

# TOURISM SECTOR IN PORTUGAL SLOWS DOWN IN THE FIRST HALF OF THE YEAR



In the first half of the year, the number of guests and overnight stays in Portugal kept increasing, but there has been a deceleration, compared to the growth rate of the same period of last year.

The number of guests grew by 2.6% between January and June, while last year's corresponding period registered a spike of 9.7%.

Likewise, the number of overnight stays grew just 0.5% in the first six months, a sharp fall compared to last year's 9.6%. **The British market has been one of the great culprits for Portuguese tourism's recent downturn, dropping 8%** in the first half of the year, the equivalent of 59.200 British tourists.

The exact same slump can be attested in the tourism sector's income, even if this continues to grow at a high pace. In the first six months of last year, the income grew by 18.9%, a variation that has since decreased to 8.9% in this year's corresponding period. As a whole, the tourism sector in Portugal has recorded an income above 1.5 billion euros in this period, according to data released recently by the National Institute of Statistics (INE).

Overall speaking, the number of guests was close to 10 million. There were 9.6 million guests, a number in which the residents (whose influence is smaller) are growing more than the non-residents. The number of overnight stays increased slightly (0.5%) to 25.6 million, with a drop of 0.7% in foreigners. This was reflected in the average stay, which dropped from 2.7 days to 2.64 days.

This feeble performance of Portuguese tourism sector is being directly influenced by the British market, accounting for 24.4% of non-resident overnight stays. Between January and June, the British overnight stays in Portugal sank 8%, falling short only to the 11.1% of the Dutch and 8.6% of the Polish tourists - markets that are much less important.

But not everything is bad news. Four markets have been particularly positive, for their substantial growth. That is the case of the USA, whose stays in Portugal increased by 18.7% in the first half of the year, followed by Canada with 12% and Brazil with 11.8%. The Swedish overnight stays in national territory also grew significantly (6.6%).

As for the regions, "the highlights of the year's first half are the Alentejo region with a 6.6% growth (accounting for 3.0% in total overnight stays) and the Northern region with 6.2% (whose market share for the same period is 13.8%)", reveals the INE. The Azores and the Algarve also grew by more than 6%. Madeira dropped just 1.3% compared to last year.

**In Alentejo's case, the foreign demand has been increasing as well. While in other regions the overnight stays of non-residents declined or stalled**, this segment has grown in Alentejo compared to the same period last year: 16.2% compared to 14.6% in 2017's first six months.

Regarding the type of establishment, hotels keep growing (2.2%), but condo hotels felt a drop of 2.5%. The category 'other tourist accommodations' also fell abruptly, a drop of 17.3%.

Date: 2018-08-27

Article link: <https://www.tourism-review.com/tourism-sector-in-portugal-decreased-news10707>