December,15th 2016

Tourism Activity

October 2016

Steep increases in overnight stays and revenue

Hotel establishments recorded 1.8 million guests and 5.0 million overnight stays in October 2016, figures that relate to year-on-year increases[1] of 12.7% and 12.4% respectively, quite considerably above the results of the preceding month (+8.4% and +7.3%). The outcome in overnight stays had the contribution of both the internal market (+12.5%) and the external markets (+12.3%), both steeply accelerating in relation to September (+5.6% and +7.9% respectively).

The average stay presented a slight declined (-0.3%; 2.75 nights), while the net bed occupancy rate recorded an increase of 3.3 p.p., standing at 51.0%.

Revenue also accelerated (+19.8% in total revenue and +21.3% in revenue from accommodation), compared with September (+17.6% and +17.0%, respectively).

Table 1. Global preliminary results from tourism activity

Global preliminary results	Unit	September		October		Jan to Oct 16	
		Value	Year-on-year change rate (%)	Value	Year-on-year change rate	Value	Year-on-year change rate (%)
Guests	10^3	2 081.0	8.4	1 824.4	12.7	16 862.9	9.7
Overnight stays	10^3	5 966.0	7.3	5 016.7	12.4	48 118.2	9.1
Residents in Portugal	10^3	1 620.5	5.6	1 124.4	12.5	13 524.5	5.2
Residents abroad	10^3	4 345.4	7.9	3 892.3	12.3	34 593.6	10.8
Average stay	no. of nights	2.87	-1.0	2.75	-0.3	2.85	-0.5
Net bed occupancy rate	%	61.3	1.6 p.p.	51.0	3.3 p.p.	51.5	2.2 p.p.
Total revenue	EUR 10^6	350.5	17.6	270.4	19.8	2 609.2	16.7
Revenue from accommodation	EUR 10^6	255.1	17.0	190.5	21.3	1 899.7	17.6
RevPAR (Average revenue per available room)	EUR	59.1	12.1	43.5	15.6	45.7	12.9

Guests and overnight stays kept accelerating

In October 2016, tourism accommodation establishments hosted 1.8 million guests which originated 5.0 million overnight stays (+12.7% and +12.4% respectively). These figures stood for an acceleration vis-à-vis the preceding months (+8.4% and +7.3% in September; +3.6% and +4.2% in August) and also in relation to the accumulated period January to October (+9.7% and +9.1%).

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

Hotels concentrated 68.6% of the total overnight stays and apartment hotels 13.6%, having both recorded noteworthy increases of 14.3% and 14.0% respectively. It should also be noted the evolution of the *"pousadas"* (+23.1%) and tourist villages (+15.7%), as well as the recovery in tourist apartments (+3.8%, after four months of declining results).

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 rates (%)	
	Oct-15	Oct-16	Jan to Oct 16	Oct-16	Jan to Oct 16
Total	**4 464.3**	**5 016.7**	**48 118.2**	**12.4**	**9.1**
Hotels	**3 011.4**	**3 441.3**	**32 126.3**	**14.3**	**11.4**
*****	608.6	684.1	6 252.6	12.4	9.0
****	1 449.0	1 697.9	15 720.8	17.2	13.4
***	666.2	741.4	7 008.1	11.3	9.1
** / *	287.7	317.9	3 144.8	10.5	11.9
Apartment hotels	**599.7**	**683.9**	**6 899.3**	**14.0**	**8.9**
*****	34.5	39.5	405.8	14.7	- 3.4
****	437.4	500.3	4 945.7	14.4	10.5
*** / **	127.8	144.1	1 547.8	12.7	7.7
Pousadas	**43.1**	**53.1**	**475.2**	**23.1**	**9.4**
Tourist apartments	**394.6**	**409.7**	**4 288.1**	**3.8**	**- 0.1**
Tourist villages	**189.5**	**219.2**	**2 233.5**	**15.7**	**13.5**
Other tourist establishments	**226.0**	**209.4**	**2 095.8**	**-7.3**	**- 5.6**

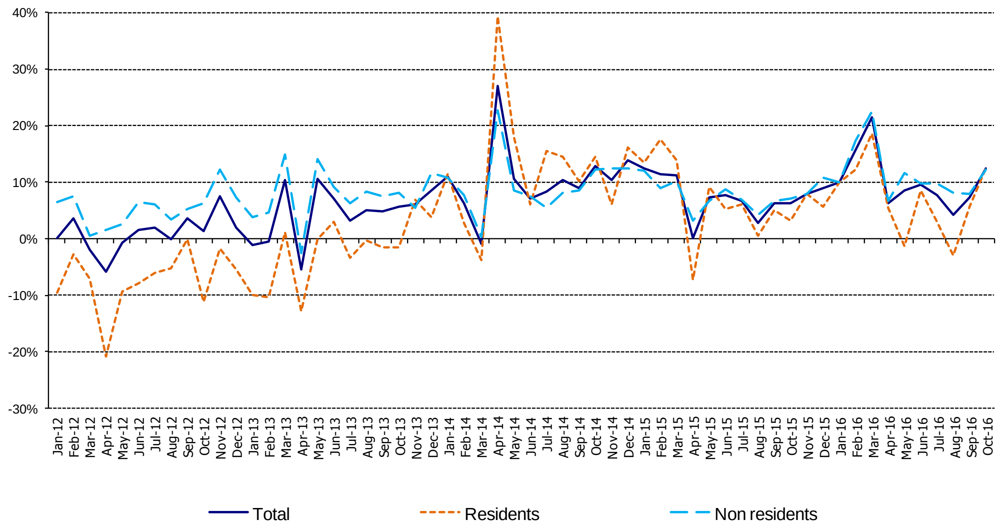
Acceleration in both internal and external markets

Residents in Portugal contributed with 1.1 million overnight stays (+12.5%), strengthening the recovery from the preceding month (+5.6% in September, from -2.9% in August); in all months of 2016, only March recorded a change rate above the one in October.

The external markets (3.9 million overnight stays) also accelerated (+12.3%) compared to September (+7.9%).

When considering the first ten months of the year, overnight stays from residents increased by 5.2% and those from non residents grew by 10.8%.

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



The French and Brazilian markets with steep increases

The thirteen main inbound markets[2] (85.8% of overnight stays from non residents) kept a mostly positive evolution.

The United Kingdom stood for 25.9% of overnight stays from non residents (27.8% in the same month of 2015) and grew by 4.6%, above the results of September (+3.1%) but below the accumulated total of January to October (+9.5%).

Germany, with a 15.6% share, accelerated significantly (from +5.1% in September to +12.6% in October), surpassing the result of the first ten months of the year (+9.3%).

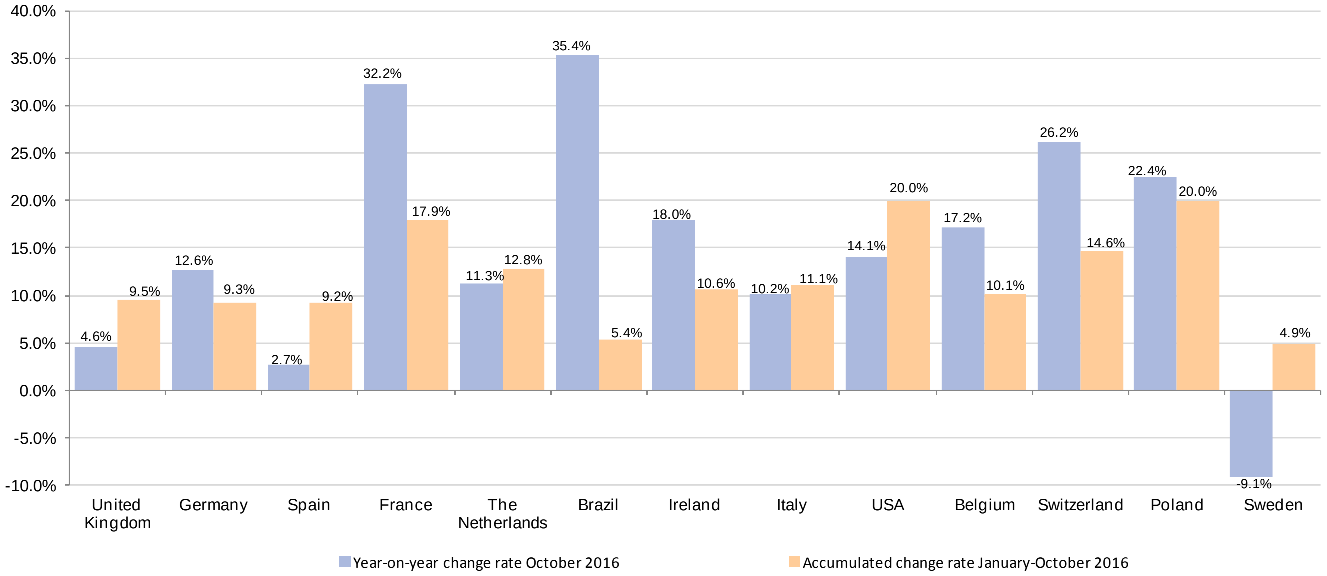
The French market grew considerably by 32.2%, accelerating in comparison to the preceding month (+23.1%) growing well above the results of the period January to October (+17.9%). Its representativeness increased to 9.5% from 8.1% in the same month of 2015.

The evolution of the Spanish market (+2.7% of overnight stays) stood below the one recorded in the latest months (+4.2% in September) and also below the results from the first ten months of the year (+9.2%). Its weight also declined (from 8.2% in October2015 to 7.5% in October 2016).

Overnight stays from guests coming from the Netherlands (5.5% of the total) increased by 11.3%, in line with the outcome of the preceding month (+11.9%).

The evolutions of the Brazilian (+35.4%), Swiss (+26.2%) and Polish (+22.4%) markets were also noteworthy.

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



2 Based on overnight stays in 2015

Overall increase in overnight stays

All regions presented steep increases in overnight stays, mainly in the Azores (+29.0%), Alentejo (+17.2%) and in the Algarve (+14.2%), with the latter as the most sought after region (34.3% of the total overnight stays). Lisbon (25.6%), the North and Madeira (both with 12.8%) followed.

Considering overnight stays from residents, the Algarve and Madeira were the regions that grew the most (+33.1% and +30.0% respectively), also worth referring the Alentejo (+23.6%) and the Azores (+23.4%). Lisbon was the only region to present a decline (-1.7%). The main destinations for residents were the North (23.2% of overnight stays from the internal market), Lisbon (22.6%) and the Centre (20.0%).

The evolution of overnight stays from the external markets was mostly positive in the various regions, with a greater impact on the Azores (+33.2%), the North (+16.4%) and in the Algarve (+12.3%). As usual, the Algarve stood as the first choice for non residents (39.4%), followed by Lisbon (26.5%) and Madeira (14.8%).

It should be noted that the month of October was particularly hot and dry which might have promoted an increase on the demand from the various markets particularly from the internal market. The average value for the maximum temperature in October was the fourth highest recorded since 2000 (source: IPMA).

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			
	Oct-16		Jan to Oct 16		Oct-16		Jan to Oct 16		Oct-16		Jan to Oct 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	**5 016.7**	**12.4**	**48 118.2**	**9.1**	**1 124.4**	**12.5**	**13 524.5**	**5.2**	**3 892.3**	**12.3**	**34 593.6**	**10.8**
North	644.3	12.7	6 034.3	12.7	260.9	7.6	2 629.2	7.1	383.4	16.4	3 405.1	17.4
Centre	454.6	10.0	4 401.6	9.6	225.1	12.2	2 435.3	7.7	229.5	8.0	1 966.3	12.0
Lisbon M. A.	1284.5	8.2	11 456.9	6.3	254.6	-1.7	2 587.2	2.5	1 029.9	10.9	8 869.7	7.4
Alentejo	131.0	17.2	1 424.8	11.2	76.3	23.6	927.1	11.3	54.7	9.3	497.6	10.8
Algarve	1720.7	14.2	17 016.4	8.6	185.5	33.1	3 671.9	-0.8	1 535.2	12.3	13 344.6	11.5
A. R. Azores	139.1	29.0	1 408.1	21.7	57.0	23.4	564.3	19.6	82.1	33.2	843.9	23.1
A. R. Madeira	642.5	13.5	6 375.9	9.5	65.0	30.0	709.5	15.9	577.5	11.9	5 666.4	8.7

Average stay kept reducing

The evolution of the average stay kept declining (-0.3%; 2.75 nights), after -1.0% in September.

When considering the period January to October, results from this indicator were also declining (-0.5%; 2.85 nights).

Madeira recorded the highest average stays (5.10 nights) but also the greatest reduction (-5.0%). In the Algarve and in the Azores the average stays were also noteworthy (4.43 and 3.08 nights, respectively).

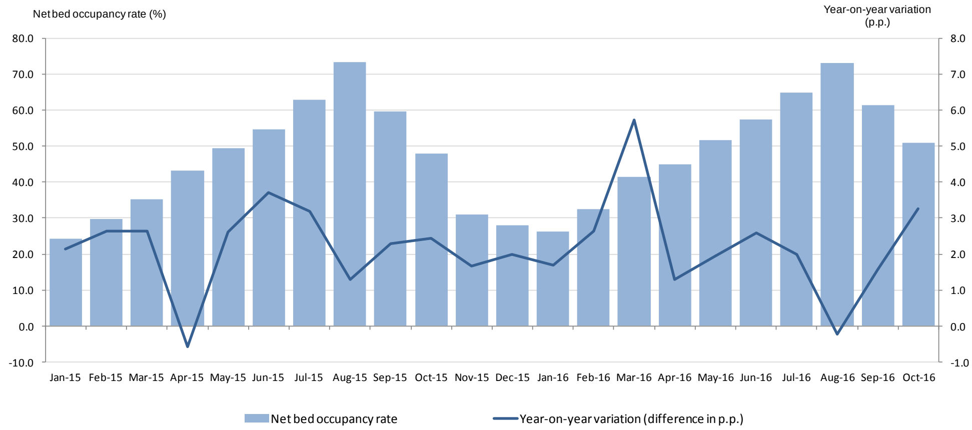
Table 4. Average stay and net bed occupancy rate by region (NUTS II)

NUTS II	Average stay (No. of nights) Oct-15	Average stay (No. of nights) Oct-16	Year-on-year change rate (%)	Occupancy rate % Oct-15	Occupancy rate % Oct-16	Year-on-year variation (p.p.)
Portugal	**2.76**	**2.75**	**-0.3**	**47.7**	**51.0**	**3.3**
North	1.76	1.81	2.8	43.5	46.0	2.5
Centre	1.72	1.68	-2.5	33.1	34.9	1.9
Lisbon M. A.	2.31	2.30	-0.5	60.9	62.5	1.7
Alentejo	1.63	1.63	0.2	28.6	32.1	3.5
Algarve	4.54	4.43	-2.3	45.7	49.7	4.0
A. R. Azores	3.10	3.08	-0.7	39.3	45.7	6.5
A. R. Madeira	5.37	5.10	-5.0	64.3	70.6	6.3

Occupancy rate remained positive

The net bed occupancy rate was 51.0%, increasing by 3.3 p.p., surpassing the one recorded a month earlier (+1.6 p.p.) and the one recorded in the first ten months of the year (+2.2 p.p.; 51.5%).

Figure 3. Net bed occupancy rate



Just like in the previous month, the regions with the highest net bed occupancy rates were Madeira (70.6%), Lisbon (62.5%) and the Algarve (49.7%).

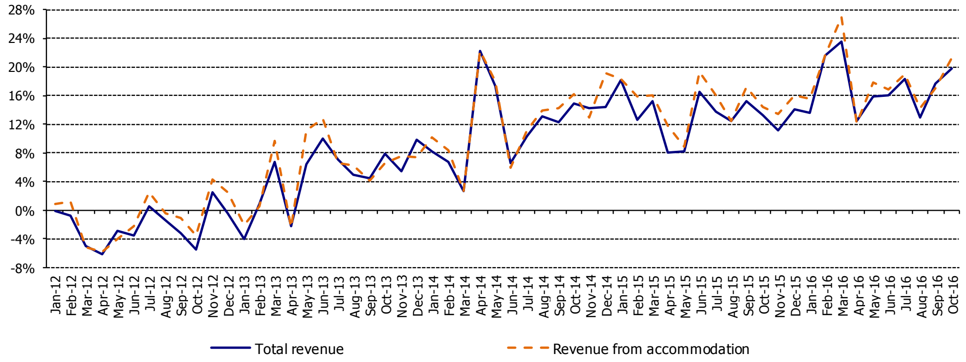
The evolution of this indicator in the regions was overall positive, more so in the Azores (+6.5 p.p.) and in Madeira (+6.3 p.p.). In the mainland, the increases in the Algarve (+4.0 p.p.) and in Alentejo (+3.5 p.p.) stood out.

Significant acceleration in revenue in all regions

Total revenue from hotel accommodation activity amounted to EUR 270.4 million and revenue from accommodation totaled EUR 190.5 million (+19.8% and +21.3% respectively), accelerating compared to the preceding month (+17.6% and +17.0%).

Considering the first ten months of the year as a whole, total revenue increased by 16.7% and revenue from accommodation grew by 17.6%.

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



There were steep increases in all regions, mainly in the Azores (+40.2% in total revenue and +38.4% in revenue from accommodation), in the Algarve (+21.7% and +26.5%) and in the North (+22.3% and +24.3%).

As regards the acceleration recorded, Lisbon stood out (+17.2% and +18.1%, from +10.8% and +8.4% in September).

Table 5. Revenue by region (NUTS II)

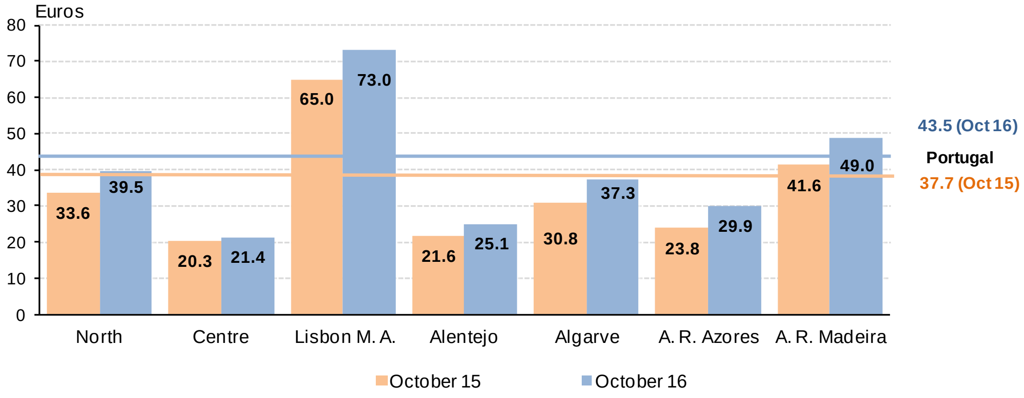
Unit: EUR 10^6

NUTS II	Total revenue		Revenue from accommodation	
	Oct-16	Year-on-year change rate (%)	Oct-16	Year-on-year change rate (%)
Portugal	**270.4**	**19.8**	**190.5**	**21.3**
North	35.1	22.3	26.3	24.3
Centre	20.3	9.5	13.6	11.2
Lisbon M. A.	93.5	17.2	69.9	18.1
Alentejo	7.4	29.2	4.8	21.1
Algarve	73.9	21.7	50.4	26.5
A. R. Azores	6.1	40.2	4.3	38.4
A. R. Madeira	34.0	22.7	21.3	20.3

The average revenue per available room (RevPAR) was EUR 43.5 (+15.6%), with an increase above the one recorded in September (+12.1%) and the one recorded in the period January to October (+12.9%).

The regions that recorded the highest values in RevPAR were Lisbon (EUR 73.0), Madeira (EUR 49.0) and the North (EUR 39.5). The evolution was globally positive, with the emphasis on the Azores (+26.0%) and in the Algarve (+21.1%).

Figure 5. Average revenue per available room



As usual, five star hotels recorded the highest RevPAR (EUR 90.6), followed by the *"pousadas"* (EUR 66.0) and five star apartment hotels (EUR 52.5).

As regards the evolution of this indicator, tourist apartments (+20.5%), three and two star apartment hotels (+18.5%) and four star hotels (+16.5%) stood out.

Table 6. RevPAR by type and category of establishment

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Oct-15	Oct-16	%
Total	**37.7**	**43.5**	**15.6**
Hotels	**43.7**	**49.9**	**14.3**
*****	79.6	90.6	13.8
****	43.2	50.3	16.5
***	29.1	31.1	6.6
** / *	23.9	26.8	11.9
Apartment hotels	**31.8**	**37.2**	**17.1**
*****	46.4	52.5	13.0
****	33.3	38.3	15.1
*** / **	24.0	28.4	18.5
Pousadas	**59.0**	**66.0**	**12.0**
Tourist apartments	**17.9**	**21.6**	**20.5**
Tourist villages	**25.4**	**26.3**	**3.5**
Other tourist establishments	**22.3**	**25.7**	**15.5**

Camping sites and holiday camps

In October 2016, camping sites kept recording quite positive results: 18.5% more campers (84.0 thousand) and 26.6% more overnight stays (308.8 thousand). Overnight stays from residents (52.4% of the total) increased by 20.6%, while those from non residents went up 33.9%.

The average stay was 3.68 nights (+6.8%), with the emphasis on the external markets (+18.7%; 3.72 nights), since the internal market presented a declining evolution (-2.8%; 3.63 nights).

Holiday camps and youth hostels had the registration of 22.3 thousand guests (-5.1%) and 42.7 thousand overnight stays (-4.9%). Residents were the sole contributors for the decline in overnight stays (-10.3%, with a share of 64.2%), given that the external markets presented an increase of 6.8%.

The average stay changed slightly (+0.2%; 1.91 nights), with the divergent contribution of residents (-5.6%; 1.77 nights) and non residents (+12.7%; 2.21 nights).

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

Oct 16	Unit	Camping sites						Holiday camps and youth hostels					
		Total	Y-o-y change rate (%)	Residents	Y-o-y change rate (%)	Non residents	Y-o-y change rate (%)	Total	Y-o-y change rate (%)	Residents	Y-o-y change rate (%)	Non residents	Y-o-y change rate (%)
Campers / Guests	10^3	84.0	18.5	44.5	24.1	39.5	12.8	22.3	-5.1	15.4	-5.0	6.9	-5.2
Overnight stays	10^3	308.8	26.6	161.7	20.6	147.1	33.9	42.7	-4.9	27.4	-10.3	15.3	6.8
Average stay	no. nights	3.68	6.8	3.63	-2.8	3.72	18.7	1.91	0.2	1.77	-5.6	2.21	12.7

EXPLANATORY NOTES

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

2016 – October: preliminary results; January to September: 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 Sept 16	+0.1 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 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: 16th January 2017