

# Portugal

## Tourism in the economy

In 2018, the sector contributed 8.0% of GVA, and grew twice as fast as the overall economy (8.0% compared with 3.9%). According to the Tourism Satellite Account, tourism employed 9.0% of the working population in 2017, 413 000 people, growing by 8.7% over the previous year, again much higher than the broader economy (3.4%). Travel exports accounted for 51.1% of total service exports in 2018.

Portugal's tourism sector has exhibited significant recent growth, mainly led by the increase, in both volume and value, of intercontinental markets in the Americas and Asia. International tourism receipts totalled EUR 16.8 billion in 2018, an increase of 8.3% over 2017. This represents 18.7% of total Portuguese exports.

In 2018, overseas visitors totalled 22.8 million, an increase of 7.5% compared with 2017. The five leading international source markets in order of importance were United Kingdom, Germany, Spain, France and Brazil: together these top five countries accounted for 58.5% of demand. Growth however was led by intercontinental markets including the United States up 25%, Brazil up 14%, China (14%) and Australia (12%). In 2018, the number of nights in all types of accommodation totalled 76.1 million, an increase of 4.8% compared with 2017. Of these, 32.5% were domestic tourists and 67.5% were from overseas. The number of nights spent by overseas tourists totalled 51.4 million, up 4.1% over 2017, with an average length of stay of 3.1 nights.

## Tourism governance and funding

At the national level, the Secretary of State for tourism sits within the Ministry of Economy. Turismo de Portugal, the public institution responsible for tourism, reports to the Secretary of State for Tourism. Its role covers quality and development of tourism related infrastructure, education and training, supporting investment, promotion, regulation of gambling, and co-ordination of regional arrangements.

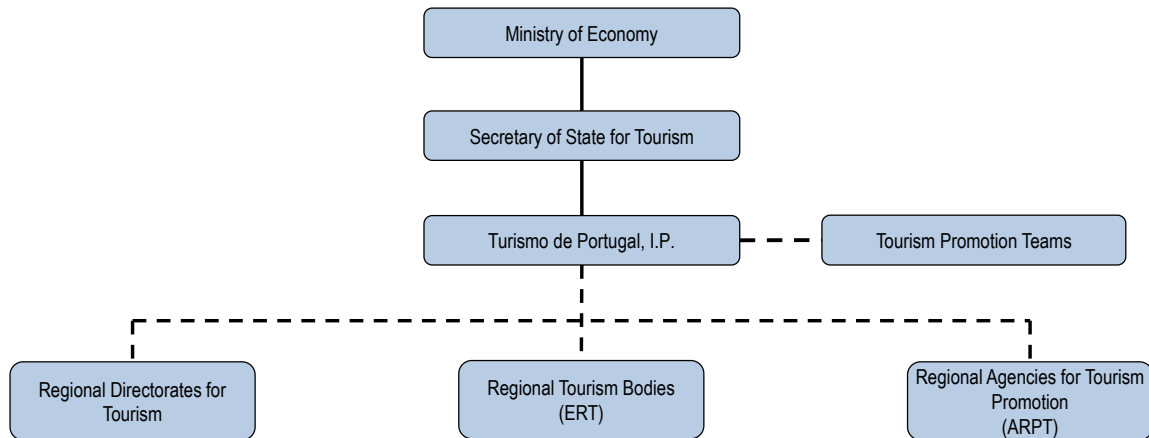
There are five Regional Tourism Bodies (ERTs), fully public corporate bodies established under statute with a specific geography. They are destination management organisations with financial and administrative autonomy, having responsibility for domestic promotion and product development. In addition there are two Regional Directorates for Tourism covering the autonomous regions of Madeira and the Azores.

International promotion is the responsibility of Turismo de Portugal, who work with seven *Regional Agencies for Tourism Promotion* (ARPTs), working as public-private partnerships ensuring marketing plans are aligned with the national tourism strategy ensuring marketing plans are aligned with national strategy. Turismo de Portugal engages directly with the private sector, often through private sector associations but also with major private stakeholders (Airports, Ports) and directly with large and small businesses often through funding support.

In 2018, the total budget of Turismo de Portugal was EUR 288 million, of which half came from the gambling tax and the rest from other public funding sources including EU funds, which is allocated to finance innovative projects and SMEs. The marketing budget is EUR 45 million and includes expenditure on

promotion at a national level, as well as the co-financing of regional promotion abroad, to which private companies and regional tourism bodies also contribute.

### Portugal: Organisational chart of tourism bodies



Source: OECD, adapted from Turismo de Portugal, 2020

### Tourism policies and programmes

In 2017, the Government launched *Tourism Strategy 2027*, to drive economic, social and environmental development throughout the country and position Portugal as one of the world's most competitive and sustainable tourism destinations. It contains five strategic pillars:

- Value resources: drawing on historical and cultural heritage, preserving its authenticity and improving the product to better match visitors' needs.
- Boost the economy: increasing the competitiveness of the tourism sector, promoting innovation and attracting foreign investment.
- Promote knowledge: putting an emphasis on skills, quality jobs and the dissemination of insight throughout the tourism sector.
- Generate connectivity: improving air access and promoting networks between stakeholders.
- Promote Portugal: improving Portugal's positioning as an attractive destination to visit, invest, live and study.

The UN Sustainable Development Goals can be considered as the DNA of *Tourism Strategy 2027*. Economic goals are measured by overnight stays and tourism receipts; social goals are measured by seasonality, skills and qualifications, and residents' satisfaction; while environmental goals are reflected in measures relating to energy, water and waste.

Current major programmes concern investment, innovation, developing high value heritage, measuring sustainable tourism, and education and training:

- The EUR 90 million *Valorizar* programme is designed to spread demand both geographically and seasonally. Initially it has focused on projects in five areas: to improve Wi-Fi in historic centres, make tourism more accessible, improve the quality of inland destinations, encourage sustainable tourism, and contribute to the recovery of municipalities affected by wildfires. To date, more than 650 projects have been supported financially.
- The Strategy places great importance on innovation as a way to improve the overall experience for tourists, increase efficiency of businesses and optimise the impact of the sector. Tourism 4.0 is the programme to promote the transition of the tourism sector to the digital economy and to foster

innovation and entrepreneurship. A network of 41 incubators across the country supports new ideas and business models. In 2018, 15 acceleration programmes were developed with more than 300 start-ups supported with investment of more than EUR 1 million.

- Also noteworthy is the creation of NEST-Tourism Innovation Centre. NEST was set up as a private association in early 2019 (see box below).
- The *Revive* programme is a whole-of-government approach aimed at attracting private investment to revitalise high-value heritage for tourism use (Box 1.12).

There has been additional investment in new data sources to address knowledge challenges, in particular sustainable tourism implementation. This requires the development of rigorous monitoring frameworks at destination level currently being informed by pilot projects that are assessing the relevance of indicators, monitoring systems and other methodologies. This has been assisted by the development of a specific platform Travel BI ([travelbi.turismodeportugal.pt](http://travelbi.turismodeportugal.pt)) which provides information on all available tourism data in Portugal, relevant trends, leading markets, including a specific area on tourism sustainability.

Turismo de Portugal has a network of 12 hotel and tourism schools with more than 8 000 students participating in both academic and vocational training courses. The Tourism Training Talent (TTT) project builds an entrepreneurial spirit and a culture of innovation amongst students that draws on and reflects the importance of Portugal's rich tradition of hospitality. The TTT project is aligned with Tourism Strategy 2027 and aims to transform tourism into one of Portugal's main contributors for economic, social and environmental advancement. Turismo de Portugal adapted the Tourism Schools Strategy developing a Premium Hospitality Service that supports the development of a winning travel Destination but keeps faithful to its authenticity and main values. Most tourism trainings are exhaustive and comprehensive. However, Portuguese tourism schools try to go further by providing a full 360° approach to training – from the first days of academia to a talented tourism professional, allowing students to connect to both the tourism industry but also other related sectors, and enterprises.

### Promoting innovation through the Tourism Innovation Centre in Portugal - NEST

Tourism Innovation Centre Portugal (NEST) is the main project of Tourism 4.0 - to promote the transition of the Portuguese tourism sector to the digital economy and to foster innovation and entrepreneurship. The Centre was set up as a private association in 2019, with founding partners including Airports of Portugal, BPI Bank, Portugal Highways, Google, Microsoft Portugal, Millennium BCP, NOS (Telecom) and Turismo de Portugal. These provided a quota for the centre's financing and expertise. NEST aims to support the digital transformation of the tourism sector and become a global centre for innovation. The Centre's main objectives are to promote entrepreneurship, innovation and research in tourism; support companies that develop a creative and innovative approach; create innovation laboratories in partnership with universities, tourism schools, incubators and knowledge centres; and produce and transfer knowledge to companies.

Its main areas of activity are:

- Digital academy for tourism start-ups.
- Incubation and acceleration services in partnership with the ecosystem.
- Advising micro, small and medium sized tourism enterprises.
- Development of new products and technologies (Demo) and experimentation, creation and validation of prototypes (Living Lab).
- International promotion of start-ups and innovation.
- Monitoring international digital tourism trends.

## Statistical Profile

### Portugal: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
<b>TOURISM FLOWS, THOUSAND</b>					
<b>Domestic tourism<sup>1</sup></b>					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	16 263	17 254	18 241	18 993	19 593
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	19 388	20 588	22 172	23 303	24 719
Hotels and similar establishments	12 669	13 390	14 230	15 000	16 048
Other collective establishments	4 893	5 115	5 616	5 595	5 741
Private accommodation	1 827	2 083	2 327	2 707	2 930
<b>Inbound tourism</b>					
Total international arrivals	..	..	..	..	..
Overnight visitors (tourists)	9 904	11 723	13 359	15 432	16 186
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
Spain	1 639	1 778	1 963	2 122	2 221
United Kingdom	1 656	1 798	2 070	2 177	2 124
France	1 270	1 273	1 506	1 818	1 835
Germany	1 140	1 320	1 485	1 704	1 744
Netherlands	519	516	686	703	690
Nights in all types of accommodation	35 669	38 964	44 251	49 355	51 393
Hotels and similar establishments	30 838	33 146	37 165	40 734	40 514
Other collective establishments	2 309	2 636	3 139	3 377	4 498
Private accommodation	2 521	3 183	3 948	5 244	6 380
<b>Outbound tourism</b>					
Total international departures	..	..	..	..	..
Overnight visitors (tourists)	1 628	1 893	1 941	2 195	2 486
Same-day visitors (excursionists)	..	..	..	..	..
Top destinations					
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
<b>TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR</b>					
<b>Inbound tourism</b>					
Total international receipts	13 236	14 427	15 642	18 941	20 476
International travel receipts	10 284	11 605	12 811	15 550	16 840
International passenger transport receipts	2 952	2 822	2 831	3 391	3 636
<b>Outbound tourism</b>					
Total international expenditure	3 929	4 126	4 262	4 894	5 544
International travel expenditure	3 127	3 332	3 565	4 092	4 663
International passenger transport expenditure	802	794	697	802	881

.. Not available

1. Trips from demand side surveys; Nights from supply side surveys.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934077711>

## Portugal: Enterprises and employment in tourism

	Number of establishments <sup>1</sup>	Number of persons employed				
	2017	2014	2015	2016	2017	2018
<b>Total</b>	..	..	..	..	..	..
<b>Tourism industries</b>	<b>120 620</b>	<b>327 128</b>	<b>348 644</b>	..	..	..
Accommodation services for visitors	28 831	58 703	69 706	80 260	92 963	..
Hotels and similar establishments	..	..	..	..	..	..
Food and beverage serving industry	75 995	214 635	223 772	237 548	253 523	..
Passenger transport	11 794	43 565	43 858	..	..	..
Air passenger transport	83	10 802	11 122	..	..	..
Railways passenger transport	1	..	..	..	..	..
Road passenger transport	11 519	32 763	32 736	33 403	34 596	..
Water passenger transport	191	..	..	..	..	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	..	..	..	..	..	..
Travel agencies and other reservation services industry	4 000	10 225	11 308	12 079	13 245	..
Cultural industry	..	..	..	..	..	..
Sports and recreation industry	..	..	..	..	..	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
<b>Other industries</b>	..	..	..	..	..	..

.. Not available

1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934077730>

## Portugal: Internal tourism consumption

Million EUR

	2017		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
<b>Total</b>	..	..	..
<b>Consumption products</b>	<b>8 027</b>	<b>18 140</b>	<b>27 696</b>
Tourism characteristic products	6 138	13 678	21 239
Accommodation services for visitors	1 603	4 520	7 198
Food and beverage serving services	1 839	4 897	6 736
Passenger transport services	809	3 073	4 011
Air passenger transport services	336	2 707	3 101
Railways passenger transport services	65	34	152
Road passenger transport services	323	320	650
Water passenger transport services	85	11	109
Passenger transport supporting services	..	..	..
Transport equipment rental services	188	733	922
Travel agencies and other reservation services industry	585	70	655
Cultural services	64	145	342
Sports and recreation services	547	215	772
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	503	25	604
Other consumption products	1 889	4 462	6 457
Tourism connected products	405	1 350	1 797
Non-tourism related consumption products	1 485	3 112	4 660
<b>Non-consumption products</b>	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934077749>



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