

## Tourism Activity

March 2017

### Hotel activity slows down

Hotel establishments recorded 1.4 million guests and 3.7 million overnight stays in March 2017, figures that relate to year-on-year change rates<sup>1</sup> of 0.9% and -0.2% (8.6% and 8.2% in February 2017, respectively). The overnight stays from the internal market decreased by 9.9% (+5.7% in February), interrupting the upward trend, while the ones from the external markets slowed down to 3.7% (9.3% in February).

The average stay (2.67 nights) declined by 1.1% and the net bed occupancy rate (39.8%) went down 1.6 p.p.

Total revenue continued to slow down, recording a 9.9% growth (14.5% in the preceding month), having reached EUR 188.9 million. Revenue from accommodation accounted for EUR 130.1 million and increased by 8.6% (16.0% in February).

These results were influenced by the calendar effect associated to the Easter period, which in 2016 occurred in March and in 2017 it was celebrated in April.

**Table 1. Global preliminary results from tourism activity**

Global preliminary results	Unit	February 2017		March 2017		Jan - Mar 17	
		Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)	Value	Year-on-year change rate (%)
Guests	10 <sup>3</sup>	1 082.6	8.6	1 373.1	0.9	3 438.6	6.7
Overnight stays	10 <sup>3</sup>	2 774.5	8.2	3 669.6	-0.2	8 839.8	5.6
Residents in Portugal	10 <sup>3</sup>	829.3	5.7	961.2	-9.9	2 505.6	-2.0
Residents abroad	10 <sup>3</sup>	1 945.2	9.3	2 708.4	3.7	6 334.1	9.0
Average stay	no. of nights	2.56	-0.4	2.67	-1.1	2.57	-1.1
Net bed occupancy rate	%	35.5	2.9 p.p.	39.8	-1.6 p.p.	34.9	1.3 p.p.
Total revenue	EUR 10 <sup>6</sup>	136.9	14.5	188.9	9.9	448.9	13.5
Revenue from accommodation	EUR 10 <sup>6</sup>	94.7	16.0	130.1	8.6	309.3	13.2
RevPAR (Average revenue per available room)	EUR	26.9	17.4	31.8	6.4	27.2	12.3

### Easter effect with significant impact

In March 2017, hotel establishments hosted 1.4 million guests who spent 3.7 million overnight stays (0.9% and -0.2%, respectively), lower evolutions compared with the results of February (8.6% and 8.2%). In the first quarter of 2017, there were increases of 6.7% and 5.6%, respectively.

<sup>1</sup> Unless stated otherwise, the change rates presented in this press release correspond to year-on-year change rates.

Overnight stays in hotels (70.9% of the total) presented a 2.1% growth. There were reductions in the remaining typologies, more so in tourist apartments (-14.2%).

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

Unit: 10<sup>3</sup>

Type of establishment and category	Overnight stays			Year-on-year change rates (%)	
	Mar 16	Mar 17	Jan - Mar 17	Mar 17	Jan - Mar 17
<b>Total</b>	<b>3 678.0</b>	<b>3 669.6</b>	<b>8 839.8</b>	<b>-0.2</b>	<b>5.6</b>
<b>Hotels</b>	<b>2 548.2</b>	<b>2 602.7</b>	<b>6 278.3</b>	<b>2.1</b>	<b>8.3</b>
*****	483.2	485.7	1 173.3	0.5	7.8
****	1 245.3	1 282.7	3 067.0	3.0	10.2
***	560.1	578.2	1 392.1	3.2	6.5
** / *	259.6	256.0	645.9	-1.4	4.4
<b>Apartment hotels</b>	<b>494.9</b>	<b>492.3</b>	<b>1 193.0</b>	<b>-0.5</b>	<b>5.3</b>
*****	28.9	28.3	75.2	-2.0	8.8
****	350.3	357.2	850.4	2.0	7.0
*** / **	115.7	106.8	267.3	-7.7	- 0.5
<b>Pousadas</b>	<b>39.4</b>	<b>39.2</b>	<b>96.4</b>	<b>-0.5</b>	<b>12.2</b>
<b>Tourist apartments</b>	<b>274.2</b>	<b>235.3</b>	<b>526.6</b>	<b>-14.2</b>	<b>- 10.6</b>
<b>Tourist villages</b>	<b>154.1</b>	<b>134.5</b>	<b>329.9</b>	<b>-12.7</b>	<b>- 3.1</b>
<b>Other tourist establishments</b>	<b>167.1</b>	<b>165.6</b>	<b>415.5</b>	<b>-0.9</b>	<b>- 2.2</b>

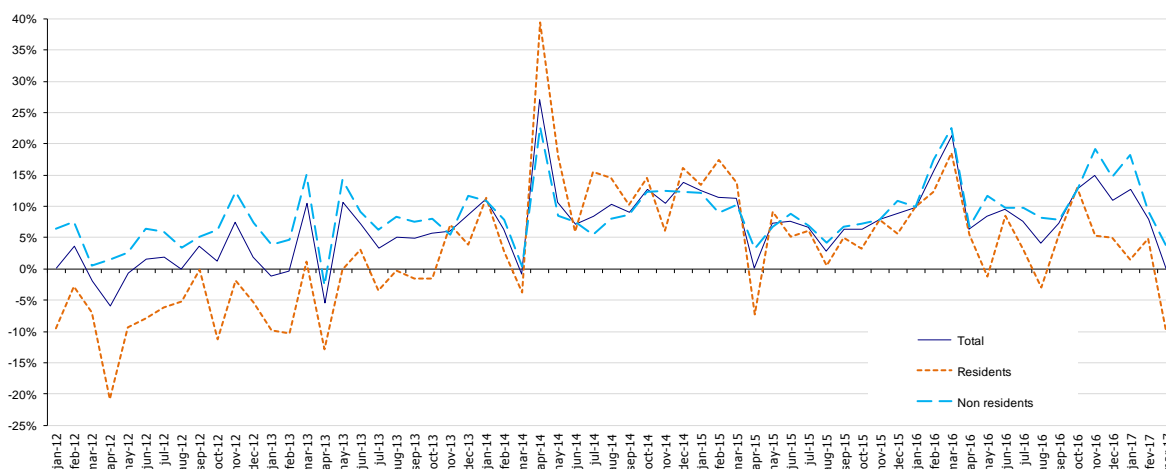
### Growth in overnight of non residents

The internal market contributed with 961.2 thousand overnight stays which corresponded to a decrease of 9.9% (+5.7% in February), interrupting the upward trend since September 2016.

The external markets slowed down (3.7% in March vis-à-vis 9.3% in February), with a total of 2.7 million overnight stays.

In the first quarter 2017, overnight stays of the internal market decreased by 2.0% and those of the external markets increased by 9.0%, results influenced by the calendar effect associated with the Easter, which occurred in the second quarter in the current year and not in the first quarter as in 2016.

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



## Positive evolution in the main markets with the exception of Spain

The thirteen main inbound markets<sup>2</sup> represented 81.5% of total overnight stays of non residents and presented mostly a positive evolution.

Overnight stays of residents in the United Kingdom (20.7% of the total overnight stays of non residents) recorded a 5.7% growth in March, the same growth recorded in the first quarter.

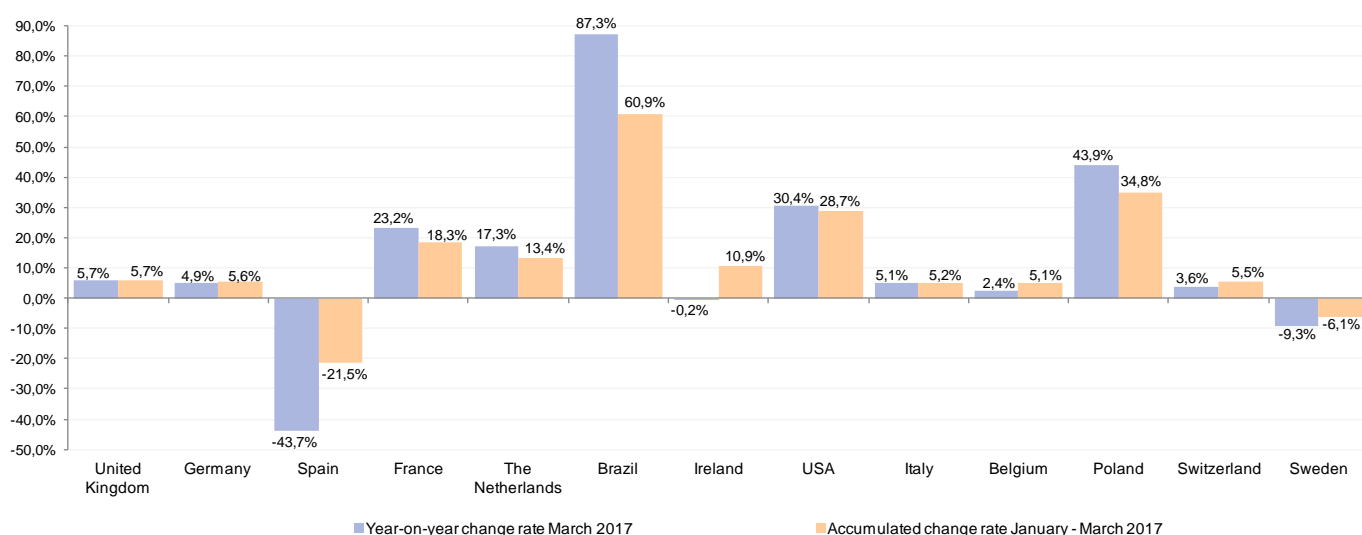
Overnight stays of the German market (17.5% of the total) grew by 4.9% in March, presenting a 5.6% growth in the first three months of the year.

The Spanish market (8.0% of the total), which is traditionally affected by the "Easter effect", recorded a steep decline of 43.7%, given that in 2016 Easter was celebrated in March. With regard to the total of the quarter, it presented a 21.5% decrease.

Overnight stays of residents in France (7.8% of the total) presented a quite significant growth, accelerating in view of the preceding months (23.2% in March, after growing by 15.8% in February and by 13.8% in January). In the first three months of the year this market presented an 18.3% growth.

Amongst the main countries, in March, the largest increases came from the Brazilian (87.3%), Polish (43.9%) and North American (30.4%) markets. These three markets were also the ones that presented the largest increases in the first quarter of the year (60.9%, 34.8% and 28.7% respectively).

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



<sup>2</sup> Based on provisional results about overnight stays in 2016

### Increases in overnight stays in MA Lisboa, AR Açores and AR Madeira

In March, there were increases in overnight stays in MA Lisboa (6.3%) and in the Autonomous Regions of Açores (10.8%) and Madeira (3.1%). Overnight stays were mainly distributed by MA Lisboa (29.2%), Algarve (27.3%) and AR Madeira (16.0%). In the first three months of the year, all regions, with the exception of the Alentejo, presented increases in overnight stays, more so MA Lisboa (12.8%) and AR Açores (10.5%). In the first quarter, there were 470.3 thousand more overnight stays compared with the same period a year earlier, 63.9% of which were originated from the overnight stays growth in MA Lisboa (+300.5 thousand in the 1<sup>st</sup> quarter).

In March, overnight stays of residents increased only in AR Açores (10.5%) and in MA Lisboa (1.2%). In the whole of the first three months of the year, these regions were the only ones with a positive evolution (15.8% and 4.3% respectively).

The external markets recorded increases in most regions in March, with the emphasis on AR Açores (11.1%) and MA Lisboa (7.9%). In the first quarter as a whole, all regions presented increases in terms of the demand from the external markets, more so in MA Lisboa (15.9%), Norte (10.9%) and Centro (9.4%).

**Table 3. Overnight stays by region (NUTS II)**

Unit: 10<sup>3</sup>

NUTS II	Total of overnight stays				Overnight stays from residents				Overnight stays from non residents			
	Mar 17		Jan - Mar 17		Mar 17		Jan - Mar 17		Mar 17		Jan - Mar 17	
	Value	Y-o-y change rate (%)	Value	Y-o-y change rate (%)	Value	Y-o-y change rate (%)	Value	Y-o-y change rate (%)	Value	Y-o-y change rate (%)	Value	Y-o-y change rate (%)
<b>Portugal</b>	<b>3 669.6</b>	<b>-0.2</b>	<b>8 839.8</b>	<b>5.6</b>	<b>961.2</b>	<b>-9.9</b>	<b>2 505.6</b>	<b>-2.0</b>	<b>2 708.4</b>	<b>3.7</b>	<b>6 334.1</b>	<b>9.0</b>
Norte	482.6	-2.5	1 226.3	3.7	219.0	-8.4	601.0	-2.9	263.7	3.0	625.4	10.9
Centro	326.5	-4.9	798.1	2.4	192.5	-8.4	513.4	-1.1	134.1	0.6	284.7	9.4
Lisboa MA	1071.9	6.3	2 650.1	12.8	245.5	1.2	658.1	4.3	826.4	7.9	1 992.0	15.9
Alentejo	90.7	-17.5	236.8	-3.6	58.1	-23.3	159.4	-6.8	32.6	-4.7	77.4	4.0
Algarve	1000.5	-4.9	2 159.7	1.3	135.1	-30.2	316.1	-15.8	865.4	0.8	1 843.6	5.0
AR Açores	110.6	10.8	244.5	10.5	60.3	10.5	138.0	15.8	50.3	11.1	106.4	4.4
AR Madeira	586.7	3.1	1 524.3	4.5	50.8	-1.6	119.6	-2.0	535.9	3.6	1 404.7	5.0

### Reduction in average stay

The average stay (2.67 nights) decreased by 1.1%, more so in the Alentejo (-8.7%) and in AR Madeira (-7.6%). The Algarve (10.4%) and AR Açores (5.0%) were the only regions that presented increases in this indicator.

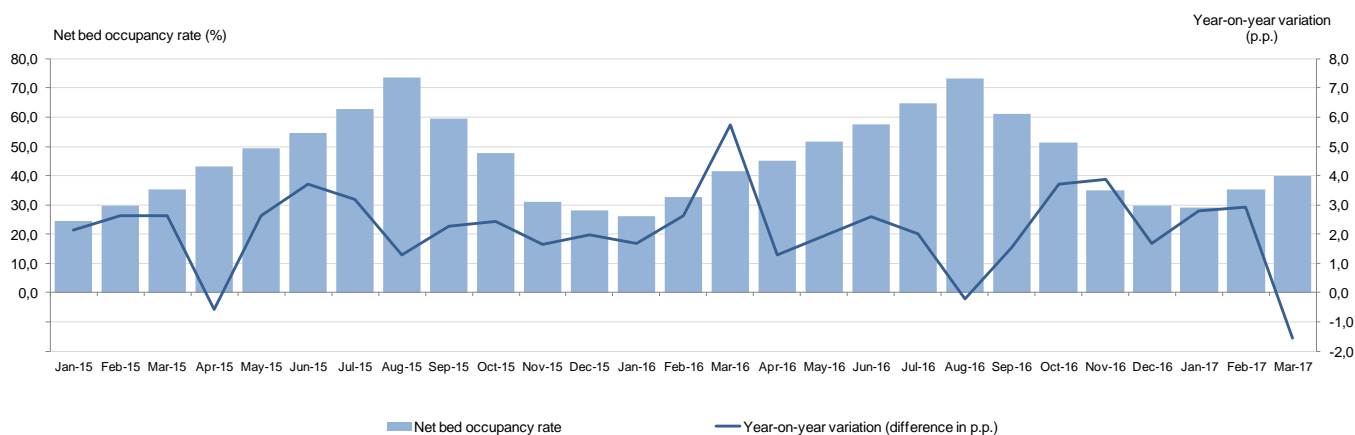
**Table 4. Average stay and net bed occupancy rate by region (NUTS II)**

NUTS II	Average stay			Occupancy rate		
	No. of nights		Y-o-y change rate (%)	%		Y-o-y variation (p.p.)
	Mar 16	Mar 17		Mar 16	Mar 17	
<b>Portugal</b>	<b>2.70</b>	<b>2.67</b>	<b>-1.1</b>	<b>41.4</b>	<b>39.8</b>	<b>-1.6</b>
Norte	1.76	1.73	-1.7	37.2	34.9	-2.3
Centro	1.72	1.62	-5.6	27.4	26.1	-1.2
Lisboa MA	2.37	2.31	-2.8	52.0	53.9	1.9
Alentejo	1.79	1.63	-8.7	29.6	23.7	-5.9
Algarve	4.18	4.62	10.4	36.8	32.5	-4.3
AR Açores	2.81	2.96	5.0	37.7	38.1	0.5
AR Madeira	5.39	4.98	-7.6	65.5	69.3	3.8

### Occupancy rate with reduction

The net bed occupancy rate (39.8%) decreased by 1.6 p.p. The highest occupancy rates occurred in AR Madeira (69.3%) and MA Lisboa (53.9%), with both these regions also recording the largest increases in this indicator (3.8 p.p. and 1.9 p.p., respectively).

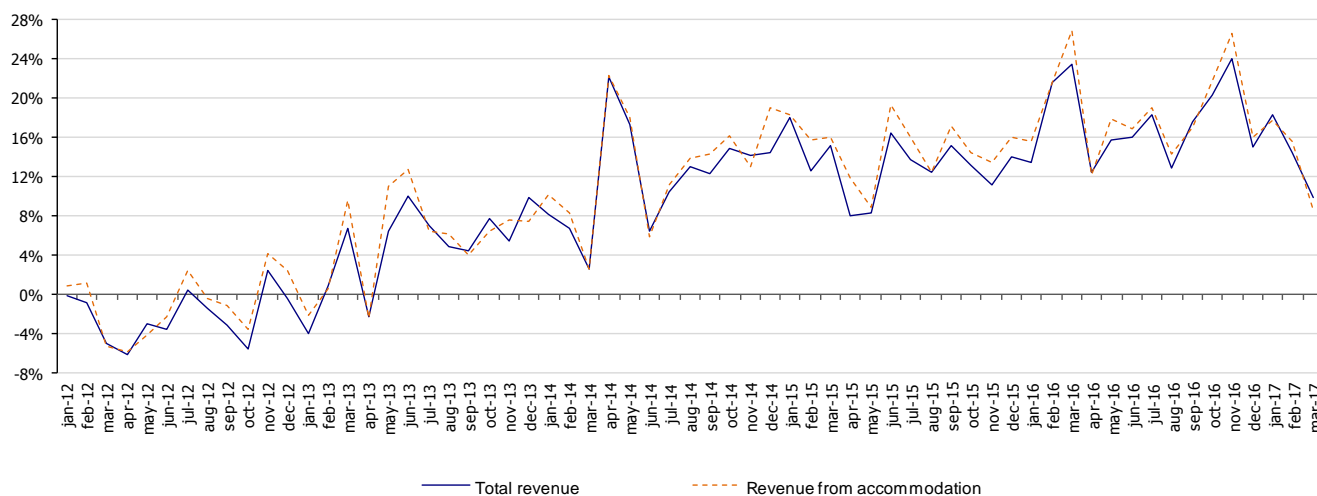
**Figure 3. Net bed occupancy rate**



### Slow down in revenue

Total revenue from hotel accommodation activity amounted to EUR 188.9 million and revenue from accommodation stood at EUR 130.1 million (9.9% and 8.6%, respectively), slowing down compared with the previous month (14.5% and 16.0%, respectively).

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



Most regions presented increases in revenue, with the emphasis on AR Açores (21.3% in total revenue and 19.7% in revenue from accommodation) and MA Lisboa (17.4% and 16.7%), while the Alentejo presented declines (-3.6% and -9.4%) and the Algarve had a reduction of 2.0% in revenue from accommodation.

**Table 5. Revenue by region (NUTS II)**

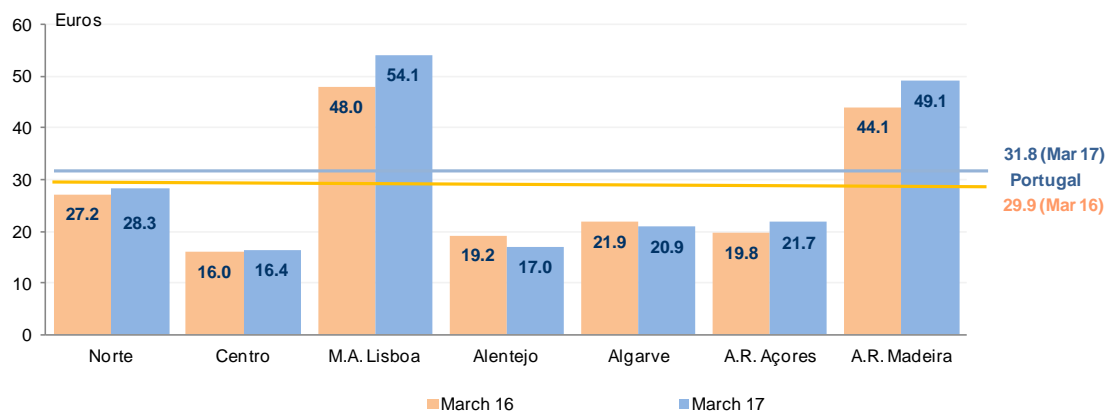
Unit: EUR 10<sup>6</sup>

NUTS II	Total revenue		Revenue from accommodation	
	Mar 17	Year-on-year change rate (%)	Mar 17	Year-on-year change rate (%)
<b>Portugal</b>	<b>188.9</b>	<b>9.9</b>	<b>130.1</b>	<b>8.6</b>
Norte	25.3	9.2	18.6	8.5
Centro	15.3	4.5	9.8	0.7
Lisboa MA	69.6	17.4	50.9	16.7
Alentejo	4.8	-3.6	3.0	-9.4
Algarve	38.2	0.8	24.6	-2.0
AR Açores	4.3	21.3	3.0	19.7
AR Madeira	31.4	10.8	20.3	9.9

The average revenue per available room (RevPAR) was EUR 31.8, corresponding to an increase of 6.4%, slowing down in relation to February (17.4%).

In MA Lisboa and in AR Madeira, RevPAR ascended to EUR 54.1 and EUR 49.1 respectively. The emphasis went to the increases in MA Lisboa (12.7%), AR Madeira (11.5%) and AR Açores (9.8%).

**Figure 5. Average revenue per available room**



Five star hotels recorded EUR 61.2 in RevPAR, the same value as in the same month a year earlier, and the "pousadas" EUR 41.4 (-13.7%). It should also be highlighted the increase in RevPAR presented by four star hotels and apartment hotels (9.5% and 9.4%, respectively) and by one and two star hotels (10.9%).

**Table 6. RevPAR by type and category of establishment**

Type of establishment and category	RevPAR (€)		Year-on-year change rate
	Mar 16	Mar 17	%
<b>Total</b>	<b>29.9</b>	<b>31.8</b>	<b>6.4</b>
<b>Hotels</b>	<b>33.7</b>	<b>36.1</b>	<b>7.3</b>
*****	61.2	61.2	0.0
****	33.3	36.5	9.5
***	21.9	23.6	7.5
** / *	19.8	22.0	10.9
<b>Apartment hotels</b>	<b>26.0</b>	<b>27.8</b>	<b>6.6</b>
*****	35.9	31.1	-13.4
****	27.2	29.8	9.4
*** / **	20.3	19.6	-3.9
<b>Pousadas</b>	<b>48.0</b>	<b>41.4</b>	<b>-13.7</b>
<b>Tourist apartments</b>	<b>14.5</b>	<b>12.8</b>	<b>-11.9</b>
<b>Tourist villages</b>	<b>19.8</b>	<b>18.5</b>	<b>-6.5</b>
<b>Other tourist establishments</b>	<b>19.6</b>	<b>23.2</b>	<b>18.2</b>

## Camping sites and holiday camps in decline

In March 2017, camping sites hosted 54.3 thousand campers (-20.1%) which spent 226.5 thousand overnight stays (-10.5%). Both the internal market (-15.8%) and the external markets (-6.5%) contributed for the reduction in overnight stays. The external market predominated with 59.8% of total overnight stays. The average stay was 4.17 nights (+12.1%).

Holiday camps and youth hostels recorded 20.7 thousand guests (-22.8%) and 40.4 thousand overnight stays (-20.8%). The internal market concentrated 74.6% of the total overnight stays and declined by 25.7%, while the external markets declined by 2.0%. The average stay (1.95 nights) increased by 2.6%, with the positive contribution of the external markets (27.0%), given that the internal market had a decrease (-3.7%).

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

Mar 17	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 <sup>3</sup>	54.3	-20.1	27.1	-22.4	27.2	-17.6	20.7	-22.8	16.7	-22.8	4.0	-22.8
Overnight stays	10 <sup>3</sup>	226.5	-10.5	91.0	-15.8	135.5	-6.5	40.4	-20.8	30.2	-25.7	10.3	-2.0
Average stay	no. nights	4.17	12.1	3.35	8.6	4.98	13.5	1.95	2.6	1.80	-3.7	2.58	27.0



## EXPLANATORY NOTES

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

2017 – March: preliminary results; January and February: provisional results.

2016 – January to December: provisional results.

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 Feb 17	0.2 p.p.	0.2 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 establishments with 10 or more bed places: hotels, apartment hotels, "pousadas", tourist apartments and tourist villages, as well as other accommodation establishments namely boarding houses, motels and inns.

**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".

## ABBREVIATIONS

RevPAR – Revenue per Available Room

**Date of next press release:** June 14, 2017