14 September 2017

Tourism Activity

July 2017

Hotel activity slowed down

Hotel establishments recorded 2.2 million guests and 6.9 million overnight stays in July 2017, figures that relate to year-on-year change rates[1] of 6.1% and 4.7% (9.1% and 7.2% in June, respectively). The overnight stays from internal market resumed the growth trend (3.0% vis-à-vis -0.4% in the preceding month), while the external markets slowed down (5.4% from 10.2% in June).

The average stay (3.11 nights) decreased by 1.4%. The net bed occupancy rate (67.3%) increased by 1.3 p.p.

Total revenue slowed down to a 13.1% growth (17.2% in June), having reached EUR 428.7 million. Revenue from accommodation amounted to EUR 327.3 million having also decelerated, growing by 15.2% (19.2% in June).

Table 1. Global preliminary results from tourism activity

Global preliminary results	Unit	June 2017		July 2017		Jan - Jul 17	
		Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)
Guests	10^3	2 063.3	9.1	2 209.6	6.1	11 571.9	9.6
Overnight stays	10^3	5 940.9	7.2	6 867.9	4.7	32 133.8	8.5
Residents in Portugal	10^3	1 557.1	-0.4	1 982.4	3.0	8 575.2	4.2
Residents abroad	10^3	4 383.8	10.2	4 885.5	5.4	23 558.6	10.2
Average stay	no. of nights	2.88	-1.7	3.11	-1.4	2.78	-1.0
Net bed occupancy rate	%	61.8	3.1 p.p.	67.3	1.3 p.p.	50.1	3.0 p.p.
Total revenue	EUR 10^6	349.8	17.2	428.7	13.1	1 813.5	17.3
Revenue from accommodation	EUR 10^6	257.9	19.2	327.3	15.2	1 318.4	18.9
RevPAR (Average revenue per available room)	EUR	60.2	16.8	73.7	13.3	46.1	16.9

Improved number of guests and overnight stays

In July 2017, hotel establishments hosted 2.2 million guests who spent 6.9 million overnight stays (+6.1% and +4.7%, respectively), slowing down compared with June (+9.1% and +7.2%, respectively).

Overnight stays in hotels (64.8% of the total) stood for a 5.7% growth. The remaining typologies and respective categories presented mostly positive evolutions, more so the tourist apartments (9.8%) and the *"pousadas"* (7.4%), but with a slight reduction (-0.5%) in apartment hotels.

[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 rates (%)	
	Jul 16	Jul 17	Jan - Jul 17	Jul 17	Jan - Jul 17
Total	**6 561.0**	**6 867.9**	**32 133.8**	**4.7**	**8.5**
Hotels	**4 210.4**	**4 449.5**	**21 973.5**	**5.7**	**10.1**
*****	867.0	881.6	4 185.1	1.7	8.4
****	2 053.4	2 183.4	10 828.7	6.3	10.3
***	894.5	968.7	4 828.5	8.3	11.9
** / *	395.5	415.8	2 131.1	5.1	8.4
Apartment hotels	**1 015.5**	**1 010.3**	**4 421.7**	**-0.5**	**4.0**
*****	60.8	72.7	288.0	19.7	14.8
****	733.4	727.9	3 207.6	-0.7	4.0
*** / **	221.3	209.7	926.0	-5.3	1.1
Pousadas	**58.7**	**63.0**	**324.2**	**7.4**	**12.9**
Tourist apartments	**662.2**	**726.9**	**2 675.0**	**9.8**	**8.4**
Tourist villages	**358.2**	**374.6**	**1 422.2**	**4.6**	**8.0**
Other tourist establishments	**256.1**	**243.5**	**1 317.3**	**-4.9**	**- 0.6**

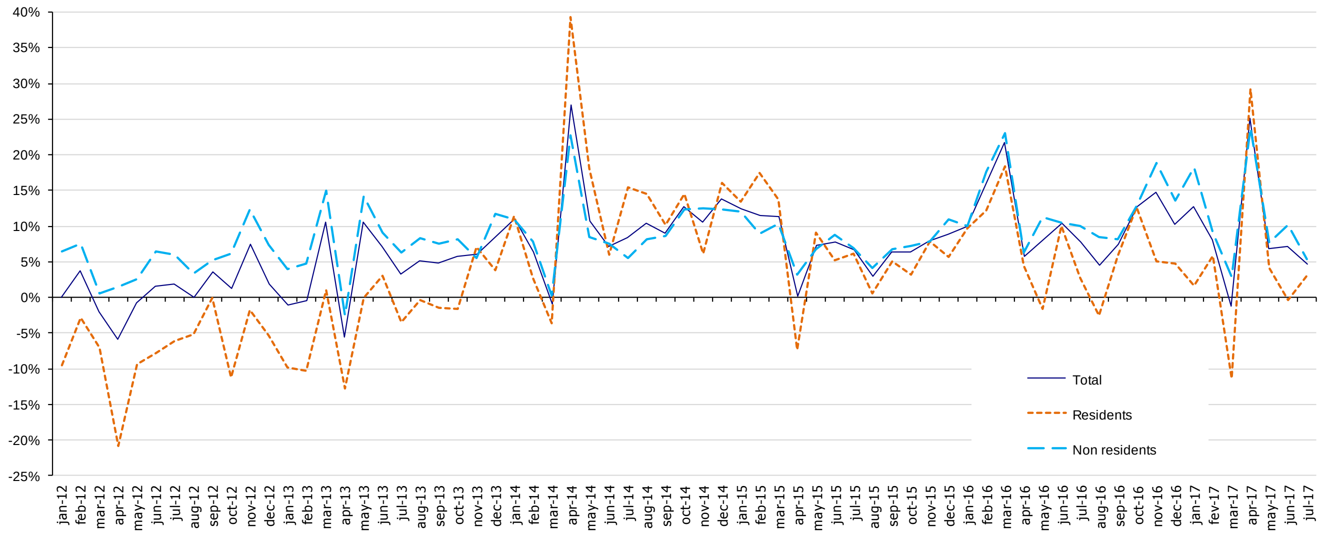
The internal market return to growth

The internal market contributed with 2.0 million overnight stays which corresponded to a 3.0% growth (-0.4% in June).

The external markets slowed down to a 5.4% growth (10.2% in the preceding month), having reached 4.9 million overnight stays.

In the period January to July, the number of overnight stays of residents increased by 4.2% and those of non residents grew by 10.2%.

Figure 1. Overnight stays - Year-on-year change rates



The Brazilian and the North American markets with steep increases

The thirteen main inbound markets[2] represented 84.9% of total overnight stays from non residents and presented heterogeneous results.

The British market (23.3% of the total overnight stays of non residents) stabilized in July (-0.1%). In the first seven months of the year, this market grew by 4.3%.

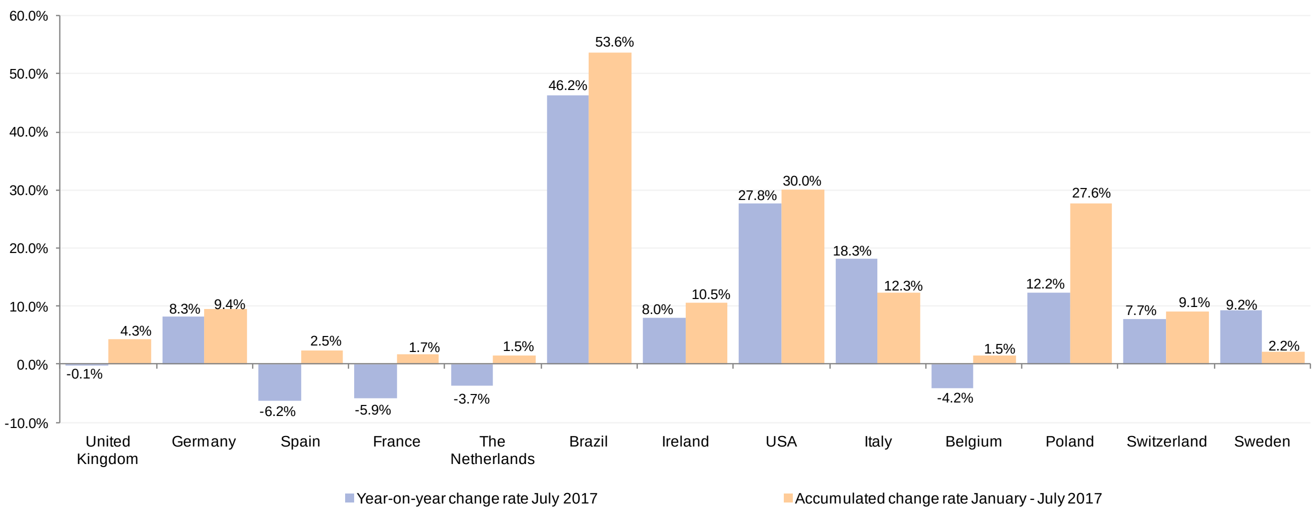
The Spanish market stood as the second biggest in July (11.0% of the total), in spite of a 6.2% decline in this month. In the period January to July, this market grew by 2.5%.

Overnight stays spent by German guests (10.5% of the total) recorded increases of 8.3% in July and 9.4% between January and July.

The French market (8.4% of the total) declined by the third consecutive month (-5.9% in July), yet it presented a 1.7% growth in the first seven months of the year.

Amongst the main countries, the emphasis went to the increases in July recorded by the Brazilian (46.2%), North American (27.8%) and Italian (18.3%) markets. In the period January to July, the Brazilian (53.6%), North American (30.0%) and the Polish (27.6%) markets stood out in terms of evolution.

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



2 Based on results of overnight stays in 2016.

Steep increase in AR Açores

In July, there were increases in overnight stays in most regions, with the emphasis on the increases recorded in the AR Açores (18.6%), Alentejo (15.3%) and Centro (13.3%). Overnight stays were mainly spent in the Algarve (40.5% weight) and MA Lisboa (21.2%). In this month, there were 307.0 thousand more overnight stays (compared with the same month a year earlier), of which 33.2% resulting from the increase in overnights stays in the Algarve (101.9 thousand additional overnight stays) and 23.9% from the increase recorded in the Centro (73.3 thousand additional overnight stays). In the first seven months of the year, all regions presented increases in overnight stays, more so the AR Açores (18.3%) and the Centro (14.9%).

Overnight stays of residents presented positive evolutions in most regions. The increases recorded in AR Açores (18.2%) and Alentejo (11.1%) stood out. The AR Madeira (-6.3%) was the only region to record a decline in July. In the period January to July, in relation to overnights stays of residents, the emphasis went to the growth in the AR Açores (19.9%).

Overnight stays from non residents also presented positive evolutions in most regions. The largest increases occurred in the Centro (25.5%), Alentejo (23.6%) and AR Açores (18.7%), while the AR Madeira declined by 1.6%. In the first seven months of the year, all regions performed positively concerning the external markets, more so the Centro (28.2%), AR Açores (17.2%) and Alentejo (16.6%).

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			
	Jul 17		Jan - Jul 17		Jul 17		Jan - Jul 17		Jul 17		Jan - Jul 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	**6 867.9**	**4.7**	**32 133.8**	**8.5**	**1 982.4**	**3.0**	**8 575.2**	**4.2**	**4 885.5**	**5.4**	**23 558.6**	**10.2**
Norte	770.5	3.8	4 060.0	8.2	312.4	2.9	1 736.5	3.2	458.1	4.4	2 323.5	12.3
Centro	626.0	13.3	2 971.0	14.9	306.3	2.8	1 536.6	4.8	319.8	25.5	1 434.4	28.2
Lisboa MA	1457.9	3.8	8 080.2	10.6	314.4	1.5	1 777.9	3.2	1 143.4	4.4	6 302.2	12.8
Alentejo	225.0	15.3	933.7	11.1	143.8	11.1	598.6	8.2	81.2	23.6	335.1	16.6
Algarve	2782.0	3.8	10 734.4	7.3	729.5	2.3	2 044.5	2.7	2 052.5	4.4	8 689.9	8.5
AR Açores	241.5	18.6	1 024.0	18.3	77.1	18.2	437.7	19.9	164.4	18.7	586.3	17.2
AR Madeira	765.0	-2.2	4 330.6	1.6	98.9	-6.3	443.4	-1.6	666.1	-1.6	3 887.2	2.0

Reduction in average stay

The average stay (3.11 nights) declined by 1.4% as a result of the declines in AR Madeira (-5.6%), AR Açores (-2.4%) and MA Lisboa (-1.4%). The largest increase in this indicator was recorded in the Algarve (1.5%), although not expressive.

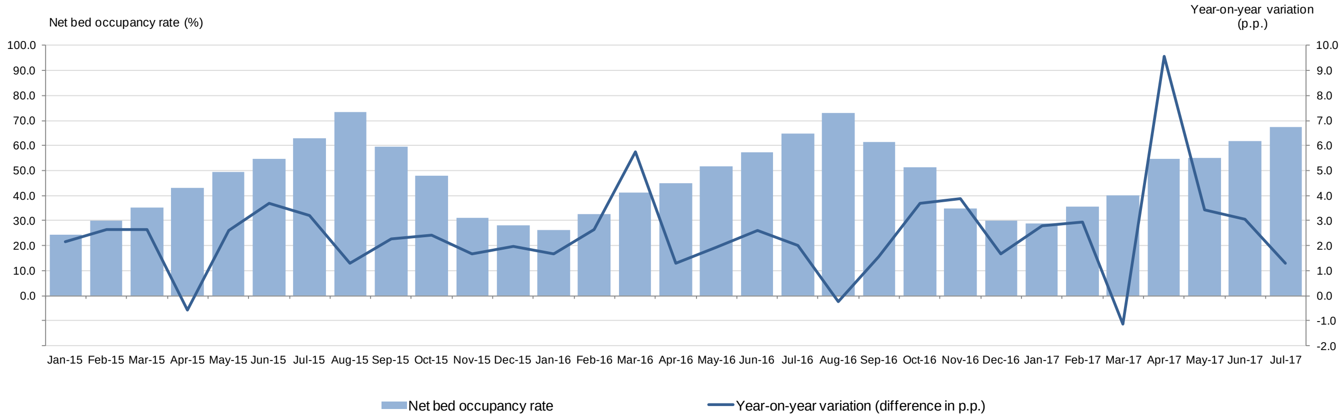
Table 4. Average stay and net bed occupancy rate by region (NUTS II)

NUTS II	Average stay			Occupancy rate		
	No. of nights		Y-o-y change rate (%)	%		Y-o-y variation (p.p.)
	Jul 16	Jul 17		Jul 16	Jul 17	
Portugal	**3.15**	**3.11**	**-1.4**	**66.0**	**67.3**	**1.3**
Norte	1.94	1.94	0.0	53.8	54.7	0.9
Centro	1.92	1.92	0.2	41.5	46.5	5.0
Lisboa MA	2.46	2.43	-1.4	70.5	70.6	0.1
Alentejo	2.06	2.06	0.3	46.8	51.8	5.0
Algarve	4.92	4.99	1.5	75.4	75.7	0.3
AR Açores	3.24	3.16	-2.4	66.9	74.8	7.9
AR Madeira	5.66	5.34	-5.6	81.2	79.8	-1.4

Occupancy rate with improved results

The net bed occupancy rate (67.3%) increased by 1.3 p.p. The highest occupancy rates occurred in AR Madeira (79.8%), Algarve (75.7%) and AR Açores (74.8%). The most significant increases in the occupancy rate were registered in AR Açores (+7.9 p.p.), Centro and Alentejo (+5.0 p.p. in both).

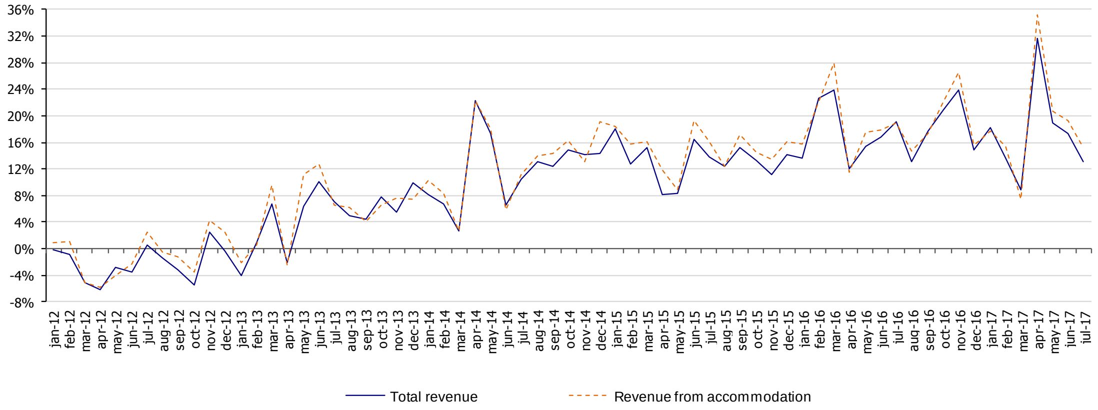
Figure 3. Net bed occupancy rate



Slow down in revenue

Total revenue from hotel accommodation activity amounted to EUR 428.7 million and revenue from accommodation stood at EUR 327.3 million (+13.1% and +15.2%, respectively), slowing down vis-à-vis the preceding month (+17.2% and +19.2%, respectively).

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



All regions presented increases in revenue, with the emphasis on AR Açores (27.4% in total revenue and 25.3% in revenue from accommodation) and Alentejo (21.5% and 22.1%, respectively).

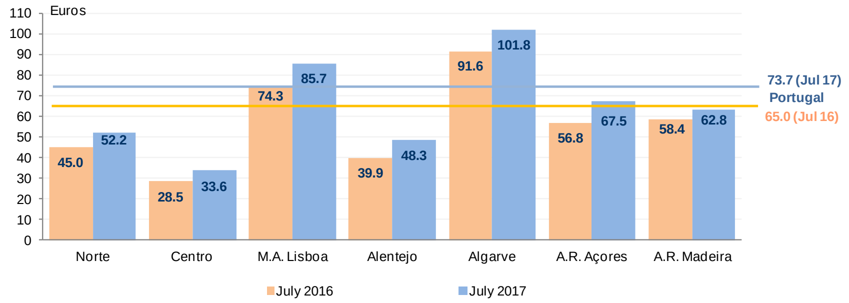
Table 5. Revenue by region (NUTS II)

Unit: EUR 10^6

NUTS II	Total revenue		Revenue from accommodation	
	Jul 17	Year-on-year change rate (%)	Jul 17	Year-on-year change rate (%)
Portugal	**428.7**	**13.1**	**327.3**	**15.2**
Norte	44.6	15.1	34.6	17.9
Centro	29.5	14.3	21.5	19.0
Lisboa MA	103.7	15.6	81.7	18.6
Alentejo	12.7	21.5	9.4	22.1
Algarve	181.5	11.2	141.5	12.5
AR Açores	13.4	27.4	10.2	25.3
AR Madeira	43.3	6.9	28.4	8.7

The average revenue per available room (RevPAR) was EUR 73.7, which corresponded to an increase of 13.3% in July (+16.8% in June). RevPAR ascended to EUR 101.8 in the Algarve and to EUR 85.7 in MA Lisboa. The emphasis went to the increases in the Alentejo (21.0%), AR Açores (18.8%) and Centro (17.9%).

Figure 5. Average revenue per available room



The evolution of RevPAR was overall positive with regard to the different typologies, with the emphasis on apartment hotels (+15.5%) and tourist villages (+16.2%).

Table 6. RevPAR by type and category of establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Jul 16	Jul 17	%
Total	**65.0**	**73.7**	**13.3**
Hotels	**66.6**	**75.3**	**13.0**
*****	122.2	136.3	11.5
****	67.7	75.6	11.7
***	41.0	48.8	18.8
** / *	34.5	37.6	8.9
Apartment hotels	**77.0**	**89.0**	**15.5**
*****	94.7	143.8	51.8
****	78.2	87.3	11.7
*** / **	66.7	76.3	14.3
Pousadas	**84.5**	**92.8**	**9.9**
Tourist apartments	**59.0**	**64.0**	**8.6**
Tourist villages	**67.5**	**78.4**	**16.2**
Other tourist establishments	**29.8**	**33.5**	**12.5**

Camping sites and holiday camps

In July 2017, camping sites hosted 387.2 thousand campers (+5.4%) which spent 1.2 million overnight stays (-7.6%). The internal (-8.3%) and the external (-5.7%) markets contributed for the reduction in overnight stays. Residents in Portugal prevailed, representing 73.1% of the total overnight stays. The average stay (3.19 nights) decreased by 12.3%.

Holiday camps and youth hostels recorded 40.0 thousand guests (-17.8%) and 97.2 thousand overnight stays (-18.1%). The internal market concentrated 73.1% of the total overnight stays and declined by 23.1%, while the external markets decreased by 0.6%. The average stay (2.43 nights) declined by 0.4%.

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

Jul 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	387.2	5.4	264.6	7.5	122.7	1.2	40.0	-17.8	29.1	-23.9	10.9	4.4
Overnight stays	10^3	1237.0	-7.6	904.3	-8.3	332.7	-5.7	97.2	-18.1	71.1	-23.1	26.1	-0.6
Average stay	no. nights	3.19	-12.3	3.42	-14.6	2.71	-6.8	2.43	-0.4	2.44	1.0	2.39	-4.8

EXPLANATORY NOTES

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

2017 – July: preliminary results; January to June: provisional results.

2016 – January to December: final 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 Jun 17	0.0 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 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: October 13, 2017