February 16, 2016

Tourism Activity

December 2015

External markets strengthened growth in hotel activity at the end of the year

Hotel establishments recorded 989.2 thousand guests and 2.3 million overnight stays **in December 2015**, corresponding to year-on-year increases[1] of 9.6% and 9.8%, above the results of November (+7.2% and +8.4%). Overnight stays from the external markets reinforced their growth (+7.4% in the previous month and +11.6% in December) while the internal market increased but slowing down (+10.8% in November and +7.1% in December).

The average stay was 2.29 nights and increased slightly (+0.2%). The net bed occupancy rate stood at 28.3% (+2.2 p.p.).

The evolution of revenue was clearly positive (+14.6% in total revenue and +16.1% in revenue from accommodation) and surpassed the record of the previous month (+11.9% and +13.1%).

In the whole year of 2015 (preliminary data), hotel establishments registered 17.4 million guests and 48.9 million overnight stays (+8.6% and +6.7% respectively). Overnight stays from residents stood at 14.5 million (+5.3%) and those spent by non residents totalled 34.4 million (+7.3%).

Increases in revenue stood above the ones recorded in overnight stays in **2015** (+13.1% in total revenue and +14.7% in revenue from accommodation).

Table 1. Global preliminary results from tourism activity

Global preliminary results	Unit	Month		Accumulated	
		Dec-15	Year-on-year change rate (%)	Jan to Dec 15	Tvh (%)
Guests	10^3	989.2	9.6	17 438.4	8.6
Overnight stays	10^3	2 269.5	9.8	48 937.8	6.7
Residents in Portugal	10^3	870.7	7.1	14 512.4	5.3
Residents abroad	10^3	1 398.9	11.6	34 425.4	7.3
Average stay	no. of nights	2.29	0.2	2.81	-1.8
Net bed occupancy rate	%	28.3	2.2 p.p.	46.1	2.1 p.p.
Total revenue	EUR 10^6	118.7	14.6	2 479.9	13.1
Revenue from accommodation	EUR 10^6	77.4	16.1	1 776.3	14.7
RevPAR (Average revenue per available room)	EUR	21.0	14.5	37.8	14.4

[1] Unless stated otherwise, the change rates presented in this press release were calculated in relation to the same period of the previous year, therefore they should be considered as year-on-year change rates.

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Slight acceleration in guests and overnight stays

In December 2015, tourism accommodation establishments registered 989.2 thousand guests and 2.3 million overnight stays, revealing increases of 9.6% and 9.8% respectively, above the ones recorded in November (+7.2% and +8.4%) and October (+9.4% and +6.8%).

Hotels were responsible for 71.6% of overnight stays and accounted for an 11.1% increase. Apartment hotels, with 11.8% representativeness, presented a slight increase (+0.7%).

Worthy of mention are the steep increases in overnight stays recorded in tourist villages (+34.9%) and in tourist apartments (+17.4%).

In the **whole year of 2015** (preliminary data), the number of guests ascended to 17.4 million (+8.6%) and overnight stays totaled 48.9 million (+6.7%), also revealing a positive evolution but below the results of 2014 (+11.7% and +10.4%).

Table 2. Overnight stays by type and category of the establishment

Unit: 10^3

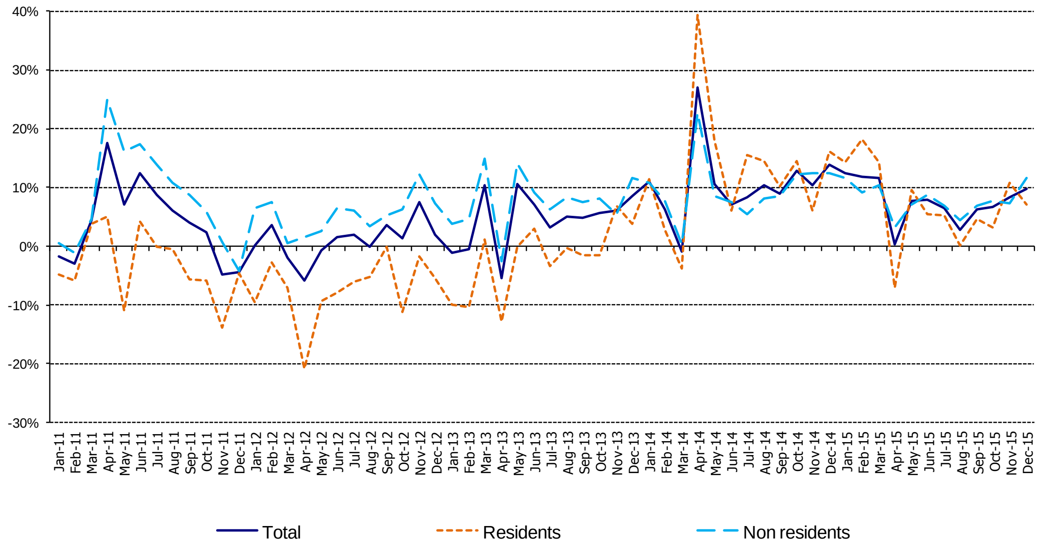
Type of establishment and category	Overnight stays		Year-on-year change rate
	Dec-14	Dec-15	%
Total	**2 066.6**	**2 269.5**	**9.8**
Hotels	**1 462.1**	**1 624.6**	**11.1**
*****	264.9	292.7	10.5
****	674.4	763.1	13.2
***	349.0	378.3	8.4
** / *	173.8	190.5	9.6
Apartment hotels	**264.8**	**266.8**	**0.7**
*****	21.1	18.5	-12.3
****	182.8	185.4	1.4
*** / **	60.9	62.8	3.2
Pousadas	**27.2**	**30.3**	**11.3**
Tourist apartments	**110.1**	**129.3**	**17.4**
Tourist villages	**60.3**	**81.3**	**34.9**
Other tourist establishments	**142.1**	**137.3**	**-3.4**

Steep increase in overnight stays from non residents

Overnight stays from residents attained 870.7 thousand and slowed down (+10.8% in November and +7.1% in December), contrary to the evolution recorded in the previous year (+6.1% in November and +16.1% in December 2014).

The external markets contributed with 1.4 million overnight stays, which stood for an increase of 11.6% (in view of +7.4% in November), the largest recorded in 2015 just as in January.

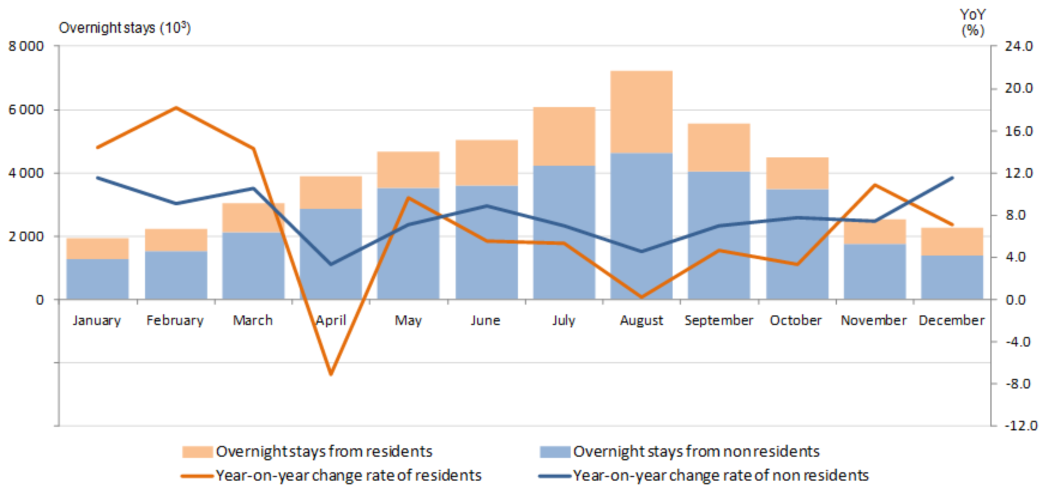
Figure 1. Month-on-month change rates



In **2015**, the internal market accounted for 14.5 million overnight stays (+5.3%), slowing down considerably comparing with the previous year (+12.8%).

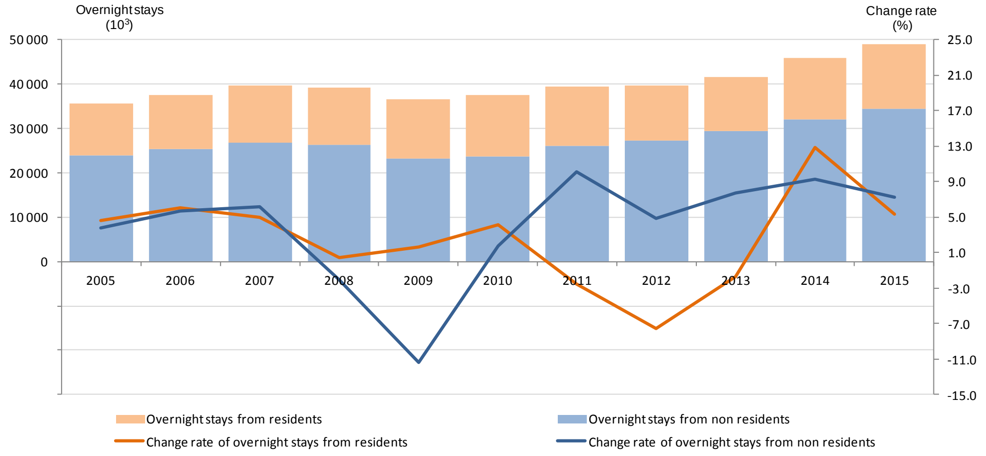
Overnight stays from non residents in **2015** (34.4 million) increased by 7.3% (+9.3% in 2014 and +7.7% in 2013) and represented 70.3% of the total (+0.3 p.p.).

Figure 2. Overnight stays and year-on-year change rates in 2015



Considering the last ten years, when comparing the number of overnight stays from residents and non residents in 2015 versus 2005, the results show that the figures for 2015 were higher by 24.6% and 44.2% respectively.

Figure 3. Overnight stays and change rates, 2005-2015



Demand from Spanish guests had the highest increase

The twelve main inbound markets[2] stood for 82.0% of overnight stays from non residents (80.8% in December 2014).

The British market (18.6% share) slowed down slightly in the last month of the year (from +17.7% in November to +13.9% in December), with the 2015 annual results showing an increase of 8.7% in overnight stays (+9.1% in 2014).

Spain, increasing sharply in December (+33.9%), had a corresponding growth in representativeness (17.0% comparing with 14.1% in December 2014). In 2015, overnight stays from this market increased by 3.2%, slowing down in view of +14.6% in 2014.

The results from the German market (13.8% share) in December (+8.3%) surpassed those of November (+4.0%), but stood below the evolution recorded in December 2014 (+19.9%). However, the overnight stays from this market in 2015 (+10.7%) recorded a higher growth when compared with the previous year (+6.9%).

Overnight stays from guests coming from France (8.2% of the total) recorded a 13.1% increase, contrary to the occasional reduction of the previous month (-3.1%). In annual terms, overnight stays from this market increased by 11.4% (+16.9% in 2014).

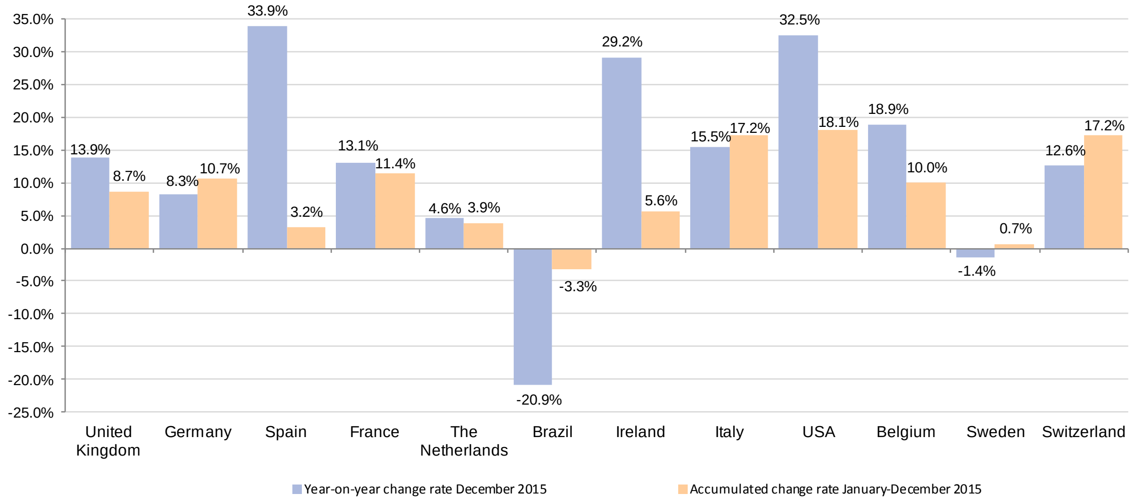
The strong positive evolution of the USA (+32.5%) and Ireland (+29.2%) should be noted, having grown less in 2015 (+18.1% and +5.6% respectively).

Contrary to the other main markets, Brazil and Sweden recorded reductions in the number of overnight stays in December (-20.9% and -1.4% respectively), with 2015 ending with a 3.3% reduction in the Brazilian market and a 0.7% increase in the Swedish market.

[2] Based on overnight stays in 2014

Figure 4. Overnight stays by main inbound markets:

Year-on-year and accumulated change rates



Regions with overall increase in overnight stays

The overall increase in overnight stays remained in all regions, more so in the Azores (+51.8%). Also worth noticing the increases recorded in the Alentejo (+12.3%), the North and Algarve (+11.7% in both). The most sought after regions were Lisbon (31.2% of the total overnight stays), Algarve (18.5%), the North and Madeira (16.9% in both).

Overnight stays from residents increased sharply in the Azores and in Madeira (+66.8% and +22.7%). In Mainland Portugal, the emphasis went to the Algarve (+8.8%) and the Alentejo (+8.3%). There was an increase in Lisbon but slowing down (+5.6% comparing with +11.6% in November) while in the Centre there was a slight decrease (-0.7% following +8.9% in November). The North was the most sought after region by the internal market in December (26.3% of overnight stays), followed by Lisbon (25.1%) and the Centre (21.6%).

The external markets showed increases in overnight stays in all regions, more so in the Azores (+35.1%), Alentejo (+26.0%) and in the North (+19.4%), with the predominant contribution of the Spanish market that recorded increases in these regions of 31.0%, 42.0% and 28.7% respectively.

As usual, the main destinations chosen by guests coming from abroad were the regions of Lisbon (34.9%), Madeira (24.4%) and Algarve (22.3%).

In **2015**, overnight stays increased in all regions, namely in the Azores (+19.6%, +0.9% in 2014), the North (+13.6%, +11.0% in the previous year) and Alentejo (+11.8%, following +16.5% in 2014).

The three main tourist regions, the Algarve (34.0% of total overnight stays), Lisbon (25.1%) and Madeira (13.5%), presented moderate increases in 2015: +2.7%, +6.7% and +5.8%, clearly slowing down in the Algarve and Lisbon (+9.7% and +14.8% in 2014) and accelerating in Madeira (+4.1% in the previous year).

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			
	Dec-15		Jan to Dec 15		Dec-15		Jan to Dec 15		Dec-15		Jan to Dec 15	
	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)
Portugal	**2 269.5**	**9.8**	**48 937.8**	**6.7**	**870.7**	**7.1**	**14 512.4**	**5.3**	**1 398.9**	**11.6**	**34 425.4**	**7.3**
North	383.9	11.7	6 131.7	13.6	228.8	7.0	2 891.3	10.1	155.1	19.4	3 240.4	16.8
Centre	250.3	3.4	4 539.5	9.6	188.4	-0.7	2 639.4	9.1	61.9	18.3	1 900.1	10.5
M. A. Lisbon	707.5	8.1	12 294.6	6.7	218.7	5.6	2 977.2	5.9	488.8	9.2	9 317.4	6.9
Alentejo	72.7	12.3	1 451.3	11.8	54.1	8.3	949.4	10.7	18.6	26.0	501.8	14.1
Algarve	420.2	11.7	16 618.3	2.7	108.9	8.8	3 871.3	-3.1	311.3	12.8	12 747.0	4.6
A. R. Azores	52.2	51.8	1 272.4	19.6	30.1	66.8	538.5	35.4	22.0	35.1	734.0	10.2
A. R. Madeira	382.8	9.1	6 630.0	5.8	41.6	22.7	645.4	-3.8	341.2	7.6	5 984.6	6.9

Average stay slowed down

The average stay (2.29 nights) increased slightly (+0.2%), duplicating the outcome of the previous month (+1.1%) but in contrast with the preceding months.

The regions of Madeira (+1.8%) and the North (+1.7%) contributed the most for this outcome. The Algarve and the Centre recorded reductions (-3.2% and -1.5%).

In **2015**, the average stay was 2.81 nights (-1.8%), a similar outcome to the one of 2014 (-1.2%).

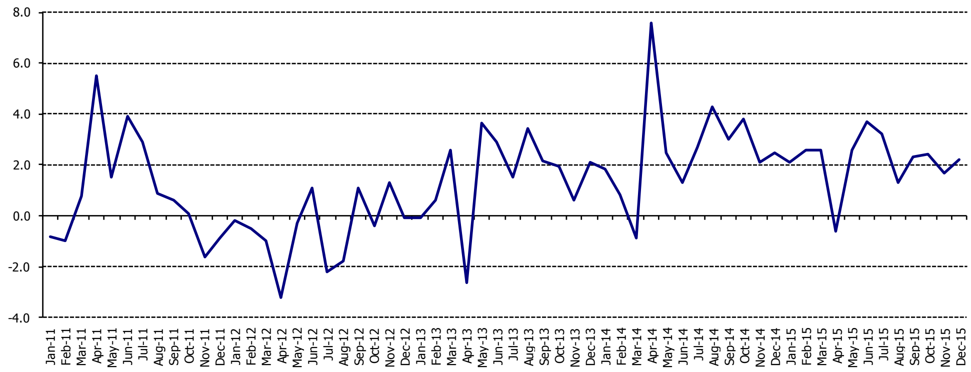
Table 4. Average stay and net bed occupancy rate by region (NUTS II)

NUTS II	Average stay			Occupancy rate		
	(No. of nights)		Year-on-year change rate (%)	%		Year-on-year variation (p.p.)
	Dec-14	Dec-15		Dec-14	Dec-15	
Portugal	**2.29**	**2.29**	**0.2**	**26.1**	**28.3**	**2.2**
North	1.59	1.62	1.7	27.4	29.2	1.8
Centre	1.55	1.52	-1.5	20.9	20.9	-0.1
M. A. Lisbon	2.13	2.13	0.1	35.7	36.3	0.6
Alentejo	1.59	1.59	-0.4	17.9	19.7	1.8
Algarve	3.69	3.57	-3.2	17.0	20.0	2.9
A. R. Azores	2.54	2.55	0.1	13.6	20.5	6.9
A. R. Madeira	5.26	5.35	1.8	41.6	45.9	4.3

Occupancy rates have increased

The net bed occupancy rate was 28.3% (+2.2 p.p.), increasing more than in November (+1.7 p.p.).

Figure 5. Net bed occupancy rate – year-on-year variation (difference in p.p.)



The regions of Madeira and Lisbon presented the highest net bed occupancy rates (45.9% and 36.3%). In terms of evolution, the emphasis went to the Azores (+6.9 p.p.), Madeira (+4.3 p.p.) and Algarve (+2.9 p.p.). The Centre recorded a slight reduction (-0.1 p.p.).

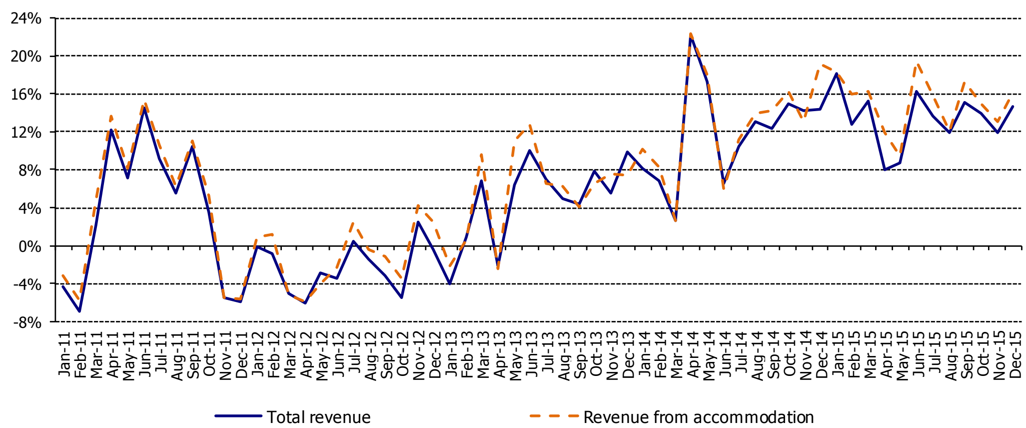
In the period **January to December 2015**, the occupancy rate was 46.1% (+2.1 p.p.), an increase below the one recorded in 2014 (+2.8 p.p.).

Increase in revenue

In December, total revenue from hotel accommodation activity amounted to EUR 118.7 million (+14.6%) and revenue from accommodation reached EUR 77.4 million (+16.1%). This evolution stood for a slight reinforced growth facing the last two months, with increases of 11.9% and 13.1%, respectively, recorded in the previous month.

In **2015**, total revenue increased by 13.1% and revenue from accommodation grew 14.7%, at current prices, slightly surpassing the results of the previous year (+12.2% and +13.1% respectively). Revenue from accommodation, compared with total revenue, increased its relative weight from 70.6% in 2014 to 71.6% in 2015.

Figure 6. Total revenue and total revenue from accommodation- Month-on-month change rate



In December, all regions presented increases in revenue, more so in the Azores with +47.6% in total revenue. Using the same criteria, the emphasis also went to Lisbon (+16.7%).

Table 5. Revenue by region (NUTS II)

Unit: EUR 10^6

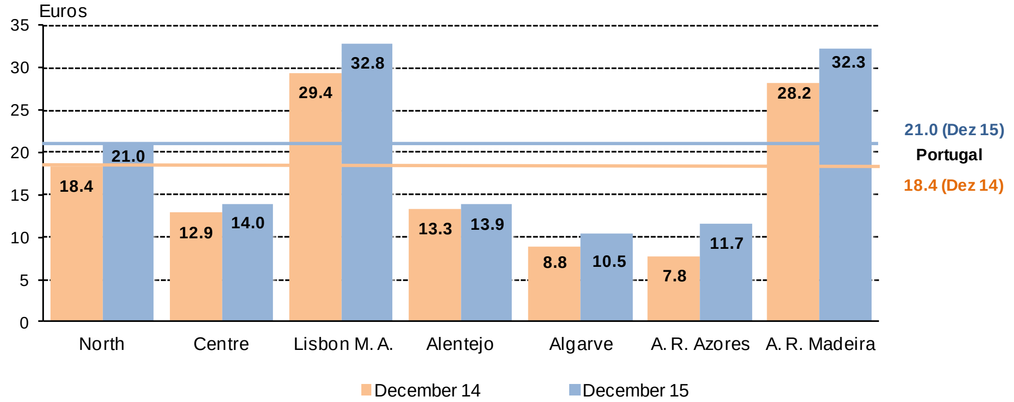
NUTS II	Total revenue		Revenue from accommodation	
	Dec-15	Year-on-year change rate (%)	Dec-15	Year-on-year change rate (%)
Portugal	**118.7**	**14.6**	**77.4**	**16.1**
North	19.7	15.9	13.2	19.9
Centre	13.0	7.9	8.1	11.0
M. A. Lisbon	43.8	16.7	30.2	16.9
Alentejo	4.1	6.8	2.4	7.7
Algarve	14.4	16.2	9.0	15.3
A. R. Azores	2.3	47.6	1.4	48.9
A. R. Madeira	21.4	11.6	13.1	13.6

The average revenue per available room (RevPAR) was EUR 21.0 (+14.5%) in December.

Lisbon and Madeira presented higher RevPar (EUR 32.8 and EUR 32.3 respectively), a similar outcome to the one of the latest months.

There was an overall increase in RevPar amongst the various regions, with a clear emphasis on the Azores (+49.2%).

Figure 7. Average revenue per available room



As usual, five star hotels recorded the highest RevPAR (EUR 45.3), followed by the *"pousadas"* (EUR 33.9).

Results from RevPAR had a larger increase in tourist apartments (+30.0%), five star hotels (21.8%) and in *"pousadas"* (+21.4%).

In the accumulated period **January to December 2015**, RevPAR was EUR 37.8 (+14.4% vis-à-vis +9.3% in 2014).

Table 6. RevPAR by type and category of establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Dec-14	Dec-15	%
Total	**18.4**	**21.0**	**14.5**
Hotels	**21.6**	**24.5**	**13.5**
*****	37.2	45.3	21.8
****	21.8	24.2	10.6
***	14.9	16.4	10.0
** / *	13.6	15.6	14.3
Apartment hotels	**15.4**	**16.1**	**4.4**
*****	17.9	20.9	16.6
****	16.2	17.6	9.1
*** / **	12.4	10.6	-14.7
Pousadas	**27.9**	**33.9**	**21.4**
Tourist apartments	**6.3**	**8.2**	**30.0**
Tourist villages	**8.8**	**10.5**	**18.8**
Other tourist establishments	**13.1**	**15.0**	**14.3**

Camping sites and holiday camps

In December 2015, the camping sites registered 40.6 thousand campers and 162.5 thousand overnight stays (-1.9% and -11.2%), deepening the declining results already observed in the previous month (-0.3% and -8.3%). The internal market (-25.7%) was the sole contributor for the reduction in overnight stays, given that the inbound markets increased by 6.8%. The average stay was 4.01 nights (-9.6%), a reduction spread to both residents (-15.1%) and non residents (-16.5%).

Preliminary results for **2015** revealed a positive evolution: 1.7 million campers (+9.8%) and 5.9 million overnight stays (+3.9%). In the case of the increase in the number of campers, there was a recovery in view of -4.5% in 2014, while the growth in the number of overnight stays slightly strengthened the bare increase in 2014 (+0.4%).

Holiday camps and youth hostels recorded 14.0 thousand guests and 27.8 thousand overnight stays in December, corresponding to increases of 8.9% and 9.5%, above the figures of November (+2.3% and +9.1%). Overnight stays from residents increased by 6.2%, corresponding to 83.9% of the total. Overnight stays from guests coming from abroad recorded a noteworthy growth (+30.5%). The average stay was 1.99 nights (+0.5%).

In **2015** (preliminary data), holiday camps and youth hostels hosted 347.5 thousand guests and corresponding 741.5 thousand overnight stays (+0.4% and +4.6%), reversing the trend of 2014 (-7.3% and -13.1%).

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

Month: December 2015

	Unit	Camping sites						Holiday camps and youth hostels					
		Total	Year-on-year change rate (%)	Residents	Year-on-year change rate (%)	Non residents	Year-on-year change rate (%)	Total	Year-on-year change rate (%)	Residents	Year-on-year change rate (%)	Non residents	Year-on-year change rate (%)
Campers / Guests	10^3	40.6	-1.9	26.7	-12.4	13.8	27.9	14.0	8.9	12.2	4.9	1.8	49.4
Overnight stays	10^3	162.5	-11.2	75.6	-25.7	86.9	6.8	27.8	9.5	23.3	6.2	4.5	30.5
Average stay	no. nights	4.01	-9.6	2.83	-15.1	6.29	-16.5	1.99	0.5	1.91	1.3	2.55	-12.6

EXPLANATORY NOTES

Data disseminated in this "Press Release" refers to the following data outputs:

2015 – November and December– preliminary data; January to October – provisional data.

2014 – January to December – final data.

Data refers to tourism accommodation establishments in operation, in each reference period.

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, including situations of temporary suspended activity not duly reported. 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 Oct 15	+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 hotels, apartment hotels, "*pousadas*", tourist apartments and tourist villages, as well as other accommodation establishments namely boarding houses, motels and inns that still maintain the former economic activity classification although currently not recognized as such.

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 do not correspond to the sum of the parcels.

In order to simplify the language, the term "foreigner" might be used instead of "non resident".

The "Lisbon Metropolitan Area" (Lisbon M. A.) is referred to in the text as "Lisbon".

ABBREVIATIONS

RevPAR – Revenue per Available Room

Date of next press release: 16 March 2016