October, 14th 2016

Tourism Activity

August 2016

Overnight stays and revenue at a slower pace

Hotel establishments recorded 2.3 million guests and 7.5 million overnight stays in August 2016, figures that relate to year-on-year increases[1] of 3.4% and 3.7% respectively, below the results of July (+10.8% and +7.7%). The internal market declined by 3.3%, interrupting the growing trend (+3.0% in July), while overnight stays from the external markets slowed down (+7.7%, from +9.8% in July).

The average stay increased (+0.4%; 3.21 nights), as the net bed occupancy rate (73.5%; +0.1 p.p.).

The increase in revenue (+11.9% in total revenue and +13.4% in revenue from accommodation) stood also below the one in July (+18.3% and +19.0% respectively).

Table 1. Global preliminary results from tourism activity

Global preliminary results	Unit	Month		Accumulated	
		Aug-16	Year-on-year change rate (%)	Jan to Aug 16	Tvh (%)
Guests	10^3	2 336.1	3.4	12 951.3	9.4
Overnight stays	10^3	7 504.2	3.7	37 103.9	8.9
Residents in Portugal	10^3	2 536.1	-3.3	10 770.4	4.3
Residents abroad	10^3	4 968.1	7.7	26 333.5	10.9
Average stay	no. of nights	3.21	0.4	2.86	-0.4
Net bed occupancy rate	%	73.5	0.1 p.p.	50.3	2.2 p.p.
Total revenue	EUR 10^6	442.8	11.9	1 984.4	15.9
Revenue from accommodation	EUR 10^6	343.5	13.4	1 451.3	17.0
RevPAR (Average revenue per available room)	EUR	77.9	9.9	44.2	12.6

Slowdown in guests and overnight stays

In August 2016, tourism accommodation establishments hosted 2.3 million guests (+3.4%) and 7.5 million overnight stays (+3.7%), corresponding to a slowdown in comparison with the preceding month (+10.8% and +7.7% respectively).

In the first eight months of the year the number of guests increased by 9.4% and overnight stays grew by 8.9%.

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

Tourist villages had a considerable increase in overnight stays (+8.5%), also worth referring the growths in apartment hotels (+6.2%) and in hotels (+5.6%). Hotels concentrated 63.9% of overnight stays and apartment hotels 14.9%.

Tourist apartments kept declining (-7.9%), in line with the negative trend since June.

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
	Aug-15	Aug-16	%
Total	**7 234.7**	**7 504.2**	**3.7**
Hotels	**4 544.1**	**4 798.0**	**5.6**
*****	897.3	943.4	5.1
****	2 177.0	2 339.3	7.5
***	1 032.3	1 049.3	1.6
** / *	437.5	466.1	6.5
Apartment hotels	**1 052.7**	**1 117.4**	**6.2**
*****	65.1	65.0	-0.1
****	730.4	794.6	8.8
*** / **	257.1	257.9	0.3
Pousadas	**69.8**	**73.1**	**4.7**
Tourist apartments	**850.0**	**783.0**	**-7.9**
Tourist villages	**387.8**	**420.5**	**8.5**
Other tourist establishments	**330.3**	**312.1**	**-5.5**

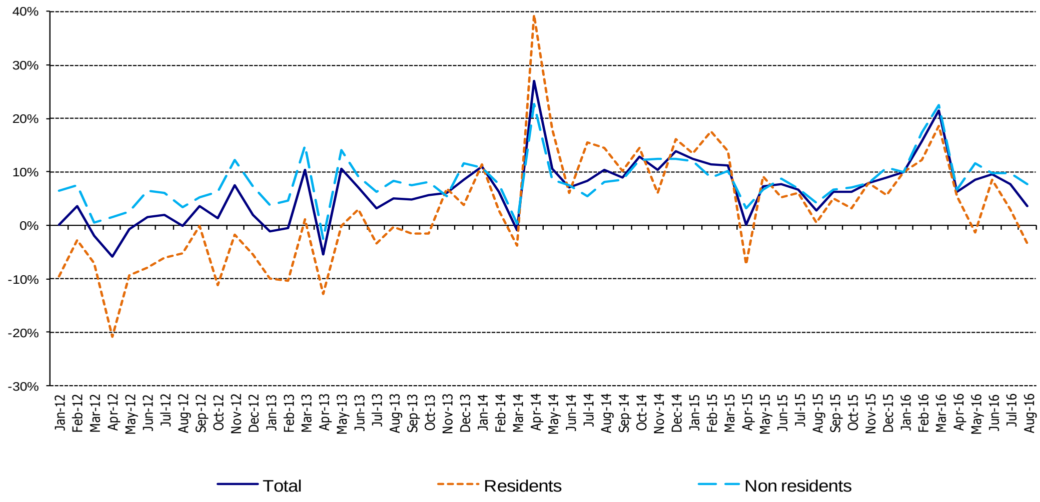
Overnight stays from non residents have increased

The internal market (2.5 million overnight stays) had a 3.3% reduction, after two months with increases (+3.0% in July and +8.5% in June), anticipated by a 1.3% reduction in May.

The external markets (5.0 million overnight stays; +7.7%) slightly slowed down compared with the latest two months (+9.8% both in July and June).

In the period January to August, overnight stays from residents increased by 4.3% and those from non residents grew by 10.9%. In this accumulated period, overnight stays in August accounted for 23.5% of the annual total (-1.9 p.p.) in the case of residents and 18.9% (-0.6 p.p.) in respect of non residents.

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



Positive evolution in the main markets

The thirteen main inbound markets[2] presented an overall positive evolution, corresponding to a share of 88.8%, the same as in August 2015.

The United Kingdom (22.7% of overnight stays from non residents) presented an 8.2% increase, above the one in July (+6.8%) and June (+7.8%), however below the one recorded in the accumulated period of January to August (+11.3%).

The Spanish market had a steep slowdown (+1.4% from +11.5% in July), reducing its representativeness from 18.2% in August 2015 to 17.1% in August 2016. In the first eight months of the year, overnight stays from this market increased by 10.0%.

Germany, with a 10.2% share, recorded a 3.9% increase, below both the one in the preceding month (+13.1%) and the one in the period January to August (+9.6%).

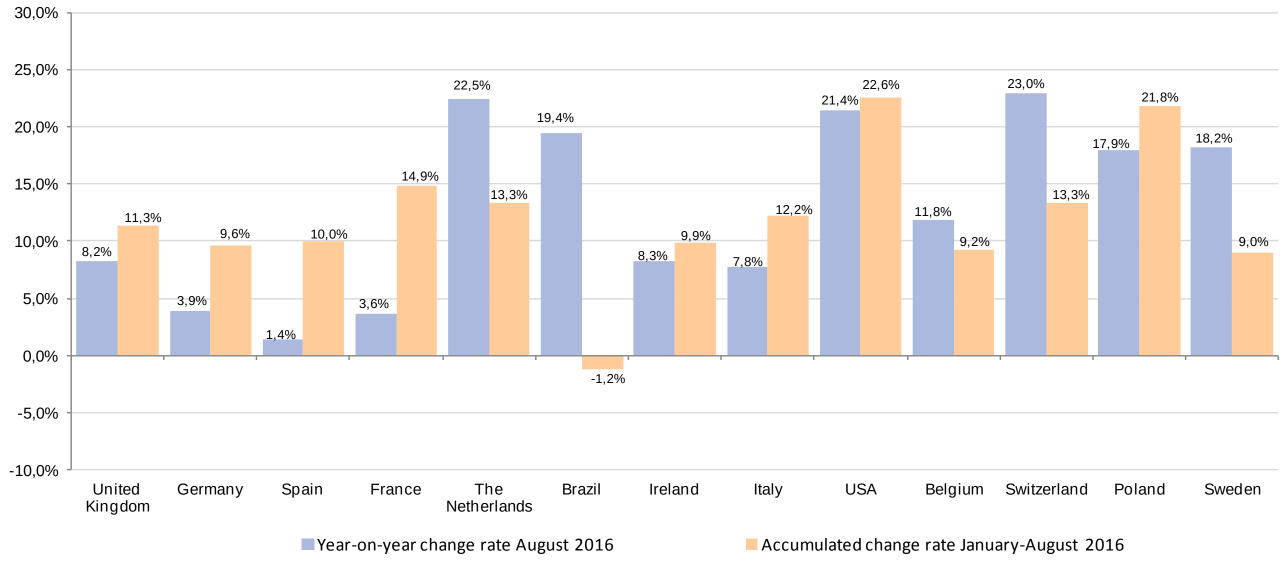
France (+3.6%) also slowed down vis-à-vis the latest months (+18.2% in July and +24.8% in June), increasing below the accumulated period January to August (+14.9%). Its weight was 12.6% (-0.5 p.p.).

The Dutch market, on the contrary, presented an outstanding increase (+22.5% from +1.1% in July and +17.2% in June), representing 6.2% of the total. This growth also surpassed the one from the first eight months of the year (+13.3%).

The evolution of the Swiss market (+23.0%) should be highlighted along with the evolution of the North American (+21.4%) and the remarkable recovery of the Brazilian market (+19.4% from -0.5% in July). The Swedish market (+18.2%) recorded the strongest growth since 2015.

[2] Based on overnight stays in 2015

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



Steep increase in overnight stays in the Azores, mostly from the internal market

Overnight stays have increased in all regions, more so in the A. R. of the Azores (+10.1%), Centre (+7.5%) and in the North (+6.6%).

The Algarve was the region with the smallest increase (+0.7%); although still holding the largest regional share, 39.8%, this one had a 1.2 p.p. reduction facing August 2015. In terms of representativeness, Lisbon (20.5%, +0.3 p.p.) and the North (12.0%, +0.3 p.p.) followed.

Azores and Madeira presented most relevant increases in overnight stays from the internal market (+11.0% in the former and +7.4% in the latter), as well as the Centre (+6.3%). Considering overnight stays from residents, the North changed slightly (+0.5%) and the remaining regions declined, deeply in the Algarve (-10.6%) and also in Lisbon (-3.1%).

The Algarve was the most sought after region (39.2% from 42.4% in August 2015) followed by the Centre (+17.6%, +1.6 p.p.), the North (+15.0%, +0.6 p.p.) and Lisbon (+13.2%).

Overnight stays from non residents increased in all regions, namely in the Alentejo (+16.6%) and in the North (+11.6%). The Algarve (+7.5%) benefited from the positive contribution from its main outbound markets, namely the British (+6.8%), the Dutch (+13.6%) and the French (+10.1%).

The main regions of destination were the Algarve (40.1%, -0.1 p.p.), Lisbon (24.3%), the A. R. of Madeira (+13.9%, -0.5 p.p.) and the North (10.5%, +0.4 p.p.).

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			
	Aug-16		Jan to Aug 16		Aug-16		Jan to Aug 16		Aug-16		Jan to Aug 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	**7 504.2**	**3.7**	**37 103.9**	**8.9**	**2 536.1**	**-3.3**	**10 770.4**	**4.3**	**4 968.1**	**7.7**	**26 333.5**	**10.9**
North	901.0	6.6	4 652.5	13.5	381.4	0.5	2 067.8	7.7	519.6	11.6	2 584.7	18.5
Centre	774.3	7.5	3 364.4	8.9	447.5	6.3	1 916.4	6.5	326.8	9.1	1 448.0	12.3
Lisbon M. A.	1539.1	5.0	8 831.7	6.3	334.1	-3.1	2 055.9	3.0	1 205.0	7.5	6 775.8	7.3
Alentejo	269.8	4.3	1 110.1	10.0	181.2	-0.9	734.9	9.3	88.6	16.6	375.2	11.5
Algarve	2985.4	0.7	13 027.8	8.0	994.2	-10.6	2 998.8	-2.7	1 991.2	7.5	10 029.1	11.7
A. R. Azores	222.4	10.1	1 087.8	21.6	75.5	11.0	440.5	19.7	147.0	9.7	647.3	23.0
A. R. Madeira	812.2	4.3	5 029.6	9.5	122.3	7.4	556.1	14.6	689.9	3.8	4 473.5	8.9

Recovery in average stay

The average stay increased slightly (+0.4%; 3.21 nights), reversing the declining trend that stood for the latest two months (-2.8% in July and -0.7% in June).

In the period January to August the average stay declined (-0.4%; 2.86 nights).

As in the previous month, the highest values in this indicator came from Madeira (5.62 nights), Algarve (5.07) and Azores (3.27). On a regional level, the evolution was mostly positive, more so in the Alentejo (+6.9%) and Azores (+2.1%). Madeira was the sole region with a reduction in the average stay (-0.8%).

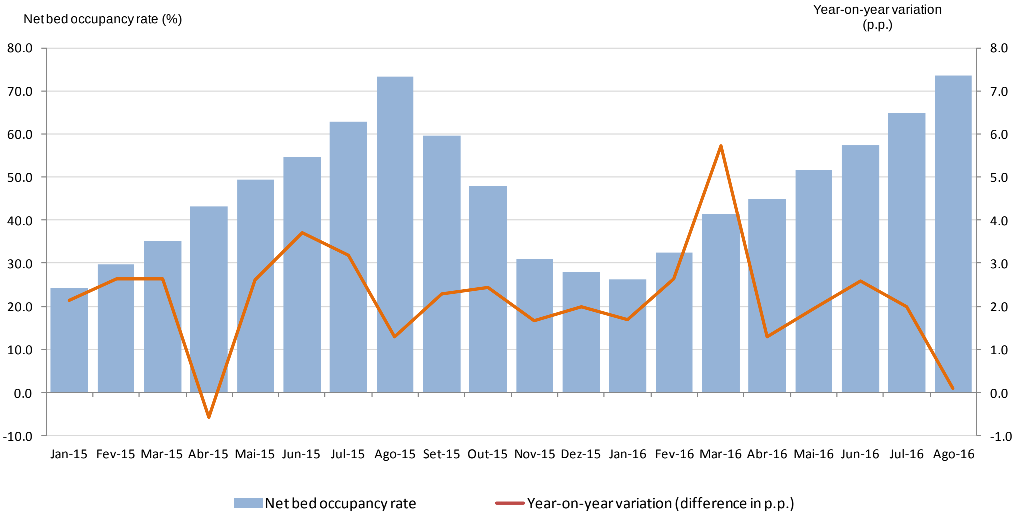
Table 4. Average stay and net bed occupancy rate by region (NUTS II)

NUTS II	Average stay			Occupancy rate		
	(No. of nights)		Year-on-year change rate (%)	%		Year-on-year variation (p.p.)
	Aug-15	Aug-16		Aug-15	Aug-16	
Portugal	**3.20**	**3.21**	**0.4**	**73.3**	**73.5**	**0.1**
North	2.00	2.03	1.4	62.1	64.1	2.1
Centre	2.02	2.04	0.8	55.1	55.5	0.5
Lisbon M. A.	2.59	2.60	0.5	75.8	75.0	-0.7
Alentejo	2.13	2.27	6.9	62.1	62.6	0.5
Algarve	5.00	5.07	1.4	82.0	81.2	-0.9
A. R. Azores	3.21	3.27	2.1	70.6	72.8	2.2
A. R. Madeira	5.67	5.62	-0.8	82.3	85.4	3.1

Slight increase in the occupancy rate

Results from the net bed occupancy rate (+0.1 p.p. than August 2015; 73.5%) stood below the ones from the preceding month (+2.0 p.p.; 64.9%) and those from the accumulated period January to August (+2.2 p.p.; 50.3%).

Figure 3. Net bed occupancy rate



As usual, the regions recording the highest net bed occupancy rates were Madeira (85.4%), Algarve (81.2%) and Lisbon (75.0%). However, the Algarve and Lisbon presented declining performances (-0.9 p.p. and -0.7 p.p., respectively), while Madeira presented the largest increase (+3.1 p.p.). Also worth referring the increases recorded in the Azores (+2.2 p.p.) and in the North (+2.1 p.p.).

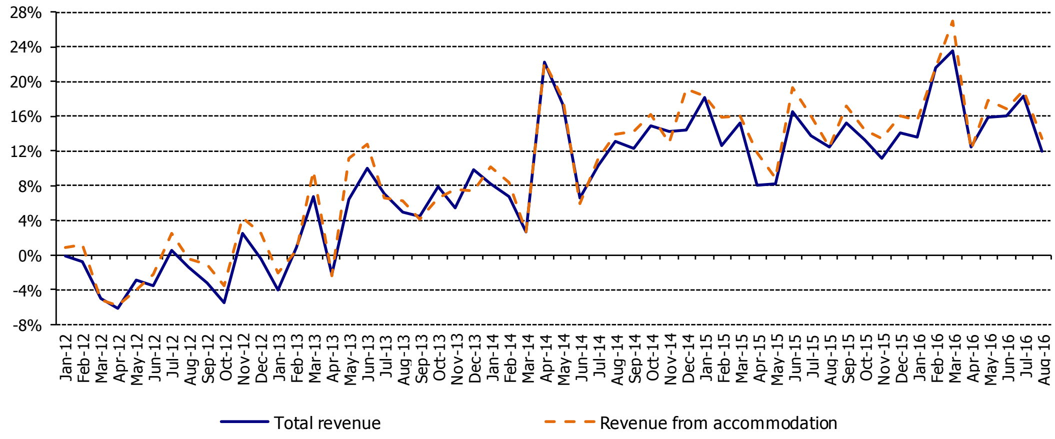
Slow down in revenue but still increasing notably

Total revenue from hotel accommodation activity amounted to EUR 442.8 million and revenue from accommodation was EUR 343.5 million, corresponding to increases of 11.9% and 13.4%, respectively.

These figures stood below the ones from July (+18.3% and +19.0%) and also from the accumulated period January to August (+15.9% and +17.0%).

The evolution of revenue remains above the evolution of guests and overnight stays.

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



All regions recorded noteworthy increases in revenue, but slowing down compared with the preceding month, as with overnight stays.

The A.R. of the Azores presented noteworthy increases (+19.5% in total revenue and +17.7% in revenue from accommodation) as well as the North (+17.4% and +18.5%).

The Algarve slowed down the most in terms of total revenue (-8.0 p.p.), in spite of the significant raise (+10.7%).

In terms of revenue from accommodation, Alentejo had a steep slow down (-10.2 p.p.) although having an 11.0% increase in August 2016.

Table 5. Revenue by region (NUTS II)

Unit: EUR 10^6

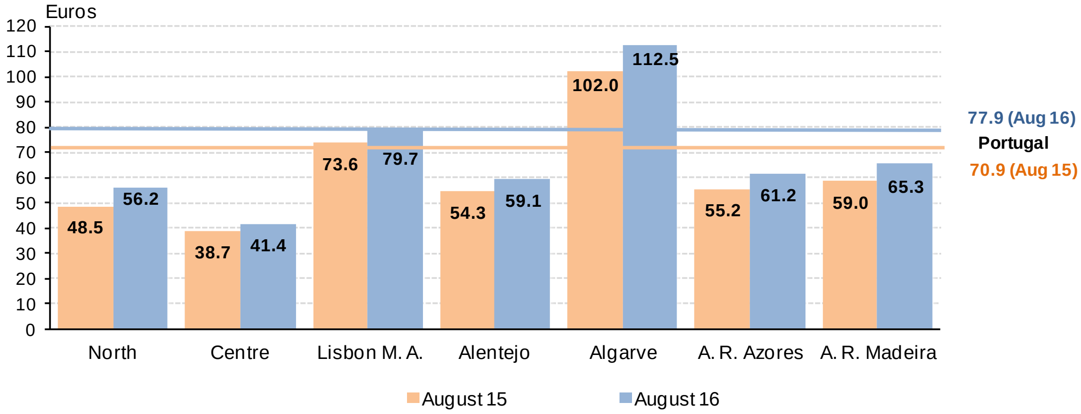
NUTS II	Total revenue		Revenue from accommodation	
	Aug-16	Year-on-year change rate (%)	Aug-16	Year-on-year change rate (%)
Portugal	**442.8**	**11.9**	**343.5**	**13.4**
North	47.0	17.4	36.5	18.5
Centre	36.7	12.0	27.0	13.2
Lisbon M. A.	94.9	11.0	75.2	13.3
Alentejo	15.2	12.2	11.5	11.0
Algarve	193.8	10.7	155.5	12.7
A. R. Azores	11.4	19.5	8.7	17.7
A. R. Madeira	43.7	11.7	28.9	11.2

The average revenue per available room (RevPAR) was EUR 77.9 (+9.9%).

In the first eight months of the year, this indicator attained EUR 44.2 (+12.6%).

The regions recording the highest values in this indicator were the Algarve (EUR 112.5), Lisbon (EUR 79.7) and Madeira (EUR 65.3). Results were overall positive, more so in the North (+15.8%), Azores (+10.8%), Madeira (+10.7%) and Algarve (+10.3%).

Figure 5. Average revenue per available room



Five star apartment hotels recorded the highest RevPAR (EUR 145.9), followed by five star hotels (EUR 143.9) and the *"pousadas"* (EUR 107.4). All the typologies and categories presented increases in RevPAR, more so apartment hotels (+14.8%), namely four star units (+16.3%). *"Pousadas"* (+10.9%) and tourist apartments (+10.4%) are also worth referring.

Table 6. RevPAR by type and category of establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Aug-15	Aug-16	%
Total	**70.9**	**77.9**	**9.9**
Hotels	**73.1**	**78.9**	**7.9**
*****	133.7	143.9	7.6
****	73.2	80.4	9.8
***	47.4	49.8	5.0
** / *	37.6	41.0	9.1
Apartment hotels	**82.3**	**94.4**	**14.8**
*****	145.6	145.9	0.2
****	81.3	94.6	16.3
*** / **	70.2	81.5	16.1
Pousadas	**96.8**	**107.4**	**10.9**
Tourist apartments	**66.4**	**73.3**	**10.4**
Tourist villages	**76.6**	**81.1**	**5.9**
Other tourist establishments	**33.3**	**38.5**	**15.5**

Camping sites and holiday camps

In August 2016, camping sites hosted 558.9 thousand campers and recorded 2.2 million overnight stays, standing for increases of 10.1% and 18.3%, slightly slowing down in relation to the previous month (+17.6% and +20.2%). Both residents (+16.7%) and non residents (+23.4%) contributed for the increase in overnight stays, with the internal market holding a 74.5% share.

The average stay was 3.99 nights (+7.5%), worth noting the increase in stays from the internal market (+10.7%; 4.51 nights).

Results from holiday camps and youth hostels kept declining: 57.0 thousand guests and 131.5 thousand overnight stays (-2.9% and -4.6%). Overnight stays from residents represented 78.0% of the total and declined by 7.0%, contrary to the performance of non residents (+5.2%).

The average stay declined (-1.8%; 2.31 nights), with the contribution of non residents (-9.9%) since stays from residents increased slightly (+0.7%).

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

August

	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	558.9	10.1	368.5	5.4	190.3	20.4	57.0	-2.9	43.5	-7.7	13.5	16.8
Overnight stays	10^3	2231.7	18.3	1663.6	16.7	568.1	23.4	131.5	-4.6	102.6	-7.0	28.9	5.2
Average stay	no. nights	3.99	7.5	4.51	10.7	2.98	2.5	2.31	-1.8	2.36	0.7	2.14	-9.9

EXPLANATORY NOTES

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

2016 – August: preliminary results; January to July: 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 Jul 16	+0.1 p.p.	+0.4 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

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