

Portugal

Tourism in the economy

2016 was an excellent year for Portugal in terms of tourism performance, with most tourism indicators reaching double-digit growth. The total number of overnight stays was 53.5 million (up 9.6%), with 71.5% of tourist demand generated by international markets and 28.5% by domestic markets.

International tourism receipts totalled EUR 12.7 billion in 2016, an increase of 10.7% on the previous year. The three leading international source markets were, in order of importance, the United Kingdom, Germany, and Spain; together, they accounted for 48% of demand.

When considering commercial accommodation, tourist arrivals at hotels and similar establishments totalled 19.1 million in 2016, of which 40.1% were domestic guests while 59.9% were from abroad. International overnight stays at hotels grew by 11.4% in 2016 while the domestic market increased by 5.2%. Revenue from hotels reached a record of EUR 2.9 billion in 2016, EUR 421 million more than in 2015.

Tourism plays a very important role in the Portuguese economy; it is the largest export industry, representing 16.7% of total exports and 48.3% of services exports in 2016.

Tourism governance and funding

The Secretary of State for Tourism is located within the Ministry of Economy (the “Ministry”). Turismo de Portugal I.P. is the National Tourism Authority. It is responsible for implementing tourism policy at national level and reports to the Secretary of State for Tourism. Turismo de Portugal oversees promotion, improvement and sustainability of tourism activities, as well as training and investment.

Turismo de Portugal’s mission is to: enhance and foster tourism infrastructure; promote human resources training; support investment in the tourism sector; coordinate domestic and international promotion; and regulate and inspect gambling activities.

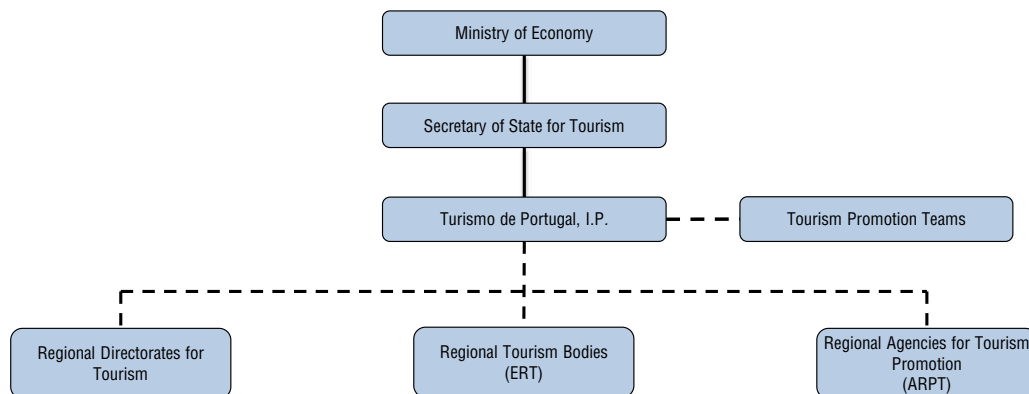
Five Regional Tourism Bodies (ERTs) operate within Portugal. These are public law corporate bodies with a specific territorial scope that act as destination management organisations with financial and administrative autonomy. They are responsible for domestic marketing and product development in close co-operation with Turismo de Portugal, with whom they have a contractual relationship. In addition to these bodies, there are two Regional Directorates for Tourism in the autonomous regions of Madeira and the Azores.

There are also seven Regional Tourism Promotion Agencies (ARPTs) which are non-profit, private associations that bring together the ERTs and private companies. They engage in international marketing in coordination with Turismo de Portugal. Turismo de

Portugal and its partners ensure that marketing plans and campaigns supported by public and private funding align with the national strategy.

The total budget of Turismo de Portugal was EUR 244 million in 2016, of which half is derived from dedicated taxes on gambling, with the remainder from EU Structural Funds and other public funding. The promotional budget is around EUR 45 million and includes expenditure on promotion at national and international level, as well as the co-financing of regional promotion abroad (ARPTs), to which private companies and regional tourism bodies also contribute.

Portugal: Organisational chart of tourism bodies



Source: OECD, adapted from Turismo de Portugal, 2018.

Tourism policies and programmes

Like many established tourism destinations, Portugal is experiencing challenges to remain competitive in the face of change, resulting in the need for continuous innovation.

Sustainability is perhaps the most important challenge for Portugal. More specifically, how to remain competitive while promoting tourism as a tool for regional development, preserving the natural and cultural resources and authenticity of destinations, creating quality jobs, reducing seasonality and regional imbalances, and maintaining a good balance between residents and tourists.

To address this challenge, the Ministry launched the Tourism Strategy 2027 (TS27), which establishes a strategic framework for tourism development in Portugal for the next decade. Development of the strategy involved large numbers of tourism stakeholders from across the country in an open and participatory process utilising web based platforms and regional discussion workshops.

TS27 sets out a vision for the Portuguese tourism industry that:

- Affirms tourism as a hub for economic, social and environmental development throughout the territory, positioning Portugal as one of the most competitive and sustainable tourism destinations in the world.

This vision represents a broader perspective in terms of key tourism policy priorities, positioning Portugal as a:

- Sustainable destination; a cohesive territory, where the benefits of tourism are spread widely; an innovative and competitive destination; a country that values work and talent; an attractive destination to visit, invest, live and study; an inclusive, open and

connected country; and an international benchmark in terms of the production of goods and services for the tourism industry.

A ten-year strategy requires a certain degree of flexibility and TS27 will be implemented through various programs and projects which combine a long-term vision with short-term actions.

Putting people at the core of tourism policy, Tourism Strategy 2027 established five strategic pillars:

- Value the territory: using historical-cultural heritage and preserving their authenticity; promoting urban regeneration; improving product development to better match consumer needs; protecting natural and rural resources; promoting the importance of tourism in terms of maritime economy.
- Boost the economy: promoting the competitiveness of tourism businesses, through simplification and reduction of red tape and bureaucracy; attracting investment; developing the circular economy; fostering entrepreneurship and innovation.
- Promote knowledge: improving the tourism professions; promoting the development of human resources; promoting continuous qualification of entrepreneurs as managers; dissemination of knowledge and tourism data and research; and promoting a smart destination strategy.
- Generate networks and connectivity: improving air accessibility; developing mobility within the destination; promoting “tourism for all” from an inclusive point of view; involving society in the process of tourism planning and development; promoting networks and co-operation between tourism stakeholders.
- Highlight Portugal: improving Portugal’s positioning as an attractive destination to visit, invest, live and study; fostering the domestic market; promoting Portugal as a destination for congresses and events and for students/education; promoting the internationalisation of tourism businesses.

For the first time, TS27 has also defined specific goals and targets for each of the three pillars of sustainable development. Economic goals cover overnight stays and tourism receipts; social goals cover seasonality, skills and qualifications and residents’ satisfaction; and environmental goals cover energy, water and waste.

Enhancing destination value is a key area of focus in Portugal. For example, the *Valorizar* Programme aims to support investment and enhance the quality and value of Portugal as a tourist destination. The programme was created specifically to address seasonality and achieve a more balanced distribution of demand throughout the country. With an annual budget of EUR 30 million, *Valorizar* provides financial support for the regeneration and rehabilitation of public spaces for tourism purposes, the development of new tourism products, and to optimise the value gained from cultural and natural heritage (Box 1.8).

Statistical profile

Table 1. Portugal: Domestic, inbound and outbound tourism

	2012	2013	2014	2015	2016
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	6 161	6 071	6 780	7 218	7 636
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	..	..	..	..	..
Hotels and similar establishments	12 424	12 210	13 777	14 483	15 240
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	..	..	..	..	..
Overnight visitors (tourists)	7 685	8 301	9 277	9 448	10 622
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
United Kingdom	1 293	1 393	1 559	1 723	1 926
Spain	1 216	1 258	1 443	1 538	1 670
France	740	834	1 000	1 135	1 332
Germany	809	903	977	1 099	1 218
Netherlands	408	431	427	456	456
Nights in all types of accommodation	..	..	..	..	..
Hotels and similar establishments	27 257	29 360	32 095	32 760	36 520
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	..	..	..	..	..
Overnight visitors (tourists)	1 531	1 490	1 628	1 893	..
Same-day visitors (excursionists)
Top destinations					
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TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR					
Inbound tourism					
Total international receipts	11 396	12 210	13 362	14 268	12 680 p
International travel receipts	8 606	9 250	10 394	11 451	12 680 p
International passenger transport receipts	2 790	2 960	2 968	2 817	..
Outbound tourism					
Total international expenditure	3 490	3 748	4 054	4 313	3 849 p
International travel expenditure	2 946	3 120	3 318	3 612	3 849 p
International passenger transport expenditure	544	628	736	701	..

.. Not available; p Provisional data

Source: OECD Tourism Statistics (Database).


StatLink  <http://dx.doi.org/10.1787/888933641013>

Table 2. **Portugal: Enterprises and employment in tourism**

	Number of establishments ¹	Number of persons employed				
	2015	2012	2013	2014	2015	2016
Total	..	..	..	..	..	..
Tourism industries	106 699 p	324 970	320 448	..	..	..
Accommodation services for visitors	16 394 p	54 128	54 869	59 145	70 548	..
Hotels and similar establishments	..	..	..	..	..	..
Food and beverage serving industry	75 432 p	216 327	212 424	216 160	225 335	..
Passenger transport	11 657 p	44 940	43 497	..	..	..
Air passenger transport	67 p	10 495	10 092	10 302	10 625	..
Railways passenger transport	2 p	..	..	..	..	..
Road passenger transport	11 426 p	34 085	33 405	..	..	..
Water passenger transport	162 p	360	..	..	..	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	..	..	..	..	..	..
Travel agencies and other reservation services industry	3 216 p	9 575	9 658	10 221	11 301	..
Cultural industry	..	..	..	..	..	..
Sports and recreation industry	..	..	..	..	..	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
Other industries	..	..	..	..	..	..

.. Not available; p Provisional data

1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888933641032>Table 3. **Portugal: Internal tourism consumption**

Million EUR

	2008		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	6 126	8 847	14 973
Tourism characteristic products	5 648	6 766	12 414
Accommodation services for visitors	953	2 107	3 060
Food and beverage serving services	1 544	2 229	3 773
Passenger transport services	1 691	2 137	3 828
Air passenger transport services	..	..	..
Railways passenger transport services	..	..	..
Road passenger transport services	..	..	..
Water passenger transport services	..	..	..
Passenger transport supporting services	..	..	..
Transport equipment rental services	..	..	..
Travel agencies and other reservation services industry	547	64	611
Cultural services	24	30	54
Sports and recreation services	441	170	611
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	448	29	477
Other consumption products	478	2 081	2 559
Tourism connected products	122	995	1 117
Non-tourism related consumption products	356	1 086	1 442
Non-consumption products	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888933641051>



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