press release

INSTITUTO NACIONAL DE ESTATÍSTICA
STATISTICS PORTUGAL

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Tourism Statistics
2018

Tourism accommodation sector grew in 2018 but at a slower pace

Concerning to 2018, estimations show that the number of non-resident **tourists arriving in Portugal** reached 22.8 million, corresponding to a growth of 7.5% compared to 2017. This increase is lower than the one estimated for the previous year (+16.6%). Spain remained as the main inbound market (share of 25.4%).

When considering the **tourism accommodation sector**[1] in 2018, the number of guests amounted to 25.2 million and overnight stays stood at 67.7 million, corresponding to increases of 5.1% and 3.1%, respectively (+12.9% and +10.8%, by the same order, in 2017). **Hotel activity** concentrated 81.0% of guests and 83.6% of overnight stays, followed by **local accommodation** (shares of 15.6% and 13.8%, respectively) and the **tourism in rural areas/lodging** (3.4% and 2.6%, in the same order). The domestic market generated 19.9 million overnight stays (29.4% of the total) and grew by 6.5% in 2018 (+7.3% in 2017). Overnight stays of the external markets (70.6% of the total) grew significantly less (+1.8%) than the previous year (+12.2%) and reached 47.8 million.

In 2018, **residents in Portugal** made a total of 22.1 million tourism trips, increasing by 4.2% (+5.0% in 2017 and +5.4% in 2016). The number of trips taken within the national territory amounted to 19.6 million, increasing by 3.2% (+4.1% in the previous year). Trips abroad (2.5 million) represented 11.3% of the total, having increased by 13.3% (+13.1% in 2017).

With this press release INE announces the publication of "**Tourism Statistics 2018**", which provides a wide range of indicators on tourism activity in Portugal, in terms of supply and occupation of tourism accommodation, as well as tourism demand of residents, in 2018.

[1] Hotel and similar establishments, rural tourism, lodging and local accommodation (the latter with ten or more bed places on the mainland and RA Açores, without restriction regarding capacity on RA Madeira)

International arrivals (world) kept the increasing trend

In 2018, through the world, the upward trend in tourist arrivals continued at a slower pace (+5.6%, i.e. -1.4 p.p. compared to the change rate of the previous year) standing at 1.4 billion, according to the provisional data available from the World Tourism Organization. Europe continued to concentrate most international tourist arrivals (50.9%) with a total of 713.4 million, followed by the region of Asia and the Pacific with 24.6% of the arrivals (345.1 million). The Americas kept ranking third with 15.5% (217.3 million tourists).

Tourist's arrivals at Portugal went up by 7.5%

Concerning to 2018, estimations show that the number of non-resident tourists arriving in Portugal reached 22.8 million, corresponding to a growth of 7.5% compared to 2017. This increase is lower than the one estimated for the previous year (+16.6%). Spain remained as the main inbound market (share of 25.4%; +0.3 p.p.), having grown by 8.9% in 2018 and contributing with around 30% to the total increase in the number of tourist arrivals.

Balance of the item Travel and Tourism increased by 9.7%

According to the most recent data disseminated by Banco de Portugal regarding the Balance of Payments, the emphasis went to the 9.7% increase in the balance of item "Travel and Tourism", below the figure recorded in the previous year (+23.0% in 2017, +12.7% in 2016). The change in the balance reflected the increase of revenue/credits by 9.6% in 2018 (+19.5% in 2017), amounting to €16.6 billion, and the 9.6% increase of expenditure/debits (+11.5% in 2017) which totalled €4.7 billion in 2018.

Accommodation activity with deceleration

When considering the **tourism accommodation sector**[2], in July 2018 there were 6,868 establishments in operation with a capacity of 423.2 thousand bed places (+4.3%[3]; +5.8% in 2017).

The number of guests amounted to 25.2 million and overnight stays stood at 67.7 million, corresponding to increases of 5.1% and 3.1%, respectively (+12.9% and +10.8%, by the same order, in 2017).

[2] Hotel and similar establishments, rural tourism, lodging and local accommodation (the latter with ten or more bed places on the mainland and RA Açores, without restriction regarding capacity on RA Madeira)

[3] Annual rates of change in 2018 for total establishments and local accommodation do not include local accommodation in RA Açores for reasons of comparability between years

Figure 1 - Global results of the tourism accommodation sector

Global results	Unit	2017	2018	Y-o-y change rate (%) [1]
Establishment	nº	5 840	6 868	14.8
Accomodation capacity	"	402 832	423 152	4.3
Guests	10^3	23 953.8	25 249.9	5.1
Overnight stays	"	65 385.2	67 662.1	3.1
Average stay	no. of nights	2.7	2.7	-2.0
Net bed occupancy rate	%	48.9	47.8	-0.9 p.p.
Total revenue	10^6 €	3 681.2	3 986.6	8.1
Revenue from accomodation	"	2 738.0	2 993.2	9.1
RevPAR (Average revenue per available room)	€	46.2	47.8	3.8

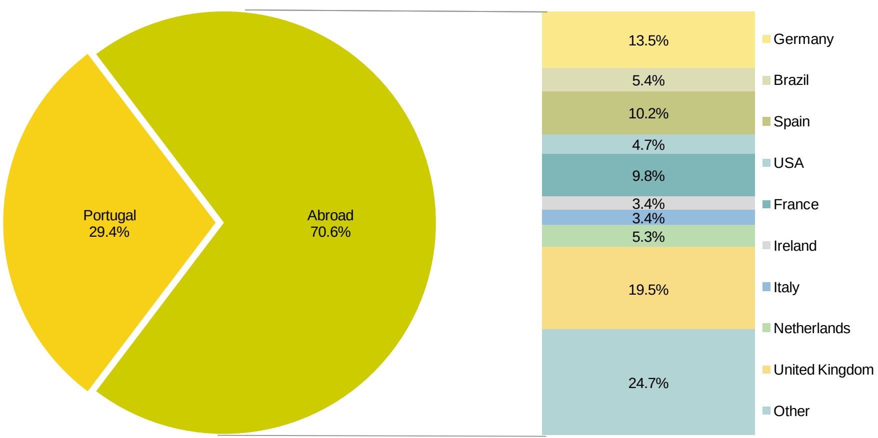
[1] Year-on-year change rates without local accommodation in RA Açores

The domestic market generated 19.9 million overnight stays, corresponding to 29.4% of the total and grew by 6.5% in 2018 (+7.3% in 2017). Overnight stays of the external markets grew significantly less (+1.8%) than the previous year (+12.2%) and reached 47.8 million overnight stays (70.6% of the total).

Concerning the evolution of overnight stays in the different regions, the highlight goes to the increases in the Norte (+8.5%) and in the Alentejo (+7.6%). The Algarve remained as the main destination (30.2% of total overnight stays), losing weight (-0.5 p.p.), followed by AM Lisboa (25.9%), with a share growing by 0.5 p.p.

The United Kingdom remained the main inbound market (19.5% of non-residents' overnight stays), even though reducing by 5.3% in 2018. The German market (13.5% of the total) declined slightly by 0.5%, while the Spanish market (share of 10.2%) grew by 5.4%. Amongst the main markets, the emphasis also went to the increases in the North American (+24.0%), Canadian (+20.9%), Brazilian (+14.4%) and Chinese (+13.8%) markets.

Figure 2 – Overnight stays (%) in tourism accommodation establishments by country of residence, 2018



The **hotel activity**, with a capacity of 321.0 thousand bed places, concentrated 75.9% of the total accommodation sector capacity. This capacity raised by 2.6% (+3.5% in 2017). This subsector was comprised of 1,865 establishments (27.2% of the total), more 6.1% than in 2017, a year with a 5.3% growth.

In 2018, hotel accommodation establishments hosted 20.5 million guests and recorded 56.6 million overnight stays, which corresponded to rates of change of +3.4% and +1.5%, respectively, slowing down towards the results of the previous year (+10.1% and +8.4%, in the same order).

The number of overnight stays of the internal market in 2018 accelerated to a 7.0% growth (+5.4% in 2017) and amounted to 16.0 million, 28.4% of the total overnight stays of this subsector. Overnight stays of non-residents recorded a slight decrease (-0.5%, following +9.6% in 2017) amounting to 40.5 million. In hotel activity, all regions accounted for increases in the number of overnight stays except for RA Madeira (-2.4%). The increases in the North (+7.3%) and Alentejo (+7.0%) stood out. As usual, the main destinations were the Algarve (33.3% of total overnight stays), AM Lisboa (25.1%), Norte (13.3%) and RA Madeira (12.4%).

Hotels accounted for 71.6% of overnight stays in hotel activity establishments, with the emphasis on four and three-star units (49.1% and 22.6% of overnight stays in hotels, respectively). Considering overnight stays in this subsector, hotel apartments followed at 13.7%.

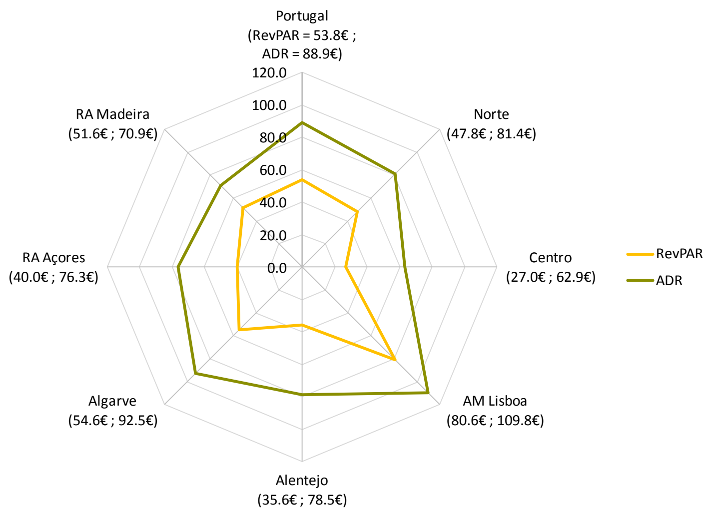
The average stay in hotel activity establishments was 2.77 nights, declining by 1.9%, more expressively than in 2017 (-1.5%). The net bed occupancy rate in hotel establishments was 51.9% (-1.0 p.p. compared to 2017).

Total revenue in hotel activity amounted to €3.6 billion (+7.4%) and the revenue from accommodation totalled €2.6 billion (+8.1%), significantly below the rates of change recorded in 2017 (+17.7% and +19.6%, respectively).

The average revenue per occupied room (ADR) in hotel activity stood at €88.9 in 2018 (+1.5%).

The revenue per available room (RevPAR) in hotel activity was €53.8 (+4.0%), decelerating from previous years (+15.8% in 2017).

Figure 3 – RevPAR and ADR by regions NUTS II, 2018



In what concerns **tourism in rural areas and lodging tourism**, in 2018 (31st July) there were 1,469 operating establishments, with a capacity of 24.0 thousand bed places.

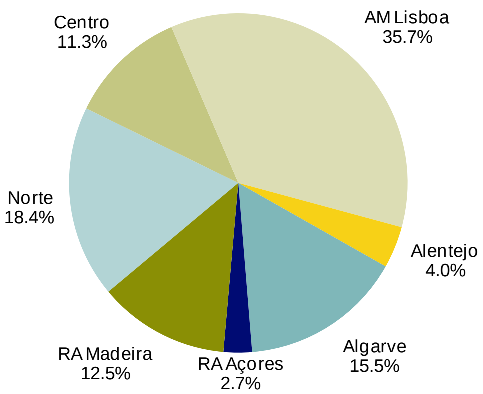
The number of guests in rural/lodging tourism stood at 848.7 thousand (+6.8%) and the number of overnight stays was 1.8 million (+5.3%). The average stay was 2.11 nights (-1.4%) and the net bed occupancy rate was 24.3% (+0.5 p.p. compared to 2017).

The revenue per available room (RevPAR) was €24.8 (+5.6%) and the average revenue per occupied room (ADR) stood at €96.9 (+0.5%).

Regarding **local accommodation** in 2018 (31st July), it was comprised of 3,534 establishments and 78.2 thousand available bed places[4]. In 2018, local accommodation establishments hosted 4.0 million guests (+14.1%, +28.8% in 2017), which spent 9.3 million overnight stays (+13.9%, +26.7% in 2017), revealing the most significant increases compared to the other accommodation sub sectors – hotel activity and tourism in rural areas/lodging tourism. The average stay in local accommodation establishments was 2.36 nights (+0.5%) and the net bed occupancy rate was 37.0% (-0.2 p.p.).

The revenue per available room (RevPAR) in this type of accommodation was €27.0 (+6.1%) and the average revenue per occupied room (ADR) stood at €69.8 (-2.7%).

Figure 4 – Overnight stays (%) in local accommodation by regions NUTS II, 2018



In July 2018, 241 **camping sites** were identified, with a capacity on offer for 190.0 thousand campers. The number of campers in camping sites amounted to 2.0 million (+3.1%) in 2018, which in turn spent 6.8 million overnight stays (+4.0%). Although the evolution on the number of campers has not changed significantly compared to 2017 (-0.1 p.p.), the number of overnight stays recovered towards the 0.5% reduction in 2017.

In July 2018, there were 85 **holiday camps and youth hostels** in operation, offering 8.8 thousand beds. Around 327.0 thousand guests were welcomed at these facilities, spending 694.8 thousand overnight stays, corresponding to declining rates of change compared to the previous year (-1.0% and -0.2%, respectively). The internal market

[4] On the mainland and RA Açores only units with 10 and more bed places were considered.

contributed solely for this reduction (-4.6% in the number of overnight stays), given that the external markets presented an increase (+12.2% in overnight stays).

According to the results of the **Travel Survey of Residents**, in 2018, 48.0% of the resident population (around 4.9 million individuals) made at least one tourist trip, more 7.6% compared to 2017, in which the change rate was +0.8%.

In 2018, the number of tourist trips amounted to 22.1 million, increasing by 4.2% (+5.0% in 2017 and +5.4% in 2016). The number of trips taken within the national territory amounted to 19.6 million (88.7% of the total, 89.6% in 2017), increasing by 3.2% (+4.1% in the previous year). With regard to trips abroad (11.3% of the total; 10.4% in 2017), the total number reached 2.5 million, with a 13.3% increase (+13.1% in 2017).

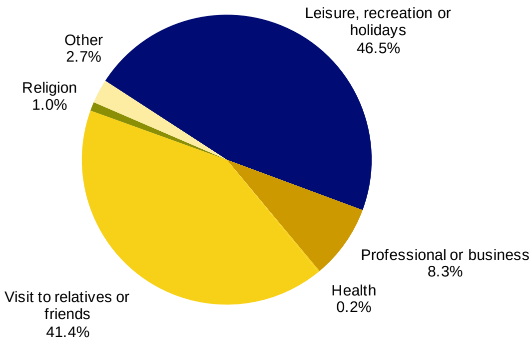
Each trip lasted, on average, 4.0 nights (the same as in 2017). Trips abroad lasted on average 7.3 nights (7.8 in 2017) while in domestic trips the average duration was 3.6 nights (as in 2017).

The average expenditure per tourist in each trip raised 10.9% to €167.0 (+10.0% in 2017). In domestic trips, residents spent on average €121.5 per tourist/trip (€111.4 in 2017), whereas in trips abroad the average expenditure per tourist/trip was €525.7 (€489.9 in 2017).

The number of overnight stays resulting from tourist trips taken by residents ascended to 87.8 million in 2018 (+2.8% from 2017) and were mostly related to domestic trips (79.2% of the total, -0.8 p.p. vis-à-vis the previous year).

"Free private accommodation provided by relatives or friends" concentrated the largest number of overnight stays (36.6 million, 41.4%) and stood as the most used means of accommodation in domestic trips (44.5%). In trips abroad, the main accommodation option was "hotels and similar establishments" (49.4% of overnight stays).

Figure 5 – Breakdown of trips by motivations, 2018



According to the information of the Monthly Statement of Earnings, transmitted by the enterprises to the Social Security, in 2018 the **gross monthly earnings per employee** increased by 2.9% compared to 2017, corresponding to € 1,142, for the total economy (€ 1,110 in 2017).

Specifically in the accommodation activities (NACE 55), the gross monthly earnings stood at € 1,031 in 2018 (€ 1,001 in 2017), € 111 lower than in the total economy. Compared to the previous year, the gross monthly earnings per employee in this activity grew by 3.0%.

Figure 6 – Number of employees and gross monthly earnings per employee

	NACE 55		
	Number of enterprises	Number of employees	Gross monthly earnings
	thousand		€
2014	4.1	514	973
2015	4.5	55.1	971
2016	5.1	60.4	984
2017	5.7	67.4	1001
2018	6.4	72.7	1031

Source: Calculations by Statistics Portugal using the Social Security Monthly Statement of Earnings

EXPLANATORY NOTES

DEFINITIONS

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*) – Revenue per available room, calculated on revenue from accommodation and available rooms during the reference period.

ADR - Revenue per used room, calculated on revenue from accommodation and utilization of rooms during the reference period.

Hotel accommodation activity – Includes establishments with 10 or more bed places: hotels, apartment hotels, pousadas, quintas da Madeira, tourist apartments and tourist villages.

Local accommodation: Establishment providing temporary accommodation services for remuneration, in particular for tourists, which meets the requirements of the legislation in force, excluding the specific requirements of tourist undertakings. Includes former typologies.

Rural tourism establishment - Establishment intended to provide accommodation services in rural areas, having for its operation an adequate set of facilities, structures, equipment and complementary services, in order to preserve and enhance the architectural, historical, natural and landscape heritage of the respective region.

Camp sites –A collective, fenced-off facility for tents, caravans, trailers and mobile homes.

Rural tourism - Family-run lodging provided in private country houses which, due to their style, construction material and other characteristics, form part of traditional regional architecture.

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.

Visitor – A person who moves to a place outside his / her usual environment for a period of less than 12 months, the main reason for which is other than a paid activity in the place visited. There are two categories of visitors: same-day visitors and tourists.

Usual living environment – Environment in the proximity of an individual's residence, in relation to its working and studying places, as well as other places frequently visited. Distance and frequency are two closely related dimensions to this concept and include the places located near the place of residence, regardless of how often visited and the places located at a considerable distance of the place of residence (including those in a foreign country), frequently visited (once or several times per week on average) on a routine basis.

One individual has only one usual living environment, with the concept applied on both levels of domestic tourism and international tourism.

Same-day visit – a trip to one or more tourist destinations, including return to the starting point on the same day, and covering the entire period of time during which a person remains outside his or her usual environment.

Tourist trip - travel to one or more tourist destinations, including return to the point of departure and covering the entire period of time during which a person remains outside his or her usual environment.

Total gross monthly earnings - The total gross monthly earnings correspond to the sum of all gross earnings (before taxes and contributions to the Social Security) paid by enterprises and subject to withholding taxes and contributions to the Social Security. Thus, it does not include the amounts exempt from tax withheld and contributions to the Social Security as, for example, meal allowances up to €4.77 or €7.63, if paid in cash or meal cards. It includes all components of the variable "Earnings components".