

PORTUGAL: HOSPITALITY AND TOURISM ARE NO 1 EXPORT SECTOR



A study conducted by the consulting firm Mercer which sampled 93 hotels and inns has revealed that the Portuguese economy has their most prominent strengths in hospitality and tourism from an export standpoint, accountable for 51.5% of exports of goods and services and 18% of total exports. The sector revenues contributed 8.2% to the Portuguese GDP.

According to the Christie & Co. analysis, in 2018 Portugal had over 12.7 million arrivals of international tourists. **Cumulative demand increased by 3.7% between 2016 and 2018, driven by both national (+ 4.7%) and international (+ 3.3%) tourism.**

According to the experts, the hotel sector also experienced a qualitative improvement, especially as the number of four- and five-star hotels increased by 4.7 percent between 2015 and 2018. The number of overnight stays increased in 2018, with 71 percent of the 57.6 million overnight stays attributable to international guests.

In 2019, more than 65 new hotels are to be open - 22 hotels are expected only in Lisbon and Oporto will welcome 15 - which is the equivalent of more than 570 rooms. Lisbon and Oporto have the highest number of tourist overnight stays and are also those most sought by hotel investors. Moreover, 15 renovations are also planned, four in the country's capital, reinforcing the offer with 986 new rooms.

As a matter of fact, these figures match the numbers revealed by a Deloitte study, which indicates that 62% of investors are pondering the possibility of placing their bets on the hospitality and tourism sector for the next 12-month period. When questioned about the volume and transaction prices for the next three months, 38% of them believe they will increase, and 62% admit that the numbers will be as predicted.

Hospitality and tourism represent an extremely important sector for the national economy, providing employment to a great share of the Portuguese population. The Club Survey on the Hospitality Industry has revealed that the active population in the sector is particularly young and there is some shortage of skilled labor.

Ana Jacinto, the general secretary of the Association of Hospitality, Restoration and Similar Services of Portugal (AHRESP), admitted that the sector needs at least 40.000 workers. "Last year, we thoroughly scrutinized the market and, in January 2018, we inquired entrepreneurs in the sector and, already by that time, they said that if they had 40.000 workers available, they would have absorbed that number of workers right away," she said.

The truth is that despite the slowdown in tourism growth and the difficulty to hire manpower, hospitality and tourism has been contributing to new jobs. Between 2015 and 2017, in the Horeca, i.e., hospitality, restaurant and catering, 64.600 jobs were created.

According to Mercer, hospitality and tourism have "had a major contribution to employment, and the sector, last year, registered an increase in employment (328.500), 6.7% of the national economy".

But there are more to these numbers. The tourism sector, by the end of 2017, had more than 146.600 companies, employing more than 440.000 workers, according to the latest INE data. Nevertheless, when solely considering the Horeca, there were, by the end of 2017, 104.800 companies and, by the end of the following year, these employed 328.500 workers.

The goal of 400.000 workers has already been attained in 2019, according to figures of the Secretary of State for Tourism. “We still do not have the final numbers of April 2019, but, by the middle of April, we have already surpassed, for the first time ever, 400.000 workers in tourism. We have never had this figure in any month of the year and it is even more important that this happens in April,” says Ana Mendes Godinho.

Date: 2019-05-13

Article link:

<https://www.tourism-review.com/hospitality-and-tourism-in-portugal-growing-in-importance-news11053>