15 December 2017

Tourism Activity

October 2017

Hotel activity continues accelerating

Hotel establishments recorded 2.0 million guests and 5.4 million overnight stays in October 2017, figures that relate to year-on-year change rates[1] of 8.7% and 6.4% (8.0% and 5.3% in September, respectively). Overnight stays of the internal market increased by 5.9% (1.0% in September), while those of the external markets grew by 6.5%, slightly below the previous month (6.9%).

The average stay (2.71 nights) decreased by 2.2%. The net bed occupancy rate (53.8%) increased by 1.4 p.p.

Total revenue increased by 18.6% (17.8% in September) amounting to EUR 323.5 million. Revenue from accommodation increased by 22.5% (18.9% in September) reaching EUR 234.8 million.

Table 1. Global preliminary results from tourism activity

Global preliminary results	Unit	September 2017		October 2017		Jan - Oct 17	
		Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)
Guests	10^3	2 231.2	8.0	1 973.3	8.7	18 223.3	8.6
Overnight stays	10^3	6 296.8	5.3	5 351.9	6.4	51 626.2	7.1
Residents in Portugal	10^3	1 639.3	1.0	1 191.2	5.9	14 017.6	3.6
Residents abroad	10^3	4 657.4	6.9	4 160.8	6.5	37 608.6	8.5
Average stay	no. of nights	2.82	-2.5	2.71	-2.2	2.83	-1.4
Net bed occupancy rate	%	64.2	1.7 p.p.	53.8	1.4 p.p.	54.7	2.4 p.p.
Total revenue	EUR 10^6	413.1	17.8	323.5	18.6	3 052.8	16.6
Revenue from accommodation	EUR 10^6	303.9	18.9	234.8	22.5	2 249.8	18.2
RevPAR (Average revenue per available room)	EUR	70.4	17.2	53.6	20.4	53.8	16.2

Guests and overnight stays grew more than in the previous month

In October 2017, hotel establishments hosted 2.0 million guests who spent 5.4 million overnight stays (+8.7% and +6.4%, respectively), accelerating vis-à-vis September (+8.0% and +5.3%, respectively). Between January and October the number of guests increased by 8.6% and overnight stays grew by 7.1%.

Overnight stays spent in hotels (69.7% of the total) increased by 7.6% and those spent in tourist apartments (8.1% of the total) grew by 8.1%. The remaining typologies and respective categories presented mostly positive evolutions, more so, amongst the most relevant, three star hotels (+13.9%; i.e. 15.9% of the total).

[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 (%)	
	Oct 16	Oct 17	Jan - Oct 17	Oct 17	Jan - Oct 17
Total	**5 031.9**	**5 351.9**	**51 626.2**	**6.4**	**7.1**
Hotels	**3 466.3**	**3 728.5**	**35 132.1**	**7.6**	**8.8**
*****	684.6	692.9	6 696.5	1.2	6.7
****	1 715.2	1 829.7	17 214.0	6.7	8.4
***	745.8	849.5	7 828.6	13.9	11.8
** / *	320.7	356.4	3 393.0	11.1	7.8
Apartment hotels	**684.2**	**694.7**	**7 078.8**	**1.5**	**2.7**
*****	39.4	46.3	466.3	17.3	15.3
****	500.4	506.4	5 139.5	1.2	3.0
*** / **	144.4	142.0	1 473.0	-1.7	- 1.7
Pousadas	**53.1**	**53.8**	**519.4**	**1.3**	**9.3**
Tourist apartments	**402.3**	**435.0**	**4 465.1**	**8.1**	**6.7**
Tourist villages	**218.6**	**229.9**	**2 371.2**	**5.1**	**5.5**
Other tourist establishments	**207.4**	**210.0**	**2 059.6**	**1.3**	**- 1.6**

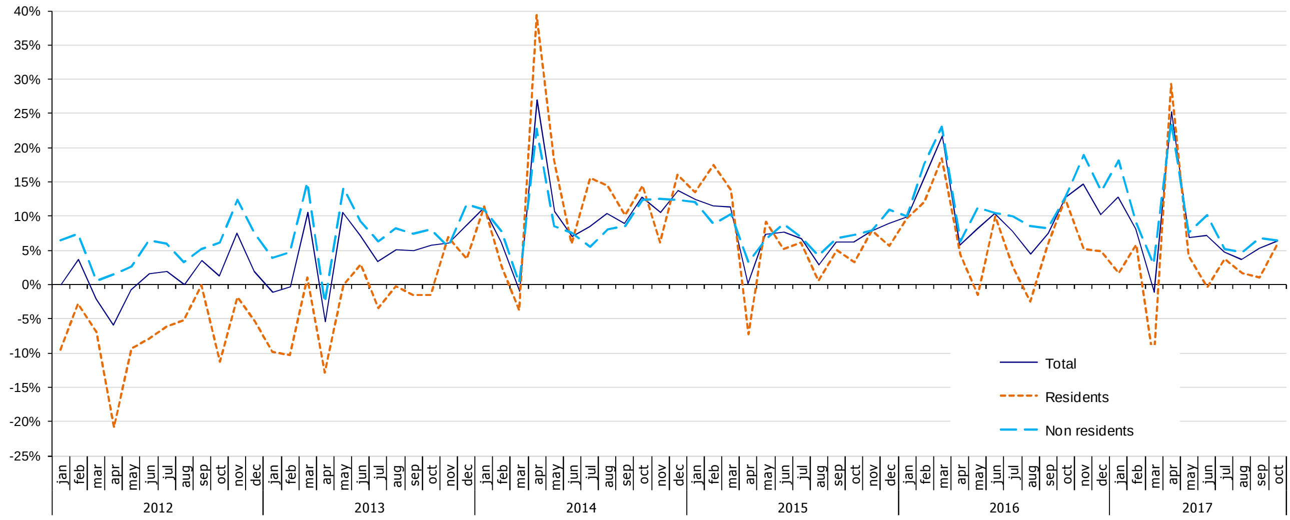
Internal market with the most significant growth since May

The internal market grew by 5.9% (1.0% in September) with a total of 1.2 million overnight stays. This level of increase has not happened since the expressive growth in April, driven by the Easter calendar effect.

In October the external markets slowed down slightly, growing by 6.5% (6.9% in September), having reached 4.2 million overnight stays.

In the first ten months of the year, the internal market recorded 14.0 million overnight stays (+3.6%) while the external markets originated 37.6 million overnight stays (+8.5%).

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



The British market with reduction

The thirteen main inbound markets[2] represented 83.5% of total overnight stays of non residents.

The British market (22.9% of the total overnight stays of non residents) declined by 5.0% in October. This outcome might be connected to the cancellation of some air transport services between the United Kingdom and Faro. Between January and October this market grew by 2.0%.

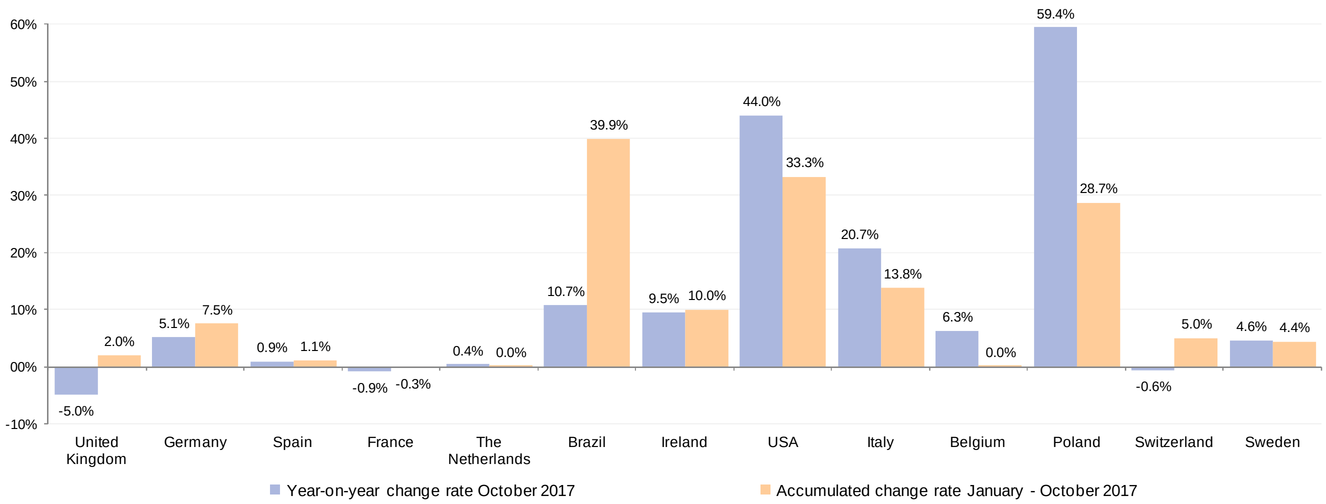
Overnight stays of guests from Germany (15.5% share) increased by 5.1%. In the first ten months of the year this market grew by 7.5%.

The French market (8.8% of the total) kept the downward trend (-0.9%) of the latest months and declined by 0.3% since the beginning of the year.

The Spanish market (7.0% of the total) increased slightly in October (+0.9%) growing by 1.1% in the first ten months of the year.

Amongst the main countries, the emphasis went to the increases recorded in October by the Polish (59.4%), North American (44.0%) and Italian (20.7%) markets. In the first ten months of the year, the evolutions of the Brazilian (39.9%), North American (33.3%) and Polish (28.7%) markets stood out.

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



Growth in the Centro region continues to stand out

In October, there were increases in overnight stays in all regions, with the emphasis on the Centro (+20.4%) and Alentejo (+16.3%). Overnight stays were mostly spent in the Algarve (33.5% weight) and MA Lisboa (25.5%). In this month, there were 320.0 thousand more overnight stays (compared with the same month of the previous year), of which 29.1% in the Centro (93.2 thousand overnight stays added), 25.6% in the Algarve (82.0 thousand more

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

overnight stays) and 21.9% in MA Lisboa (70.2 thousand additional overnight stays). In the period January to October, all regions recorded increases in overnight stays, more so AR Açores (+16.3%), Centro (+14.3%) and Alentejo (+10.6%).

In October, with regard to the increases in overnight stays of residents, the emphasis was on AR Açores (+20.5%), Algarve (+17.8%) and Alentejo (+13.3%), while in the MA Lisboa there was a 1.4% decrease. In the set of the first ten months of the year, the evolution of overnight stays stood out in AR Açores (+18.3%) and in Alentejo (+7.8%).

Overnight stays of non residents presented positive evolutions in all regions of the Mainland in October, with the largest increases having occurred in the Centro (+36.4%) and Alentejo (+20.4%). In the first ten months of the year, the regions of Centro (+28.6%), Alentejo (+15.8%) and AR Açores (+14.9%) stood out with regard to the increases in overnight stays of non residents.

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			
	Oct 17		Jan - Oct 17		Oct 17		Jan - Oct 17		Oct 17		Jan - Oct 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	**5 351.9**	**6.4**	**51 626.2**	**7.1**	**1 191.2**	**5.9**	**14 017.6**	**3.6**	**4 160.8**	**6.5**	**37 608.6**	**8.5**
Norte	689.6	6.4	6 471.6	7.2	267.5	1.4	2 703.8	2.9	422.1	9.9	3 767.8	10.5
Centro	549.2	20.4	5 032.3	14.3	238.2	4.5	2 508.1	2.9	311.0	36.4	2 524.3	28.6
Lisboa MA	1362.2	5.4	12 449.3	8.3	251.1	-1.4	2 637.6	1.7	1 111.1	7.1	9 811.8	10.2
Alentejo	153.9	16.3	1 579.3	10.6	87.3	13.3	1 001.9	7.8	66.6	20.4	577.5	15.8
Algarve	1793.9	4.8	17 891.3	5.4	211.2	17.8	3 770.0	3.2	1 582.6	3.3	14 121.3	6.0
AR Açores	150.8	8.0	1 638.1	16.3	69.0	20.5	668.0	18.3	81.8	-0.6	970.1	14.9
AR Madeira	652.3	0.0	6 564.2	1.9	66.9	3.1	728.3	-0.2	585.4	-0.3	5 835.9	2.1

Still reduction in average stay

The average stay (2.71 nights) decreased by 2.2% and only the Centro region recorded an increase in this indicator (+2.5%). AR Madeira recorded the highest average stay (4.88 nights) on a par with the biggest reduction (-5.6%) amongst the various regions.

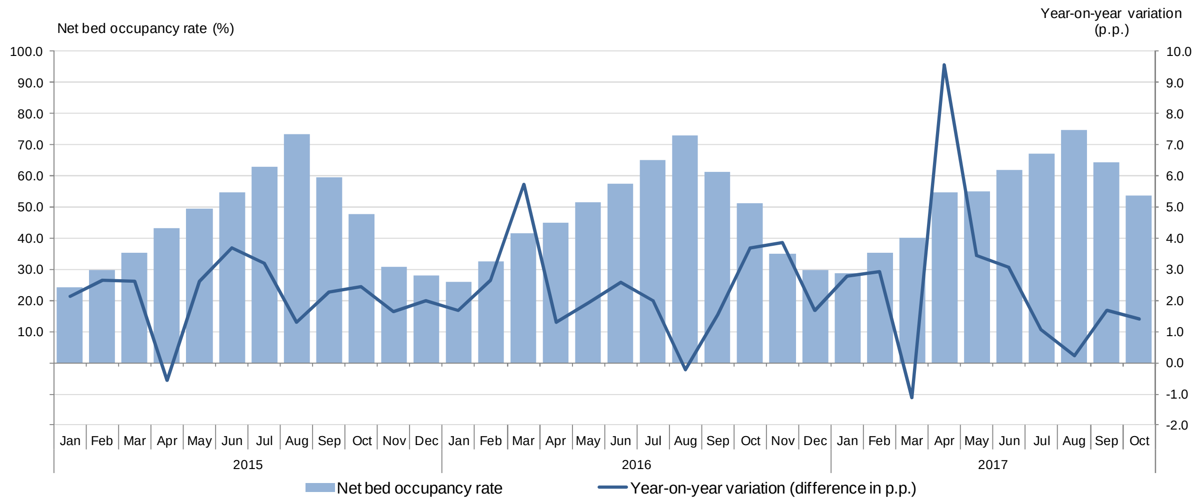
Table 4. Average stay and net bed occupancy rate by region (NUTS II)

NUTS II	Average stay			Occupancy rate		
	No. of nights		Y-o-y change rate (%)	%		Y-o-y variation (p.p.)
	Oct 16	Oct 17		Oct 16	Oct 17	
Portugal	**2.77**	**2.71**	**-2.2**	**52.4**	**53.8**	**1.4**
Norte	1.81	1.79	-1.1	47.6	48.8	1.2
Centro	1.69	1.73	2.5	35.8	41.4	5.6
Lisboa MA	2.31	2.29	-1.1	64.8	66.4	1.5
Alentejo	1.62	1.62	-0.4	32.4	37.2	4.9
Algarve	4.56	4.53	-0.7	51.1	51.6	0.5
AR Açores	3.09	3.03	-1.9	45.8	47.1	1.3
AR Madeira	5.17	4.88	-5.6	71.2	68.9	-2.3

Increase in occupancy rate

The net bed occupancy rate (53.8%) increased by 1.4 p.p. (1.7 p.p. in September). The highest occupancy rates occurred in AR Madeira (68.9%) and MA Lisboa (66.4%). The largest increases in the occupancy rate were recorded in the Centro (+5.6 p.p) and Alentejo (+4.9 p.p.).

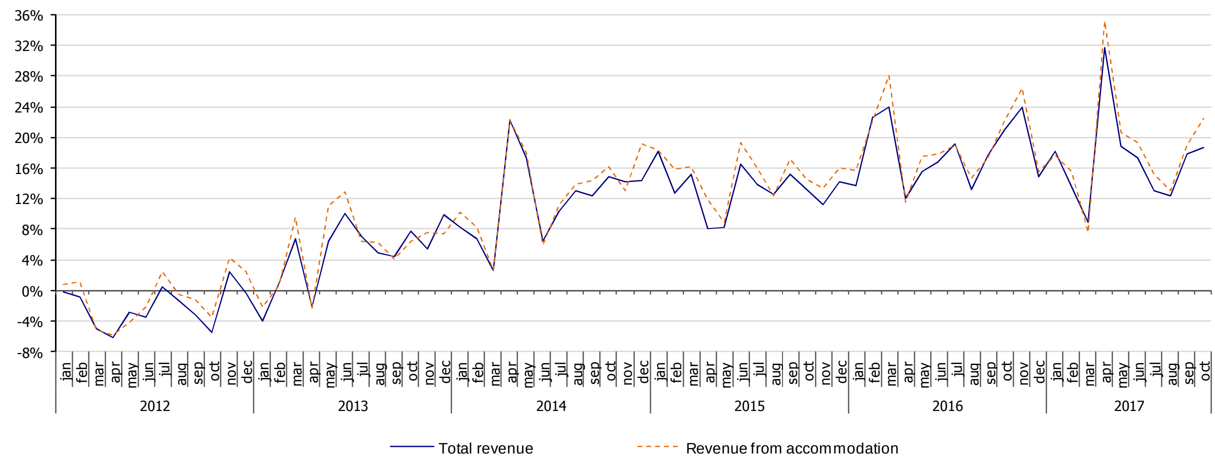
Figure 3. Net bed occupancy rate



Acceleration in revenue

Total revenue from hotel accommodation activity amounted to EUR 323.5 million and revenue from accommodation stood at EUR 234.8 million (+18.6% and +22.5% respectively), keeping on accelerating (+17.8% and +18.9% respectively in the previous month).

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



All regions presented increases in revenue, with the emphasis on the Centro (+34.9% in total revenue and +38.5% in revenue from accommodation) and MA Lisboa (+26.8% and +31.5% respectively).

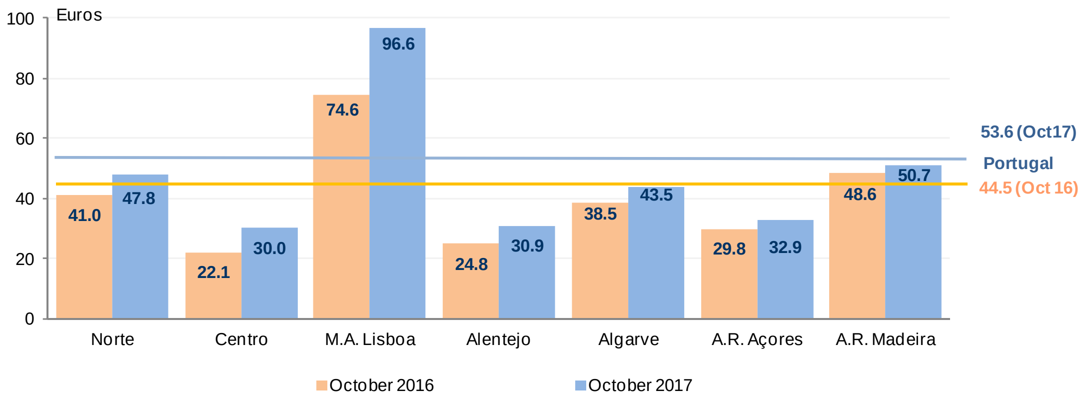
Table 5. Revenue by region (NUTS II)

Unit: EUR 10^6

NUTS II	Total revenue		Revenue from accommodation	
	Oct 17	Year-on-year change rate (%)	Oct 17	Year-on-year change rate (%)
Portugal	**323.5**	**18.6**	**234.8**	**22.5**
Norte	41.1	16.3	31.4	18.7
Centro	27.5	34.9	18.8	38.5
Lisboa MA	119.1	26.8	92.2	31.5
Alentejo	8.7	20.3	5.8	22.5
Algarve	84.7	11.2	58.6	14.2
AR Açores	7.1	17.9	5.0	16.9
AR Madeira	35.3	4.7	22.9	8.2

The average revenue per available room (RevPAR) was EUR 53.6 in October, which corresponded to an increase of 20.4% (17.2% in the previous month). RevPAR ascended to EUR 96.6 in MA Lisboa, and it is also worthy of mention in the AR Madeira (EUR 50.7) and the North (EUR 47.8). The emphasis went to the increases in the Centro (+36.0%), MA Lisboa (+29.4%) and in the Alentejo (+24.8%).

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 apartments (+25.0%), tourist villages (+20.7%) and hotels (+20.6%).

Table 6. RevPAR by type and category of establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Oct 16	Oct 17	%
Total	**44.5**	**53.6**	**20.4**
Hotels	**51.2**	**61.8**	**20.6**
*****	91.6	106.7	16.5
****	51.6	61.9	20.0
***	32.4	42.4	30.7
** / *	27.1	33.5	23.5
Apartment hotels	**37.1**	**42.7**	**15.0**
*****	50.6	60.0	18.6
****	38.4	44.5	15.7
*** / **	28.5	30.7	7.8
Pousadas	**66.0**	**76.7**	**16.1**
Tourist apartments	**21.7**	**27.2**	**25.0**
Tourist villages	**27.7**	**33.4**	**20.7**
Other tourist establishments	**25.7**	**29.0**	**12.9**

Camping sites and holiday camps

In October 2017, camping sites hosted 101.1 thousand campers (+14.1%) which spent 325.7 thousand overnight stays (+7.4%). The internal market contributed the most for the increase in overnight stays (+13.9%) given that the external markets recorded only a slight increase (+0.6%). Residents in Portugal were predominant and stood for 53.6% of the total overnight stays. The average stay (3.22 nights) decreased by 5.9%.

Holiday camps and youth hostels recorded 26.3 thousand guests (+15.5%) and 48.0 thousand overnight stays (+10.5%) in October. The internal market concentrated 62.6% of the total overnight stays and increased by 6.6%, while the external markets grew by 17.6%. The average stay (1.83 nights) declined by 4.4%.

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

Oct 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	101.1	14.1	52.0	18.9	49.2	9.4	26.3	15.5	17.9	13.2	8.4	20.9
Overnight stays	10^3	325.7	7.4	174.7	13.9	151.0	0.6	48.0	10.5	30.1	6.6	18.0	17.6
Average stay	no. nights	3.22	-5.9	3.36	-4.2	3.07	-8.0	1.83	-4.4	1.68	-5.8	2.15	-2.8

EXPLANATORY NOTES

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

2017 – October: preliminary results; January to September: 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 Sep 17	0.0 p.p.	0.1 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: January 15, 2018