Visa Europe:

Mediterranean Rim Tourism Monitor

January to April 2012

Foreign consumer spending across six Mediterranean Rim countries, with a spotlight on Portugal

July 2012

Foreign consumer spending increases 10.99% across six Mediterranean countries

Foreign consumer spending on Visa debit, credit and pre-paid cards across the six Mediterranean Rim countries for the period January to April 2012 totalled €8.39bn, a year-on-year increase of 10.99% in foreign consumer spending compared to €7.56bn during the same period in 2011*.

Table 1: Total foreign consumer spending across all six countries (€)

Total	€
2011 (Jan, Feb, Mar, Apr)	7,563,308,591
2012 (Jan, Feb, Mar, Apr)	8,394,953,794

Source: Visa Europe card data

Across the six countries, there were significant variations in growth levels amongst the top ten foreign spenders. Russia continued to post strong spending growth with a 33% year-on-year increase. By contrast spending by Japanese visitors fell 28%.

The United Kingdom continues to top the table of the top ten spenders across all six countries, with UK visitors spending €1.3bn for the period January to April 2012, although year-on-year spending was down by 0.2% on the same period in 2011.

Table 2: The Top Ten Foreign Spenders Across All Six Mediterranean Rim Countries (€)

Country	2011 (Jan, Feb, March, Apr)	2012 (Jan, Feb, March, Apr)	Year on Year % change
UK	1,310,561,900	1,306,956,559	-0.27
France	871,821,281	880,686,179	1.01
USA	583,183,803	631,609,867	8.30
Russia	394,498,542	524,837,265	33.03
Germany	394,204,725	459,065,684	16.45
Switzerland	309,536,713	355,019,495	14.69
Spain	255,532,631	256,874,035	0.52
Norway	264,204,844	279,300,610	5.71
Italy	200,291,597	195,140,484	-2.57
Japan	257477250	184,461,420	-28.35

Source: Visa Europe card data

Of the six countries, France received €2.81bn of foreign consumer spend during the January to April 2012 period, almost ten times the amount spent in Greece over the same period (€241m). Portugal benefitted from the largest year-on-year increase in foreign consumer spending, rising from €410m in January - April 2011 to €475m over the same period in 2012 (15.74% increase).

Table 3: Total Foreign Consumer spending in each of the six countries (€)

Country	2011 (Jan, Feb, March, Apr)	2012 (Jan, Feb, March, Apr)	Year on Year % change
France	2,422,474,669	2,819,852,852	16.40
Spain	2,243,724,837	2,375,453,650	5.87
Italy	1,796,570,386	1,974,507,839	9.90
Turkey	444,662,239	508,421,417	14.33
Portugal	410,392,388	475,020,411	15.74
Greece	245,484,070	241,697,621	-1.54
TOTAL	7,563,308,591	8,394,953,794	10.99

Source: Visa Europe card data

Foreign visitors to these six markets withdrew a total of €2.43bn in cash on their Visa debit, credit and pre-paid cards over the course of January to April 2012, a year-on-year increase of 6.58% from €2.28bn in 2011. Cards make it easier – and cheaper – for tourists to withdraw foreign currency whilst abroad. Whilst due to the nature of cash we are not able to see directly where it is spent, the amount of cash withdrawn is indicative of spending whilst abroad.

Foreign visitors helped drive retail demand in the six Mediterranean Rim countries, totalling a 16.54% increase in year-on-year retail spending, rising from €2.23bn in January to April 2011 to €2.60bn in January to April 2012. Hotels recorded the lowest growth level of all the categories but the value of spending still made it the third largest category. Spending on hotels grew 8.60% year-on-year and grew from €1.13bn in January to April 2011 to €1.23bn in the first four months of this year.

*This growth is in part due to an increasing number of Visa cards in circulation alongside a trend for cardholders to use cards versus cash.

Table 4: Where Foreign Consumers Spent Their Money Across The Six Countries (€)

Category	2011 (Jan, Feb, March, Apr)	2012 (Jan, Feb, March, Apr)	Year on Year % rise
Cash	2,280,892,036	2,431,080,230	6.58
Retail	2,236,440,374	2,606,526,100	16.54
Hotels	1,137,576,358	1,235,437,686	8.60
Entertainment	683,499,911	745,921,109	9.13
Supermarket	268,725,621	303,590,552	12.97
Travel	222,711,814	251,433,647	12.89
Miscellaneous	199,391,238	229,894,377	15.29
Petrol	172,363,163	187,501,691	8.78
Car Hire	116,166,418	117,718,187	1.33
Airline	101,716,305	117,653,173	15.66
Health	53,395,143	62,861,777	17.72
Motoring	49,338,591	54,715,630	10.89
Food & Drink	36,739,521	43,197,954	17.57
Insurance	2,450,136	4,340,727	77.16
Utilities	1,902,669	3,080,948	61.92

Source: Visa Europe card data

Visitors from emerging economies

Visitor spending from the BRIC countries – Brazil, Russia, India and China – held firm over the course of the January to April period year-on-year. Foreign spending by Russian visitors accounted for 6.25% of overall foreign spend across the six countries, appearing six times in the top 20 spenders. Spending by Indian visitors remains extremely low across the six, never appearing in the top 20 spenders and accounting for less than 1% of overall foreign consumer spending.

Table 5: BRIC Countries As They Feature In The Top Twenty Foreign Spenders Across The Six Countries (€)

BRIC countries	2011 (Jan, Feb, March, Apr)		2012 (Jan, Feb, March, Apr)	
	Number of times in top 20	As % of overall spend	Number of times in top 20	As % of overall spend
Brazil	4	2.83	4	2.75
Russia	6	5.22	6	6.25
India	0	0.09	0	0.09
China	2	0.55	2	1.17

Source: Visa Europe card data

Visitors from the Eurozone's struggling economies

Foreign visitors from struggling Eurozone economies – namely Portugal, Ireland, Greece and Spain – across the six countries saw a reduction in their percentage of overall spending, year-on-year, although three of the four retained their respective positions in the top 20 spenders across the markets. Greece was the only country to fall out of the top twenty foreign spenders list.

Table 6: PIGS Countries As They Feature In The Top Twenty Foreign Spenders Across The Six Mediterranean Rim Countries (€)

PIGS country	2011 (Jan, Feb, March, Apr)		2012 (Jan, Feb, March, Apr)	
	Number of times in top 20	As % of overall spend	Number of times in top 20	As % of overall spend
Portugal	2	2.43	2	2.04
Ireland	2	0.96	2	0.91
Greece	1	0.65	0	0.48
Spain	5	3.38	5	3.05

Source: Visa Europe card data

Foreign consumer spending in Portugal

Foreign visitors to Portugal spent €475m in the first four months of 2012, an increase of 15.74% on the same time last year. Spending by visitors from Portugal's former colonies of Angola and Mozambique both rocketed during early 2012, increasing 53.23% and 78.21% respectively. French visitors continued to top the table overall with a total spend of nearly €100m during the same period. Despite its small population, visitors from Luxembourg splashed out a total of €9.3m between January and April.

Table 13: The Top Ten Foreign Spenders In Portugal

Country	2011 (Jan, Feb, March, Apr)	2012 (Jan, Feb, March, Apr)	Year on Year % rise
France	88,292,069	98,886,063	12.00
Angola	56,949,121	87,264,457	53.23
UK	76,470,035	74,137,422	-3.05
Brazil	34,160,086	39,472,210	15.55
Spain	40,341,197	36,622,857	-9.22
USA	15,886,968	16,884,876	6.28
Germany	11,716,435	13,821,978	17.97
Mozambique	5,755,628	10,256,874	78.21
Luxembourg	3,386,784	9,339,784	175.77

Source: Visa Europe card data

A total of €220m was withdrawn from cash machines in Portugal between January and April 2012. There was healthy growth in foreign visitor spending in most areas across Portugal, with a particularly positive increase in expenditure on utilities and insurance products. The only areas where consumers cut back significantly were airlines (down 10.63% on the same time last year), and food and drink (down 2.15%).

Table 14: Where Foreign Consumers Spent Their Money In Portugal

Category	2011 (Jan, Feb, March, Apr)	2012 (Jan, Feb, March, Apr)	Year on Year % rise
Cash	184,412,602	219,547,591	19.05
Retail	76,883,141	91,228,589	18.66
Hotels	53,692,676	57,801,172	7.65
Entertainment	28,495,425	31,529,073	10.65
Supermarket	21,717,078	24,213,454	11.49
Car Hire	9,323,945	10,135,569	8.70
Petrol	10,474,904	10,979,570	4.82
Travel	6,137,096	7,356,138	19.86
Miscellaneous	5,789,773	6,736,845	16.36
Airline	4,196,490	3,750,467	-10.63
Health	3,154,607	4,051,225	28.42
Motoring	3,305,081	4,044,942	22.39
Food & Drink	1,532,268	1,499,338	-2.15
Utilities	1,201,464	2,022,696	68.35
Insurance	75,833	123,744	63.18

Source: Visa Europe card data

Methodology

The figures in this monitor are based on all Visa debit, credit and pre-paid card cross-border consumer transactions in the six countries. These data are then amalgamated to determine a cumulative figure for the four month period (across the six countries and individually). These are then compared to the previous year's spending in order to deliver a year on year indicator in the change on consumer spending.

These data are not adjusted and just use raw transaction data only.

Spending Categories

The Monitor covers spending in the following categories:

Cash – cash withdrawn on a Visa card from an ATM
Hotels
Retail – clothing, catalogue shopping, department stores, and DIY household sales
Entertainment
Supermarket
Travel
Petrol
Car Hire
Airlines
Health
Motoring
Food & Drink
Insurance
Utilities
Miscellaneous – including professional services, taxes etc

Background to the Monitor

The Mediterranean Rim Tourism Monitor provides an indicator of foreign consumer spending in six Mediterranean countries – France, Greece, Italy, Portugal, Spain, and Turkey based on the cross-border transactions that are processed by Visa Europe. The Monitor quantifies foreign consumer spending, as indicated by Visa Europe data, for three periods throughout the year – January to April, May to August, and September to December. It offers year on year insight into foreign consumer spending, both at a macro and spending category level across the six countries.

The Monitor provides details of total foreign consumer spending across the six markets, whilst also looking at each market individually in more detail.

Visa Europe

In Europe, there are 445 million Visa debit, credit and commercial cards. In the 12 months ending September 2011 those cards were used to make purchases and cash withdrawals to the value of €1.7 trillion. 14% of consumer spending at point of sale in Europe is with a Visa card, and almost 80% of that is on Visa debit cards.

Visa Europe is owned and operated by more than 3,700 European members and was incorporated in July 2004. Visa Europe is independent of global Visa Inc., with an exclusive, irrevocable and perpetual licence in Europe, while both companies operate to ensure global interoperability. As a dedicated European payment system Visa Europe is able to respond quickly to the specific market needs of European banks and their customers - cardholders and retailers - and to meet the European Commission's objective to create a true internal market for payments.

Visa enjoys unsurpassed acceptance around the world. In addition, Visa/PLUS is one of the world's largest global ATM networks, offering cash access in local currency in over 200 countries.

For more information, visit www.visaeurope.com