August, 16th 2016

Tourism Activity

June 2016

Overnight stays and revenue accelerate

Hotel establishments recorded 1.9 million guests and 5.5 million overnight stays in June 2016, corresponding to year-on-year increases[1] of 10.3% and 9.6% respectively (+5.7% and +8.5% in May[2]). Overnight stays from the internal market increased by 7.3%, reversing the trend of the preceding month (-1.3%). The external markets have increased also (+10.5%), slightly slowing down (+11.7% in May).

The average stay decreased (-0.7%; 2.91 nights), contrary to the net bed occupancy rate (+2.7 p.p.; 57.5%).

The evolution of revenue was positive (+15.2% in total revenue and +15.5% in revenue from accommodation), but below the results of May (+15.8% and +17.9% respectively).

Table 1. Global preliminary results from tourism activity

Global preliminary results	Unit	Month		Accumulated	
		Jun-16	Year-on-year change rate (%)	Jan to Jun 16	Tvh (%)
Guests	10^3	1 893.2	10.3	8 522.7	10.8
Overnight stays	10^3	5 501.0	9.6	23 048.0	11.2
Residents in Portugal	10^3	1 525.7	7.3	6 286.5	7.9
Residents abroad	10^3	3 975.3	10.5	16 761.5	12.4
Average stay	no. of nights	2.91	-0.7	2.70	0.3
Net bed occupancy rate	%	57.5	2.7 p.p.	43.1	2.7 p.p.
Total revenue	EUR 10^6	294.2	15.2	1 163.5	16.5
Revenue from accommodation	EUR 10^6	212.0	15.5	820.9	17.6
RevPAR (Average revenue per available room)	EUR	49.9	11.1	34.2	13.1

Acceleration in guests and overnight stays

In June 2016, tourism accommodation establishments recorded 1.9 million guests and 5.5 million overnight stays. These figures stood for increases of 10.3% and 9.6% respectively (+5.7% and +8.5% in May).

In the first six months of the year, the growth in guests stood at 10.8% and overnight stays increased by 11.2%.

When considering overnight stays, the increases recorded in the *"pousadas"* (+13.8%) and in hotels (+12.0%) stood out. It should be noted the contribution of four star units (49.3%), which grew by 13.6%.

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

[2] Updated change rates in accordance with the final results of 2015.

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
	Jun-15	Jun-16	%
Total	**5 021.1**	**5 501.0**	**9.6**
Hotels	**3 215.1**	**3 601.0**	**12.0**
*****	648.7	712.7	9.9
****	1 561.9	1 774.5	13.6
***	708.0	777.0	9.7
** / *	296.5	336.8	13.6
Apartment hotels	**749.1**	**807.6**	**7.8**
*****	49.1	45.4	-7.4
****	530.7	585.4	10.3
*** / **	169.3	176.8	4.4
Pousadas	**44.0**	**50.1**	**13.8**
Tourist apartments	**553.7**	**576.4**	**4.1**
Tourist villages	**224.0**	**238.3**	**6.4**
Other tourist establishments	**235.2**	**227.6**	**-3.2**

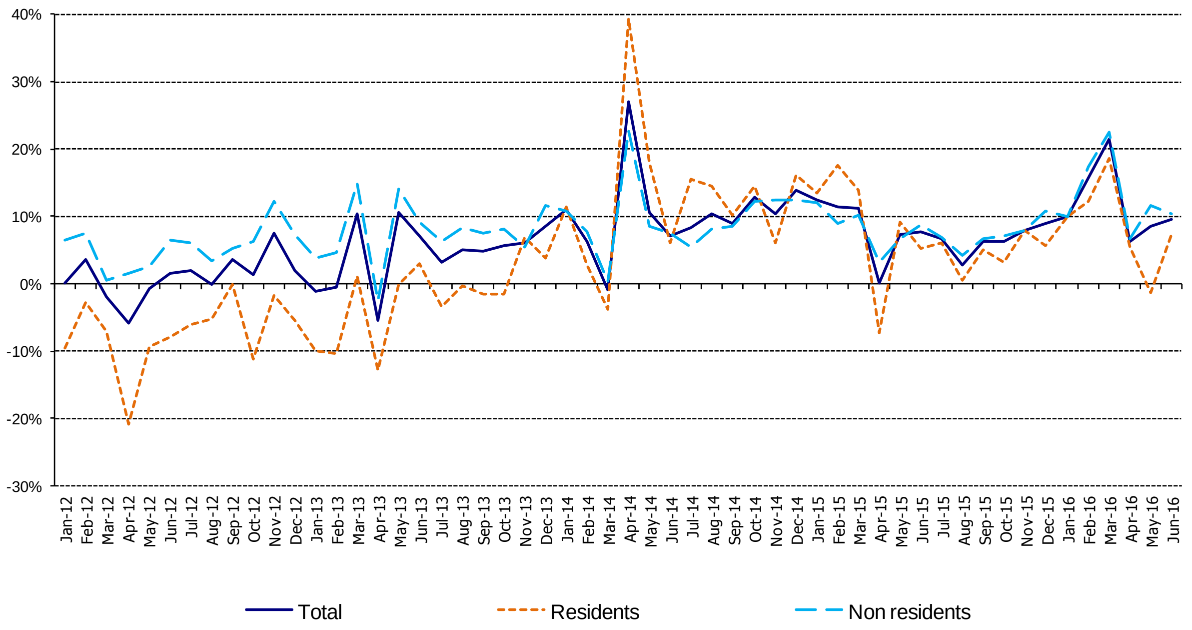
Internal market recovers

The internal market originated 1.5 million overnight stays (+7.3%), in contrast with the result of the preceding month (-1.3%).

The external markets slowed down slightly (from +11.7% in May to +10.5% in June), corresponding to about four million overnight stays.

In the period January to June, there were increases of 7.9% in overnight stays from residents and 12.4% in those from non residents.

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



Main markets with positive results

The thirteen main inbound markets[3] showed an overall positive evolution, which was reflected in an increase of their relative weight (87.8% from 86.8% in June 2015).

The United Kingdom (+9.5% of overnight stays corresponding to 27.7% of the total) slowed down compared to the latest months (+13.3% in May and +15.5% in April).

The German market (+9.9%) also slowed down in relation to the preceding month (+14.5%) and to the accumulated from January to June (+10.5%). Its relative weight stood at 13.3%.

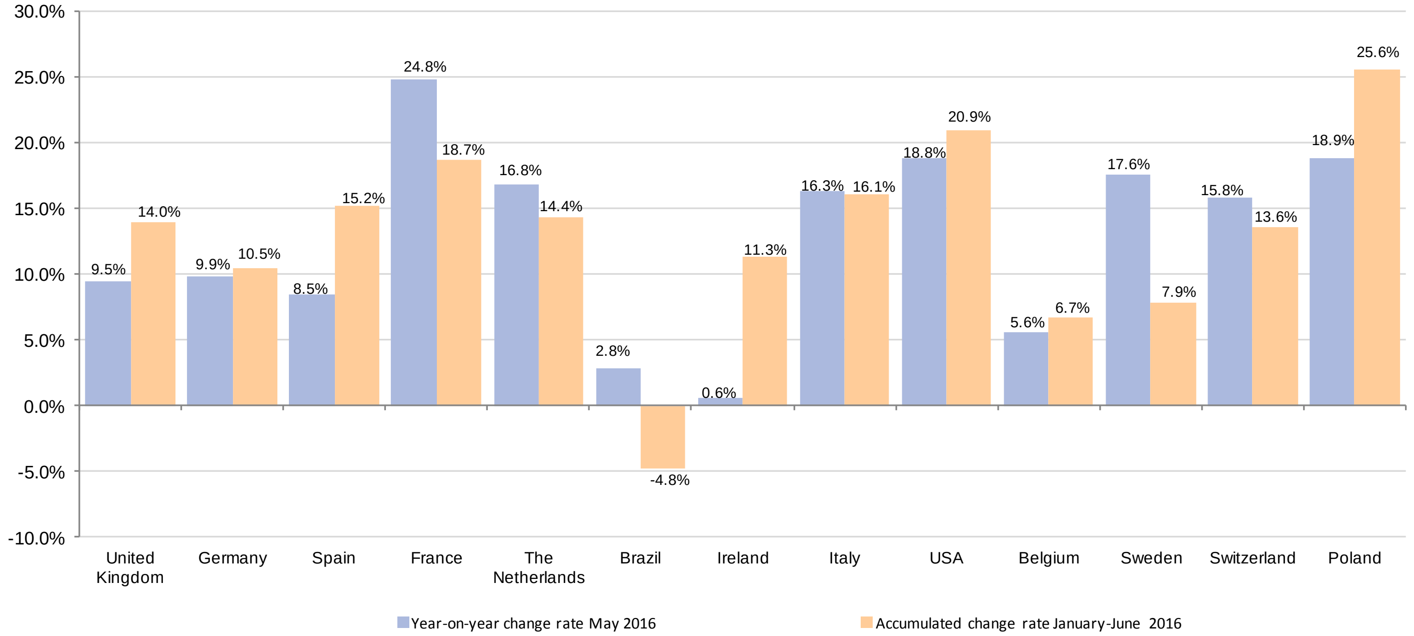
France recorded the largest increase within the group of the main markets (+24.8%), corresponding to 11.1% of overnight stays from non residents. In the first semester, the evolution of this market improved considerably (+18.7%).

The Spanish market (7.5% of the total) grew by 8.5%, less than in May (+12.6%). The Netherlands recorded an increase in overnight stays (+16.8% from +12.7% in the preceding month), to which corresponded a 6.4% share.

Of the remaining main markets, the ones that stood out were Poland (+18.9%), the United States (+18.8%) and Italy (+16.3%) with the latter showing a remarkable recovery (-0.4% in May).

Brazil presented a positive evolution (+2.8%), contrary to the declining trend that persisted for ten consecutive months. In the first six months of the year, this market still presented declining results (-4.8%).

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



[3] Based on overnight stays in 2015

Noteworthy increase in overnight stays in the North and in the A. R. of the Azores

Overnight stays increased in all regions, more so in the North (+15.1%), the Autonomous Region of the Azores (+14.1%) and Alentejo (+14.0%). Lisbon and the Algarve recorded the lowest increases in overnight stays (+4.8% and +8.9% respectively), however having been the most sought after regions (39.5% of total overnight stays in Algarve and 21.7% in Lisbon).

The evolution of the internal market was overall positive, with the emphasis on the A. R. of the Azores (+15.6%), Alentejo (+15.5%) and the Centre (+10.6%). In the latter two regions, a strong recovery took place compared with the results from the preceding month (-8.0% in Alentejo and -7.0% in the Centre). There was a slowdown in the A. R. of Madeira (from +26.0% in May to +5.2% in June).

The main destinations chosen by residents were the Algarve (32.2% of the total), Lisbon (17.8%) and the North (17.6%).

Overnight stays from non residents accounted for notable increases in all regions, less so in Lisbon (+3.8%) with the emphasis on the North (+19.9%), Centre (+15.7%) and the A. R. of the Azores (+13.1%). In the North, festivities in the cities of Oporto and Braga originated an increase in demand from the main markets for this region, namely the Spanish (+24.9%) and the French (+24.7%).

The Algarve concentrated 42.3% of overnight stays from non residents, followed by Lisbon (23.1%) and the A. R. of Madeira (15.4%).

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			
	Jun-16		Jan to Jun 16		Jun-16		Jan to Jun 16		Jun-16		Jan to Jun 16	
	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	**5 501.0**	**9.6**	**23 048.0**	**11.2**	**1 525.7**	**7.3**	**6 286.5**	**7.9**	**3 975.3**	**10.5**	**16 761.5**	**12.4**
North	652.3	15.1	3 008.6	15.6	269.0	8.9	1 377.1	10.1	383.3	19.9	1 631.5	20.6
Centre	464.0	13.0	2 031.6	9.1	240.9	10.6	1 164.4	5.9	223.0	15.7	867.2	13.8
M. A. Lisbon	1191.3	4.8	5 872.9	5.6	272.2	8.4	1 407.0	4.8	919.2	3.8	4 465.9	5.8
Alentejo	153.9	14.0	640.8	10.7	101.7	15.5	420.3	11.6	52.1	11.2	220.5	9.0
Algarve	2174.9	8.9	7 394.0	13.3	491.4	2.1	1 287.7	4.0	1 683.5	11.0	6 106.4	15.5
A. R. Azores	171.0	14.1	661.5	29.7	67.5	15.6	300.0	24.5	103.5	13.1	361.5	34.3
A. R. Madeira	693.6	10.9	3 438.7	11.1	82.9	5.2	330.1	18.7	610.7	11.8	3 108.6	10.4

Slight reduction in average stay

The average stay was 2.91 nights (-0.7%), contrary to the outcome of the preceding month (+2.6%).

In the first six months of the year, the average stay was 2.70 nights, slightly changing in relation to the same period of the previous year (+0.3%).

As usual, the A. R. of Madeira presented the highest values in this indicator (5.25 nights), followed by the Algarve (4.56 nights). In terms of evolution, the emphasis went to positive change rates in the Alentejo and in the North (+1.9% and +1.4% respectively), while Lisbon decreased by 2.5%.

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

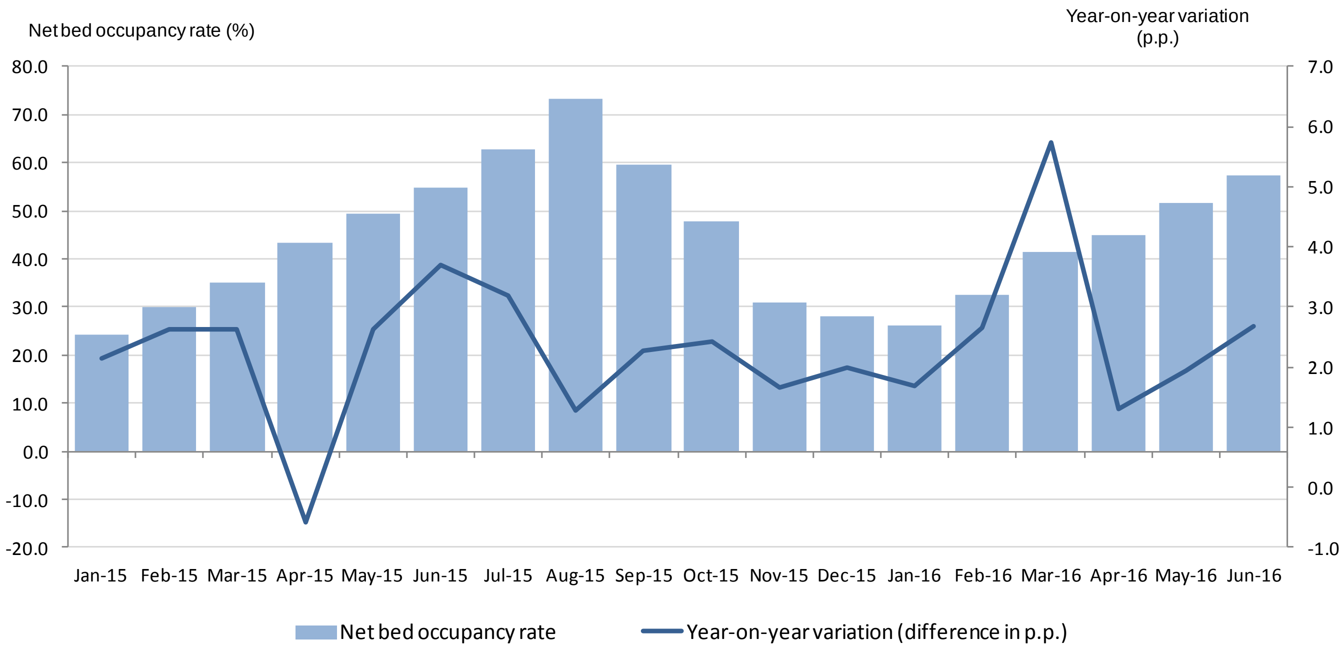
NUTS II	Average stay			Occupancy rate		
	(No. of nights)		Year-on-year change rate (%)	%		Year-on-year variation (p.p.)
	Jun-15	Jun-16		Jun-15	Jun-16	
Portugal	**2.92**	**2.91**	**-0.7**	**54.8**	**57.5**	**2.7**
North	1.82	1.85	1.4	44.2	47.6	3.3
Centre	1.75	1.73	-1.0	33.8	36.5	2.6
M. A. Lisbon	2.35	2.29	-2.5	61.9	61.0	-1.0
Alentejo	1.79	1.82	1.9	34.3	38.8	4.5
Algarve	4.51	4.56	1.0	61.1	64.2	3.0
A. R. Azores	3.00	2.97	-1.0	55.3	58.5	3.2
A. R. Madeira	5.28	5.25	-0.4	69.6	77.8	8.2

Occupancy rate with steady growth

The net bed occupancy rate was 57.5%, increasing by +2.7 p.p., surpassing the growth recorded in the preceding month (+1.9 p.p.).

In the period January to June, the net occupancy rate stood at 43.1% (+2.7 p.p.).

Figure 3. Net bed occupancy rate



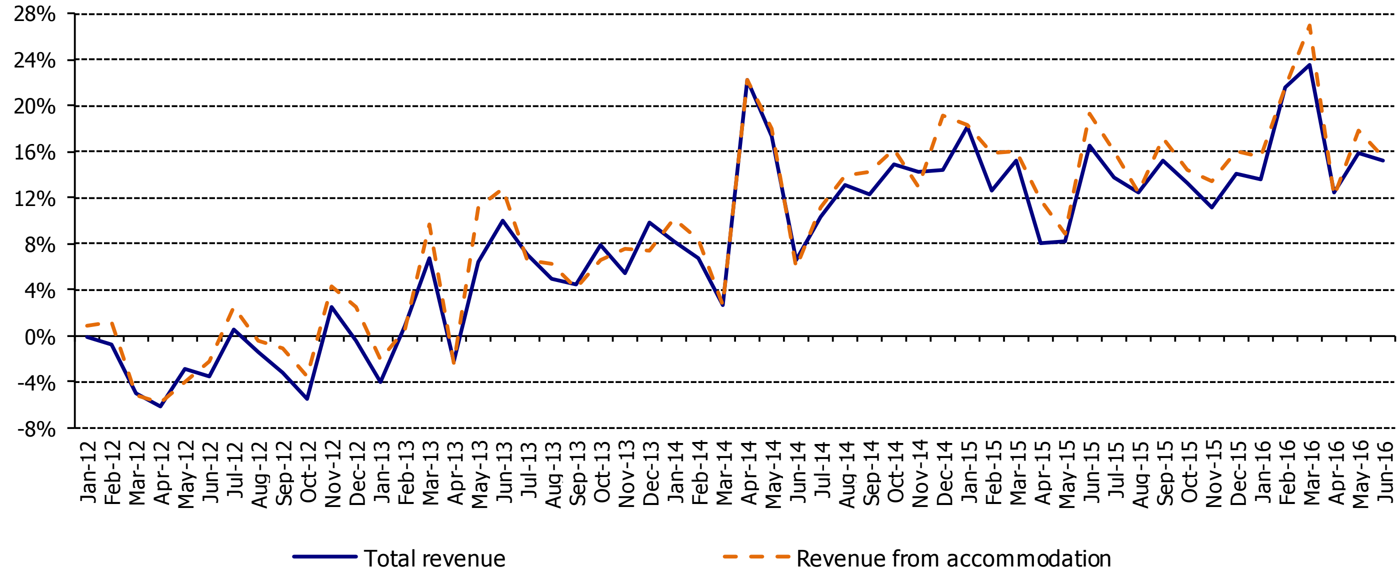
The regions with the highest occupancy rate were the A. R. of Madeira (77.8%), Algarve (64.2%) and Lisbon (61.0%). The evolution of this indicator in the regions was overall positive, namely in the A. R. of Madeira (+8.2 p.p.), Alentejo (+4.5 p.p.) and in the North (+3.3 p.p.). Lisbon was the only region with a reduction (-1.0 p.p.).

Revenue kept increasing

Total revenue from hotel accommodation activity amounted to EUR 294.2 million and revenue from accommodation was EUR 212.0 million, corresponding to increases of 15.2% and 15.5% respectively. The evolution of total revenue stood in line with the one from the preceding month (+15.8%), but revenue from accommodation declined (+17.9% in May).

The results from the first semester were positive likewise (+16.5% in total revenue and +17.6% in revenue from accommodation).

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



All regions recorded rises in revenue, namely in the A. R. of the Azores (+27.0% in total revenue and +27.2% in revenue from accommodation) and in the North (+23.6% and +24.8%).

The quite significant results in revenue might partly be connected with the instability lived in the competing destination countries, with a resulting increase in demand from some markets which led to the implementation of commercial strategies based on price increases.

Table 5. Revenue by region (NUTS II)

Unit: EUR 10^6

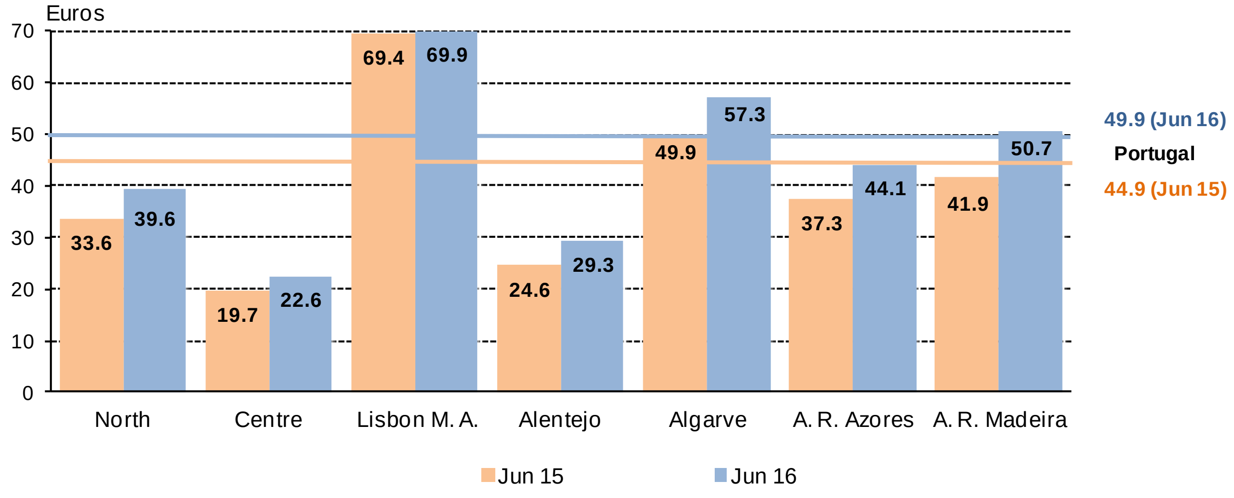
NUTS II	Total revenue		Revenue from accommodation	
	Jun-16	Year-on-year change rate (%)	Jun-16	Year-on-year change rate (%)
Portugal	**294.2**	**15.2**	**212.0**	**15.5**
North	34.4	23.6	25.6	24.8
Centre	20.6	19.7	13.9	20.4
M. A. Lisbon	83.6	4.9	63.0	4.1
Alentejo	7.8	17.7	5.4	21.0
Algarve	105.6	19.8	76.2	19.9
A. R. Azores	8.1	27.0	6.1	27.2
A. R. Madeira	34.2	15.7	21.7	20.3

The average revenue per available room (RevPAR) was EUR 49.9 (+11.1%).

The increase recorded in June stood slightly below the one from the first six months of the year as a whole (+13.1%; EUR 34.2).

The regions that recorded the highest RevPAR were Lisbon (EUR 69.9), Algarve (EUR 57.3) and the A. R. of Madeira (EUR 50.7). The evolution was overall positive, with a greater impact in the Alentejo (+19.4%), in the A. R. of the Azores (+18.2%) and in the North (+17.8%).

Figure 5. Average revenue per available room



As expected, five star hotels and apartment hotels recorded the highest values in this indicator (EUR 102.2 and EUR 84.8 respectively). The "*pousadas*" (EUR 73.6) and four star hotels (EUR 54.3) followed.

As in the latest months, five star apartment hotels presented a notable increase (+37.8%), as well as three and two star units (+25.0%) and the "*pousadas*" (+20.2%).

Table 6. RevPAR by type and category of establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Jun-15	Jun-16	%
Total	**44.9**	**49.9**	**11.1**
Hotels	**50.0**	**54.5**	**9.0**
*****	95.7	102.2	6.9
****	49.5	54.3	9.5
***	32.0	34.4	7.8
** / *	24.4	28.0	14.8
Apartment hotels	**45.7**	**52.0**	**13.7**
*****	61.5	84.8	37.8
****	47.7	51.5	8.0
*** / **	35.8	44.7	25.0
Pousadas	**61.2**	**73.6**	**20.2**
Tourist apartments	**30.0**	**34.3**	**14.2**
Tourist villages	**35.3**	**38.3**	**8.5**
Other tourist establishments	**22.6**	**26.5**	**17.1**

Camping sites and holiday camps

In June 2016, camping sites presented positive results, which stood for a strong recovery when compared with the preceding month. The number of guests (192.5 thousand) increased by 17.8% and overnight stays (575.9 thousand) increased by 19.3%, in contrast with the month of May (less 6.9% campers and less 5.2% overnight stays).

Overnight stays from the internal market grew by 18.2%, corresponding to a 70.9% share. The external markets also grew significantly (+21.9% in overnight stays). The average stay was 2.99 nights (+1.3%), with the positive contribution of residents (+3.3%) and the declining contribution of non residents (-2.3%).

Holiday camps and youth hostels kept declining, but less so compared to the preceding month. The number of guests amounted to 33.9 thousand and overnight stays stood at 65.6 thousand (-4.5% and -1.9% from -23.2% and -16.4% in May).

Overnight stays from the internal market represented 77.5% of the total and decreased by 1.6%, with also a reduction in overnight stays from the external markets (-2.9%).

The average stay was 1.93 nights, 2.8% more than in June 2015.

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

Month: June 2016

	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	192.5	17.8	127.1	14.4	65.4	24.8	33.9	-4.5	27.1	-4.0	6.7	-6.7
Overnight stays	10^3	575.9	19.3	408.5	18.2	167.4	21.9	65.6	-1.9	50.8	-1.6	14.8	-2.9
Average stay	no. nights	2.99	1.3	3.21	3.3	2.56	-2.3	1.93	2.8	1.87	2.5	2.19	4.1

EXPLANATORY NOTES

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

2016 – June: preliminary results; January to May: provisional results.

2015 – January to December: final results.

Note: Beginning January 2016, preliminary data is revised in the month immediately after (then becoming provisional data), with final data still becoming available when the dissemination of annual data occurs.

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 May 16	+0.1 p.p.	+0.5 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 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".

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

ABBREVIATIONS

RevPAR – Revenue per Available Room

Date of next press release: 15 September 2016