

## Tourism Activity

July 2011

### Tourism accommodation activity keeps a positive trend

In July 2011 tourism accommodation establishments registered 5.1 million overnight stays, 10% more than in the same month of the previous year. The region of Algarve stood as the main region of destination (44.6% of the total overnight stays), scoring a year-on-year growth of 9.5% for which contributed a sharp rise on the demand by some of the main markets of origin for this region.

On a national level, the total revenue from the activity reached EUR 240.8 million and EUR 172.8 million from accommodation, corresponding to year-on-year increases of 11.1% and 12.5%, respectively.

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

GLOBAL RESULTS	Month		Accumulated	
	Jul 11	Change rate % 11/10	Jan to Jul 11	Change rate % 11/10
<b>HOTEL ESTABLISHMENTS</b>				
Guests (thousand)	1586.0	8.3	7 912.1	6.1
Overnight stays (thousand)	5 057.7	10.0	22 126.6	8.9
Residents in Portugal	1719.0	1.9	7 435.5	0.4
Non residents	3 338.7	14.7	14 691.1	13.8
Average stay (no. of nights)	3.2	0.1	2.8	0.1
Net bed occupancy rate (%)	56.0	2.9 p.p.	38.3	1.7 p.p.
Total revenue (€Million )	240.8	11.1	1040.7	7.5
Revenue from accommodation (€Million )	172.8	12.5	706.9	9.2
Rev Par (Average revenue per available room) (€)	43.2	8.5	27.3	5.0

### Overnight stays

In the period of **January to July 2011** tourism accommodation activity accounted for 7.9 million guests and 22.1 million overnight stays, representing year-on-year increases of 6.1% and 8.9%, respectively.

Non residents contributed mostly for this growth (13.8% more overnight stays than in the same period of the previous year), with the emphasis on the British market (+18.9%, representing 24.3% of overnight stays by non residents) and on the Spanish one, which grew by 11.3% and represented 12.1% of the total of overnight stays spent by foreign tourists.

Keeping the trend of recent months, the results from **July 2011** are overall positive, with tourist accommodation establishments accommodating 1.6 million guests, originating 5.1 million overnight stays, standing for a better performance when compared with July 2010 (+8.3% and +10%, respectively).

Hotels and apartment hotels showed the highest increases on the number of overnight stays towards the same period of the previous year (+15.2% and +13%, respectively). All categories contributed for this outcome, particularly five and four star units, which gained from the rise on the offer side as well. As a consequence of the conversion of certain types of establishments, in accordance with the new legal regime of the tourism sector, there's still a significant growth in two and one star hotels (+18.7%).

For the third consecutive month, tourist villages registered less overnight stays than in July 2010 (-6.5%).

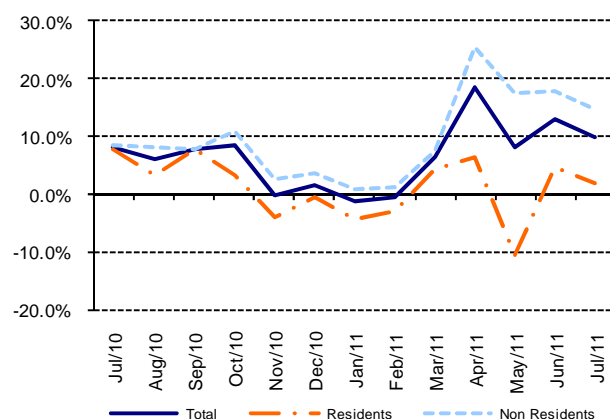
**Table 2. Overnight stays by type and category of the establishment**

Unit: Thousand

Type of establishment and category	Overnight stays		Year-on-year change rate
	Jul-10	Jul-11	%
<b>Total</b>	<b>4 598.4</b>	<b>5 057.7</b>	<b>10.0</b>
<b>Hotels</b>	<b>2 467.1</b>	<b>2 841.5</b>	<b>15.2</b>
*****	414.6	548.9	32.4
****	1182.0	1369.3	15.8
***	675.4	691.8	2.4
** / *	195.1	231.6	18.7
Apartment hotels	759.0	858.0	13.0
*****	38.9	69.8	79.4
****	501.2	564.8	12.7
*** / **	218.9	223.4	2.1
Pousadas	46.5	47.6	2.5
Tourist apartments	607.0	648.4	6.8
Tourist villages	284.5	266.0	-6.5
Inns, Motels and Boarding houses	434.4	396.1	-8.8

Keeping a strong positive trend, non residents, contributing with 3.3 million overnight stays (2/3 of the total), registered an increase of +14.7%, while residents registered 1.7 million overnight stays, representing a year-on-year increase of 1.9% towards the same period of the previous year.

**Figure 1. Overnight stays, month-to-month change rate**



Within the total overnight stays spent by non residents, 75.8% had its origin in the eight main markets, that are

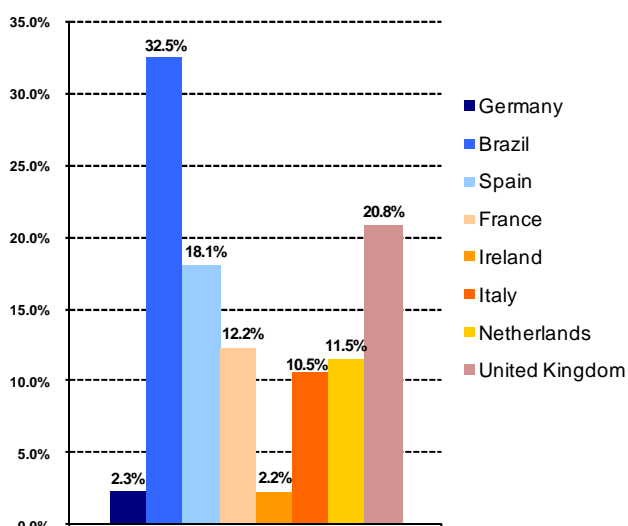
still showing a good performance, led by the Brazilian market (+32.5%), followed by the British (+20.8%) and the Spanish (+18.1%) markets.

The French market along with the Dutch and Italian markets are also worth mentioning, with over 10% growths.

Unit: Thousand

NUTS II	Overnight stays		Year-on-year change rate
	Jul-10	Jul-11	%
<b>PORTUGAL</b>	<b>4 598.4</b>	<b>5 057.7</b>	<b>10.0</b>
North	466.3	496.0	6.4
Center	415.1	449.6	8.3
Lisbon	898.9	976.6	8.6
Alentejo	126.5	142.1	12.3
Algarve	2 050.5	2 246.2	9.5
<b>AZORES</b>	<b>148.6</b>	<b>158.6</b>	<b>6.7</b>
<b>MADEIRA</b>	<b>492.4</b>	<b>588.5</b>	<b>19.5</b>

**Figure 2. Overnight stays, by main markets of origin – month-to-month change rate – July 2011**



Considering overnight stays, the regional outcome reveals overall performance improvements when compared with the same period of the year before, with the best results coming from Madeira (+19.5%) and Alentejo (+12.3%). The Algarve grew by 9.5%, while Lisbon and the Center grew approximately 8%.

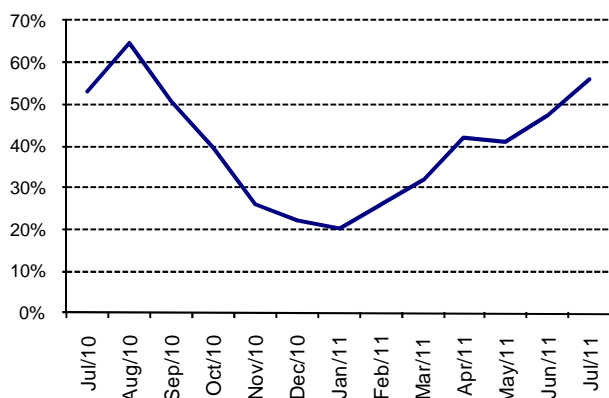
**Table 3. Overnight stays by region (NUTS II)**

For the good results presented by the region of Madeira, among its markets of origin, there were the relevant contributions of the British and the German markets, both representing almost half the total of overnight stays by non residents, scoring together a 20.8% growth when compared with the same period of the previous year. In the Algarve, the main market of origin (the British, representing about 40% of overnight stays by non residents within the region) grew by 19.4%, only surpassed by the growth of the Spanish market (+31.1%, corresponding to 11.5% of the total).

### Net bed occupancy rate and Average Stay

In the month of July 2011, tourist accommodation establishments registered an occupancy rate of 56%, 2.9 p.p. above the one registered in the same month of the previous year.

**Figure 3. Net bed occupancy rate**



The region of Madeira grew the most in terms of occupancy rate (+10.3 p.p.), followed by Lisbon (+3.2 p.p.) and the Algarve (+3 p.p.). The resulting rates for the month of July revealed that the Algarve stood out, with an occupancy rate nearing 70%, followed by the region of Madeira (65.3%), the Azores (57.7%) and Lisbon (57.1%).

**Table 4. Net bed occupancy rate and average stay, by region**

NUTS II	Occupancy rate		Average stay	
	%		(No. of nights)	
	Jul-10	Jul-11	Jul-10	Jul-11
<b>PORTUGAL</b>	<b>53.1</b>	<b>56.0</b>	<b>3.1</b>	<b>3.2</b>
North	39.2	39.1	18	18
Center	34.4	35.6	19	19
Lisbon	53.9	57.1	2.3	2.3
Alentejo	34.3	35.6	18	19
Algarve	66.8	69.8	5.1	5.2
<b>AZORES</b>	<b>55.1</b>	<b>57.7</b>	<b>3.2</b>	<b>3.3</b>
<b>MADEIRA</b>	<b>55.0</b>	<b>65.3</b>	<b>5.4</b>	<b>5.6</b>

By type of establishment, apartment hotels and tourist apartments presented the highest occupancy rates (67.8% and 62.8%), more so in five star apartment hotels (81.4%). In terms of increases, hotels and

apartment hotels surpassed the national figures (+3.4 p.p. and +3.2 p.p., respectively), more so in five star units (+8 p.p. in five star hotels and +14.1 p.p. in apartment hotels).

**Table 5. Net bed occupancy rate and average stay, by type and category of the establishment**

Type of establishment and category	Occupancy rate		Average stay	
	%		(No. of nights)	
	Jul-10	Jul-11	Jul-10	Jul-11
<b>Total</b>	<b>53.1</b>	<b>56.0</b>	<b>3.1</b>	<b>3.2</b>
Hotels	53.3	56.7	2.6	2.7
*****	55.8	63.8	3.0	3.3
****	56.4	61.4	2.9	2.9
***	50.8	51.1	2.4	2.4
** / *	42.4	41.0	1.8	1.8
Apartment hotels	64.6	67.8	5.0	5.0
*****	67.3	81.4	6.2	5.8
****	64.7	67.7	5.1	5.1
*** / **	63.9	64.7	4.6	4.6
Tourist Apartments	60.1	62.8	5.8	5.5
Tourist villages	59.0	54.8	5.9	6.1
Pousadas	56.8	59.3	1.8	1.7
Inns, Motels and Boarding houses	33.7	34.1	2.2	2.2

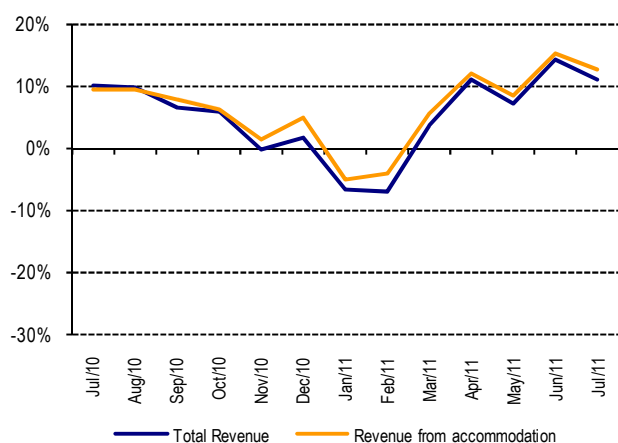
The overall average stay was 3.2 nights, slightly above the one of the same month of the year before (3.1).

On a regional level, there were no major differences as far as this indicator is concerned, with the regions of Madeira and Algarve still leading (5.6 and 5.2 nights, respectively). By type of establishment, tourist villages, tourist apartments and apartment hotels are still the establishments that, in average, register longer stays (more than 5 nights).

## Revenue and Average Revenue per Available Room (Rev Par)

In the month of **July 2011**, tourist accommodation activity registered EUR 240.8 million of total revenue and EUR 172.8 million from accommodation, corresponding to year-on-year increases of 11.1% and 12.5%, respectively.

**Figure 4. Total revenue and total revenue from accommodation - month-to-month change rate**



All regions had positive performances, with Madeira presenting the best results (+26% in both indicators). In the Mainland, the emphasis goes to Alentejo (+15.3% in total revenue and +16.2% from accommodation) and Algarve (+11.2% in total revenue and +13.6% from accommodation).

**Table 6. Revenue by region (NUTS II)**

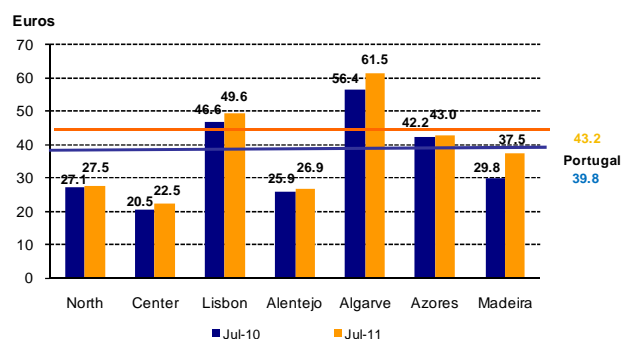
Unit: Million Euros

NUTS II	Total revenue	Year-on-year change rate	Revenue from accommodation	Year-on-year change rate
	Jul-11	%	Jul-11	%
<b>Portugal</b>	<b>240.8</b>	<b>11.1</b>	<b>172.8</b>	<b>12.5</b>
North	23.6	6.5	16.6	7.9
Center	21.3	9.0	13.8	13.5
Lisbon	53.6	7.9	39.7	8.0
Alentejo	7.1	15.3	5.0	16.2
Algarve	100.7	11.2	75.8	13.6
Azores	7.4	4.3	5.6	3.0
Madeira	27.2	26.0	16.3	26.2

In the period under review, Rev Par from tourist accommodation activity was 43.2 €, higher than in July 2010 (+8.5%, which corresponded to 39.8 €).

The region of Algarve registered the highest average revenues (61.5 €), followed by Lisbon (49.6 €) and the Azores (43 €). However, in terms of year-on-year growth, the region of Madeira led (+25.8%).

**Figure 5. Average revenue per room**



When focusing the analysis on the type of establishment, the higher Rev Par figures came from "Pousadas" and apartment hotels, particularly in five star units (67.2 €) in the latter, corresponding to the highest year-on-year increase (+35.2%). Nonetheless, the highest absolute value in terms of Rev Par was 81.9 €, in five star hotels.

**Table 7. Average revenue per room,**

### by type and category of the establishment

Unit:€

Type of establishment and category	RevPar		Year-on-year change rate
	Jul-10	Jul-11	%
<b>Total</b>	<b>39.8</b>	<b>43.2</b>	<b>8.5</b>
Hotels	43.3	46.2	6.7
*****	73.4	81.9	11.6
****	43.2	45.8	6.0
***	32.8	33.4	1.8
** / *	25.2	26.2	4.0
Apartment hotels	49.6	53.0	6.9
*****	49.7	67.2	35.2
****	54.2	56.3	3.9
*** / **	39.4	41.0	4.1
Tourist apartments	37.6	40.4	7.4
Tourist villages	45.0	47.5	5.6
Pousadas	52.7	55.4	5.1
Inns, Motels and Boarding houses	19.0	21.3	12.1

**In the period of January to July 2011**, tourist accommodation establishments registered EUR 1 040.7 million of total revenue and EUR 706.9 million from accommodation, corresponding to year-on-year positive changes of 7.5% and 9.2%, respectively.

The Rev Par was 27.3 €, 5% above the value of the same period of the year before.

### Methodology notes

**Net bed occupancy rate** – the relation between the number of overnight stays and the number of available beds, in the reference period, accounting two beds for each double bed.

**RevPar (*Revenue per Available Room*)** – Revenue per available room, measured by the relation between the revenues from accommodation and the number of available rooms, in the reference period.

**Year-on-year change rates** – 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.

Date of next press release: 13<sup>th</sup> of October 2011