

# WORLD TRAVEL & TOURISM COUNCIL

## Portugal

TRAVEL & TOURISM  
SOWING THE SEEDS OF GROWTH

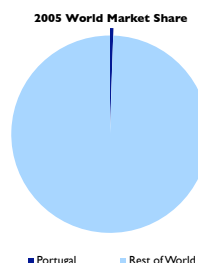
The 2005 Travel & Tourism Economic Research



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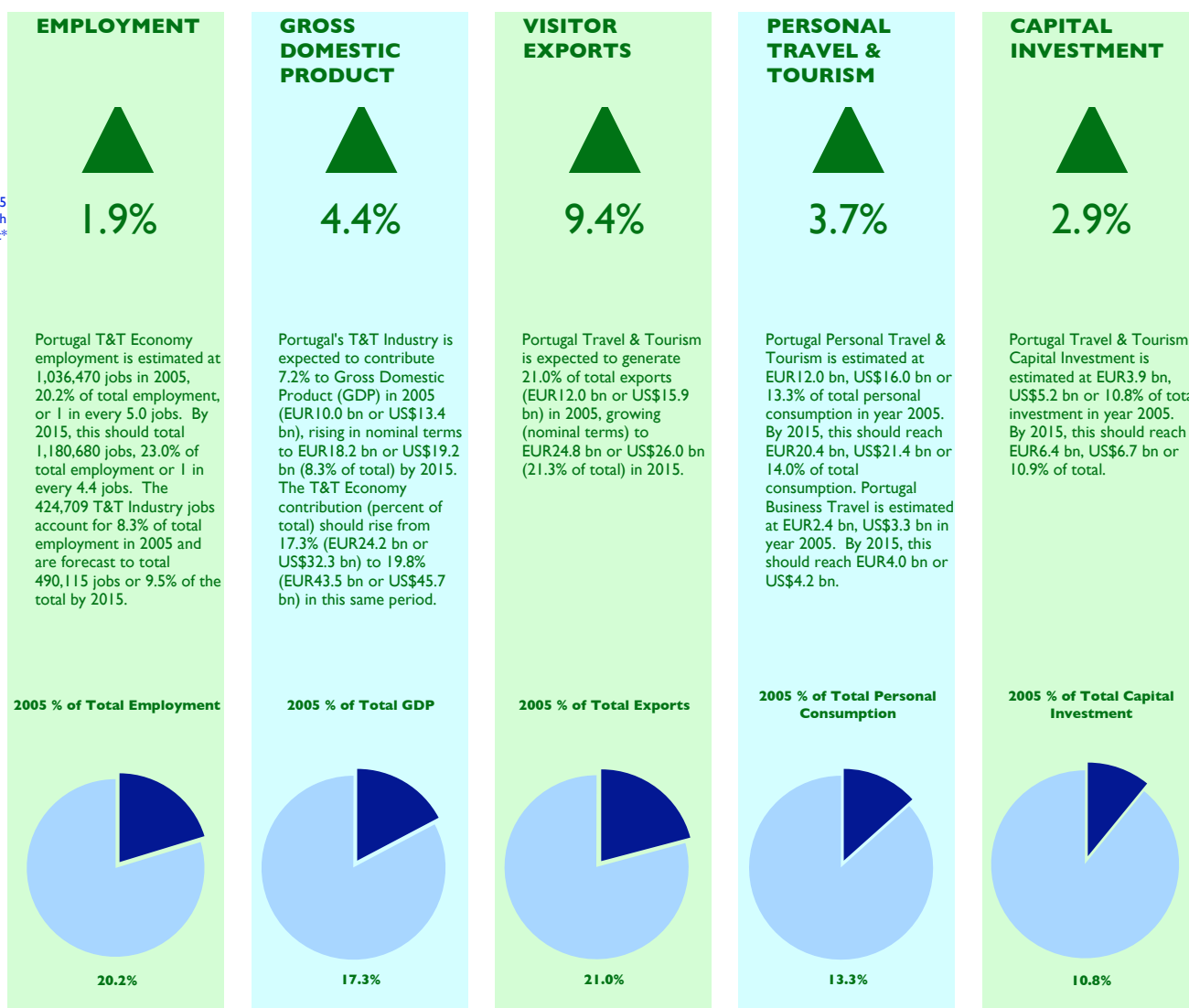
Travel & Tourism is one of the world's highest priority industries and employers. This Tourism Satellite Accounting Research quantifies the wide-ranging economic impact and provides solid, credible and professional statistical information that can assist in informing government policy and business decision processes.

Portugal Travel & Tourism is expected to generate EUR32.1 bn (US\$42.7 bn) of economic activity (Total Demand) in 2005, growing (nominal terms) to EUR58.2 bn (US\$61.1 bn) by 2015. Travel & Tourism Demand is expected to grow by 5.1% in 2005 and by 4.1% per annum, in real terms, between 2006 and 2015. 2005 Total Demand represents 0.7% of world market share.



**World Ranking**  
The Portugal Travel & Tourism economy is ranked number: 23 in Absolute Size worldwide, 40 in Relative Contribution to national economies; and 122 in Long-term (10-year) Growth. (174 countries are estimated by WTTC/OEF)

2005 Growth Forecast\*



THE WORLD TRAVEL & TOURISM COUNCIL (WTTC) IS THE BUSINESS LEADERS' FORUM FOR TRAVEL & TOURISM, WORKING WITH GOVERNMENTS TO RAISE AWARENESS OF THE IMPORTANCE OF THE WORLD'S LARGEST GENERATOR OF WEALTH AND JOBS.

THE 5TH GLOBAL

# Travel & Tourism

S U M M I T

NEW DELHI, INDIA 8-10 APRIL 2005

## REALIZING THE POTENTIAL

“Today our world faces major challenges, one of the most important being the gap between the ‘haves’ and the ‘have-nots’. Already Travel & Tourism represents some 10% of GDP and 214 million jobs worldwide. However there is still a vast potential for development waiting to be unlocked. The Summit will bring together world leaders to debate ways in which this potential can be realized.”

**J W MARRIOTT**  
**CHAIRMAN & CEO**  
**MARRIOTT INTERNATIONAL**

[www.globaltraveltourism.com](http://www.globaltraveltourism.com)

Confirmed speakers  
include:

**Renuka Chowdhury**  
Minister of Tourism,  
India

**Marilyn Carlson  
Nelson**  
Chairman & CEO  
Carlson Companies

**Lalit Suri**  
Chairman & MD  
Bharat Hotels

**Christopher J  
Rodrigues**  
President & CEO  
Visa International

**Barry Sternlicht**  
Chairman & CEO  
Starwood Hotels &  
Resorts

**J W Marriott**  
Chairman & CEO  
Marriott International

**Dr Michael Frenzel**  
Chairman  
TUI AG

Ministry of Tourism  
Government of India



सत्यमेव जयते

Incredible India

WORLD  
TRAVEL &  
TOURISM  
COUNCIL

# WORLD TRAVEL & TOURISM COUNCIL

THE WORLD TRAVEL & TOURISM COUNCIL (WTTC) IS THE BUSINESS LEADERS' FORUM FOR TRAVEL & TOURISM, WORKING WITH GOVERNMENTS TO RAISE AWARENESS OF THE IMPORTANCE OF THE WORLD'S LARGEST GENERATOR OF WEALTH AND JOBS.

With the Chief Executives of more than one hundred of the world's leading companies in membership, WTTC has a unique mandate and overview on all matters related to success in Travel & Tourism.

This 2005 report for Portugal is the fifth set of Tourism Satellite Accounting research that Oxford Economic Forecasting (OEF) has prepared for WTTC.

The first, commissioned in 2001, re-engineered the models previously developed during the 1990s. The second, prepared in 2002, served an important role in helping to quantify the tragic events of September 11, 2001 on Travel & Tourism. The third in 2003, significantly upgraded and enhanced the quality, sophistication and precision of the TSA research and presented a second (worse case) scenario for the Iraq War. The fourth in 2004, increased the world coverage by adding 13 countries not previously included in the TSA research, and presented even greater analysis of the results in this report.

This 2005 research is serving to help us build a crisis forecasting model that will assist the industry, governments and the media understand the possible impact of natural disasters like the Indian Ocean Tsunami, health related events like SARS in 2004, war and conflict events like the 1990 Gulf War or terrorism events like 9/11. The more we understand about the breadth, longevity and severity of these various events, the better we predict the potential impact and prepare for recovery.

As always, this 2005 research updates the historical results based on the most current data sources, estimates the current performance of Portugal's Travel & Tourism, and provides short- and long-term forecasts based on the most recent national and international data sources and econometric models developed by Oxford Econometric Forecasting.

Based on the UN standard for Satellite Accounting, this new TSA research quantifies all aspects of Travel & Tourism demand, from personal consumption to business purchases, capital investment, government spending and exports. It then translates this information into economic concepts of production, such as gross domestic product and employment, which can be compared with other industries and the economy as a whole to provide credible statistical information that will assist in policy and business decision processes.

The message from this year's research is generally positive on a global basis for a healthy return to growth. On a more specific basis in 2005, Portugal's Travel & Tourism Industry is expected to generate 7.2% of GDP and 424,709 jobs, while the broader Travel & Tourism Economy is expected to total 17.3% of GDP and 1,036,470 jobs.

Looking ahead, the forecast for Travel & Tourism Demand is expected to total 5.1% real growth in 2005, and 4.1% real growth per annum between 2006 and 2015.

This WTTC research quantifies and documents the Travel & Tourism economics for Portugal, the first step towards addressing mission-critical issues such as tourism management, tourism marketing and promotion, tourism infrastructure, taxation, aviation policy and much more.

We hope that by raising awareness of previous performance, current conditions and the, as yet unrealized, potential of Travel & Tourism in Portugal, this report will act as a catalyst, encouraging industry and government to continue to work together to create the conditions necessary to realize the industry's true promise.



Jean-Claude Baumgarten  
President, World Travel & Tourism Council



Vincent A. Wolfington  
Chairman, World Travel & Tourism Council  
Chairman Emeritus, Carey International, Inc.



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1-2 Queen Victoria Terrace, Sovereign Court, London E1W 3HA, United Kingdom,

Tel +44-870-727-9882 or +44-207-481-8007, Fax +44-870-728-9882 or +44-207-488-1008, enquires @wttc.org • www.wttc.org

# ECONOMIC IMPACT

IN 2005, PORTUGAL'S TRAVEL & TOURISM IS EXPECTED TO GENERATE EUR32.1 BN (US\$42.7 BN) OF ECONOMIC ACTIVITY (TOTAL DEMAND). THE INDUSTRY'S DIRECT IMPACT INCLUDES:

**424,709**

jobs representing 8.3% of total Employment.

EUR **10.0** bn

(US\$13.4 bn) of Gross Domestic Product (GDP) equivalent to 7.2% of total GDP.

HOWEVER, SINCE TRAVEL & TOURISM TOUCHES ALL SECTORS OF THE ECONOMY, ITS REAL IMPACT IS EVEN GREATER. PORTUGAL'S TRAVEL & TOURISM ECONOMY DIRECTLY AND INDIRECTLY ACCOUNTS FOR:

**1,036,470**

jobs representing 20.2% of total Employment.

EUR **24.2** bn

(US\$32.3 bn) of Gross Domestic Product (GDP) equivalent to 17.3% of total GDP.

EUR **12.0** bn

(US\$15.9 bn) of Exports, Services & Merchandise or 21.0% of total Exports.

EUR **3.9** bn

(US\$5.2 bn) of Capital Investment or 10.8% of total investment.

EUR **1.8** bn

(US\$2.4 bn) of Government Expenditures or a 6.5% share.



# GROWTH

IN 2005 TRAVEL & TOURISM IN PORTUGAL IS FORECAST TO SEE REAL GROWTH (REAL DECLINE) OF 5.1% IN TOTAL TRAVEL & TOURISM DEMAND TO EUR32.1 BN (US\$42.7 BN) AND

## 5.1%

in TRAVEL & TOURISM INDUSTRY GDP to EUR10.0 bn (US\$13.4 bn) for the industry directly and 4.4% to EUR24.2 bn (US\$32.3 bn) for the Travel & Tourism Economy overall (direct and indirect expenditures).

## 2.7%

in TRAVEL & TOURISM INDUSTRY EMPLOYMENT (direct impact only), to 424,709 jobs, and 1.9% to 1,036,470 jobs in the Travel & Tourism Economy overall (direct and indirect).

OVER THE NEXT TEN YEARS, PORTUGAL'S TRAVEL & TOURISM IS EXPECTED TO ACHIEVE ANNUALIZED REAL GROWTH (REAL DECLINE) OF:

## 4.1%

in total TRAVEL & TOURISM DEMAND to EUR58.2 bn (US\$61.1 bn) in 2015.

## 4.1%

in total TRAVEL & TOURISM GDP, to EUR18.2 bn (US\$19.2 bn) in 2015 for the industry directly and to EUR43.5 bn (US\$45.7 bn) for the Travel & Tourism Economy overall.

## 1.5%

in TRAVEL & TOURISM EMPLOYMENT, to 490,115 jobs directly in the industry, and 1.3% to 1,180,680 jobs in the Travel & Tourism Economy overall in 2015.

## 5.8%

in VISITOR EXPORTS, rising to EUR19.0 bn (US\$19.9 bn) by 2015.

## 3.1%

in terms of CAPITAL INVESTMENT, increasing to EUR6.4 bn (US\$6.7 bn) in 2015.

## 2.2%

in terms of GOVERNMENT EXPENDITURES to EUR2.7 bn (US\$2.8 bn) in 2015.

# TRAVEL & TOURISM SATELLITE ACCOUNT

## TOURISM SATELLITE ACCOUNTING

THIS REPORT FOLLOWS THE CONCEPT OF SATELLITE ACCOUNTING DEFINED IN *THE TOURISM SATELLITE ACCOUNT: RECOMMENDED METHODOLOGICAL FRAMEWORK (TSA:RMF)*, AND DEVELOPED UNDER THE AUSPICES OF THE WORLD TOURISM ORGANIZATION.

Over the last three decades, countries have estimated the economic impact of Travel & Tourism through a range of measures using a variety of definitions and methodologies. Such approaches have prevented meaningful comparisons among nations. Even for the same nation over different periods of time, they have frustrated business and government attempts to draw valid conclusions about the nature and course of Travel & Tourism demand in national economies. This regime has obscured the substantial, positive role the industry plays in national economies and has thwarted business and government attempts to optimize economic programmes and policies.

The World Travel & Tourism Council (WTTC) recognized the dearth of crucial Travel & Tourism intelligence from the time of its establishment in 1990 and it published the first detailed estimates of world tourism's economic impact that same year.

Since then WTTC has worked to improve its methodologies and to encourage individual countries to enhance their measurement and understanding of tourism's impact on their national economies. Furthermore, in the spirit of joining forces to enhance world comprehension of the role of Travel & Tourism in national economies, WTTC has strongly supported the programmes of the World Tourism Organization (WTO) to improve tourism statistics worldwide.

### WTTC'S RESEARCH

WTTC and its economic consultants/research partners – Oxford Economic Forecasting, (OEF), since 1999, and Global Insight (previously known as DRI•WEFA), from 1990-1999 – have developed and published research on the economic contribution of Travel & Tourism to the world, regional and national economies.

Starting in 1990, WTTC's research team has been working to develop practical, real-world models to illustrate Travel & Tourism's economic contribution based on the needs of private sector leaders, public sector policy-makers and industry researchers, and on the interpretation of the system of national accounts. The research is now firmly anchored in the international standard for tourism satellite accounting that was developed by WTO, OECD and Eurostat, and approved by the United Nations Statistical Commission in 2000. It was launched at the TSA Conference held in Vancouver in May 2001 and published as *The Tourism Satellite Account: Recommended Methodological Framework (TSA:RMF)* in 2001.

Since 1999, WTTC's research has assumed the conceptual framework of the UN-approved standard with a number of discretionary extensions, and it combines the most sophisticated economic modelling and forecasts available with the most up-to-date, publicly available data to generate a comprehensive implementation of Travel & Tourism satellite accounting.

The 2005 update of the WTTC TSA research is the fifth annual update undertaken for WTTC by OEF. In carrying out the work, OEF has drawn extensively on the methodology developed over the years by WTTC to develop TSAs as operational tools. OEF has also taken the opportunity in a number of areas to review and enhance the modelling techniques, assumptions used and data sources applied, and this research for 2005 is no exception.

# WTTC'S APPROACH TO TSA RESEARCH

WTTC HAS ENDEAVOURED TO IMPLEMENT AND PRODUCE THE MOST COMPREHENSIVE TSA PROVIDED FOR WITHIN THE TSA:RMF, BY DEVELOPING THE SPECIFIC CONCEPT OF THE 'TRAVEL & TOURISM INDUSTRY' IN ADDITION TO THE BROADER CONCEPT OF THE 'TRAVEL & TOURISM ECONOMY'.

WTTC advocates full implementation of the TSA as defined in the TSA:RMF in order to achieve the highest level of benefits for industry and governments. These include:

- A wealth of customer and consumer information on tourism-related purchases (before, during and after trips – whether domestic or international, imported or exported – as well as services, durables and non-durables) that has never been identified until now;
- Comprehensive documentation and analysis of the full tourism-product service chain and government's ability to deliver quality and timely service to visitors;
- Linkages between Travel & Tourism and other sectors of the economy such as agriculture and manufacturing to illustrate the flow-through of spending;
- Complete outlook for public works that benefit visitors and Travel & Tourism companies in order to leverage public sector plans and priorities for growth;
- Focused opportunities for domestic production, as well as incentives from the public sector, to aid in the growth of businesses that help alleviate trade balance issues;
- Demand- and supply-side information on employment that allows for human resource planning and development.

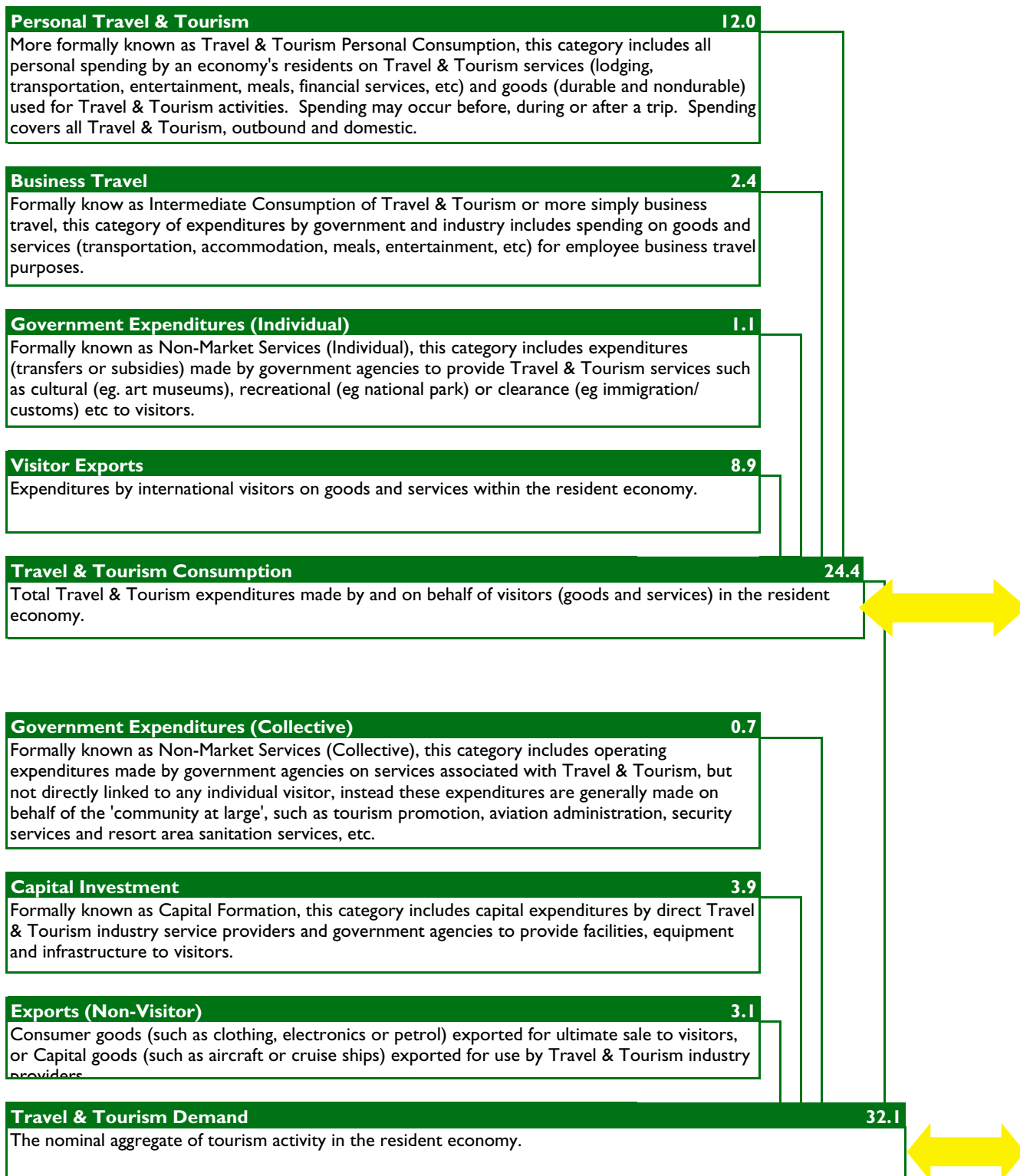
WTTC has worked towards developing a comprehensive TSA – not because it is eager to exaggerate the size of Travel & Tourism's impact, but because the information that can be garnered from the exercise by governments and industry is crucial for making intelligent and informed policy and business decisions. WTTC believes that history will document its pioneering implementation of the simulated TSA as one of the most important turning points for Travel & Tourism's long overdue economic recognition.

In the WTTC research, no country receives special treatment or favours. WTTC uses internationally available data sources and the same scope of tourism satellite accounting for all countries, as well as the same basic assumptions through the same system of models. WTTC's TSA research utilizes a universal and internally consistent modelling framework and generates harmonized results and forecasts for more than 174 countries around the world. Details of the methodology used by WTTC/OEF in its TSA research are available on WTTC's website ([www.wttc.org](http://www.wttc.org)).

# TSA CONCEPTS & STRUCTURE

## Demand Side Accounts

EUR bn



The Travel & Tourism Satellite Account is based on a 'demand-side' concept of economic activity, because the industry does not produce or supply a homogeneous product or service like traditional industries (agriculture, electronics, steel, etc). Instead, Travel & Tourism is an industrial activity defined by the diverse collection of products (durables and non-durables) and services (transportation, accommodation, food and beverage, entertainment, government services, etc) that are delivered to visitors. There are two basic aggregates of demand (Travel & Tourism Consumption and Total Demand) and by employing input/output modelling separately (yellow arrows) to these two aggregates the Satellite Account is able to produce two different and complementary aggregates of Travel & Tourism Supply: the Travel & Tourism Industry and the Travel & Tourism Economy. The former captures the explicitly defined production-side 'industry' contribution (ie direct impact only), for comparison with all other industries, while the latter captures the broader 'economy-wide' impact, direct and indirect, of Travel & Tourism.

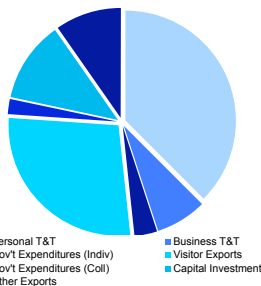
## Supply Side Accounts

EUR bn

	000s of Jobs	
<b>Travel &amp; Tourism Industry GDP (Direct)</b>	<b>424.7</b>	<b>10.0</b>
Direct Gross Domestic Product (also know as Value-Added) and Employment associated with Travel & Tourism Consumption. This is the explicitly defined Supply-side industry contribution of Travel & Tourism that can be compared one-for-one with the GDP and Employment contribution of other industries in the economy. Establishments in this category include traditional Travel & Tourism providers such as airlines, hotels, car rental companies, etc.		
<b>Travel &amp; Tourism Industry GDP (Indirect)</b>		<b>8.6</b>
Indirect Gross Domestic Product associated with Travel & Tourism Consumption. This is the upstream resident economy contribution which comes about from suppliers to the traditional Travel & Tourism industry. Establishments in this category include fuel and catering companies, laundry services, accounting firms, etc.		
<b>Travel &amp; Tourism Industry Imports</b>		<b>5.7</b>
The value of goods imported by direct and indirect Travel & Tourism Industry establishments.		
<b>Travel &amp; Tourism Industry Supply</b>		<b>24.4</b>
Total Travel & Tourism Industry supply.		
	000s of Jobs	
<b>Travel &amp; Tourism Economy GDP (Direct and Indirect)</b>	<b>1,036.5</b>	<b>24.2</b>
Direct and Indirect Gross Domestic Product (also know as Value-Added) and Employment associated with Travel & Tourism Demand. This is the broadest measure of Travel & Tourism's contribution to the resident economy. Establishments in this category include those described above as well as manufacturing, construction, government, etc that are associated with Capital Investment, Government Services and Non-Visitor Exports.		
<b>Travel &amp; Tourism Economy Imports</b>		<b>7.8</b>
The value of goods imported by direct and indirect Travel & Tourism Economy establishments.		
<b>Travel &amp; Tourism Economy Supply</b>		<b>32.1</b>
Total Travel & Tourism Economy supply.		

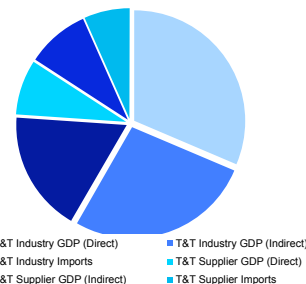
# T&T DEMAND AND SUPPLY

## TRAVEL & TOURISM DEMAND



The Tourism Satellite Account quantifies both sides of Travel & Tourism economic activity, demand and supply. The pie on the left shows how Travel & Tourism Demand is 'consumed', while the pie on the right shows how Travel & Tourism Supply is 'produced'. No matter what the nature of an economy's Travel & Tourism activity, T&T Demand always equals T&T Supply.

## TRAVEL & TOURISM SUPPLY

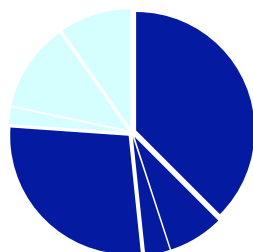


	US\$ bn
Personal T&T	16.0
Business T&T	3.3
Gov't Expenditures (Indiv)	1.4
Visitor Exports	11.8
Gov't Expenditures (Coll)	0.9
Capital Investment	5.2
Other Exports	4.1
<b>T&amp;T Demand</b>	<b>37.1</b>

< Total Demand = Total Supply >

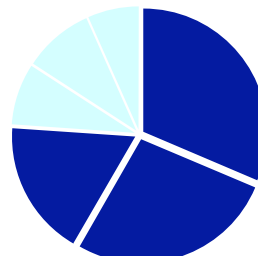
	US\$ bn
T&T Industry GDP (Direct)	13.4
T&T Industry GDP (Indirect)	11.5
T&T Industry Imports	7.6
T&T Supplier GDP (Direct)	3.5
T&T Supplier GDP (Indirect)	3.9
T&T Supplier Imports	2.8
<b>T&amp;T Supply</b>	<b>37.1</b>

## TRAVEL & TOURISM CONSUMPTION



Travel & Tourism Consumption (on the left in dark blue) is the portion of Travel & Tourism Demand normally identified as 'Visitor Spending.' This spending includes Personal T&T (domestic and outbound travel by residents), Business T&T (domestic and outbound travel by resident business and government agencies), Gov't Expenditures Individual (visitor subsidies by government), and Visitor Exports (inbound spending by international visitors).

## TRAVEL & TOURISM INDUSTRY



On the supply side, this activity is identified (on the right in dark blue) by the production or value added (also known as Gross Domestic Product) of traditional travel service providers (T&T Industry GDP Direct) plus the value added of travel industry suppliers (T&T Industry GDP Indirect) plus the value of T&T industry imports from other countries.

When the TSA talks about the GDP of the Travel & Tourism Industry, it is always referring to the first slice of the pie on the right (T&T Industry GDP Direct). This is the portion of T&T Supply that can be compared with other industries to assess its actual contribution.

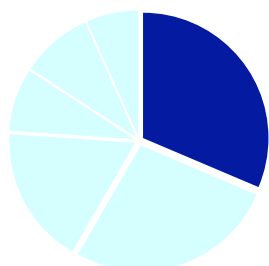
See labels above (top left)

	US\$ bn
Personal T&T	16.0
Business T&T	3.3
Gov't Expenditures (Indiv)	1.4
Visitor Exports	11.8
<b>T&amp;T Consumption</b>	<b>32.5</b>

See labels above (top right)

	US\$ bn
T&T Industry GDP (Direct)	13.4
T&T Industry GDP (Indirect)	11.5
T&T Industry Imports	7.6
<b>T&amp;T Industry Supply</b>	<b>32.5</b>

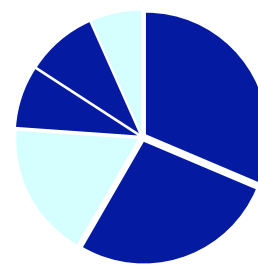
## T&T INDUSTRY GDP (DIRECT IMPACT ONLY)



WTTC often refers to the GDP associated with the Travel & Tourism Industry described above (pie on left dark blue section), in contrast to the Travel & Tourism Economy (pie on right dark blue sections). Although this nomenclature may be confusing at first, the distinction is fairly straightforward.

The Travel & Tourism Industry is the narrow perspective of our activity which can be compared with other industries in the economy.

## T&T ECONOMY GDP (DIRECT AND INDIRECT)



On the other hand, the Travel & Tourism Economy is a broader perspective of our activity which takes into consideration the direct as well as the indirect contributions by traditional travel service providers and industry suppliers within the resident economy. This perspective is used when one wants to understand the total impact of Travel & Tourism on the resident

See labels above (top right)

	US\$ bn
T&T Industry GDP (Direct)	13.4

See labels above (top right)

	US\$ bn
T&T Industry GDP (Direct)	13.4
T&T Industry GDP (Indirect)	11.5
T&T Supplier GDP (Direct)	3.5
T&T Supplier GDP (Indirect)	3.9
<b>T&amp;T Economy GDP (Direct and Indirect)</b>	<b>32.3</b>



# TRAVEL & TOURISM'S ECONOMIC IMPACT

TRAVEL & TOURISM – ENCOMPASSING TRANSPORT, ACCOMMODATION, CATERING, RECREATION AND SERVICES FOR VISITORS – IS ONE OF THE WORLD'S HIGHEST PRIORITY INDUSTRIES AND EMPLOYERS.

Worldwide in 2005, it is expected to post US\$6,201 bn of economic activity (Total Demand) and this is forecast to grow to US\$10,679 bn by 2015.

Travel & Tourism Demand in European Union is expected to reach US\$2,271.9 bn in 2005, growing to US\$3,219.4 bn in 2015.

In Portugal, in 2005, Travel & Tourism is expected to post EUR32.1 bn (US\$42.7 bn) of economic activity (Total Demand), growing to EUR58.2 bn (US\$61.1 bn) by 2015.

In 2005, the Travel & Tourism Industry should contribute 3.8% to worldwide GDP. The broader Travel & Tourism Economy should contribute 10.6% to world GDP in 2005.

In European Union, the Travel & Tourism Industry is expected to post a GDP contribution of 4.2% in 2005, while the Travel & Tourism Economy contribution will be 11.5%.

Portugal's T&T Industry is expected to contribute 7.2% to Gross Domestic Product (GDP) in 2005 (EUR10.0 bn or US\$13.4 bn), rising in nominal terms to EUR18.2 bn or US\$19.2 bn (8.3% of total) by 2015. The T&T Economy contribution (percent of total) should rise from 17.3% (EUR24.2 bn or US\$32.3 bn) to 19.8% (EUR43.5 bn or US\$45.7 bn) in this same period.

Travel & Tourism is a high-growth activity, which is forecast to increase its total economic activity by 4.6% per annum worldwide in real terms over the next ten years.

In European Union, Travel & Tourism is expected to post average annualized gains of 4.1% between 2006 and 2015.

For Portugal, Travel & Tourism activity is expected to grow by 4.1% per annum in real terms between 2006 and 2015.

Travel & Tourism is human resource intensive, creating quality jobs across the full employment spectrum. In 2005, one in 12.0 jobs will be generated by the Travel & Tourism Economy. The Travel & Tourism Economy accounts for 8.3% of global employment. Today there are 74.2 million Travel & Tourism Industry jobs and 221.6 million jobs in the Travel & Tourism Economy, and these will rise to 85.5 million Travel & Tourism Industry jobs and 269.6 million Travel & Tourism Economy jobs by 2015.

The European Union Travel & Tourism Industry is expected to generate 8,926,250 jobs in 2005 (4.5% of total employment), while the broader Travel & Tourism Economy will account for 24,300,700 jobs (12.1% of total employment).

Portugal T&T Economy employment is estimated at 1,036,470 jobs in 2005, 20.2% of total employment, or 1 in every 5.0 jobs. By 2015, this should total 1,180,680 jobs, 23.0% of total employment or 1 in every 4.4 jobs. The 424,709 T&T Industry jobs account for 8.3% of total employment in 2005 and are forecast to total 490,115 jobs or 9.5% of the total by 2015.

Travel & Tourism is a major exporter, with inbound visitors injecting foreign exchange directly into the economy. Travel & Tourism exports in European Union are expected to represent 13.1% of total exports in 2005.

In Portugal, exports make up a very important share of Travel & Tourism's contribution to GDP. Of total Portugal exports, Travel & Tourism is expected to generate 21.0% (EUR12.0 bn or US\$15.9 bn) in 2005, increasing to EUR24.8 bn, or US\$26.0 bn (21.3% of total), in 2015.

Travel & Tourism is a catalyst for construction and manufacturing. In 2005, the public and private sectors combined are expected to spend US\$918.0 bn on new Travel & Tourism capital investment worldwide - 9.4% of total investment - rising to US\$1,673.1 bn, or 10.0% of the total, in 2015.

In European Union, Travel & Tourism Capital Investment is expected to total US\$247.6 bn in 2005, or 8.8% of total regional capital investment.

Portugal Travel & Tourism Capital Investment is estimated at EUR3.9 bn, US\$5.2 bn or 10.8% of total investment in year 2005. By 2015, this should reach EUR6.4 bn, US\$6.7 bn or 10.9% of total.

Travel & Tourism is both a generator and receiver of government funds. Globally, in 2005, Travel & Tourism is expected to garner US\$285.3 bn of government expenditures, or 3.8% of total expenditures. By 2015, government spending on Travel & Tourism should increase to US\$417.4 bn - 4.1% of total government expenditure.

Government Travel & Tourism operating expenditures in Portugal in 2005 are expected to total EUR1.8 bn (US\$2.4 bn) or 6.5% of total government spending. In 2015, this spending is forecast to total EUR2.7 bn (US\$2.8 bn), or 6.6% of total government spending.



# NATIONAL, REGIONAL, AND WORLD SUMMARY TABLES

## PORTUGAL ESTIMATES AND FORECASTS

Portugal	2005			2015		
	EUR bn	% of Tot	Growth <sup>1</sup>	EUR bn	% of Tot	Growth <sup>2</sup>
Personal Travel & Tourism	12.0	13.3	3.7	20.4	14.0	3.4
Business Travel	2.4	---	3.7	4.0	---	2.9
Government Expenditures	1.8	6.5	1.7	2.7	6.6	2.2
Capital Investment	3.9	10.8	2.9	6.4	10.9	3.1
Visitor Exports	8.9	15.5	9.4	19.0	16.3	5.8
Other Exports	3.1	5.4	5.4	5.8	5.0	4.4
Travel & Tourism Demand	32.1	---	5.1	58.2	---	4.1
T&T Industry GDP	10.0	7.2	5.1	18.2	8.3	4.1
T&T Economy GDP	24.2	17.3	4.4	43.5	19.8	4.0
T&T Industry Employment	424.7	8.3	2.7	490.1	9.5	1.5
T&T Economy Employment	1,036.5	20.2	1.9	1,180.7	23.0	1.3

<sup>1</sup>2005 Real Growth Adjusted for Inflation (%); <sup>2</sup>2006-2015 Annualized Real Growth Adjusted for Inflation (%); '000 of Jobs

## EUROPEAN UNION ESTIMATES AND FORECASTS

European Union	2005			2015		
	US\$ bn	% of Tot	Growth <sup>1</sup>	US\$ bn	% of Tot	Growth <sup>2</sup>
Personal Travel & Tourism	982.0	12.2	3.6	1,242.9	12.9	2.8
Business Travel	254.5	---	3.3	313.8	---	2.6
Government Expenditures	93.8	3.2	1.8	107.6	3.2	1.9
Capital Investment	247.6	8.8	3.4	363.3	9.4	4.1
Visitor Exports	381.0	7.2	6.0	635.9	7.1	5.8
Other Exports	312.9	5.9	5.7	556.0	6.2	6.7
Travel & Tourism Demand	2,271.9	---	4.1	3,219.4	---	4.1
T&T Industry GDP	595.8	4.2	4.0	745.9	4.4	2.7
T&T Economy GDP	1,615.6	11.5	4.0	2,127.2	12.6	3.2
T&T Industry Employment	8,926.3	4.5	2.4	10,112.0	4.8	1.3
T&T Economy Employment	24,300.7	12.1	2.0	28,719.9	13.7	1.7

<sup>1</sup>2005 Real Growth Adjusted for Inflation (%); <sup>2</sup>2006-2015 Annualized Real Growth Adjusted for Inflation (%); '000 of Jobs

## WORLD ESTIMATES AND FORECASTS

World	2005			2015		
	US\$ bn	% of Tot	Growth <sup>1</sup>	US\$ bn	% of Tot	Growth <sup>2</sup>
Personal Travel & Tourism	2,833	10.4	5.1	4,602	11.0	3.9
Business Travel	653	---	4.6	963	---	3.1
Government Expenditures	285	3.8	2.9	417	4.1	2.8
Capital Investment	918	9.4	5.3	1,673	10.0	4.8
Visitor Exports	818	6.5	7.3	1,513	5.5	5.7
Other Exports	694	5.5	6.3	1,510	5.5	7.4
Travel & Tourism Demand	6,201	---	5.4	10,679	---	4.6
T&T Industry GDP	1,712	3.8	5.2	2,661	3.9	3.5
T&T Economy GDP	4,746	10.6	5.1	7,799	11.3	4.0
T&T Industry Employment	74,223.0	2.8	2.9	85,520.8	2.8	1.4
T&T Economy Employment	221,568.0	8.3	3.0	269,556.0	8.9	2.0

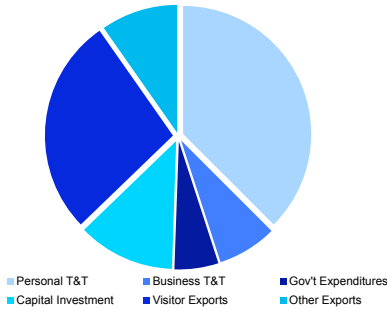
<sup>1</sup>2005 Real Growth Adjusted for Inflation (%); <sup>2</sup>2006-2015 Annualized Real Growth Adjusted for Inflation (%); '000 of Jobs

# TOTAL DEMAND

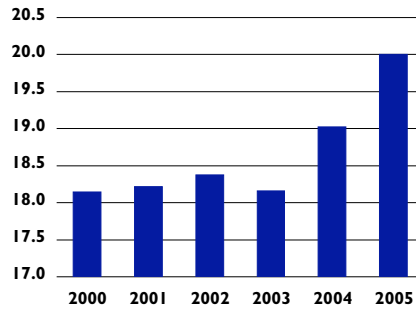


PORTUGAL TRAVEL & TOURISM IS EXPECTED TO GENERATE EUR32.1 BN (US\$42.7 BN) OF ECONOMIC ACTIVITY (TOTAL DEMAND) IN 2005, GROWING (NOMINAL TERMS) TO EUR58.2 BN (US\$61.1 BN) BY 2015. TRAVEL & TOURISM DEMAND IS EXPECTED TO GROW BY 5.1% IN 2005 AND BY 4.1% PER ANNUM, IN REAL TERMS, BETWEEN 2006 AND 2015. 2005 TOTAL DEMAND REPRESENTS 0.7% OF WORLD MARKET SHARE.

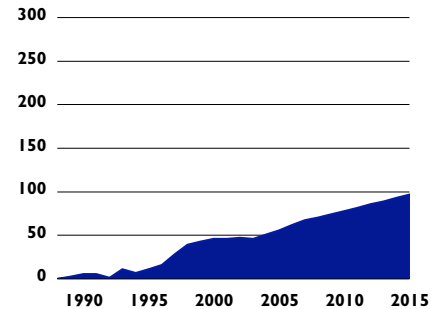
Portugal  
Total Demand 2005



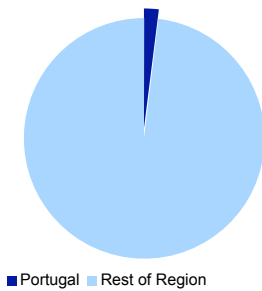
Portugal  
Travel & Tourism Total Demand  
(1990 Constant US\$ bn)



Portugal  
Travel & Tourism Total Demand  
(Cumulative Real Growth, %)

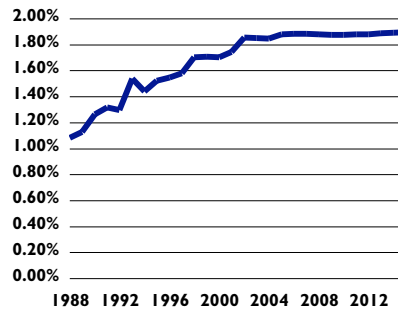


Portugal Market Share of  
European Union Total Demand 2005

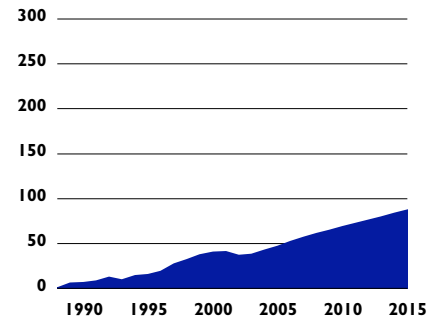


\* 2005 Regional Market Share is 1.88%

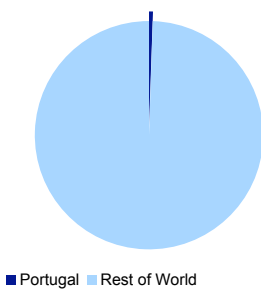
Portugal Market Share of  
European Union Total Demand



European Union  
Travel & Tourism Total Demand  
(Cumulative Real Growth, %)

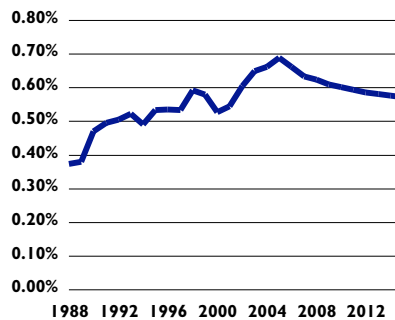


Portugal Market Share of  
World Total Demand 2005

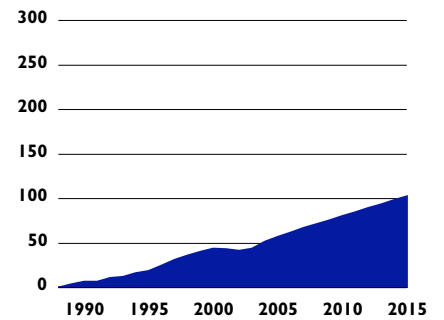


\* 2005 World Market Share is 0.69%

Portugal Market Share of  
World Total Demand



World  
Travel & Tourism Total Demand  
(Cumulative Real Growth, %)



WTTC LEAGUE TABLE EXTRACT  
Travel & Tourism Total Demand  
(2005, US\$ mn)

4	France	365,350.0
5	United Kingdom	353,440.0
6	Italy	272,851.0
8	Spain	245,554.0
21	Turkey	45,895.5
23	Portugal	42,708.7
25	Greece	38,858.2
49	Morocco	10,676.2
71	Cyprus	5,120.1
96	Malta	2,152.4

WTTC LEAGUE TABLE EXTRACT  
Travel & Tourism Total Demand  
(2005 Real Growth, %)

7	Morocco	14.1
16	Greece	11.6
68	Turkey	7.8
119	Portugal	5.1
121	United Kingdom	5.1
133	Malta	4.4
137	Spain	4.0
140	France	3.7
142	Cyprus	3.5
144	Italy	3.4

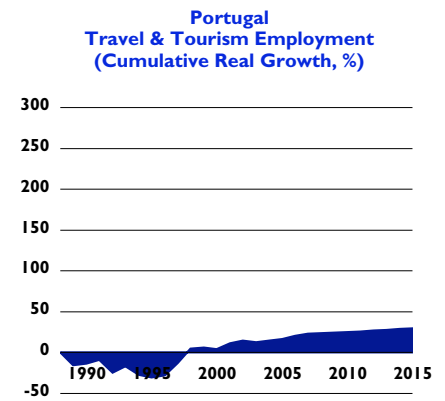
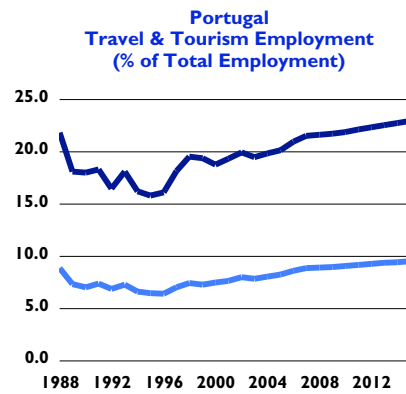
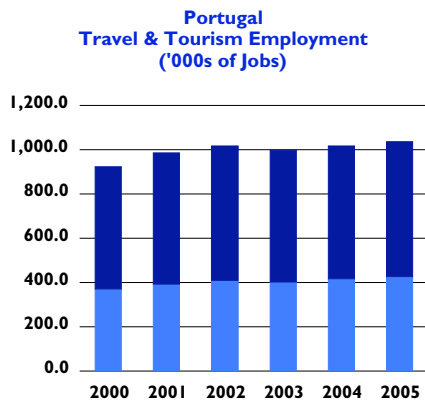
WTTC LEAGUE TABLE EXTRACT  
Travel & Tourism Total Demand  
(10-Year Real Growth, Annualized, %)

44	Spain	5.9
63	Malta	5.5
71	Morocco	5.3
85	Cyprus	5.0
121	France	4.1
122	Portugal	4.1
123	Greece	4.1
129	Turkey	3.9
147	United Kingdom	3.3
153	Italy	3.1

# EMPLOYMENT

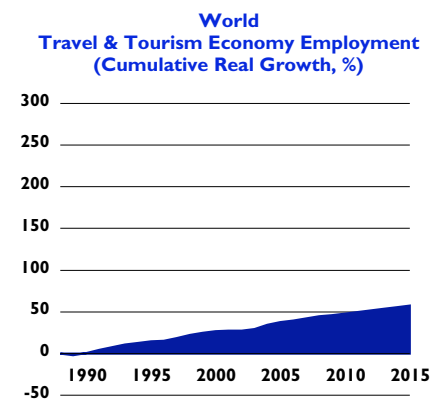
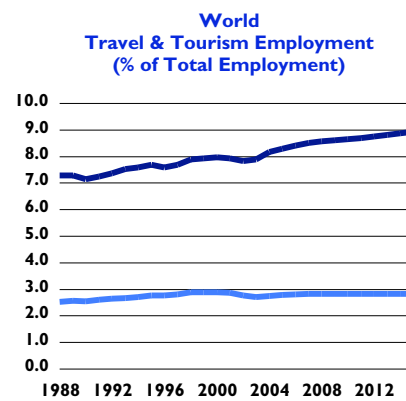
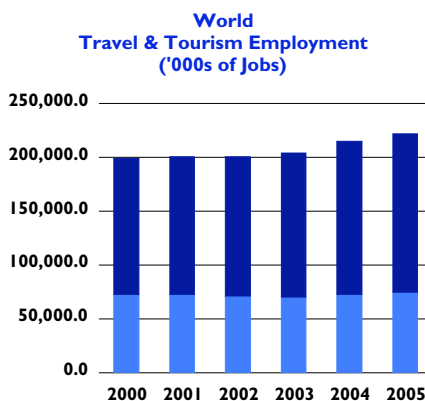
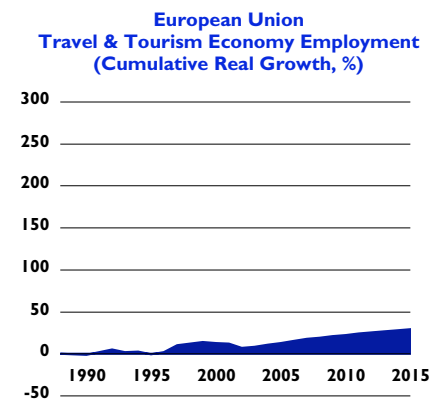
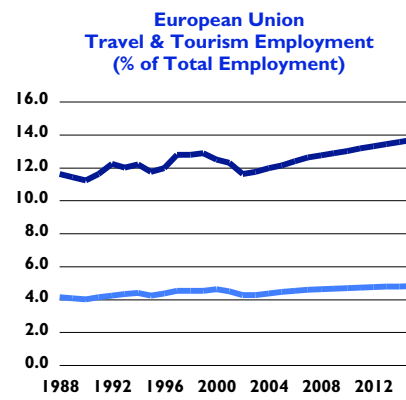
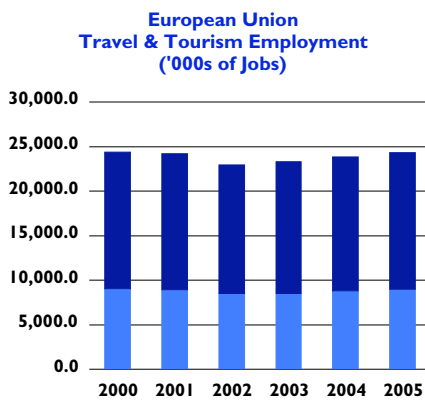


PORTUGAL T&T ECONOMY EMPLOYMENT IS ESTIMATED AT 1,036,470 JOBS IN 2005, 20.2% OF TOTAL EMPLOYMENT, OR 1 IN EVERY 5.0 JOBS. BY 2015, THIS SHOULD TOTAL 1,180,680 JOBS, 23.0% OF TOTAL EMPLOYMENT OR 1 IN EVERY 4.4 JOBS. THE 424,709 T&T INDUSTRY JOBS ACCOUNT FOR 8.3% OF TOTAL EMPLOYMENT IN 2005 AND ARE FORECAST TO TOTAL 490,115 JOBS OR 9.5% OF THE TOTAL BY 2015.



Light Blue Bar is T&T Industry Jobs; Light/Dark Blue Combination is T&T Economy Jobs

Light Blue Line is T&T Industry Jobs; Dark Blue is T&T Economy Jobs



**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Economy Employment (2005, '000 of Jobs)

10 France	3,670.8
11 Spain	3,492.2
14 United Kingdom	2,857.3
16 Italy	2,748.9
25 Turkey	1,654.6
26 Morocco	1,526.2
33 Portugal	1,036.5
42 Greece	750.3
113 Cyprus	107.5
134 Malta	50.7

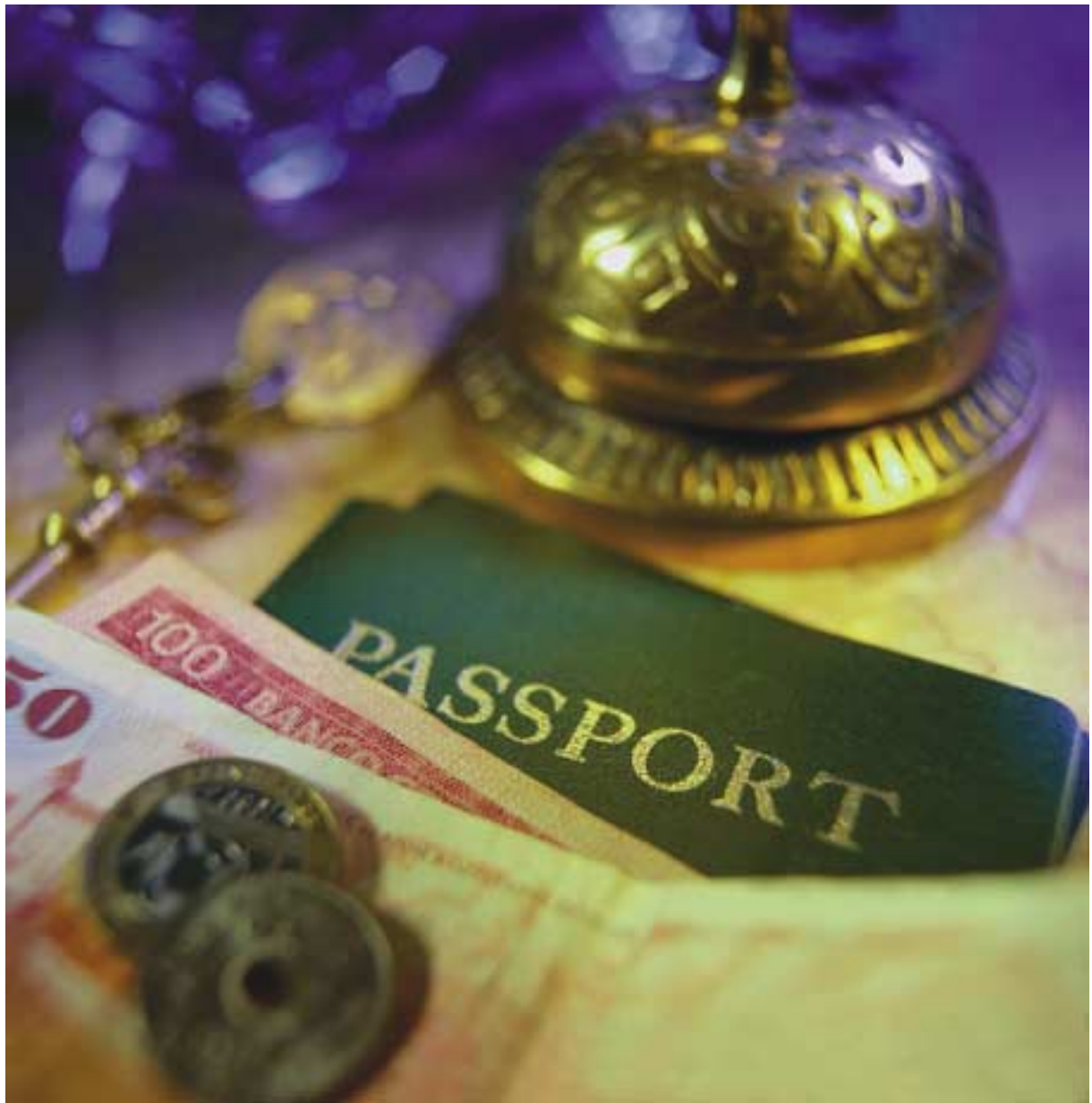
**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Economy Employment (2005, % of Total Employment)

15 Malta	35.0
19 Cyprus	28.9
32 Spain	20.3
34 Portugal	20.2
40 Greece	18.2
46 France	15.1
48 Morocco	14.7
67 Italy	12.2
88 United Kingdom	9.3
111 Turkey	7.7

**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Economy Employment (10-Year Real Growth, Annualized, %)

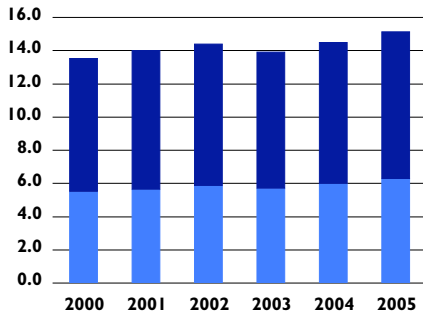
20 Spain	4.2
100 Morocco	2.1
104 Greece	2.0
107 France	2.0
120 Malta	1.8
140 Portugal	1.3
141 Cyprus	1.3
160 Turkey	0.7
161 Italy	0.7
172 United Kingdom	0.0

# GROSS DOMESTIC PRODUCT

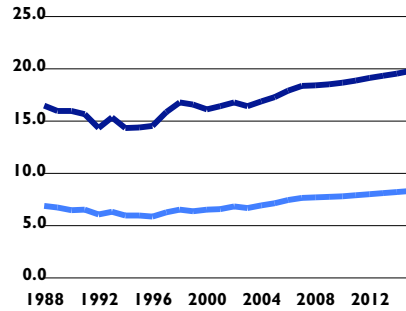


PORTUGAL'S T&T INDUSTRY IS EXPECTED TO CONTRIBUTE 7.2% TO GROSS DOMESTIC PRODUCT (GDP) IN 2005 (EUR10.0 BN OR US\$13.4 BN), RISING IN NOMINAL TERMS TO EUR18.2 BN OR US\$19.2 BN (8.3% OF TOTAL) BY 2015. THE T&T ECONOMY CONTRIBUTION (PERCENT OF TOTAL) SHOULD RISE FROM 17.3% (EUR24.2 BN OR US\$32.3 BN) TO 19.8% (EUR43.5 BN OR US\$45.7 BN) IN THIS SAME PERIOD.

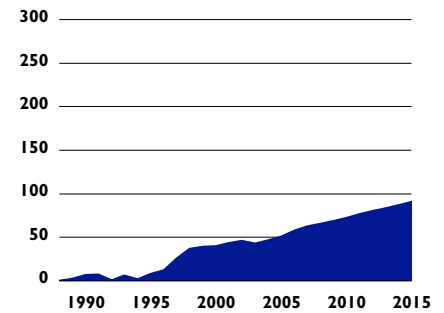
**Portugal**  
Travel & Tourism Gross Domestic Product  
(1990 Constant US\$ bn)



**Portugal**  
Travel & Tourism Gross Domestic Product  
(% of Total GDP)



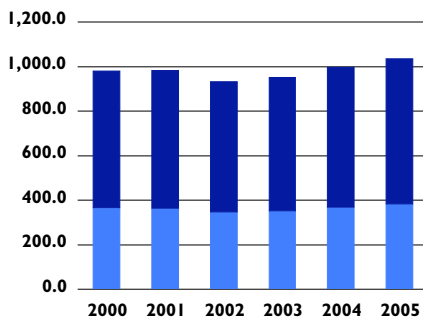
**Portugal**  
Travel & Tourism Economy GDP  
(Cumulative Real Growth, %)



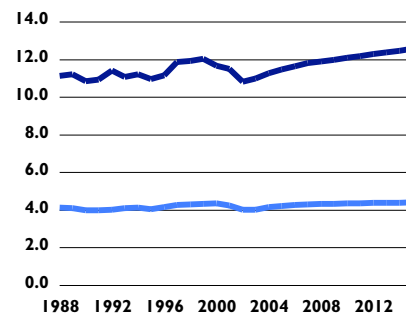
Light Blue Bar is T&T Industry GDP; Light/Dark Blue Combination is T&T Economy GDP

Light Blue Line is T&T Industry GDP; Dark Blue is T&T Economy GDP

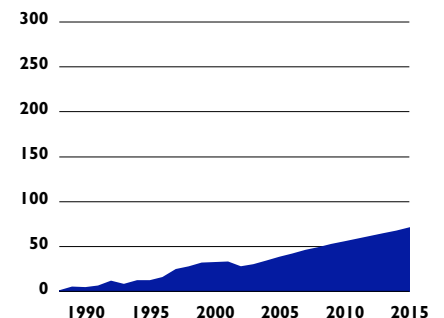
**European Union**  
Travel & Tourism Gross Domestic Product  
(1990 Constant US\$ bn)



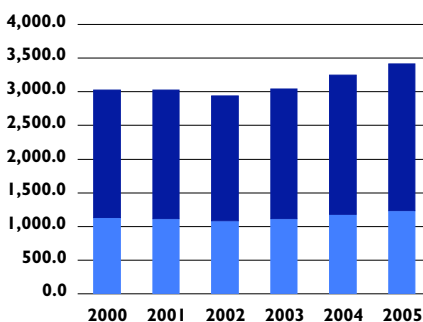
**European Union**  
Travel & Tourism Gross Domestic Product  
(% of Total GDP)



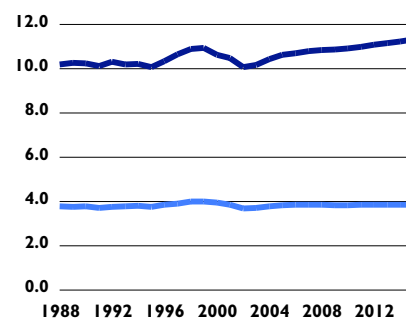
**European Union**  
Travel & Tourism Economy GDP  
(Cumulative Real Growth, %)



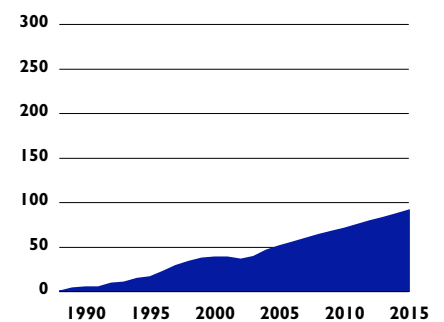
**World**  
Travel & Tourism Gross Domestic Product  
(1990 Constant US\$ bn)



**World**  
Travel & Tourism Gross Domestic Product  
(% of Total GDP)



**World**  
Travel & Tourism Economy GDP  
(Cumulative Real Growth, %)



**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Economy GDP  
(2005, US\$ mn)

4 France	279,218.0
5 United Kingdom	234,197.0
7 Italy	212,671.0
8 Spain	208,708.0
19 Turkey	37,801.4
21 Greece	33,637.1
22 Portugal	32,305.3
47 Morocco	8,666.9
69 Cyprus	3,956.2
94 Malta	1,692.8

**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Economy GDP  
(2005, % of Total GDP)

20 Malta	28.4
29 Cyprus	22.7
37 Spain	18.9
40 Portugal	17.3
42 Morocco	17.0
44 Greece	16.2
66 France	12.5
75 Turkey	11.4
77 Italy	11.4
90 United Kingdom	10.1

**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Economy GDP  
(10-Year Real Growth, Annualized, %)

28 Spain	5.8
57 Malta	5.2
73 Morocco	4.8
88 Cyprus	4.5
109 Portugal	4.0
114 Greece	3.9
134 France	3.4
154 Turkey	2.7
160 Italy	2.4
163 United Kingdom	2.3

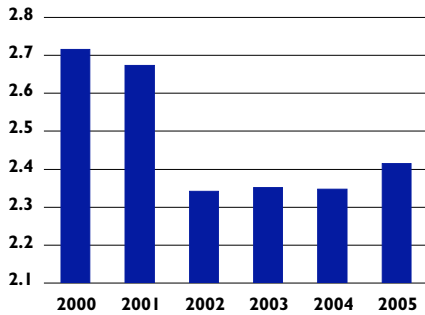
# CAPITAL INVESTMENT



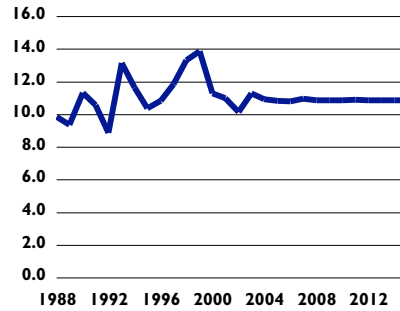


PORTUGAL TRAVEL & TOURISM CAPITAL INVESTMENT IS ESTIMATED AT EUR3.9 BN, US\$5.2 BN OR 10.8% OF TOTAL INVESTMENT IN YEAR 2005. BY 2015, THIS SHOULD REACH EUR6.4 BN, US\$6.7 BN OR 10.9% OF TOTAL.

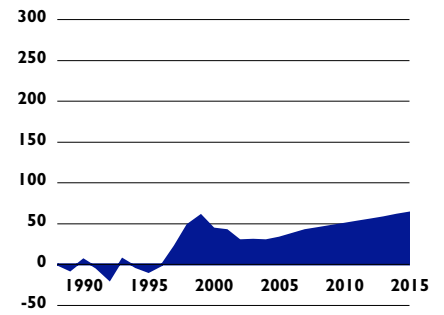
**Portugal**  
Travel & Tourism Capital Investment  
(1990 Constant US\$ bn)



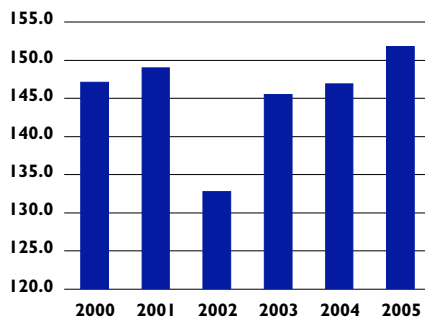
**Portugal**  
Travel & Tourism Capital Investment  
(% of Total Capital Investment)



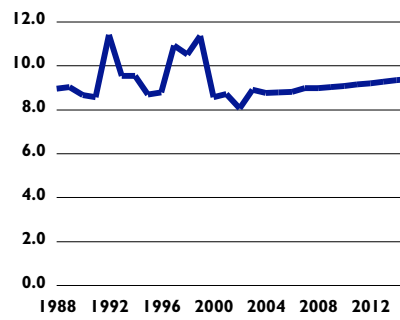
**Portugal**  
Travel & Tourism Capital Investment  
(Cumulative Real Growth, %)



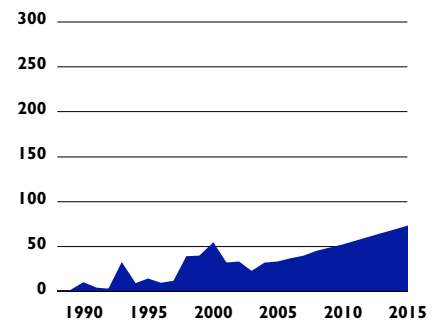
**European Union**  
Travel & Tourism Capital Investment  
(1990 Constant US\$ bn)



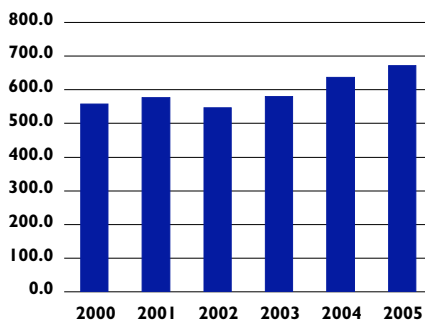
**European Union**  
Travel & Tourism Capital Investment  
(% of Total Capital Investment)



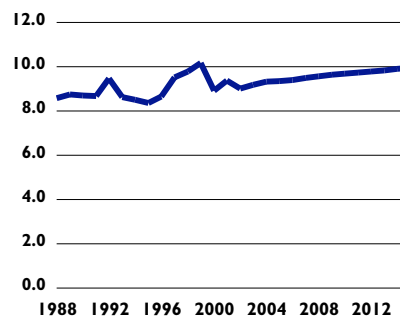
**European Union**  
Travel & Tourism Capital Investment  
(Cumulative Real Growth, %)



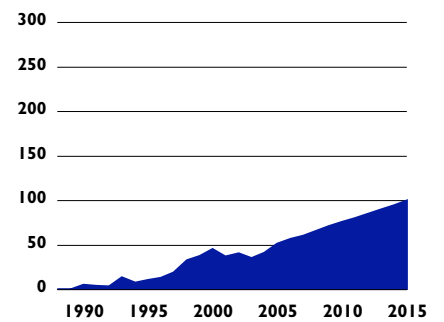
**World**  
Travel & Tourism Capital Investment  
(1990 Constant US\$ bn)



**World**  
Travel & Tourism Capital Investment  
(% of Total Capital Investment)



**World**  
Travel & Tourism Capital Investment  
(Cumulative Real Growth, %)



**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Capital Investment  
(2005, US\$ mn)

4 Spain	45,084.8
5 United Kingdom	34,149.2
6 France	32,501.2
8 Italy	29,297.0
26 Greece	5,742.4
30 Portugal	5,155.8
31 Turkey	5,054.5
52 Morocco	1,669.8
76 Cyprus	647.0
96 Malta	375.1

**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Capital Investment  
(2005, % of Total Capital Investment)

17 Malta	33.1
32 Cyprus	21.4
58 Spain	14.5
64 Morocco	13.5
93 Portugal	10.8
95 Greece	10.7
123 United Kingdom	8.5
127 Turkey	8.2
135 Italy	7.9
140 France	7.4

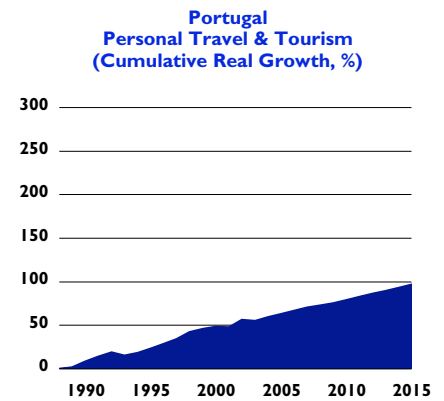
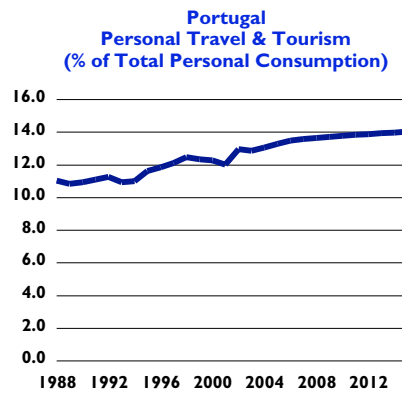
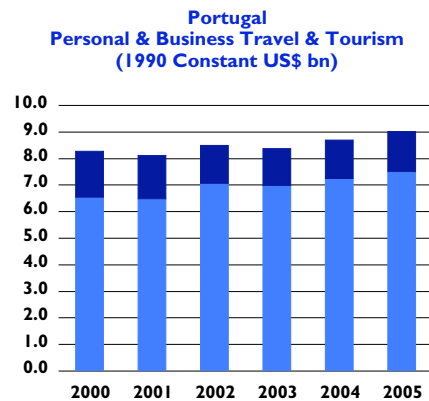
**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Capital Investment  
(10-Year Real Growth, Annualized, %)

2 Spain	9.4
25 Morocco	6.3
73 Malta	4.4
88 Greece	4.1
135 Cyprus	3.1
136 Portugal	3.1
138 Italy	2.9
140 Turkey	2.9
144 United Kingdom	2.8
154 France	2.4

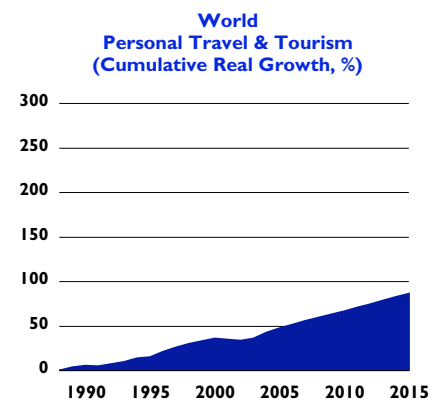
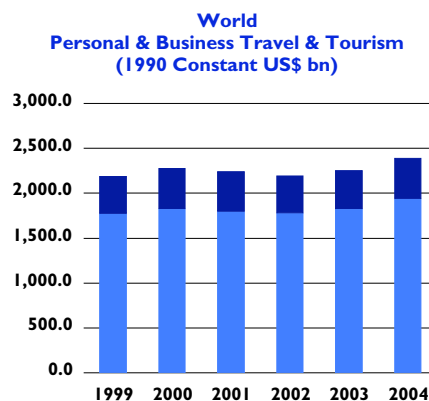
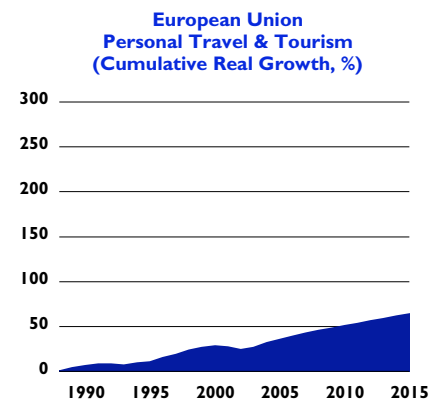
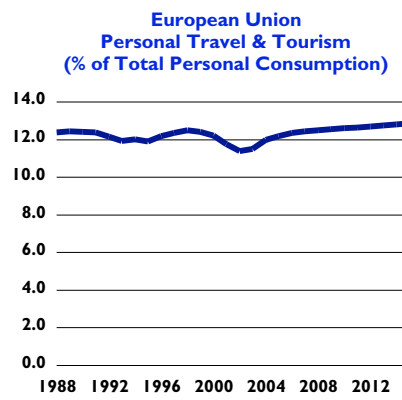
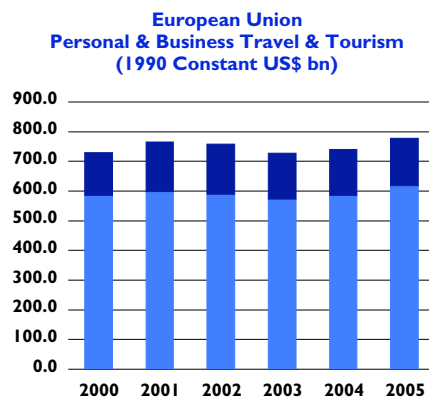
# PERSONAL & BUSINESS



PORTUGAL PERSONAL TRAVEL & TOURISM IS ESTIMATED AT EUR12.0 BN, US\$16.0 BN OR 13.3% OF TOTAL PERSONAL CONSUMPTION IN YEAR 2005. BY 2015, THIS SHOULD REACH EUR20.4 BN, US\$21.4 BN OR 14.0% OF TOTAL CONSUMPTION. PORTUGAL BUSINESS TRAVEL IS ESTIMATED AT EUR2.4 BN, US\$3.3 BN IN YEAR 2005. BY 2015, THIS SHOULD REACH EUR4.0 BN OR US\$4.2 BN.



Light Blue Bar is Personal Travel & Tourism; Dark Blue Bar is Business Travel



4 United Kingdom	194,918.0
5 France	155,577.0
6 Italy	125,403.0
7 Spain	96,598.1
21 Turkey	17,833.6
23 Portugal	15,998.1
28 Greece	13,272.8
61 Morocco	2,175.6
78 Cyprus	974.3
113 Malta	278.7

18 Spain	15.0
22 United Kingdom	13.5
24 Portugal	13.3
29 France	12.7
45 Italy	11.3
62 Greece	9.3
74 Cyprus	8.3
76 Turkey	7.9
91 Malta	7.1
96 Morocco	6.6

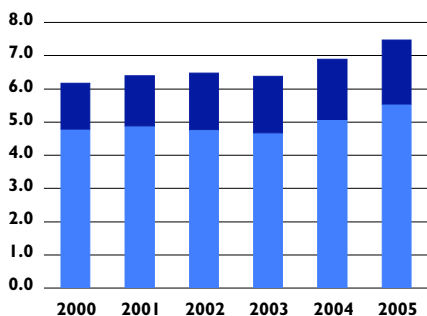
21 Malta	7.1
26 Cyprus	6.7
62 Morocco	5.6
121 Spain	4.0
130 Greece	3.7
133 Portugal	3.4
135 France	3.3
142 Turkey	3.1
152 United Kingdom	2.6
155 Italy	2.5

# EXPORTS



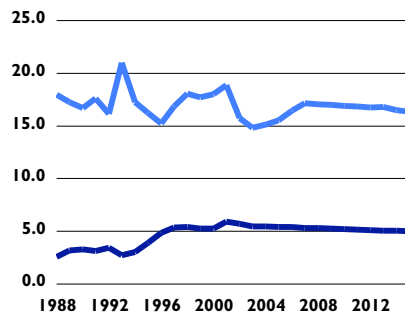
VISITOR EXPORTS PLAY AN IMPORTANT DEVELOPMENT ROLE FOR THE RESIDENT TRAVEL & TOURISM ECONOMY. PORTUGAL TRAVEL & TOURISM IS EXPECTED TO GENERATE 21.0% OF TOTAL EXPORTS (EUR12.0 BN OR US\$15.9 BN) IN 2005, GROWING (NOMINAL TERMS) TO EUR24.8 BN OR US\$26.0 BN (21.3% OF TOTAL) IN 2015.

**Portugal**  
Travel & Tourism Exports  
(1990 Constant US\$ bn)



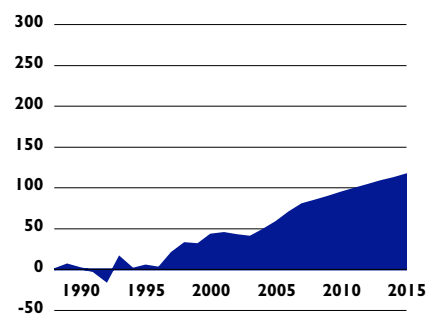
Light Blue Bar is Visitor Exports; Dark Blue Bar is Other Exports

**Portugal**  
Travel & Tourism Exports  
(% of Total Exports)

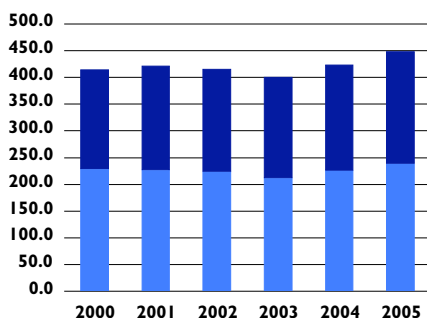


Light Blue Line is Visitor Exports; Dark Blue Line is Other Exports

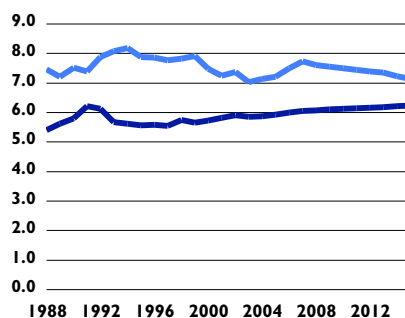
**Portugal**  
Travel & Tourism Visitor Exports  
(Cumulative Real Growth, %)



**European Union**  
Travel & Tourism Exports  
(1990 Constant US\$ bn)

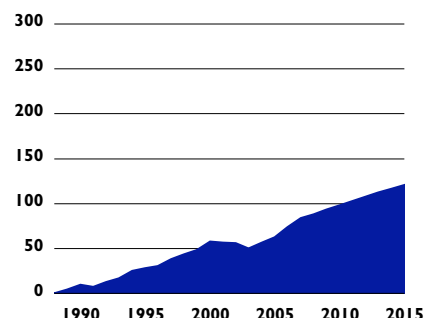


**European Union**  
Travel & Tourism Exports  
(% of Total Exports)

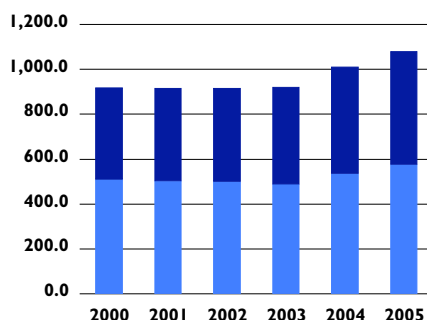


Light Blue Line is Visitor Exports; Dark Blue Line is Other Exports

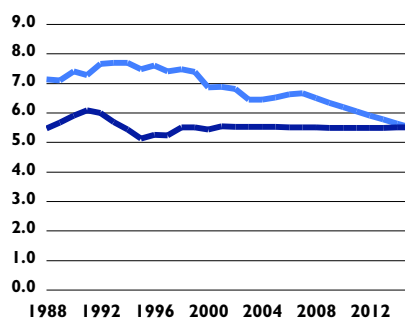
**European Union**  
Travel & Tourism Visitor Exports  
(Cumulative Real Growth, %)



**World**  
Travel & Tourism Exports  
(1990 Constant US\$ bn)

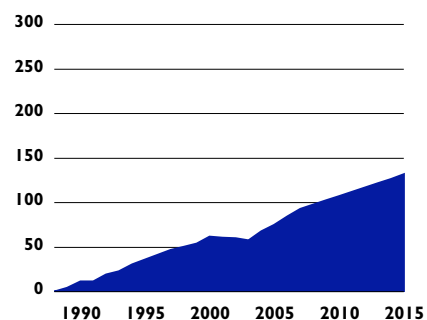


**World**  
Travel & Tourism Exports  
(% of Total Exports)



Light Blue Line is Visitor Exports; Dark Blue Line is Other Exports

**World**  
Travel & Tourism Visitor Exports  
(Cumulative Real Growth, %)



**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Visitor Exports  
(2005, US\$ mn)

2	France	61,007.0
3	Spain	50,593.0
4	Italy	46,550.0
6	United Kingdom	38,872.0
10	Turkey	19,670.0
14	Greece	15,545.0
17	Portugal	11,810.0
39	Morocco	5,231.4
51	Cyprus	2,742.2
74	Malta	1,185.2

**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Visitor Exports  
(2005, % of Total Exports)

16	Cyprus	43.9
23	Greece	37.0
36	Morocco	27.7
44	Malta	20.7
47	Turkey	19.9
64	Spain	15.7
66	Portugal	15.5
85	France	10.1
88	Italy	9.5
106	United Kingdom	6.7

**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Visitor Exports  
(10-Year Real Growth, Annualized, %)

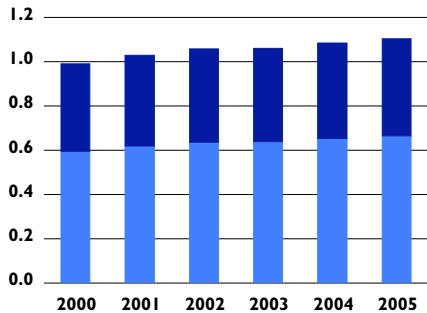
81	Malta	5.8
82	United Kingdom	5.8
83	Portugal	5.8
102	France	5.4
107	Spain	5.2
109	Cyprus	5.1
124	Italy	4.7
125	Greece	4.7
126	Morocco	4.6
150	Turkey	3.7

# GOVERNMENT



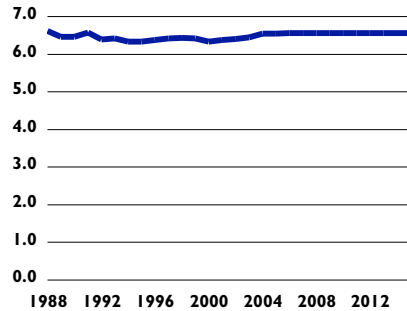
GOVERNMENT TRAVEL & TOURISM OPERATING EXPENDITURES IN PORTUGAL IN 2005 ARE EXPECTED TO TOTAL EUR1.8 BN (US\$2.4 BN) OR 6.5% OF TOTAL GOVERNMENT SPENDING. IN 2015, THIS SPENDING IS FORECAST TO TOTAL EUR2.7 BN (US\$2.8 BN), OR 6.6% OF TOTAL GOVERNMENT SPENDING.

**Portugal**  
Travel & Tourism Government Expenditures  
(1990 Constant US\$ bn)



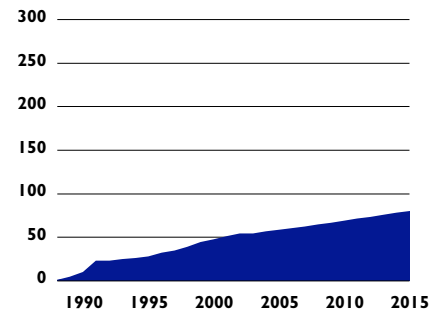
Light Blue Bar is Govt Individual; Dark Blue Bar is Govt Collective

**Portugal**  
Travel & Tourism Government Expenditures  
(% of Total Government Expenditures)

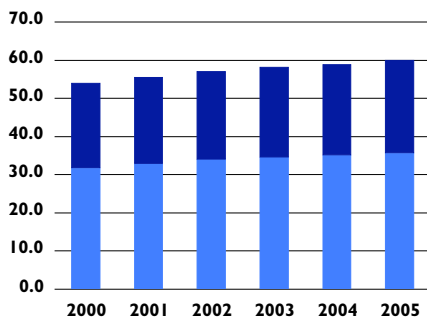


Light Blue Line is Visitor Exports; Dark Blue Line is Other Exports

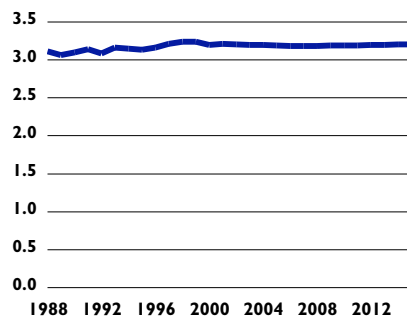
**Portugal**  
Travel & Tourism Government Expenditures  
(Cumulative Real Growth, %)



**European Union**  
Travel & Tourism Government Expenditures  
(1990 Constant US\$ bn)

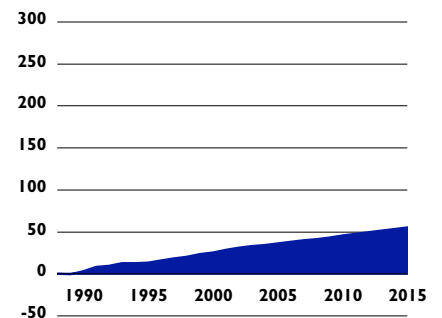


**European Union**  
Travel & Tourism Government Expenditures  
(% of Total Exports)

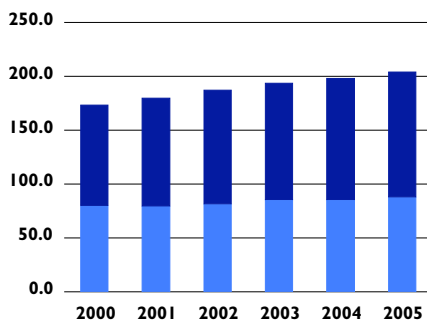


Light Blue Line is Visitor Exports; Dark Blue Line is Other Exports

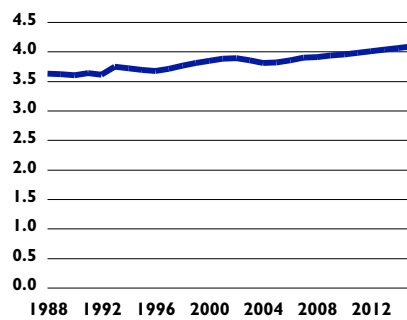
**European Union**  
Travel & Tourism Government Expenditures  
(Cumulative Real Growth, %)



**World**  
Travel & Tourism Government Expenditures  
(1990 Constant US\$ bn)

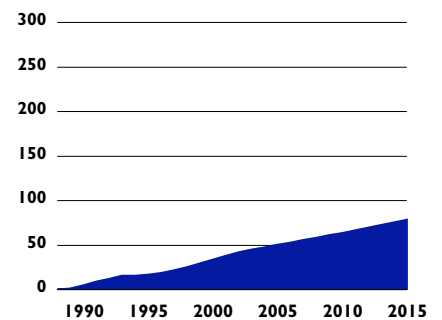


**World**  
Travel & Tourism Government Expenditures  
(% of Total Exports)



Light Blue Line is Visitor Exports; Dark Blue Line is Other Exports

**World**  
Travel & Tourism Government Expenditures  
(Cumulative Real Growth, %)



**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Government Expenditures  
(2005, US\$ mn)

3 France	17,763.3
4 United Kingdom	14,277.8
5 Italy	13,019.3
6 Spain	12,893.2
19 Portugal	2,356.4
28 Greece	1,165.0
47 Morocco	371.2
54 Cyprus	294.9
62 Turkey	245.3
77 Malta	138.0

**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Government Expenditures  
(2005, % of Total Exports)

26 Malta	11.3
30 Cyprus	9.2
43 Portugal	6.5
44 Spain	6.4
81 Greece	3.7
86 Morocco	3.6
87 Italy	3.5
95 France	3.2
108 United Kingdom	2.9
172 Turkey	0.6

**WTTC LEAGUE TABLE EXTRACT**  
Travel & Tourism Government Expenditures  
(10-Year Real Growth, Annualized, %)

33 Morocco	4.6
112 United Kingdom	2.9
124 Cyprus	2.7
126 Malta	2.6
145 Portugal	2.2
147 Spain	2.2
150 France	2.1
160 Italy	1.6
166 Turkey	1.2
173 Greece	0.3

# RANKING AND RANGE

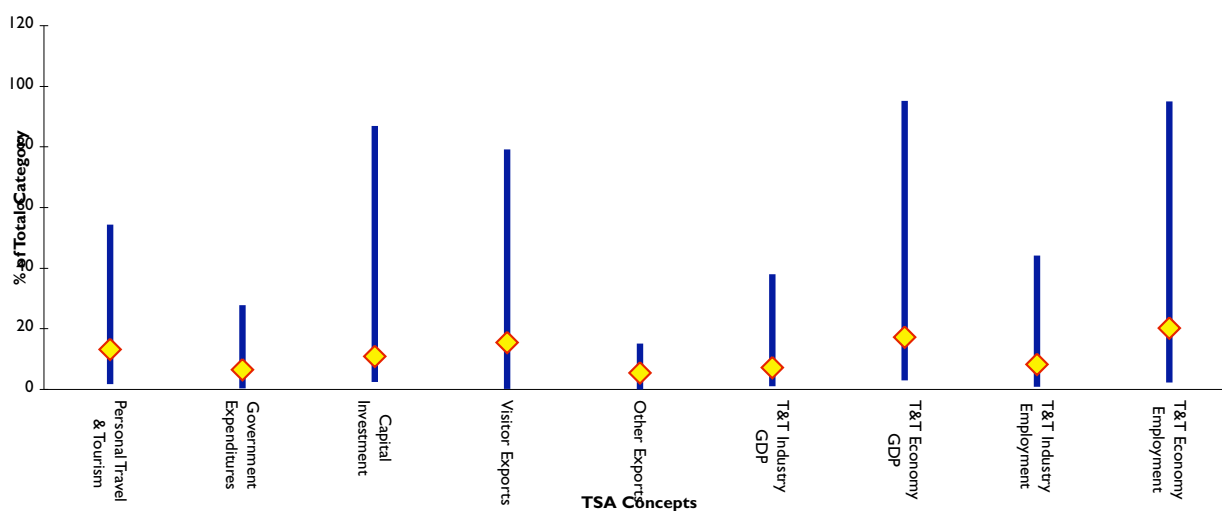
## Year 2005 Country Rankings for Portugal within World Countries List

Portugal	2005			2015		
	Absolute Size	Relative Size	Growth <sup>1</sup>	Absolute Size	Relative Size	Growth <sup>2</sup>
Personal Travel & Tourism	23	24	133	27	29	133
Business Travel	29	---	155	34	---	135
Government Expenditures	19	43	156	21	43	145
Capital Investment	30	93	139	33	95	136
Visitor Exports	17	66	89	20	58	83
Other Exports	28	38	78	34	40	123
Travel & Tourism Demand	23	---	119	28	---	122
T&T Industry GDP	20	39	128	22	36	100
T&T Economy GDP	22	40	135	24	39	109
T&T Industry Employment	31	33	128	35	31	128
T&T Economy Employment	33	34	134	35	33	140

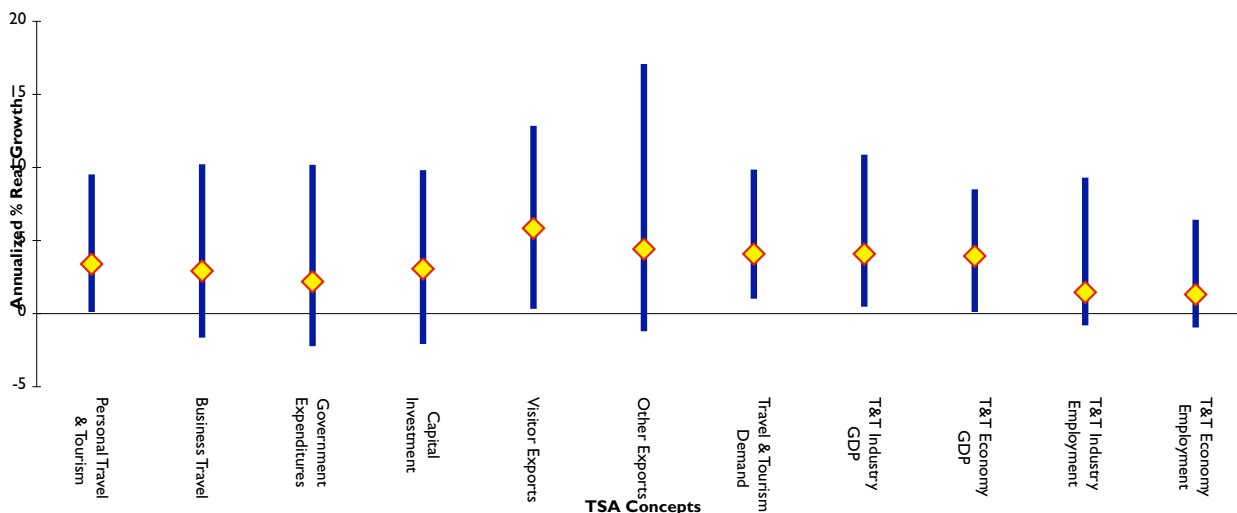
<sup>1</sup>2005 Real Growth Adjusted for Inflation; <sup>2</sup>2006-2015 Annualized Real Growth Adjusted for Inflation

Total 174 Countries or 13 Regions (Largest/Highest/Best is Number 1; Smallest/Lowest/Worst is Number 174 or 13; 0 is Aggregate Region no Ranking)

## Year 2005 % of Total Estimates for Portugal within World Countries Range



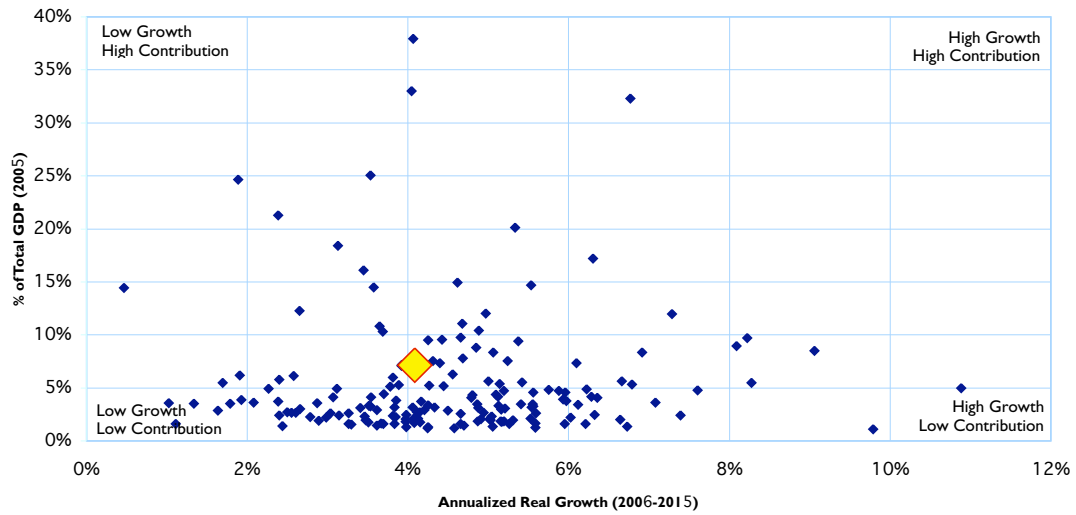
## Ten Year (2006-2015) Growth Estimates for Portugal Within World Countries Range



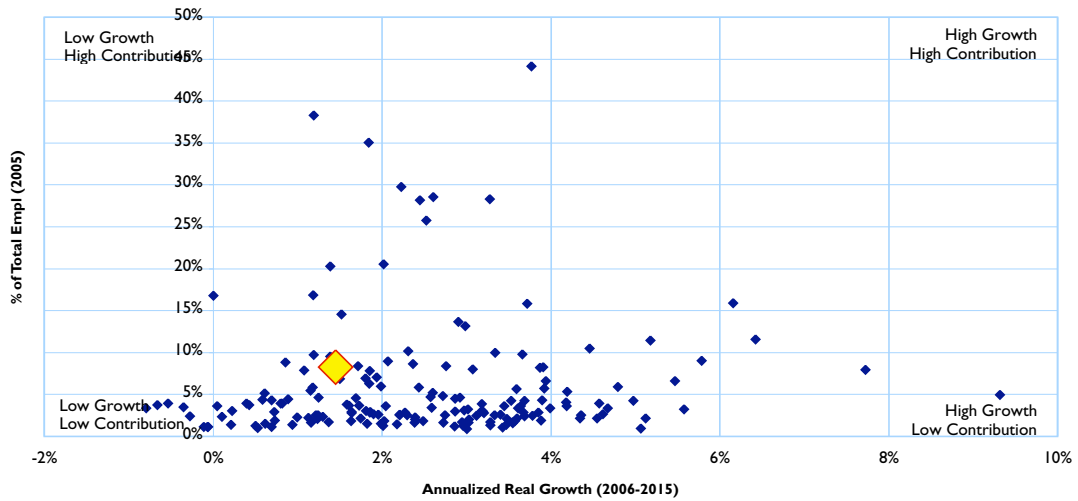


# CONTRIBUTION AND GROWTH

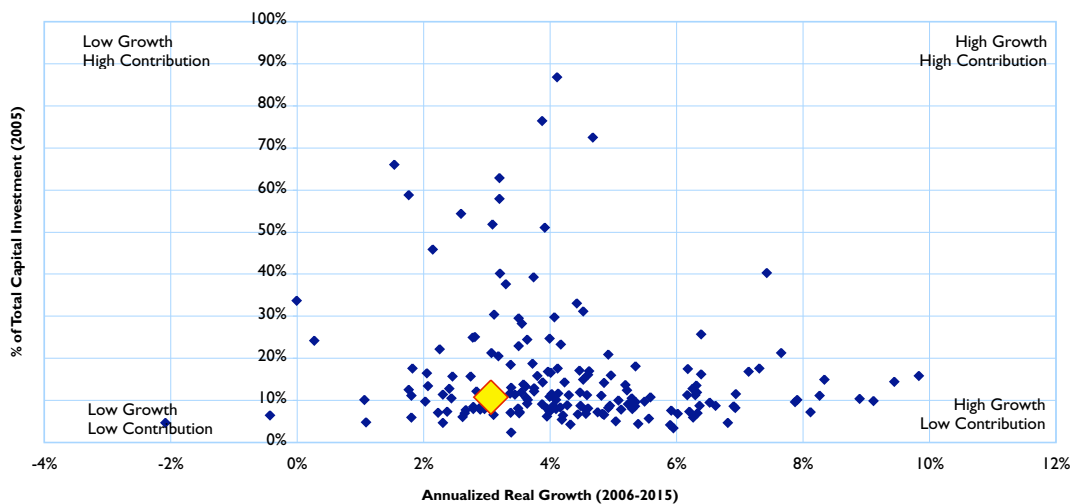
Travel & Tourism Industry GDP Contribution and Growth - All Countries



Travel & Tourism Industry Employment Contribution and Growth - All Countries



Travel & Tourism Capital Investment Contribution and Growth - All Countries



Portugal Data Point Indicated in Yellow and Red

# SATELLITE ACCOUNT TABLES

	2000	2001	2002	2003	2004E	2005E	2015P
<b>Travel &amp; Tourism - EUR bn</b>							
Personal Travel & Tourism	8.99	9.28	10.55	10.68	11.32	12.01	20.41
Business Travel & Tourism	2.39	2.37	2.19	2.16	2.31	2.44	3.97
Corporate	1.93	1.92	1.77	1.75	1.85	1.96	3.19
Government	0.46	0.45	0.41	0.41	0.45	0.48	0.78
Gov't Expenditures - Individual	0.82	0.89	0.95	0.97	1.02	1.06	1.60
Visitor Exports	6.57	6.98	7.12	7.14	7.92	8.87	18.96
<b>Travel &amp; Tourism Consumption</b>	<b>18.77</b>	<b>19.52</b>	<b>20.81</b>	<b>20.95</b>	<b>22.57</b>	<b>24.38</b>	<b>44.94</b>
Gov't Expenditures - Collective	0.55	0.59	0.63	0.65	0.68	0.71	1.07
Capital Investment	3.74	3.84	3.51	3.61	3.68	3.87	6.37
Exports (Non-Visitor)	1.93	2.20	2.58	2.64	2.88	3.10	5.81
<b>Travel &amp; Tourism Demand</b>	<b>24.98</b>	<b>26.15</b>	<b>27.54</b>	<b>27.85</b>	<b>29.81</b>	<b>32.06</b>	<b>58.19</b>
<b>Travel &amp; Tourism Industry Aggregates (Direct Impact Only)</b>							
Employment ('000)	367.83	389.81	408.24	401.08	413.47	424.71	490.12
Gross Domestic Product	7.55	8.09	8.77	8.70	9.35	10.05	18.24
<b>Travel &amp; Tourism Economy Aggregates (Direct and Indirect Impacts)</b>							
Employment ('000)	922.68	986.08	1,017.63	998.08	1,016.73	1,036.47	1,180.68
Gross Domestic Product	18.62	20.12	21.56	21.36	22.70	24.25	43.49
<b>Travel &amp; Tourism Accounts as % of National Accounts</b>							
Personal Travel & Tourism	12.28	12.01	12.95	12.86	13.07	13.28	14.04
Gov't Expenditures	6.33	6.38	6.40	6.44	6.55	6.55	6.56
Capital Investment	11.31	11.00	10.16	11.29	10.93	10.84	10.89
Exports	23.31	24.83	21.46	20.31	20.60	20.97	21.34
T&T Imports	12.10	10.87	10.36	11.08	11.00	10.96	10.17
<b>Travel &amp; Tourism Industry Aggregates (Direct Impact Only)</b>							
Employment	7.49	7.65	7.99	7.84	8.07	8.26	9.53
Gross Domestic Product	6.54	6.60	6.83	6.70	6.96	7.16	8.30
<b>Travel &amp; Tourism Economy Aggregates (Direct and Indirect Impacts)</b>							
Employment	18.80	19.34	19.93	19.50	19.84	20.15	22.96
Gross Domestic Product	16.12	16.42	16.78	16.44	16.90	17.28	19.78
<b>Travel &amp; Tourism Real Growth (per annum except 2015 = 10-year annualized)</b>							
Personal Travel & Tourism	2.44	-1.04	8.95	-1.15	3.81	3.66	3.39
Business Travel & Tourism	14.71	-4.90	-11.71	-3.29	4.24	3.66	2.93
Gov't Expenditures	2.76	4.05	2.73	0.22	2.40	1.66	2.18
Capital Investment	-16.59	-1.51	-12.41	0.42	-0.22	2.87	3.06
Visitor Exports	11.92	1.98	-2.35	-2.07	8.68	9.37	5.83
Other Exports	10.27	9.44	12.50	-0.14	6.75	5.37	4.41
Travel & Tourism Consumption	7.09	-0.25	2.12	-1.63	5.44	5.57	4.42
Travel & Tourism Demand	2.85	0.40	0.87	-1.18	4.76	5.13	4.08

	2000	2001	2002	2003	2004E	2005E	2015P
<b>Travel &amp; Tourism Industry Aggregates (Direct Impact Only)</b>							
Gross Domestic Product	5.73	2.74	3.81	-2.98	5.09	5.07	4.08
Employment	4.19	5.98	4.73	-1.75	3.09	2.72	1.45

<b>Travel &amp; Tourism Economy Aggregates (Direct and Indirect Impact)</b>							
Gross Domestic Product	0.45	3.66	2.60	-3.19	4.00	4.44	3.96
Employment	-1.40	6.87	3.20	-1.92	1.87	1.94	1.32

#### Travel & Tourism - US\$ bn

Personal Travel & Tourism	8.31	8.31	9.98	12.08	14.08	16.00	21.43
Business Travel & Tourism	2.21	2.12	2.07	2.45	2.87	3.26	4.17
Corporate	1.79	1.72	1.68	1.99	2.31	2.62	3.35
Government	0.42	0.40	0.39	0.46	0.56	0.64	0.82
Gov't Expenditures - Individual	0.75	0.79	0.90	1.10	1.27	1.41	1.68
Visitor Exports	6.07	6.25	6.73	8.08	9.85	11.81	19.91
<b>Travel &amp; Tourism Consumption</b>	<b>17.34</b>	<b>17.48</b>	<b>19.67</b>	<b>23.71</b>	<b>28.07</b>	<b>32.48</b>	<b>47.19</b>
Gov't Expenditures - Collective	0.50	0.53	0.60	0.74	0.85	0.94	1.12
Capital Investment	3.45	3.44	3.32	4.08	4.57	5.16	6.68
Exports (Non-Visitor)	1.78	1.97	2.44	2.99	3.58	4.13	6.10
<b>Travel &amp; Tourism Demand</b>	<b>23.07</b>	<b>23.41</b>	<b>26.03</b>	<b>31.52</b>	<b>37.06</b>	<b>42.71</b>	<b>61.10</b>

#### Travel & Tourism Industry Aggregates (Direct Impact Only)

Employment ('000)	367.83	389.81	408.24	401.08	413.47	424.71	490.12
Gross Domestic Product	6.97	7.24	8.29	9.85	11.62	13.38	19.15

#### Travel & Tourism Economy Aggregates (Direct and Indirect Impacts)

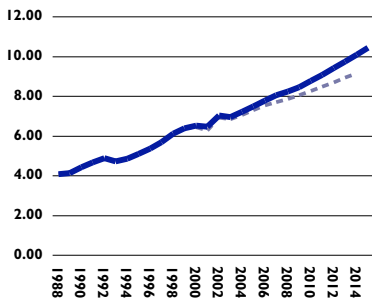
Employment ('000)	922.68	986.08	1,017.63	998.08	1,016.73	1,036.47	1,180.68
Gross Domestic Product	17.20	18.02	20.38	24.17	28.22	32.31	45.67

#### Travel & Tourism - 1990 Constant US\$ billion

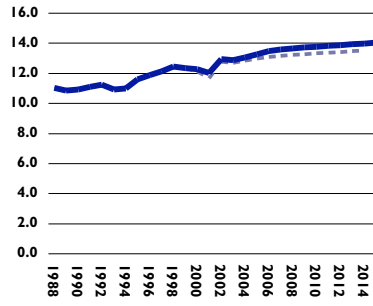
Personal Travel & Tourism	6.53	6.46	7.04	6.96	7.23	7.49	10.46
Business Travel & Tourism	1.74	1.65	1.46	1.41	1.47	1.53	2.04
Gov't Expenditures - Individual	0.59	0.62	0.63	0.64	0.65	0.66	0.82
Visitor Exports	4.77	4.87	4.75	4.65	5.06	5.53	9.72
<b>Travel &amp; Tourism Consumption</b>	<b>13.63</b>	<b>13.60</b>	<b>13.89</b>	<b>13.66</b>	<b>14.41</b>	<b>15.21</b>	<b>23.03</b>
Gov't Expenditures - Collective	0.40	0.41	0.42	0.42	0.43	0.44	0.55
Capital Investment	2.72	2.67	2.34	2.35	2.35	2.41	3.26
Exports (Non-Visitor)	1.40	1.53	1.72	1.72	1.84	1.93	2.98
<b>Travel &amp; Tourism Demand</b>	<b>18.14</b>	<b>18.22</b>	<b>18.38</b>	<b>18.16</b>	<b>19.02</b>	<b>20.00</b>	<b>29.82</b>
<b>Gross Domestic Product</b>							
Travel & Tourism Industry	5.48	5.64	5.85	5.68	5.96	6.27	9.35
Travel & Tourism Economy	13.53	14.02	14.39	13.93	14.48	15.13	22.29

# 2005/2004 VARIANCE CHARTS

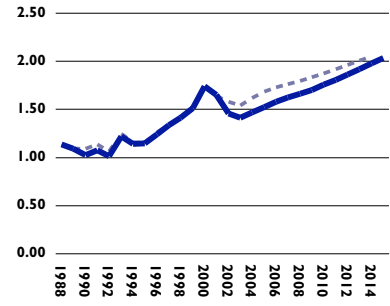
**Personal Travel & Tourism**  
1990 Constant US\$ bn



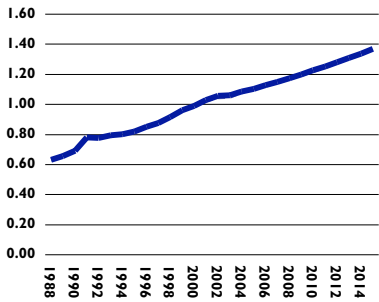
**Personal Travel & Tourism**  
% of Total Consumption



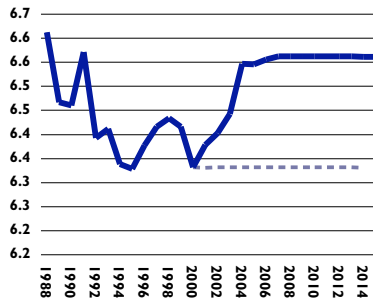
**Business Travel & Tourism**  
1990 Constant US\$ bn



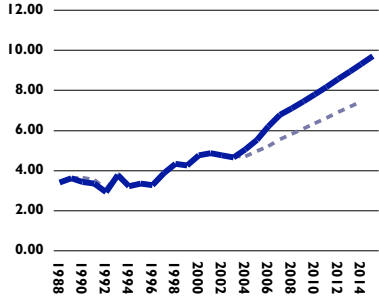
**Travel & Tourism Govt Expenditures**  
1990 Constant US\$ bn



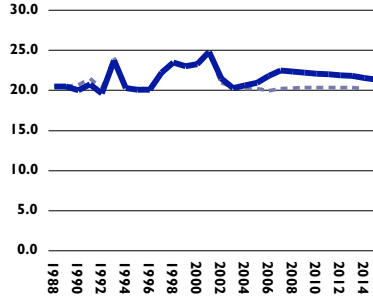
**Travel & Tourism Govt Expenditures**  
% of Total Govt Expenditures



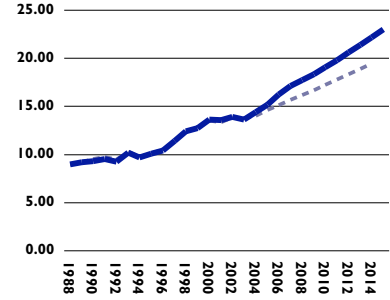
**Travel & Tourism Visitor Exports**  
1990 Constant US\$ bn



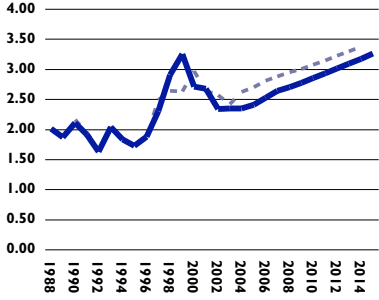
**Travel & Tourism Exports**  
% of Total Exports



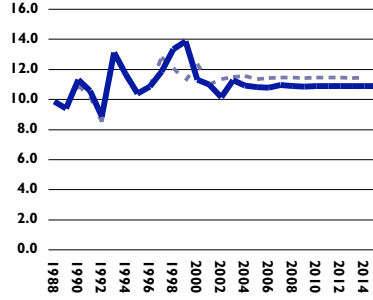
**Travel & Tourism Consumption**  
1990 Constant US\$ bn



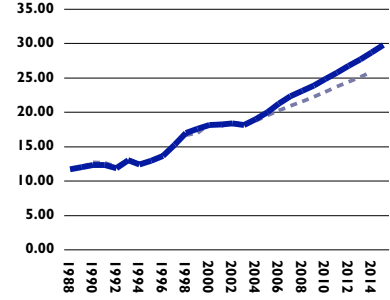
**Travel & Tourism Capital Investment**  
1990 Constant US\$ bn



**Travel & Tourism Capital Investment**  
% of Total Capital Investment

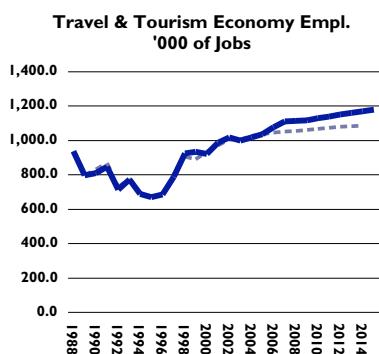
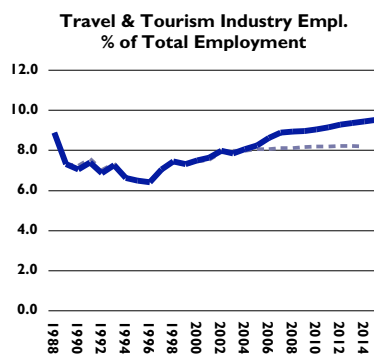
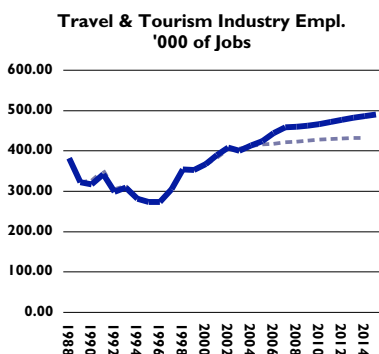
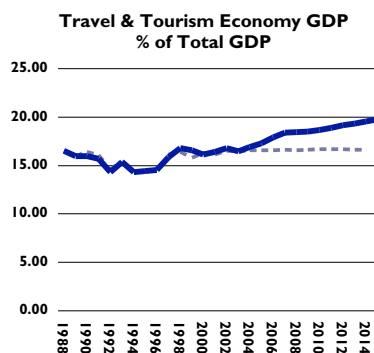
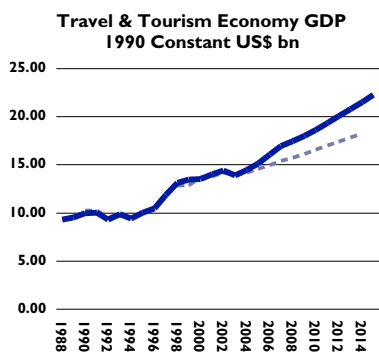
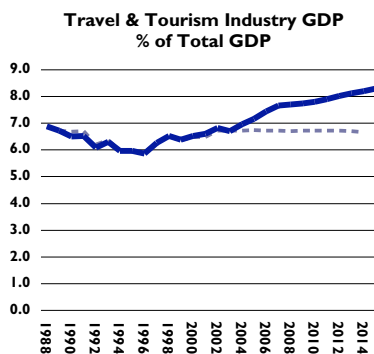
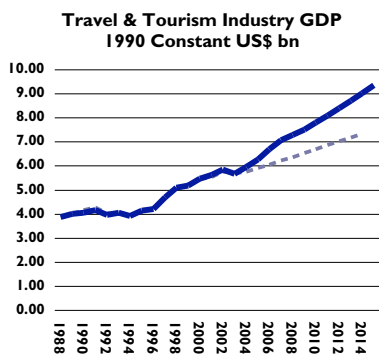


**Travel & Tourism Demand**  
1990 Constant US\$ bn



**OEI's Year 2005 Estimates**  
Solid Dark Blue

**OEI's Year 2004 Estimates**  
Dashed Light Blue



**OEf's Year 2004 Estimates**  
Solid Dark Blue

**OEf's Year 2003 Estimates**  
Dashed Light Blue

**The WTTC 2005 Simulated Tourism Satellite Accounts**

This year's TSA research continues our practice of incremental enhancement.

In 2003, a number of methodological enhancements were made to improve the calculations of various concepts of the models, while in 2004 the focus was on extending the country coverage to include 13 new economies.

This year the research enhancement has been focused on improving the macroeconomic data and forecasts for the non-OECD countries. These countries typically have less sophisticated data sources and reporting mechanisms, so greater time and effort was taken to discover new data sources and to validate old data sources so the TSA estimates could better reflect reality in these economies.

As always we have updated data with the latest figures available from the original sources and on taking account of more timely indicators of Travel and Tourism where available. In some cases changes are also apparent as a result of further work on the macroeconomic data and forecasts, as part of OEF's ongoing monitoring of the state of economies around the world.

**Portugal Notes for 2005**

Capital Investment data has been revised for 97, 98 and smoothed. Services Exports data has been revised.











# OXFORD ECONOMIC FORECASTING

ASSISTING WTTC PROVIDE TOOLS FOR ANALYSIS,  
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- Preparation of scenarios to assess the potential impact of outside events, such as War in Iraq, on tourism flows and spending
- Development of a forecasting framework for a hotel chain to analyse and predict occupancy rates and revenue across their properties

As well as bespoke consultancy, OEF offers a wide range of subscription services. These include publications on the international macroeconomy and a full range of sectors globally, as well as extensive web-based forecast databanks that can be downloaded in spreadsheet format. The emphasis in all our work is making our analysis both accessible and relevant to decision makers.

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WTTC would like to express its sincere appreciation to the entire research and economics team associated with this 2005 Tourism Satellite Accounting Research

Oxford Economic Forecasting

•

Adrian Cooper, Managing Director  
Alan Wilson, Director of Consulting Services  
Keith Edmonds, Senior Economist  
Pablo Astorga, Senior Economist

The OEF Macroeconomic Forecasting and Technical Teams

World Travel & Tourism Council

•

Richard Miller, Executive Vice President

