14 November 2017

Tourism Activity

September 2017

Non residents boost hotel activity

Hotel establishments recorded 2.2 million guests and 6.3 million overnight stays in September 2017, figures that relate to year-on-year change rates[1] of 7.9% and 5.1% (5.0% and 3.7% in August, respectively). Overnight stays of the internal market increased by 1.4% (1.7% in August), while those of the external markets grew by 6.5% (4.8% in the previous month).

The average stay (2.82 nights) decreased by 2.6%. The net bed occupancy rate (63.5%) increased by 0.9 p.p.

Total revenue accelerated and increased by 16.0% (12.4% in August) amounting to EUR 406.7 million. Revenue from accommodation amounted to EUR 303.1 million having also accelerated, growing by 18.6% in September (13.1% in the previous month).

Table 1. Global preliminary results from tourism activity

Global preliminary results	Unit	August 2017		September 2017		Jan - Set 17	
		Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)
Guests	10^3	2 449.9	5.0	2 228.8	7.9	16 247.6	8.6
Overnight stays	10^3	7 840.3	3.7	6 285.4	5.1	46 262.8	7.2
Residents in Portugal	10^3	2 598.7	1.7	1 644.4	1.4	12 831.5	3.4
Residents abroad	10^3	5 241.5	4.8	4 640.9	6.5	33 431.3	8.7
Average stay	no. of nights	3.20	-1.2	2.82	-2.6	2.85	-1.3
Net bed occupancy rate	%	74.7	0.2 p.p.	63.5	0.9 p.p.	54.7	2.4 p.p.
Total revenue	EUR 10^6	502.9	12.4	406.7	16.0	2 722.8	16.1
Revenue from accommodation	EUR 10^6	392.6	13.1	303.1	18.6	2 014.1	17.7
RevPAR (Average revenue per available room)	EUR	87.9	10.9	70.1	16.7	53.8	15.6

After a slowdown in August, guests and overnight stays returned to previous growth levels

In September 2017, hotel establishments hosted 2.2 million guests who spent 6.3 million overnight stays (+7.9% and +5.1%, respectively), accelerating compared with August (5.0% and 3.7% respectively). Between January and September the number of guests increased by 8.6% and overnight stays grew by 7.2%.

Overnight stays spent in hotels (68.3% of the total) recorded a 6.7% growth and the ones in tourist apartments (9.0% of the total) showed an increase of 5.3%. The remaining typologies and respective categories presented mostly positive evolutions, and among the most relevant the emphasis went to the three-star hotels (+13.7%, 15.8% share).

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

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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 (%)	
	Set 16	Sep 17	Jan - Set 17	Sep 17	Jan - Set 17
Total	**5 980.9**	**6 285.4**	**46 262.8**	**5.1**	**7.2**
Hotels	**4 021.6**	**4 290.7**	**31 386.6**	**6.7**	**8.9**
*****	784.5	811.6	5 995.4	3.5	7.3
****	1 972.1	2 068.3	15 381.2	4.9	8.6
***	874.2	993.6	6 981.2	13.7	11.6
** / *	390.9	417.2	3 028.8	6.7	7.1
Apartment hotels	**838.8**	**842.5**	**6 385.0**	**0.4**	**2.9**
*****	44.0	54.3	420.0	23.5	15.1
****	604.6	611.6	4 631.9	1.2	3.2
*** / **	190.3	176.6	1 333.1	-7.2	- 1.6
Pousadas	**61.9**	**63.6**	**466.1**	**2.7**	**10.4**
Tourist apartments	**534.7**	**562.8**	**4 034.6**	**5.3**	**6.7**
Tourist villages	**275.8**	**281.7**	**2 142.0**	**2.2**	**5.6**
Other tourist establishments	**248.1**	**244.0**	**1 848.6**	**-1.7**	**- 1.9**

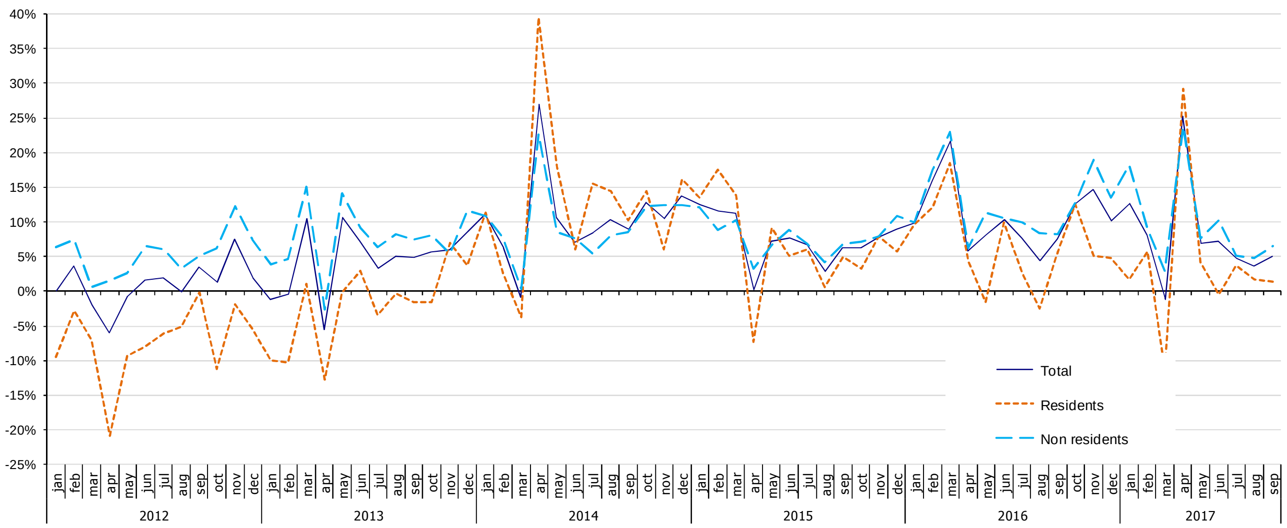
External markets accelerated

In September, the external markets accelerated to a 6.5% growth (+4.8% in August; +5.2% in July), having reached 4.6 million overnight stays.

The internal market contributed with 1.6 million overnight stays in September, which corresponded to a 1.4% increase (+1.7% in August; +3.7% in July).

In the first nine months of the year, the internal market recorded 12.8 million overnight stays (+3.4%) while the external markets originated 33.4 million overnight stays (+8.7%).

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



The North American, Italian and Polish market recorded steep increases

The thirteen main inbound markets[2] represented 84.8% of total overnight stays of non residents.

Overnight stays of British guests (24.5% of the total overnight stays of non residents) presented a small change in September (-0.2%). In the first nine months of the year, this market grew by 2.8%.

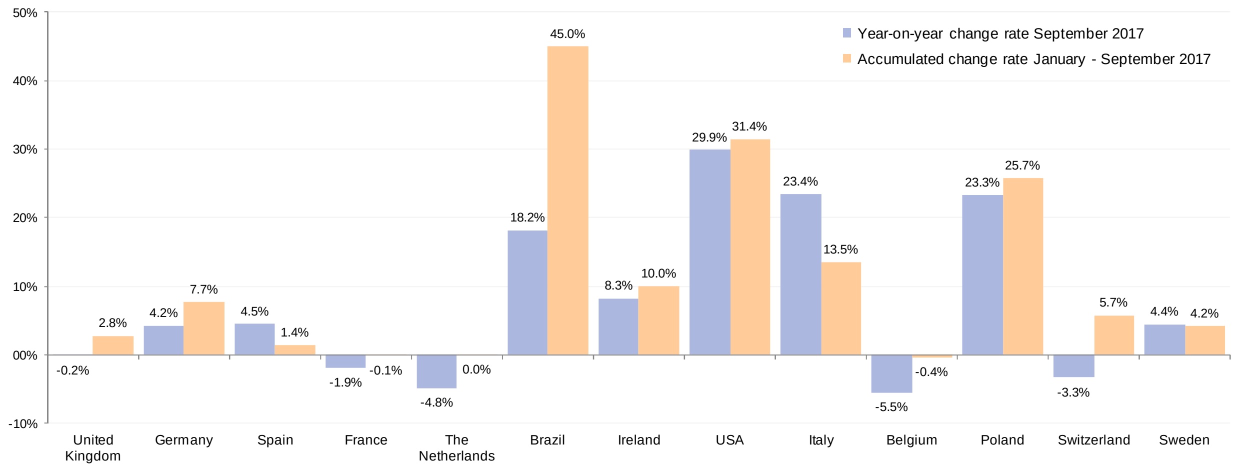
The German market returned to the second position in the rank of the biggest markets (share of 13.8%), changing with Spain, increasing by 4.2%. In the period January to September this market grew by 7.7%.

The French market (9.6%) kept the downward trend of the latest months (-1.9% in September) and declined by 0.1% since the beginning of the year.

The Spanish market (8.2%), after two months in decline, resumed growth and increased by 4.5% in September and by 1.4% in the first nine months of the year, although not enough to be second market in the rank.

Amongst the main countries, the emphasis went to the increases recorded in September by the North American (29.9%), Italian (23.4%) and Polish (23.3%) markets. In the first nine months of the year, the evolutions of the Brazilian (45.0%), North American (31.4%) and Polish (25.7%) markets stood out.

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



Growth in the Centro region stood out

In September, there were increases in overnight stays in all regions, with the emphasis on the increases recorded in the Centro (+16.2%), AR Açores (+12.7%) and Alentejo (+11.6%). Overnight stays were mostly spent in the Algarve (36.5% weight) and MA Lisboa (22.1%). In this month, there were 304.4 thousand more overnight stays (compared with the same month of the previous year), of which 30.7% resulting from the increase in overnights stays in the Centro (93.5 thousand overnight stays added), 17.9% from MA Lisboa (increase of 54.5 thousand overnight stays) and

[2] Based on results of overnight stays in 2016.

16.1% from the Algarve (49.0 thousand more overnight stays). In the period January to September, all regions presented increases in overnight stays, more so AR Açores (+17.1%) and the Centro (+13.5%).

In September, with regard to the increases in overnight stays of residents, the emphasis was on AR Açores (+12.7%) and AR Madeira (+5.1%). In the first nine months of the year, the evolutions of overnight stays stood out in AR Açores (+18.1%) and in Alentejo (+7.6%).

Overnight stays of non residents presented positive evolutions in all regions in September, with the largest increases having occurred in the Centro (+31.8%), Alentejo (+24.0%) and AR Açores (+12.7%). In the first nine months of the year, these regions also stood out with regard to the increases in overnight stays of non residents (+27.4%, +15.5% and +16.5% respectively).

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			
	Sep 17		Jan - Set 17		Sep 17		Jan - Set 17		Sep 17		Jan - Set 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	**6 285.4**	**5.1**	**46 262.8**	**7.2**	**1 644.4**	**1.4**	**12 831.5**	**3.4**	**4 640.9**	**6.5**	**33 431.3**	**8.7**
Norte	781.2	5.1	5 780.2	7.2	302.0	-0.2	2 434.3	2.9	479.2	8.6	3 345.9	10.6
Centro	672.1	16.2	4 478.8	13.5	296.3	0.9	2 268.5	2.7	375.8	31.8	2 210.3	27.4
Lisboa MA	1388.3	4.1	11 078.7	8.6	273.4	-1.3	2 385.3	2.0	1 115.0	5.5	8 693.4	10.5
Alentejo	205.1	11.6	1 429.3	10.3	119.0	4.1	916.8	7.6	86.1	24.0	512.5	15.5
Algarve	2294.2	2.2	16 096.1	5.5	484.5	1.2	3 561.2	2.6	1 809.7	2.5	12 534.9	6.4
AR Açores	205.7	12.7	1 486.6	17.1	74.9	12.7	599.1	18.1	130.8	12.7	887.5	16.5
AR Madeira	738.8	3.5	5 913.1	2.1	94.3	5.1	666.3	0.3	644.5	3.3	5 246.8	2.3

Reduction in average stay

The average stay (2.82 nights) decreased by 2.6% and only the Centro region recorded an increase in this indicator (+2.0%). The AR Madeira recorded the highest average stay (5.39 nights) and the most pronounced reduction (-4.4%), between the various regions.

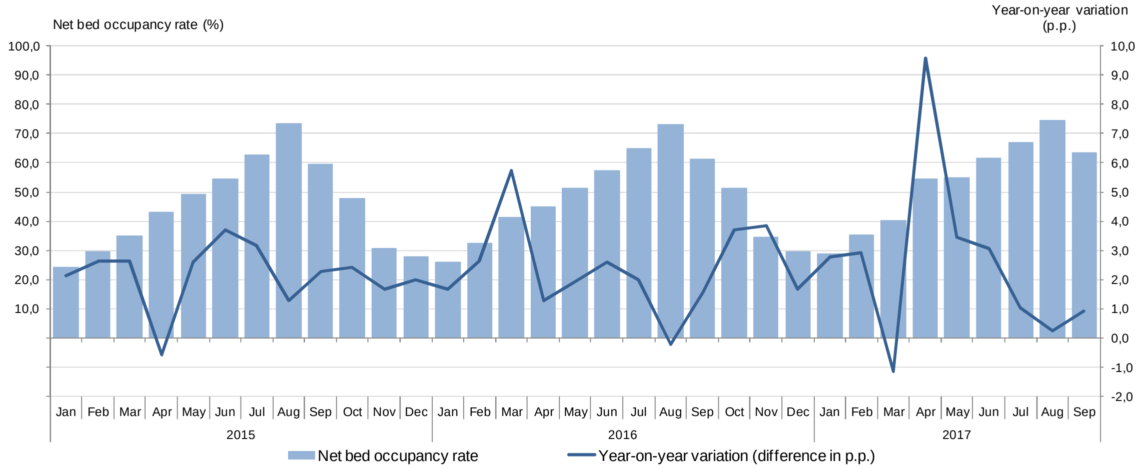
Table 4. Average stay and net bed occupancy rate by region (NUTS II)

NUTS II	Average stay			Occupancy rate		
	No. of nights		Y-o-y change rate (%)	%		Y-o-y variation (p.p.)
	Set 16	Sep 17		Set 16	Sep 17	
Portugal	**2.89**	**2.82**	**-2.6**	**62.5**	**63.5**	**0.9**
Norte	1.83	1.82	-0.6	55.3	57.4	2.1
Centro	1.78	1.81	2.0	45.0	49.7	4.7
Lisboa MA	2.35	2.29	-2.8	68.7	68.5	-0.2
Alentejo	1.76	1.73	-1.8	46.0	49.8	3.8
Algarve	4.67	4.58	-1.9	66.2	65.5	-0.7
AR Açores	3.14	3.05	-2.8	61.2	66.0	4.8
AR Madeira	5.64	5.39	-4.4	79.0	78.9	-0.1

Increase in the occupancy rate

The net bed occupancy rate (63.5%) increased by 0.9 p.p. (+0.2 p.p. in August). The highest occupancy rates occurred in AR Madeira (78.9%) and MA Lisboa (68.5%). The largest increases in the occupancy rate were recorded in AR Açores (+4.8 p.p.) and in the Centro (+4.7 p.p.).

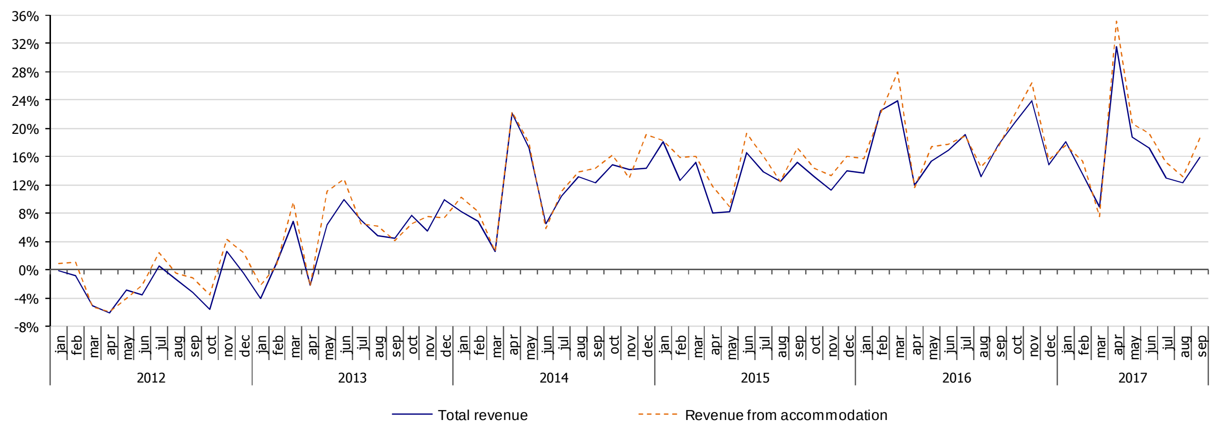
Figure 3. Net bed occupancy rate



Acceleration in revenue

Total revenue from hotel accommodation activity amounted to EUR 406.7 million and revenue from accommodation stood at EUR 303.1 million (+16.0% and +18.6% respectively), accelerating vis-à-vis the change rates of the previous month (+12.4% and +13.1% respectively) and also surpassing the results of July (+13.1% and +15.2%, in the same order).

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



All regions presented increases in revenue, with the emphasis on MA Lisboa (23.5% in total revenue and 28.2% in revenue from accommodation) and Centro (23.0% and 23.3% respectively).

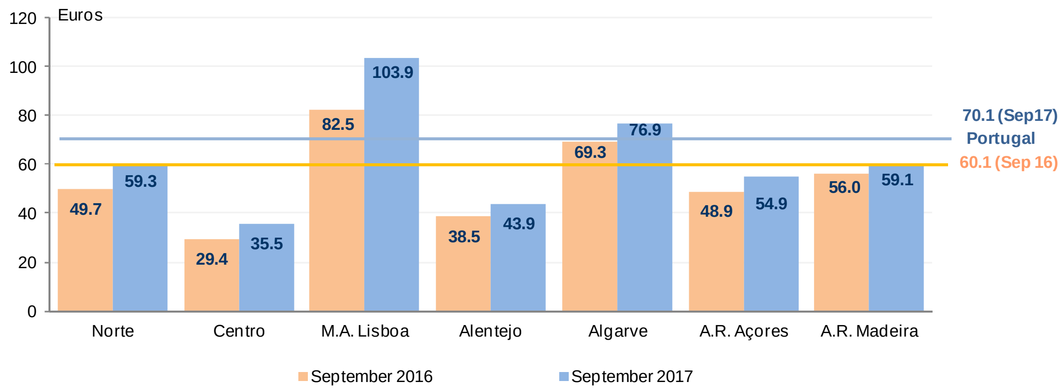
Table 5. Revenue by region (NUTS II)

Unit: EUR 10^6

NUTS II	Total revenue		Revenue from accommodation	
	Sep 17	Year-on-year change rate (%)	Sep 17	Year-on-year change rate (%)
Portugal	**406.7**	**16.0**	**303.1**	**18.6**
Norte	49.7	18.8	38.1	20.3
Centro	32.1	23.0	22.2	23.3
Lisboa MA	123.0	23.5	96.3	28.2
Alentejo	12.0	15.4	8.3	14.7
Algarve	137.8	10.2	104.0	12.3
AR Açores	10.9	17.3	8.1	18.0
AR Madeira	41.2	7.1	26.2	8.4

The average revenue per available room (RevPAR) was EUR 70.1, which corresponded to an increase of 16.7% in September (10.9% in the previous month). RevPAR ascended to EUR 103.9 in MA Lisboa and to EUR 76.9 in the Algarve. The emphasis went to the increases in MA Lisboa (25.8%), Centro (20.9%) and in the Norte (19.3%).

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 (+19.3%), in *"pousadas"* (+18.0%) and in hotels (+17.4%).

Table 6. RevPAR by type and category of establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Sep 16	Sep 17	%
Total	**60.1**	**70.1**	**16.7**
Hotels	**65.9**	**77.4**	**17.4**
*****	118.0	136.3	15.5
****	66.7	77.7	16.5
***	42.5	51.9	22.0
** / *	34.0	40.7	20.0
Apartment hotels	**61.7**	**67.6**	**9.6**
*****	69.6	93.5	34.2
****	63.1	68.2	8.1
*** / **	53.9	57.0	5.7
Pousadas	**87.5**	**103.2**	**18.0**
Tourist apartments	**41.2**	**46.1**	**11.8**
Tourist villages	**43.3**	**51.7**	**19.3**
Other tourist establishments	**31.0**	**35.3**	**14.1**

Camping sites and holiday camps

In September 2017, camping sites hosted 228.6 thousand campers (+1.1%) which spent 728.3 thousand overnight stays (+3.2%). The internal market contributed for the increase in overnight stays (+3.1%) as well as the external markets (+3.4%). Residents in Portugal were predominant and stood for 70.2% of the total overnight stays. The average stay (3.19 nights) decreased by 2.0%.

Holiday camps and youth hostels recorded 37.1 thousand guests (+6.9%) and 74.0 thousand overnight stays (+16.8%) in September. The internal market concentrated 68.1% of the total overnight stays and increased by 8.0%, while the external markets grew by 39.9%. The average stay (2.00 nights) declined by 8.5%.

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

Sep 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	228.6	1.1	140.2	3.7	88.5	-4.4	37.1	6.9	24.8	0.0	12.3	25.4
Overnight stays	10^3	728.3	3.2	510.9	3.1	217.4	3.4	74.0	16.8	50.4	8.0	23.6	39.9
Average stay	no. nights	3.19	-2.0	3.65	0.6	2.46	-7.6	2.00	-8.5	2.03	-7.4	1.92	-10.3

EXPLANATORY NOTES

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

2017 – September: preliminary results; January to August: 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 Aug 17	0.1 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: December 15, 2017