	-2.3	50.5	57.9	7.3
AR Madeira	4.95	4.98	0.7	73.9	73.9	0.0

Improved occupancy rate

The net bed occupancy rate (55.0%) increased by 3.3 p.p., less than the increase in April (+9.6 p.p.). The highest occupancy rates occurred in AR Madeira (73.9%) and MA Lisboa (65.9%). All regions presented improved results as far as this indicator is concerned, with the exception of AR Madeira which kept the same result. The results of AR Açores (7.3 p.p.) and Centro (7.0 p.p.) were quite relevant, in terms of net bed occupancy rate.

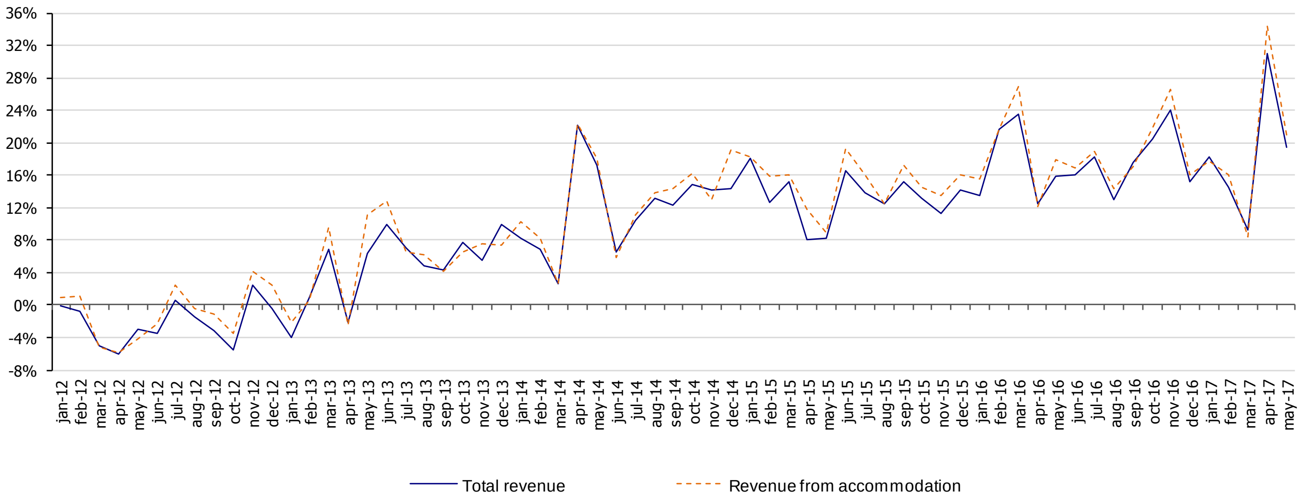
Figure 3. Net bed occupancy rate



Revenue continues to grow

Total revenue from hotel accommodation activity amounted to EUR 318.8 million and revenue from accommodation stood at EUR 230.0 million (+19.5% and +21.0%, respectively). Despite the significant growth, these were less significant when compared with the previous month (31.1% and 34.4%, under the Easter calendar effect).

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



All regions presented increases in revenue, with the emphasis in the Centro (27.4% in total revenue and 35.1% in revenue from accommodation), AR Açores (30.3% and 26.8%), Norte (24.9% and 29.0%) and Alentejo (24.9% and 26.0%).

Table 5. Revenue by region (NUTS II)

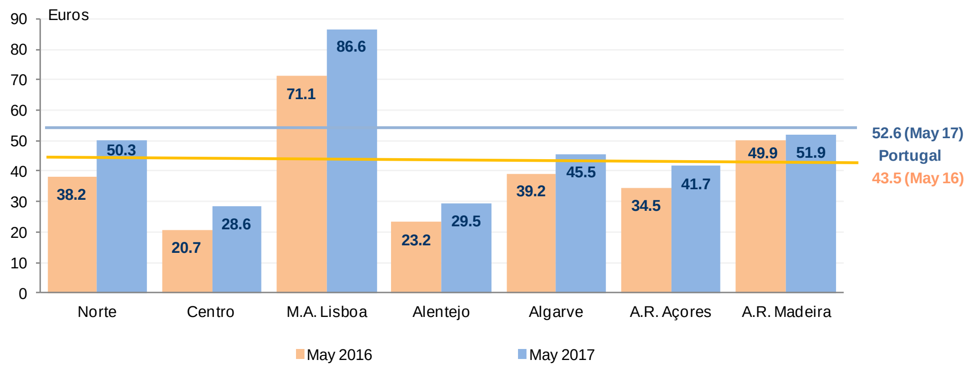
Unit: EUR 10^6

NUTS II	Total revenue		Revenue from accommodation	
	May 17	Year-on-year change rate (%)	May 17	Year-on-year change rate (%)
Portugal	**318.8**	**19.5**	**230.0**	**21.0**
Norte	42.8	24.9	32.7	29.0
Centro	25.8	27.4	17.9	35.1
Lisboa MA	106.8	20.2	82.5	23.1
Alentejo	8.2	24.9	5.5	26.0
Algarve	90.1	19.2	62.5	17.4
AR Açores	8.6	30.3	6.1	26.8
AR Madeira	36.4	5.2	22.8	3.8

In May, the average revenue per available room (RevPAR) was EUR 52.6, corresponding to an increase of 20.9%, below the result of the previous month (32.0%).

In MA Lisboa RevPAR ascended to EUR 86.6, distancing itself from the AR Madeira (EUR 51.9). The emphasis went to the increases in the Centro (37.6%) and in the Norte (31.7%).

Figure 5. Average revenue per available room



The evolution of RevPAR was overall positive among the different typologies, with the emphasis on hotels (+22.0%), more so three star category units (+27.6%), and also apartment hotels (+19.4%).

Table 6. RevPAR by type and category of establishment

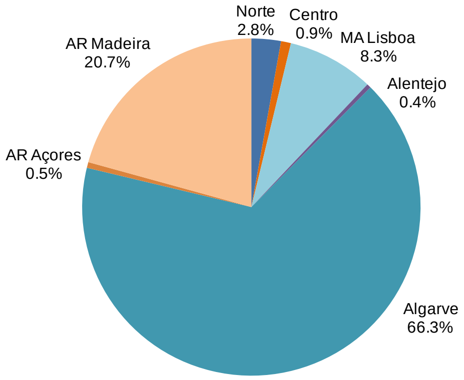
Type of establishment and category	RevPAR (€)		Year-on-year change rate
	May 16	May 17	%
Total	**43.5**	**52.6**	**20.9**
Hotels	**49.2**	**60.1**	**22.0**
*****	88.7	102.5	15.5
****	49.1	60.8	23.8
***	32.2	41.1	27.6
** / *	26.3	32.7	24.7
Apartment hotels	**38.4**	**45.8**	**19.4**
*****	60.3	61.9	2.6
****	39.6	47.7	20.5
*** / **	29.1	33.6	15.2
Pousadas	**66.4**	**75.0**	**13.0**
Tourist apartments	**23.6**	**25.9**	**9.5**
Tourist villages	**30.0**	**33.3**	**11.2**
Other tourist establishments	**26.2**	**30.7**	**16.9**

The United Kingdom - contribution to tourist accommodation activity

The UK, the main inbound market, accounted for 23.9% of overnight stays for non residents in 2016[3] (24.3% in 2015). In 2016, guests from this country totalled 1.9 million (+11.8%) and their overnight stays amounted to 9.15 million (+9.8%), slightly higher than in 2015 (+10.5% and +9.5%, respectively).

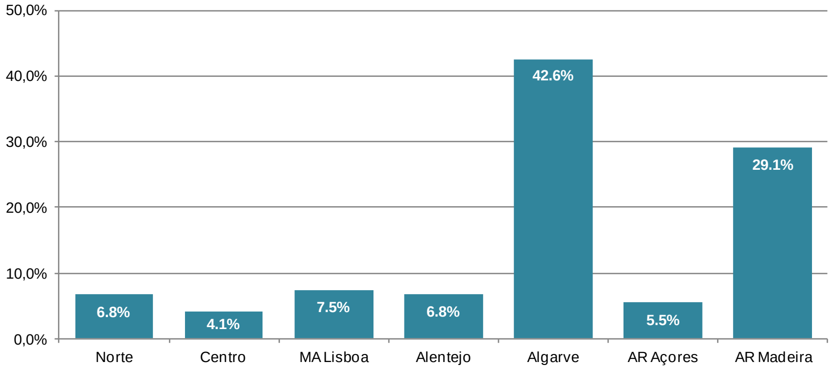
The Algarve was the main destination of the British market (66.3% of total overnight stays in the United Kingdom), followed by AR Madeira (20.7%) and MA Lisboa (8.3%).

Figure 6. Breakdown of overnight stays from United Kingdom guests, by region



Considering the weight of this market in each region, the regions with the largest share in 2016 were the Algarve (42.6% of the non residents overnight stays in the region) and AR Madeira (29.1%).

Figura 7. Share of the overnight stays of guests from the UK in overnight stays from non residents in each region



[3] Provisional results

Hotels accounted for 48.9% of British overnight stays, followed by hotel-apartments (24.3%) and tourist apartments (14.5%). In hotels, demand was concentrated in the five and four star units (40.4% and 48.1% of the total typology), while in hotel-apartments the emphasis went to the four star units (72.4% of the total typology).

The average stay was 4.75 nights (-1.8%). Considering the regional distribution, AR Madeira and the Algarve had the highest stays (respectively 6.37 and 5.22 nights, on average).

In 2016, the months of July, August and September covered 12.4%, 12.5% and 12.4% of overnight stays from this market.

In the first five months of 2017, overnight stays from the British market amounted to 3.1 million (+5.7%) and accounted for 21.9% of non residents overnight stays (preliminary data).

Camping sites and holiday camps

In May 2017, camping sites hosted 114.6 thousand campers (+4.7%) which spent 328.5 thousand overnight stays (+4.6%). The external markets (+9.7%) contributed for the increase in overnight stays given that the internal market declined slightly (-0.7%). The external markets predominated representing 52.7% of total overnight stays. The average stay was 2.87 nights (-0.1%).

Holiday camps and youth hostels recorded 28.2 thousand guests (+12.8%) and 52.0 thousand overnight stays (+11.9%). The internal market concentrated 68.7% of the total overnight stays and grew by 7.8%, while the external markets grew by 22.3%. The average stay (1.84 nights) presented a slight decline (-0.8%).

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

May 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	114.6	4.7	49.4	5.3	65.2	4.2	28.2	12.8	19.6	6.2	8.7	30.9
Overnight stays	10^3	328.5	4.6	155.4	-0.7	173.2	9.7	52.0	11.9	35.7	7.8	16.2	22.3
Average stay	no. nights	2.87	-0.1	3.15	-5.7	2.66	5.3	1.84	-0.8	1.82	1.4	1.88	-6.6

EXPLANATORY NOTES

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

2017 – May: preliminary results; January to April: 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 to Apr 17	0.4 p.p.	0.7 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 namely 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".

ABBREVIATIONS

RevPAR – Revenue per Available Room

Date of next press release: August 14, 2017