

Portugal

Tourism in the economy and outlook for recovery

Tourism is a significant part of Portugal's economy, directly accounting for 8.1% of GVA in 2019. This fell sharply to 4.8% in 2020, with preliminary estimates from the Tourism Satellite Account for 2021 pointing to an increase to 5.8% of national GVA (up 27.3% on 2020). Tourism accounted for 20% of exports in 2019, falling to 10% in 2020 driven by a EUR 7.7 billion (58%) decline in tourism receipts. Activities related to accommodation, restaurants and similar services employed 283 700 people in 2020, 12% fewer than in 2019. This represents 6% of total employment in the country.

The Portuguese tourism sector experienced some recovery in 2021. Tourist accommodation data in 2021 showed growth, with total nights increasing 41% compared to 2020 (to 42.6 million nights), but remained 45.2% below 2019 levels. This was driven by a strong rebound in international nights. International tourists increased to 6.3 million, after a 75.6% decline (to 4.2 million) in 2020. International tourism receipts totalled EUR 9.9 billion, 46% below pre-pandemic levels.

The domestic market boosted recovery with a 33.9% growth in nights, to 22.5 million in 2021. This remained just 13.9% below pre-pandemic levels. Domestic tourists accounted for 53% of nights in all accommodation in 2021, up from just 33.6% in 2019.

Portugal recorded a strong 2022 summer season. Between June and August, the number of nights in accommodation was 3% above pre-pandemic levels. The Portuguese Central Bank expects tourism receipts to exceed 2019 levels in 2022. Inbound tourism is expected to return to pre-pandemic levels in 2023.

Tourism governance and funding

The Secretary of State for Tourism is integrated into the Ministry of Economy and Maritime Affairs. Turismo de Portugal, the national tourist authority, reports to the Secretary of State for Tourism, Trade and Services and is the only body with direct responsibility for tourism policy at the national level. The body also covers the promotion, training, investment and sustainability of tourism activities. Turismo de Portugal has tourism promotion offices covering priority tourism markets. Turismo de Portugal's mission is to:

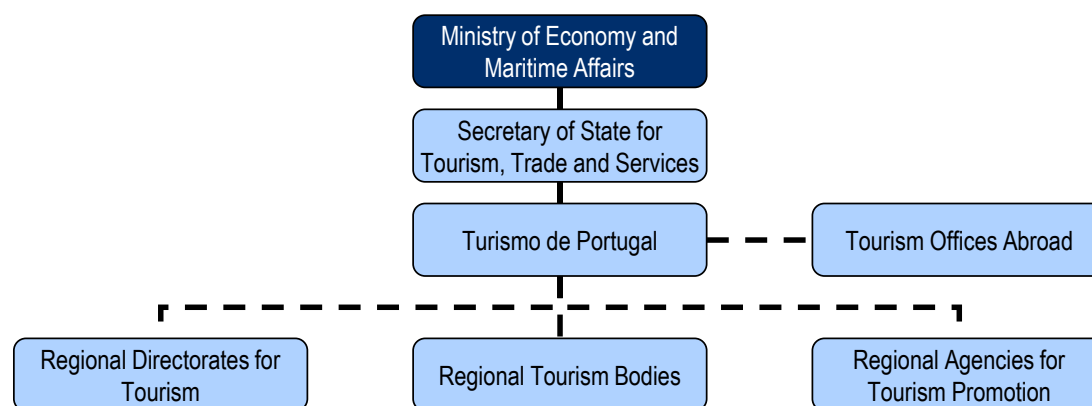
- Develop and qualify tourist infrastructure.
- Encourage and promote training.
- Support investment in the tourism sector.
- Coordinate the internal and external promotion of Portugal as a tourism destination.
- Regulate and inspect gambling activity.
- Plan and organise tourism.
- Organise and link to the provinces and regions.
- Organise and link to industry associations, stakeholders and customers.

At the regional level, there are five Regional Tourism Boards. These are corporate bodies under public law with a specific territorial scope. They act as destination management organisations with financial and administrative autonomy and are responsible for promotion in the domestic market and product development. Additionally, there are two Regional Directorates for Tourism with political and administrative autonomy covering the autonomous regions of Madeira and the Azores.

Turismo de Portugal develops and implements international promotion initiatives in co-ordination with seven Regional Tourism Promotion Agencies. These are non-profit, private law associations composed of private companies and Regional Tourism Boards. They have a formal contractual relationship with Turismo de Portugal for developing promotional activities in international markets.

The total budget of Turismo de Portugal in 2021 was EUR 343 million, of which half came from dedicated taxes (such as the gambling tax) and the remainder from EU Structural Funds and other public funding sources.

Portugal: Organisational chart of tourism bodies



Source: OECD, adapted from Turismo de Portugal, 2022.

Tourism policies and programmes

In 2021, Portugal launched the action plan “Reactivate Tourism - Building the Future, which aims to encourage the recovery of the national tourism sector and includes a EUR 6 billion investment plan.

The Plan is intended to guide both public and private tourism sectors, whose actions are fully integrated with the objectives of the Recovery and Resilience Plan and the Portugal 2030 Strategy. The Plan is composed of specific actions that aim to transform the sector in the short, medium and long term, significantly contributing to GDP growth and a fairer distribution of wealth. There are four axes of action: supporting companies, promoting safety, generating business and building a future. This Plan sets the target of exceeding EUR 27 billion in tourist receipts by 2027.

Policy responses covered by the priorities of the Reactivate Tourism - Building the Future Plan include:

- business support
- the “Clean and Safe” label (see Box 2.4)
- qualifications
- digitisation
- mobility
- climate transition and sustainability.

Business support includes employment, operational strategy, and addressing debt (see box below). EUR 3 million is expected to be directed to this element, out of a total of EUR 6 million for the entire plan. In terms of qualifications, for many years, the tourism sector has been based on a model of low qualifications and low wages.

Portugal developed new programmes in 2022 to support businesses and the tourism workforce. The Empresas Turismo 360° Program formalises a commitment to monitoring, aimed at supporting businesses in their journey of integrating Environmental, Social and Governance (ESG) factors into organisational culture and business strategy. The Programme Formação +Próxima aims to train employees on a large scale in the sector with digital and face-to-face training, with content adapted to the needs of the future throughout the national territory and adapted to the diversity of tourism companies. The programme aims to train 75 000 professionals.

Portugal's Sustainable Tourism Plan 2020-23 was created as a result of the recovery plan Reactivate Tourism - Building the Future, and is in line with the objectives of the UN SDGs and Portugal's 2027 Tourism Strategy. This strategy was launched in 2017 with the vision to affirm tourism as a hub for economic, social and environmental development throughout the country, positioning Portugal as a key competitive and sustainable tourism destination. The set of initiatives covered by the Plan contribute to promoting an increasingly distinctive offer and to accelerating the sustainable growth of tourism companies. There are 18 actions which have been completed, and 77 are currently underway. The other actions will begin later in 2022-23.

COVID-19 Support fund for tourism microenterprises in Portugal

The economic impact of COVID-19 on the tourism sector in Portugal, and the unpredictability of its duration, led to the creation of a financial support fund for micro-enterprises. Financed by Turismo de Portugal, the main purpose of the fund was a swift response to the impact of the sudden decrease in travel on smaller tourism companies. These companies often have greater difficulty accessing finance and in meeting their most urgent needs.

Available to SMEs in the tourism sector and other economic activities related to tourism, the fund provides interest-free loans of EUR 750 per month for each job in the company for three months, up to a maximum of EUR 20 000 for micro companies and EUR 30 000 for small companies. 20% of the value of the support can be converted into grants, provided the company has not terminated employment contracts during the loan period. An additional 20% of the value can be added upon obtaining the Clean & Safe label and completing related training.

Due to the persistence of the pandemic, the fund was increased from EUR 60 million in April 2020 to EUR 170 million in October 2021. There has been very high demand for the fund, reaching a 99% commitment rate with 17 291 allocations approved.

Statistical Profile

Portugal: Domestic, inbound and outbound tourism

	2017	2018	2019	2020	2021
TOURISM FLOWS, THOUSAND					
Domestic tourism¹					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	18 993	19 593	21 363	13 730	16 506
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	23 303	24 719	26 115	16 875	22 486
Hotels and similar establishments	15 000	16 048	16 815	10 751	14 867
Other collective establishments	5 595	5 741	6 047	4 293	5 140
Private accommodation	2 707	2 930	3 252	1 831	2 479
Inbound tourism					
Total international arrivals	..	..	..	..	..
Overnight visitors (tourists)	15 432	16 186	17 283	4 208	6 345
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
Spain	2 122	2 238	2 463	878	1 259
France	1 818	1 851	1 816	518	841
United Kingdom	2 177	2 127	2 220	492	720
Germany	1 704	1 756	1 704	497	655
Netherlands	703	692	672	205	356
Nights in all types of accommodation	49 355	50 480	51 708	13 409	20 122
Hotels and similar establishments	40 734	40 514	41 178	10 178	15 320
Other collective establishments	3 377	3 586	3 581	1 486	1 974
Private accommodation	5 244	6 380	6 948	1 744	2 828
Outbound tourism					
Total international departures	..	..	..	..	..
Overnight visitors (tourists)	2 195	2 486	3 100	680	1 012
Same-day visitors (excursionists)	..	..	..	..	..
Top destinations					
..
..
..
..
..
TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR					
Inbound tourism					
Total international receipts	18 941	20 699	21 997	9 210	11 651
International travel receipts	15 550	17 054	18 291	7 715	9 943
International passenger transport receipts	3 391	3 645	3 706	1 495	1 708
Outbound tourism					
Total international expenditure	4 852	5 458	6 101	3 094	3 994
International travel expenditure	4 050	4 584	5 124	2 743	3 574
International passenger transport expenditure	802	874	977	351	420

.. Not available

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

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/ht13o7>

Portugal: Enterprises and employment in tourism

	Number of establishments ¹	Number of persons employed				
	2020	2017	2018	2019	2020	2021
Total	..	..	..	..	..	..
Tourism industries	135 506	..	..	..	..	..
Accommodation services for visitors	38 374	92 963	107 590	115 803	103 555	..
Hotels and similar establishments	..	..	..	..	..	..
Food and beverage serving industry	73 973	253 523	267 477	283 438	262 340	..
Passenger transport	18 858	50 367	54 617	..	..	..
Air passenger transport	90	..	..	..	..	..
Railways passenger transport	1	..	..	..	..	..
Road passenger transport	18 556	34 596	54 617	..	..	..
Water passenger transport	211	..	..	..	..	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	..	..	..	..	..	..
Travel agencies and other reservation services industry	4 301	13 245	14 254	15 022	13 439	..
Cultural industry	..	..	..	..	..	..
Sports and recreation industry	..	..	..	..	..	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
Other industries	..	..	..	..	..	..

.. Not available

1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/4idw60>

Portugal: Internal tourism consumption

Million EUR

	2019		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	10 056	21 187	32 906
Tourism characteristic products	7 854	15 981	25 398
Accommodation services for visitors	2 068	5 374	8 605
Food and beverage serving services	2 248	5 762	8 010
Passenger transport services	1 078	3 407	4 646
Air passenger transport services	461	2 981	3 533
Railways passenger transport services	95	36	178
Road passenger transport services	428	366	800
Water passenger transport services	94	24	135
Passenger transport supporting services	..	..	..
Transport equipment rental services	271	898	1 169
Travel agencies and other reservation services industry	751	82	833
Cultural services	67	184	396
Sports and recreation services	694	246	952
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	676	29	787
Other consumption products	2 202	5 206	7 508
Tourism connected products	458	1 568	2 053
Non-tourism related consumption products	1 744	3 638	5 454
Non-consumption products	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/r7snhq>



From:
OECD Tourism Trends and Policies 2022

Access the complete publication at:
<https://doi.org/10.1787/a8dd3019-en>

Please cite this chapter as:

OECD (2022), "Portugal", in *OECD Tourism Trends and Policies 2022*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/f0f6284b-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.