15 May 2018

Tourism Activity

March 2018

Easter induces growth of tourism accommodation activity

Hotel and similar establishments hosted 1.5 million guests and 4.0 million overnight stays in March 2018, figures that relate to year-on-year change rates[1] of +11.6% and +10.3%, accelerating when compared with February (+6.5% and +6.2%, respectively). Overnight stays of the internal market stood out with a 16.3% increase (after +7.9% in February) while those of the external markets (72.6% share) grew by 8.2% (+5.5% in the preceding month).

The average stay (2.64 nights) decreased by 1.1% (+4.7% in the case of residents and -3.2% for non residents). The net bed occupancy rate (43.0%) increased by 2.8 p.p.

The reinforced increases in overnight stays had, naturally, an effect on revenue, with total revenue having increased by 17.5% (+10.9% in February), ascending to EUR 220.5 million. Revenue from accommodation increased by 21.1% (+11.5% in February) ascending to EUR 157.2 million.

These results were influenced by the calendar effect of the Easter period, with repercussion at the end of March.

Figure 1. Global preliminary results

	Unit	February 2018		March 2018		Jan - Mar 18	
		Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)
Guests	**10^3**	**1 153.4**	**6.5**	**1 520.7**	**11.6**	**3 693.0**	**7.7**
Residents in Portugal	"	532.7	5.7	617.7	11.1	1 617.3	6.6
Residents abroad	"	620.7	7.3	903.0	11.9	2 075.7	8.6
Overnight stays	**10^3**	**2 947.6**	**6.2**	**4 018.2**	**10.3**	**9 479.2**	**7.6**
Residents in Portugal	"	895.1	7.9	1 099.6	16.3	2 750.1	10.5
Residents abroad	"	2 052.5	5.5	2 918.6	8.2	6 729.1	6.4
Average stay	**no. of nights**	**2.56**	**-0.3**	**2.64**	**-1.1**	**2.57**	**-0.1**
Residents in Portugal	"	1.68	2.2	1.78	4.7	1.70	3.6
Residents abroad	"	3.31	-1.7	3.23	-3.2	3.24	-1.9
Net bed occupancy rate	%	37.1	1.7 p.p.	43.0	2.8 p.p.	36.9	1.8 p.p.
Total revenue	EUR 10^6	151.8	10.9	220.5	17.5	510.3	14.0
Revenue from accommodation	"	105.6	11.5	157.2	21.1	358.7	16.1
RevPAR (Average revenue per available room)	EUR	29.2	8.4	37.3	16.8	30.7	12.6

Numbers of guests and overnight stays keep growing

In March 2018, hotels and similar establishments hosted 1.5 million guests who spent 4.0 million overnight stays (+11.6% and +10.3% respectively), accelerating vis-à-vis February (+6.5% and +6.2%, in the same order).

In the first quarter of the year, the number of guests increased by 7.7% and overnight stays grew by 7.6%.

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

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Overnight stays in hotels (71.9% of the total) increased by 11.1% with the emphasis, as in previous months, on the evolution in three star hotels (+14.5%).

It is worth mentioning the increase in overnight stays in tourist villages (+22.7%), and also the growth rates of 13.8% in tourist apartments and 12.8% in *Pousadas*.

Figure 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 (%)	
	Mar 17	Mar 18	Jan - Mar 18	Mar 18	Jan - Mar 18
Total	**3 641.4**	**4 018.2**	**9 479.2**	**10.3**	**7.6**
Hotels	**2 599.2**	**2 888.9**	**6 842.5**	**11.1**	**9.0**
*****	485.8	524.2	1 233.4	7.9	5.1
****	1 283.1	1 424.6	3 362.9	11.0	9.6
***	574.8	658.1	1 558.6	14.5	12.2
** / *	255.5	282.0	687.6	10.4	6.5
Apartment hotels	**473.1**	**507.7**	**1 185.3**	**7.3**	**1.0**
*****	28.3	33.2	81.3	17.2	8.1
****	346.0	369.5	856.3	6.8	2.0
*** / **	98.7	105.0	247.7	6.4	- 4.5
Pousadas	**39.2**	**44.2**	**106.6**	**12.8**	**10.6**
Tourist apartments	**229.3**	**260.9**	**588.1**	**13.8**	**13.0**
Tourist villages	**136.3**	**167.2**	**372.6**	**22.7**	**12.3**
Other tourist establishments	**164.4**	**149.2**	**384.2**	**-9.2**	**- 7.3**

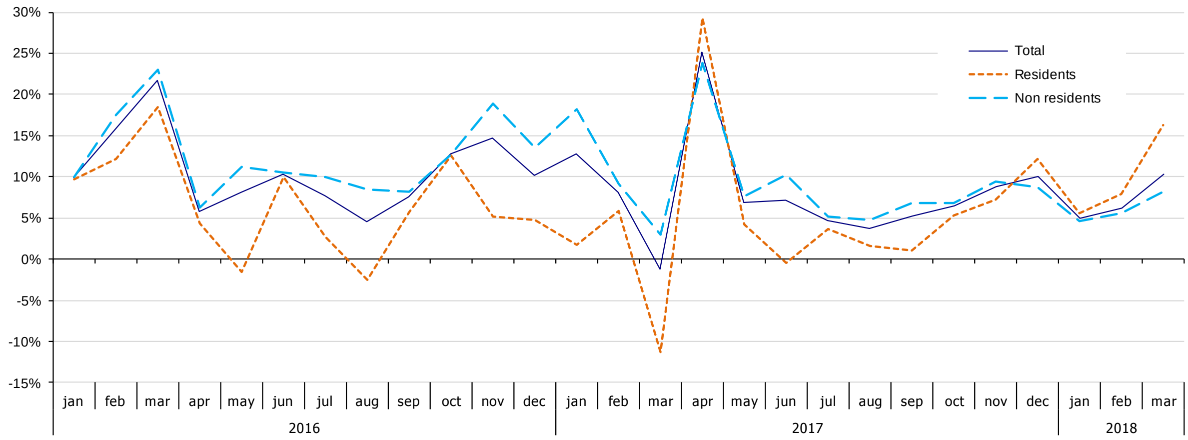
Internal market growth surpasses the one of the external markets

In March, the internal market accelerated and grew by 16.3% (+7.9% in February), contributing with 1.1 million overnight stays. This outcome was influenced by the calendar effect of the Easter period, with repercussion at the end of March.

The external markets also accelerated but less so (+8.2% in March; +5.5% in February) reaching 2.9 million overnight stays.

In the first three months of 2018, overnight stays of residents increased by 10.5% and those of non residents grew by 6.4%.

Figure 3. Overnight stays - Year-on-year change rates



Spanish market with steep increase due to the Easter period

The thirteen main inbound markets[2] represented 81.0% of total overnight stays from non residents.

The British market (18.0% of the total overnight stays of non residents) declined by 5.6% in March, keeping the trend of the latest months. In the first quarter of the year, this market decreased by 5.9%.

Overnight stays of German guests (16.4% of the total) presented a slight decline in March (-0.2%). Since the beginning of the year, this market grew by 1.3%.

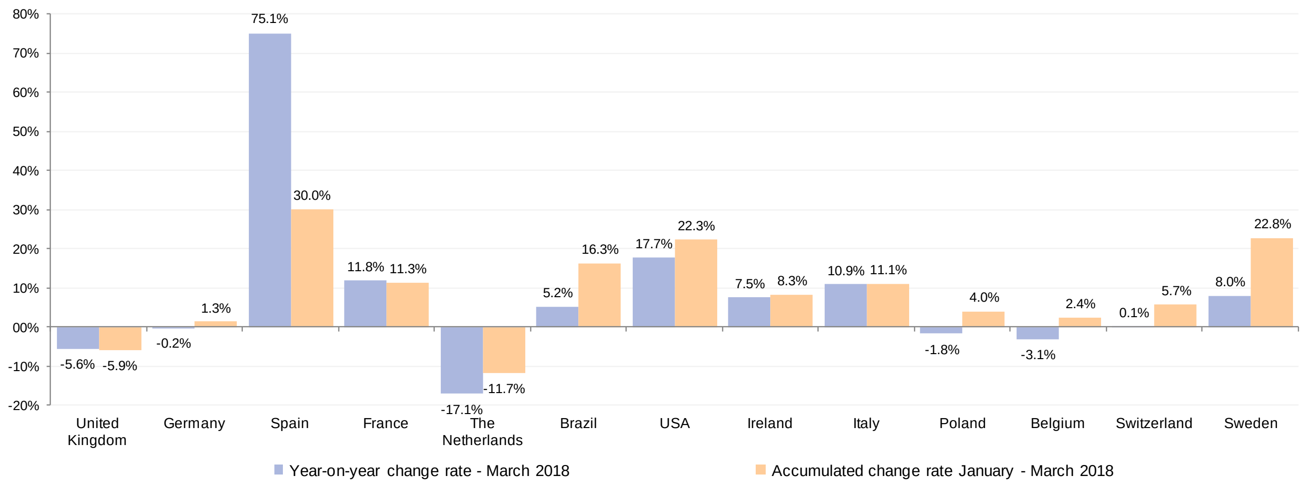
The Spanish market (12.7% of the total), traditionally influenced by the "Easter effect", presented a steep 75.1% increase. In the total of the first three months of the year, this market grew by 30.0%.

Considering France (8.1% of the total overnight stays), there was a 11.8% increase in March, above the growth of the first quarter of the year (+11.3%).

Overnight stays of guests from the Netherlands (5.0% of the total) declined by 17.1% in March. In the first three months of the year, this market declined by 11.7%, following the reductions recorded since the second quarter of 2017.

In March, the increases of the North American (+17.7%) and Italian (+10.9%) markets should also be highlighted. In the first quarter of the year, besides Spain, the emphasis went to the increases presented by the Swedish (+22.8%), North American (+22.3%) and Brazilian (+16.3%) markets.

Figure 4. Overnight stays by main inbound markets: year-on-year and accumulated change rates



[2] Based on provisional results of overnight stays in 2017.

Steep increase of overnight stays in the Alentejo

In March, there were increases in overnight stays in all mainland regions and in AR Açores, with the emphasis on the increases in the Alentejo (+29.9%), Norte (+18.9%) and Centro (+17.4%). The regions of MA Lisboa and Algarve concentrated 29.1% and 27.2% of the total overnight stays, respectively. In this month, there were 376.8 thousand more overnight stays (compared with the same month of the previous year), of which 28.0% from the Algarve (105.5 thousand additional overnight stays), 27.6% from MA Lisboa (103.8 thousand additional overnight stays) and 24.0% from the Norte (90.6 thousand more overnight stays). In the first three months of the year, the emphasis went to the evolutions of the Alentejo (+18.3%), Norte (+12.8%) and Centro (+11.3%).

All regions presented increases in overnight stays of residents in March, with special emphasis on the Algarve (+40.0%), Alentejo (+30.8%) and Centro (+18.1%). Since the beginning of the year, the increases in the Algarve (+25.1%) and Alentejo (+15.7%) stood out.

In March, as regards overnight stays of non residents, the increases recorded in the Alentejo (+28.5%), Norte (+24.2%) and Centro (+16.4%) stood out. In the first quarter 2018, the emphasis also went to these regions: +23.6%; +17.5% and +13.6% respectively. The AR Madeira decreased by 3.9% (-0.2% in the first quarter 2018).

Figure 5. Overnight stays by region NUTS II

Unit: 10^3

NUTS II	Total of overnight stays				Overnight stays from residents				Overnight stays from non residents			
	Mar 18		Jan - Mar 18		Mar 18		Jan - Mar 18		Mar 18		Jan - Mar 18	
	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	**4 018.2**	**10.3**	**9 479.2**	**7.6**	**1 099.6**	**16.3**	**2 750.1**	**10.5**	**2 918.6**	**8.2**	**6 729.1**	**6.4**
Norte	571.0	18.9	1 381.1	12.8	245.2	12.5	648.1	8.0	325.8	24.2	733.0	17.5
Centro	378.8	17.4	883.9	11.3	221.9	18.1	559.7	10.0	156.9	16.4	324.2	13.6
MA Lisboa	1169.6	9.7	2 873.6	8.7	259.4	5.5	697.0	5.8	910.2	11.0	2 176.6	9.6
Alentejo	118.8	29.9	280.9	18.3	75.6	30.8	184.0	15.7	43.2	28.5	96.9	23.6
Algarve	1093.2	10.7	2 267.1	5.6	177.3	40.0	384.8	25.1	915.9	6.4	1 882.3	2.3
AR Açores	120.1	8.6	268.1	9.6	66.6	11.4	152.1	10.6	53.5	5.3	116.0	8.4
AR Madeira	566.6	-2.8	1 524.6	0.3	53.5	9.3	124.5	5.7	513.0	-3.9	1 400.1	-0.2

Average stay declined due to non residents

The average stay (2.64 nights) decreased by 1.1% with the negative contribution of non residents (-3.2%), given that the average stay of residents increased by 4.7%.

The most significant increases were recorded in the Centro (+3.7%) and Norte (+2.5%). This ratio was higher in the AR Madeira (5.06 nights) and in the Algarve (4.34 nights).

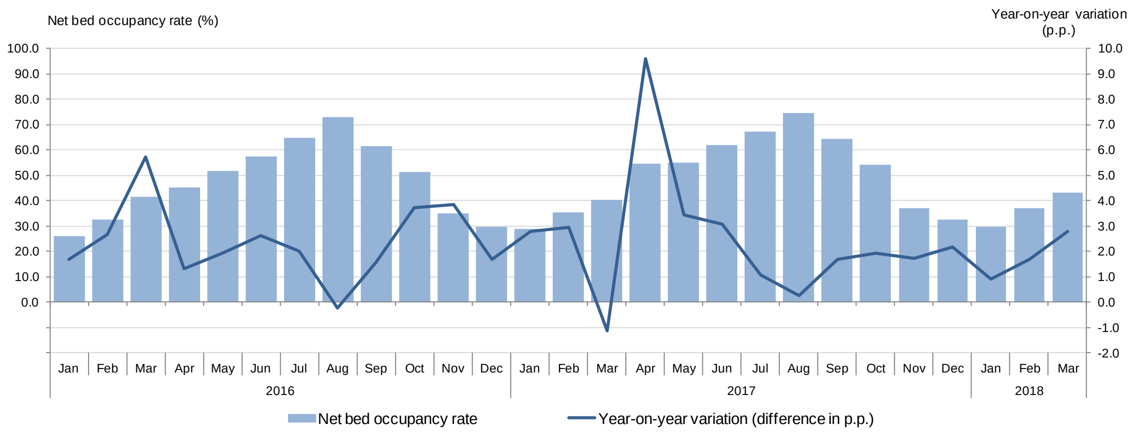
Figure 6. Average stay and net bed occupancy rate by region NUTS II

NUTS II	Average stay			Occupancy rate		
	No. of nights		Y-o-y change rate (%)	%		Y-o-y variation (p.p.)
	Mar 17	Mar 18		Mar 17	Mar 18	
Portugal	**2.67**	**2.64**	**-1.1**	**40.3**	**43.0**	**2.8**
Norte	1.72	1.77	2.5	35.0	40.5	5.6
Centro	1.64	1.70	3.7	25.9	28.9	3.0
MA Lisboa	2.30	2.35	2.0	53.5	57.1	3.6
Alentejo	1.65	1.68	1.9	23.7	29.7	6.0
Algarve	4.63	4.34	-6.3	33.9	36.6	2.7
AR Açores	2.94	2.93	-0.5	38.2	39.2	1.1
AR Madeira	4.96	5.06	2.0	68.7	64.4	-4.3

Increase in the occupancy rate

The net bed occupancy rate (43.0%) increased by 2.8 p.p. in March (+1.7 p.p. in February). The AR Madeira recorded the highest rate (64.4%), followed by MA Lisboa (57.1%). The largest increases in the occupancy rate were recorded in Alentejo (+6.0 p.p.) and in the Norte (+5.6 p.p.). The AR Madeira was the only region recording a decrease (-4.3 p.p.).

Figure 7. Net bed occupancy rate

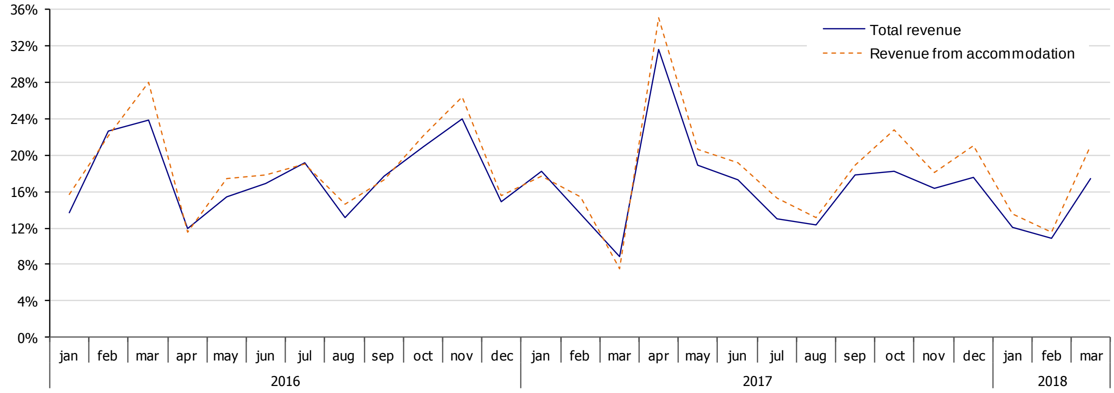


Acceleration in revenue

Total revenue amounted to EUR 220.5 million and revenue from accommodation stood at EUR 157.2 million (+17.5% and +21.1%, respectively) accelerating vis-à-vis February (+10.9% and +11.5%, in the same order).

The overall trend of the latest months of higher increases in revenue from accommodation compared to total revenue was kept.

Figure 8. Total revenue and revenue from accommodation - Year-on-year change rates



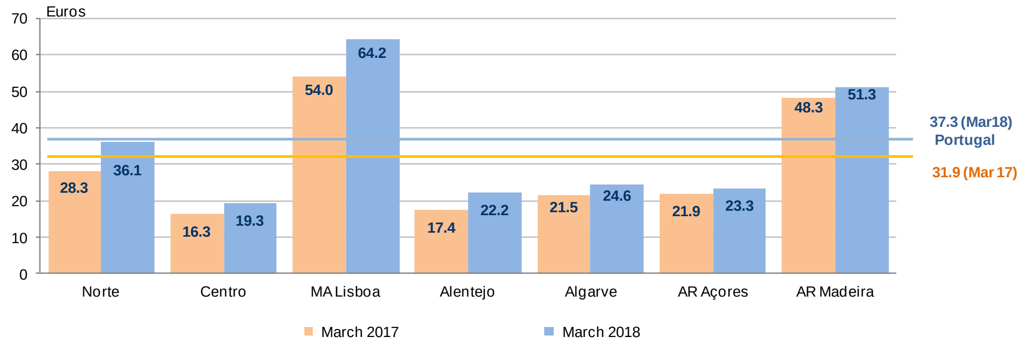
Amongst the various regions, the emphasis went to the increases in revenue in the Norte (+27.8% in total revenue and +30.9% in revenue from accommodation), Alentejo (+26.2% and +31.3%, respectively) and Centro (+26.4% and +24.1%, in the same order).

Figure 9. Revenue by region NUTS II

NUTS II	Total revenue			Revenue from accommodation		
	EUR 10^6		Y-o-y change rate (%)	EUR 10^6		Y-o-y change rate (%)
	Mar 17	Mar 18		Mar 17	Mar 18	
Portugal	**187.7**	**220.5**	**17.5**	**129.8**	**157.2**	**21.1**
Norte	25.2	32.2	27.8	18.5	24.2	30.9
Centro	14.6	18.5	26.4	9.7	12.1	24.1
MA Lisboa	69.5	80.7	16.1	50.8	62.0	22.1
Alentejo	4.8	6.0	26.2	3.1	4.1	31.3
Algarve	38.6	45.3	17.2	24.8	29.7	19.8
AR Açores	4.3	4.9	14.2	3.0	3.4	13.1
AR Madeira	30.7	33.0	7.4	19.9	21.7	9.2

The average revenue per available room (RevPAR) was EUR 37.3 in March, which corresponded to an increase of 16.8% (+8.4% in February). The regions of MA Lisboa and AR Madeira recorded the highest RevPAR: EUR 64.2 and EUR 51.3, respectively. As regards this indicator, the emphasis went to the increases in Alentejo (+27.3%) and Norte (+27.2%).

Figure 10. Average revenue per available room



The evolution of RevPAR was overall positive with regard to the different typologies and corresponding categories. In this month, the largest increases were recorded in "pousadas" (+32.1%), tourist apartments (+22.8%) and hotels (+17.0%), the latter with the emphasis on four and three star units (+20.1% and +19.3%, respectively).

Figure 11. RevPAR by type and category of the establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Mar 17	Mar 18	%
Total	**31.9**	**37.3**	**16.8**
Hotels	**36.1**	**42.2**	**17.0**
*****	61.3	70.2	14.5
****	36.4	43.7	20.1
***	23.7	28.2	19.3
** / *	21.7	23.9	10.2
Apartment hotels	**27.4**	**30.5**	**11.4**
*****	31.1	38.5	24.0
****	29.3	31.8	8.5
*** / **	18.9	23.3	23.0
Pousadas	**41.4**	**54.8**	**32.1**
Tourist apartments	**13.5**	**16.6**	**22.8**
Tourist villages	**18.5**	**20.2**	**9.2**
Other tourist establishments	**23.4**	**27.2**	**16.2**

Camping sites and holiday camps

In March 2018, camping sites hosted 61.4 thousand campers (+8.7%) which spent 243.9 thousand overnight stays (+9.2%). Both the internal market (+12.2%) and the external markets (+7.2%) contributed for the increase in overnight stays, the latter being predominant (59.9% of the total overnight stays). The average stay (3.97 nights) increased slightly (+0.5%).

Holiday camps and youth hostels recorded 23.1 thousand guests (-3.2%) and 45.9 thousand overnight stays (+4.8%). The internal market concentrated 70.9% of the total overnight stays and grew by 1.1%, while the external markets had a greater increase (+14.8%). The average stay (1.99 nights) raised by 8.3%.

Figure 12. Camping, holiday camps and youth hostels

	Unit	Total				Residents				Non residents			
		Mar 18		Jan - Mar 18		Mar 18		Jan - Mar 18		Mar 18		Jan - Mar 18	
		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 (%)
Camping sites													
Campers	10^3	61.4	8.7	160.8	14.8	30.6	15.9	80.3	13.9	30.9	2.3	80.5	15.6
Overnight stays	"	243.9	9.2	677.7	12.0	97.9	12.2	263.1	12.3	146.1	7.2	414.6	11.8
Average stay	no. nights	3.97	0.5	4.22	-2.4	3.20	-3.2	3.28	-1.4	4.73	4.8	5.15	-3.2
Holiday camps and youth hostels													
Guests	10^3	23.1	-3.2	52.4	4.1	17.2	-7.9	40.5	0.1	5.9	13.5	11.9	20.6
Overnight stays	"	45.9	4.8	103.7	8.8	32.5	1.1	74.2	4.1	13.4	14.8	29.5	22.4
Average stay	no. nights	1.99	8.3	1.98	4.5	1.89	9.7	1.83	4.1	2.29	1.2	2.47	1.5

EXPLANATORY NOTES

The sources used in this press release are: Survey on guest stays in hotel establishments and other accommodations, Survey on guest stays in camping sites and Survey on guest stays in holiday camps and youth hostels.

Data made available in this press release relates to establishments operating in each reference period, considering:

2017 – January to December: provisional results; 2018 – January to February: provisional results; March: preliminary 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 Feb 18	0.0 p.p.	-0.2 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 ten or more beds: hotels, apartment hotels, "*pousadas*", tourist apartments and tourist villages, as well as other accommodation establishments – boarding houses, motels and inns including *"quintas da Madeira"*,

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.

Language - 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: June 15, 2018