13 October 2017

Tourism Activity

August 2017

Hotel activity continues to slow down

Hotel establishments recorded 2.4 million guests and 7.8 million overnight stays in August 2017, figures that relate to year-on-year change rates[1] of 4.6% and 3.2% (6.0% and 4.7% in July, respectively). The internal market grew slightly in terms of overnight stays (0.5% vis-à-vis 3.7% in July), while the external markets grew by 4.6% (5.2% in the preceding month).

The average stay (3.2 nights) decreased by 1.3%. The net bed occupancy rate (74.8%) increased by 0.3 p.p.

Total revenue slowed down slightly to a 12.3% growth (13.1% in July), having reached EUR 502.8 million. Revenue from accommodation amounted to EUR 393.0 million, having also slowed down, growing by 13.2% (15.2% in July).

Table 1. Global preliminary results from tourism activity

Global preliminary results	Unit	July 2017		August 2017		Jan - Aug 17	
		Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)
Guests	10^3	2 206.7	6.0	2 441.3	4.6	14 010.3	8.6
Overnight stays	10^3	6 871.3	4.7	7 804.0	3.2	39 941.2	7.4
Residents in Portugal	10^3	1 995.6	3.7	2 569.4	0.5	11 157.8	3.4
Residents abroad	10^3	4 875.7	5.2	5 234.6	4.6	28 783.4	9.1
Average stay	no. of nights	3.11	-1.2	3.20	-1.3	2.85	-1.1
Net bed occupancy rate	%	67.0	1.0 p.p.	74.8	0.3 p.p.	53.5	2.6 p.p.
Total revenue	EUR 10^6	428.4	13.1	502.8	12.3	2 316.0	16.1
Revenue from accommodation	EUR 10^6	327.4	15.2	393.0	13.2	1 711.5	17.5
RevPAR (Average revenue per available room)	EUR	73.5	13.2	88.1	11.2	51.7	15.5

Guests and overnight stays with modest increases

In August 2017, hotel establishments hosted 2.4 million guests who spent 7.8 million overnight stays (+4.6% and +3.2%, respectively), slowing down as in the preceding month (+6.0% and +4.7% in July and +9.1% and +7.2% in June, respectively). Between January and August the number of guests increased by 8.6% and overnight stays grew by 7.4%.

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

Overnight stays spent in hotels (65.1% of the total) stood for a 4.8% growth. The remaining typologies and respective categories presented mostly positive evolutions, more so five star apartment hotels (+13.8%) and the *"pousadas"* (+8.3%).

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 (%)	
	Aug 16	Aug 17	Jan - Aug 17	Aug 17	Jan - Aug 17
Total	**7 559.7**	**7 804.0**	**39 941.2**	**3.2**	**7.4**
Hotels	**4 843.9**	**5 077.0**	**27 064.9**	**4.8**	**9.1**
*****	944.1	986.1	5 176.2	4.4	7.7
****	2 366.0	2 463.2	13 300.6	4.1	9.1
***	1 063.4	1 145.4	5 982.5	7.7	11.2
** / *	470.5	482.3	2 605.7	2.5	7.0
Apartment hotels	**1 116.5**	**1 112.5**	**5 535.4**	**-0.4**	**3.1**
*****	70.2	79.9	364.4	13.8	13.5
****	798.4	803.0	4 015.7	0.6	3.4
*** / **	247.9	229.6	1 155.2	-7.4	- 0.7
Pousadas	**73.1**	**79.2**	**402.5**	**8.3**	**11.7**
Tourist apartments	**779.6**	**806.4**	**3 477.0**	**3.4**	**7.0**
Tourist villages	**435.2**	**439.8**	**1 853.8**	**1.1**	**5.8**
Other tourist establishments	**311.3**	**289.1**	**1 607.6**	**-7.1**	**- 1.8**

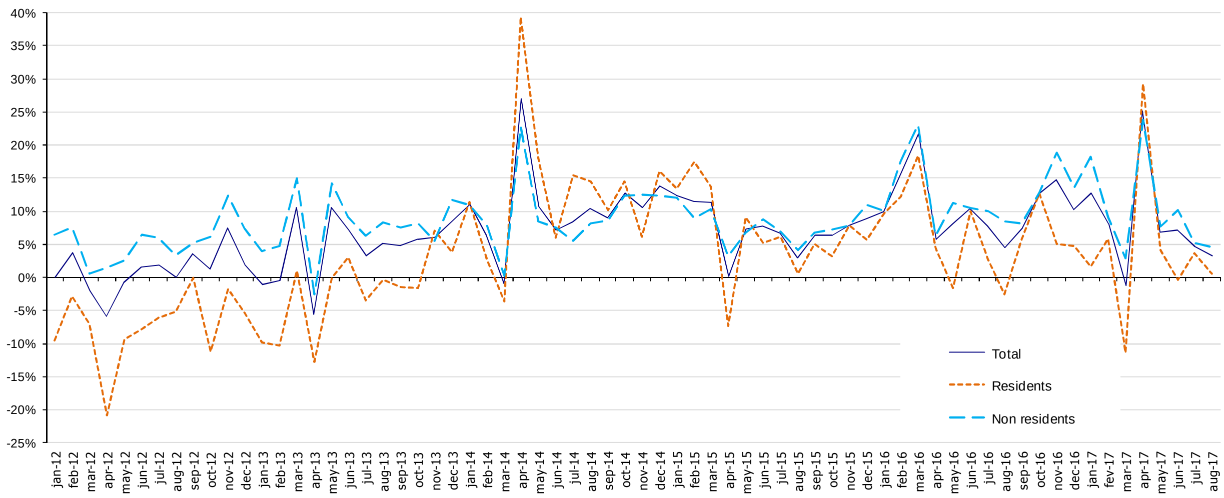
Both the internal and the external markets slowed down

The internal market contributed with 2.6 million overnight stays which corresponded to a slight 0.5% growth (+3.7% in July).

The external markets slowed down to a 4.6% growth (after +5.2% in July), having reached 5.2 million overnight stays.

In the first eight months of the year, the internal market recorded 11.2 million overnight stays (+3.4%) while the external markets accounted for 28.8 million overnight stays (+9.1%).

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



North American market with steep growth

The thirteen main inbound markets[2] represented 86.8% of total overnight stays from non residents and presented heterogeneous results.

The British market (22.1% of the total overnight stays from non residents) recorded a 1.2% growth in August. In the first eight months of the year, this market grew by 3.4%.

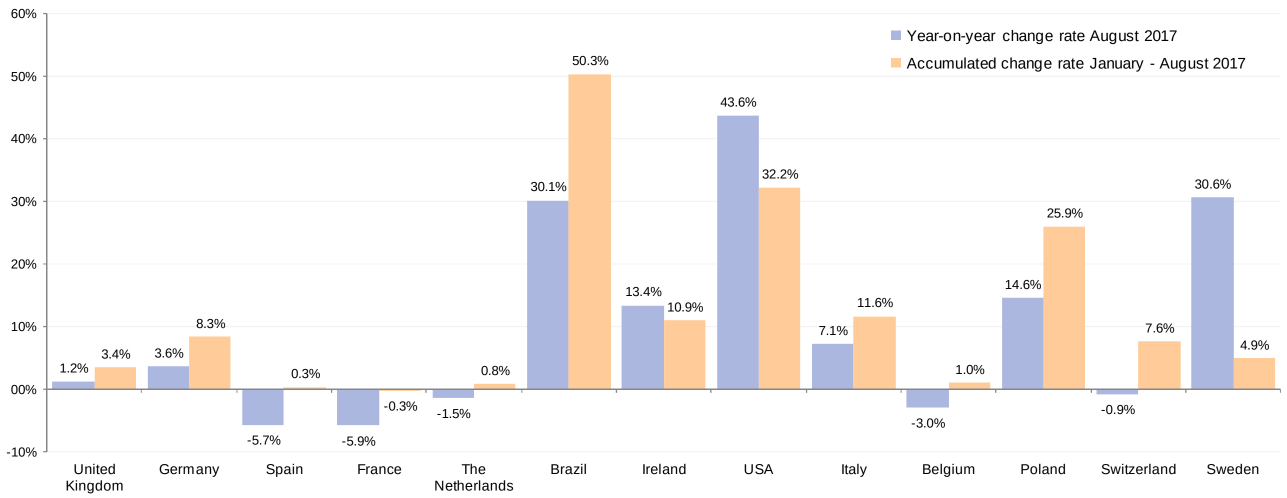
The Spanish market stood as the second biggest in August (15.7% of the total), in spite of declining for the second consecutive month (-5.7% in August and -4.9% in July). In the period January to August, this market grew by 0.3%.

Overnight stays spent by German guests (10.0% of the total) recorded increases of 3.6% in August and 8.3% in the first eight months of the year.

The French market kept the downward trend of the latest months (-5.9% in August) and declined by 0.3% since the beginning of the year.

Amongst the main countries, the emphasis went to the increases recorded in August by the North American (43.6%), Swedish (30.6%) and Brazilian (30.1%) markets. In the first eight months of the year, the evolutions of the Brazilian (50.3%), North American (32.2%) and Polish (25.9%) markets stood out.

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



2 Based on results of overnight stays in 2016.

All regions with increases

In August, there were increases in overnight stays in all regions, with the emphasis on AR Açores (+15.8%), Alentejo (+6.4%) and Centro (+6.2%). Overnight stays were mainly spent in the Algarve (39.3% weight) and MA Lisboa (20.5%). In this month, there were 244.4 thousand more overnight stays (compared with the same month a year earlier), of which 24.4% resulting from the increase in overnights stays in the Algarve (59.7 thousand overnight stays added) and 19.8% from the increase recorded in the Centro (48.4 thousand additional overnight stays). In the period January to August, all regions presented increases in overnight stays, more so the AR Açores (17.8%) and the Centro (13.1%).

In August, with regard to the increases in overnight stays of residents, the emphasis was on AR Açores (14.1%) and Alentejo (6.9%). In the set of the first eight months of the year, the evolutions of these two regions also stood out, in terms of overnight stays from residents (+18.9% and +7.8% respectively).

Overnight stays of non residents presented positive evolutions in all regions, with the largest increases having occurred in the Centro (17.9%) and in AR Açores (16.6%). In the first eight months of the year, all regions performed positively concerning overnight stays from non residents, more so the Centro (26.4%) and AR Açores (17.1%).

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			
	Aug 17		Jan - Aug 17		Aug 17		Jan - Aug 17		Aug 17		Jan - Aug 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	**7 804.0**	**3.2**	**39 941.2**	**7.4**	**2 569.4**	**0.5**	**11 157.8**	**3.4**	**5 234.6**	**4.6**	**28 783.4**	**9.1**
Norte	932.1	3.9	4 989.3	7.3	390.7	2.8	2 127.8	3.2	541.4	4.7	2 861.5	10.7
Centro	829.4	6.2	3 807.4	13.1	438.5	-2.4	1 974.9	3.1	390.9	17.9	1 832.5	26.4
Lisboa MA	1601.3	2.4	9 682.7	9.1	332.7	-2.1	2 106.7	2.2	1 268.6	3.7	7 576.0	11.2
Alentejo	288.8	6.4	1 221.0	9.8	197.5	6.9	795.7	7.8	91.3	5.3	425.2	13.7
Algarve	3069.1	2.0	13 791.4	6.0	1 004.7	0.2	3 059.6	2.2	2 064.4	2.9	10 731.8	7.1
AR Açores	256.1	15.8	1 279.9	17.8	86.5	14.1	523.9	18.9	169.6	16.6	756.0	17.1
AR Madeira	827.3	1.3	5 169.5	1.8	118.9	-4.2	569.1	-1.0	708.4	2.3	4 600.4	2.2

Reduction in average stay

The average stay (3.20 nights) decreased by 1.3% and only the Centro region recorded an increase in this indicator (+0.4%). The AR Madeira recorded the highest average stay (5.52 nights).

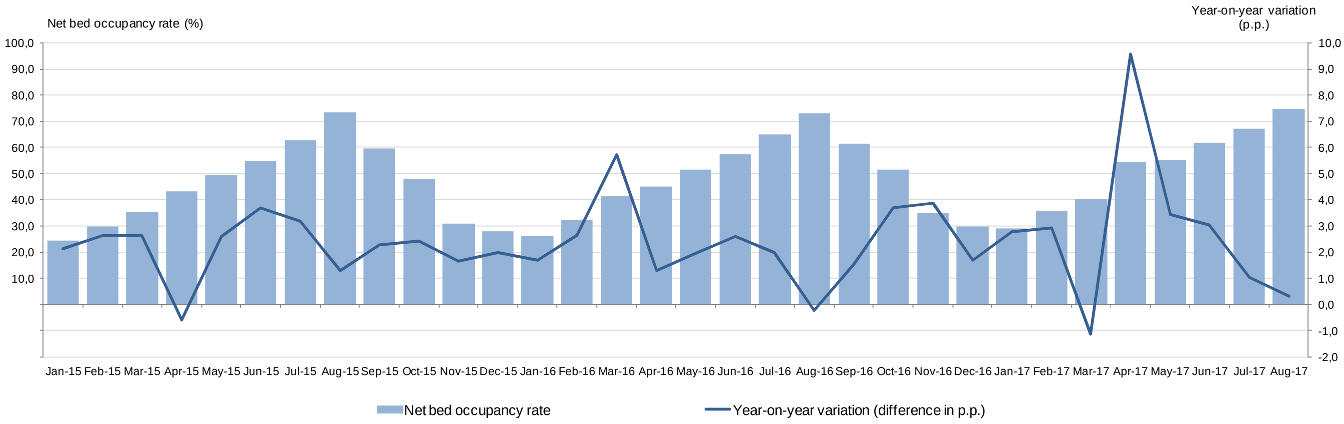
Table 4. Average stay and net bed occupancy rate by region (NUTS II)

NUTS II	Average stay			Occupancy rate		
	No. of nights		Y-o-y change rate (%)	%		Y-o-y variation (p.p.)
	Aug 16	Aug 17		Aug 16	Aug 17	
Portugal	**3.24**	**3.20**	**-1.3**	**74.5**	**74.8**	**0.3**
Norte	2.02	2.01	-0.4	63.8	65.1	1.3
Centro	2.06	2.07	0.4	57.4	59.9	2.5
Lisboa MA	2.61	2.55	-2.6	77.7	76.4	-1.3
Alentejo	2.29	2.27	-1.1	63.4	66.2	2.8
Algarve	5.20	5.20	0.0	82.4	81.7	-0.7
AR Açores	3.25	3.19	-2.1	72.4	78.1	5.7
AR Madeira	5.57	5.52	-0.9	83.2	82.8	-0.3

Slight increase in the occupancy rate

The net bed occupancy rate (74.8%) increased by 0.3 p.p. The highest occupancy rates occurred in AR Madeira (82.8%), Algarve (81.7%) and AR Açores (78.1%). The largest increase in the occupancy rate was recorded in AR Açores (+5.7 p.p.).

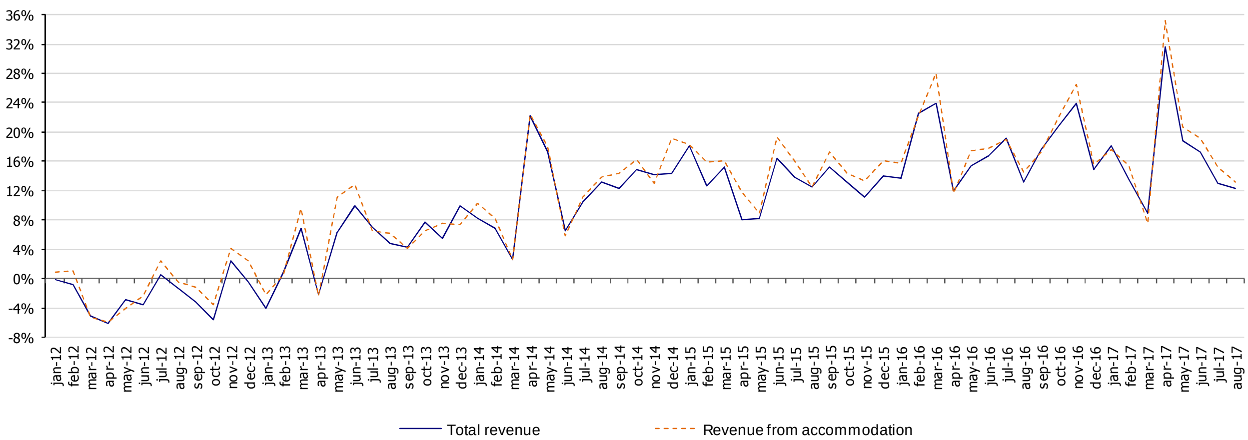
Figure 3. Net bed occupancy rate



Over EUR 502 million in total revenue

Total revenue from hotel accommodation activity amounted to EUR 502.8 million and revenue from accommodation stood at EUR 393.0 million (+12.3% and +13.2% respectively), slowing down slightly vis-à-vis the preceding month (+13.1% and +15.2% respectively).

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



All regions presented increases in revenue, with the emphasis on AR Açores (22.4% in total revenue and 23.2% in revenue from accommodation), Norte (16.0% and 18.6% respectively) and MA Lisboa (14.4% and 14.5% respectively).

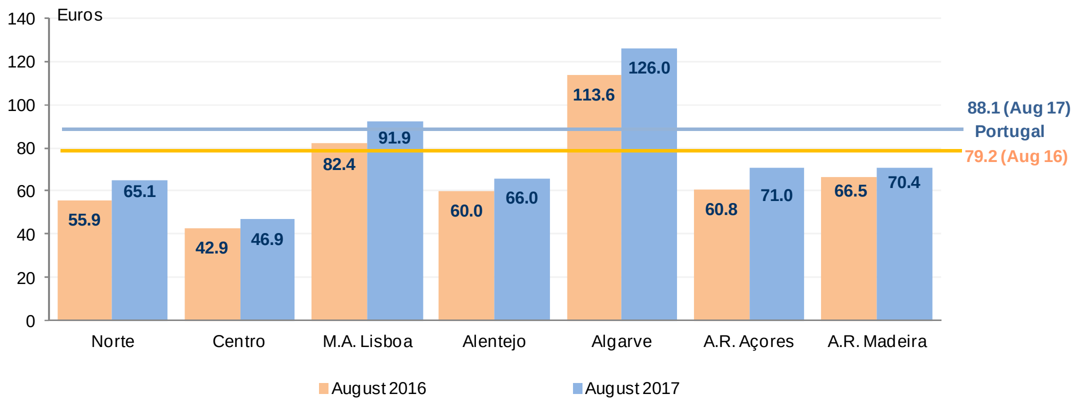
Table 5. Revenue by region (NUTS II)

Unit: EUR 10^6

NUTS II	Total revenue		Revenue from accommodation	
	Aug 17	Year-on-year change rate (%)	Aug 17	Year-on-year change rate (%)
Portugal	**502.8**	**12.3**	**393.0**	**13.2**
Norte	54.5	16.0	43.2	18.6
Centro	40.7	10.3	30.2	11.0
Lisboa MA	110.6	14.4	88.1	14.5
Alentejo	16.8	10.6	12.9	11.1
Algarve	218.4	11.7	176.0	12.5
AR Açores	14.0	22.4	10.7	23.2
AR Madeira	47.8	6.3	31.9	7.1

The average revenue per available room (RevPAR) was EUR 88.1, which corresponded to an increase of 11.2% in August (13.2% in July). RevPAR ascended to EUR 126.0 in the Algarve and to EUR 91.9 in MA Lisboa. The emphasis went to the increases in AR Açores (16.7%) and in the Norte (16.4%).

Figure 5. Average revenue per available room



The evolution of RevPAR was overall positive with regard to the different typologies and corresponding categories, with the emphasis on the evolution recorded in tourist villages (+16.4%).

Table 6. RevPAR by type and category of establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Aug 16	Aug 17	%
Total	**79.2**	**88.1**	**11.2**
Hotels	**80.4**	**89.0**	**10.8**
*****	145.6	157.9	8.4
****	81.7	90.2	10.5
***	51.8	58.3	12.5
** / *	41.1	44.9	9.3
Apartment hotels	**95.2**	**105.9**	**11.2**
*****	124.9	168.6	35.0
****	95.9	103.5	7.9
*** / **	82.1	93.3	13.7
Pousadas	**107.4**	**118.4**	**10.2**
Tourist apartments	**73.3**	**79.7**	**8.8**
Tourist villages	**85.1**	**99.1**	**16.4**
Other tourist establishments	**38.7**	**40.8**	**5.3**

Camping sites and holiday camps

In August 2017, camping sites hosted 593.4 thousand campers (+5.5%) which spent 2.2 million overnight stays (+1.6%). The internal market contributed solely for the increase in overnight stays (+4.7%), given that the external markets declined (-7.1%). Residents in Portugal predominated and stood for 76.0% of the total overnight stays. The average stay (3.64 nights) decreased by 3.7%.

Holiday camps and youth hostels recorded 55.1 thousand guests (-1.1%) and 126.5 thousand overnight stays (-3.8%). The internal market concentrated 76.6% of the total overnight stays and declined by 6.2%, while the external markets grew by 5.0%. The average stay (2.30 nights) declined by 2.7%.

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

Aug 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	593.4	5.5	407.2	9.1	186.2	-1.6	55.1	-1.1	40.8	-4.2	14.3	8.9
Overnight stays	10^3	2160.9	1.6	1643.1	4.7	517.8	-7.1	126.5	-3.8	96.9	-6.2	29.6	5.0
Average stay	no. nights	3.64	-3.7	4.04	-4.1	2.78	-5.6	2.30	-2.7	2.38	-2.0	2.07	-3.6

EXPLANATORY NOTES

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

2017 – August: preliminary results; January to July: 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 Jul 17	0.0 p.p.	0.0 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: November 14, 2017