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Prepared By: Arantxa Medina

Approved By: Karisha Kuypers

Report Highlights:

In 2023, Portugal imported almost \$294 million worth of agricultural, fish, and forestry products from the United States. Outside the European Union Member States, the United States was the third main origin of Portuguese agricultural and related imports. Portugal is a net importer of agricultural and related products. With a well-developed and export-oriented food and beverage industry and an extraordinary recovery in tourism, Portugal's continues to offer opportunities for certain consumer-oriented food items and to enhance long-term prospects for other products. This report provides guidance to U.S. companies interested in exporting food products to Portugal, including an overview of the country's economic situation, market structure, and export requirements.

Market Fact Sheet: Portugal

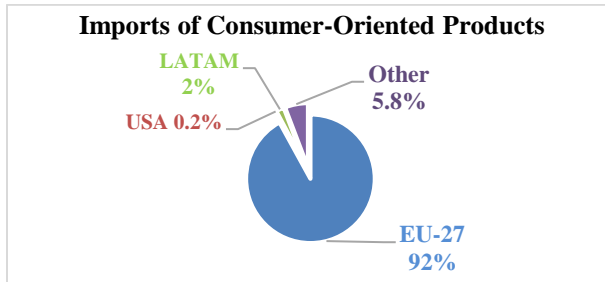
Executive Summary

Portuguese agriculture employs 6.5 percent of the country's workforce, a relatively large number accompanied by low productivity levels. Portugal produces mainly olives, citrus, wine, and vegetables. Portugal is the top producer of cork in the world, produced mainly for export. The country also has a significant seafood industry. In 2023, Portugal's total imports of agricultural and related products reached \$19.4 billion, up 7 percent compared to 2022. Around 47 percent of these imports originated from Spain.

Consumer-Oriented Agricultural Imports

Portugal is part of the European Union (EU) customs union and imported goods must meet EU sanitary and phytosanitary requirements. Hence, U.S. exporters already exporting to other EU Member States will likely already meet most Portuguese import requirements. For exports of animal products, the production plant must be approved for export to the EU.

Total Imports of Consumer-Oriented Products 2023



Food Processing Industry

The Portuguese food processing sector's contribution to the national economy, employment, and regional development is growing as it continues to consolidate its position and importance as a key industrial sector. Portugal has a modern and innovative food processing sector that pays special attention to the quality, safety, and traceability of the foodstuffs it produces. Hence, the Portuguese food industry offers attractive opportunities for U.S. exporters of food ingredients.

Food Retail Industry

The Portuguese retail market is highly diversified. The market is mainly dominated by two national groups, with Sonae and Jerónimo Martins as the leaders of the national retail sector, accounting for almost 50 percent of the retail market.

Quick Facts CY2023

World Imports of Consumer-Oriented Products

\$9.7 billion (+18.05%)

List of Top 5 Growth Products from the U.S.

- 1) Dog & Cat Food
- 2) Frozen Salmon
- 3) Food Preparations
- 4) Peanuts
- 5) Condiments & Sauces

Food Processing Industry Facts 2022

Food Industry Output	\$24.1 bn
Food Exports	\$7.6 bn
Food Imports	\$10.7 bn
No. of Employees	112,023
No. of Food Processors	11,375
% of industrial production	12.9%

Top Country Retailers Sales 2023 (Estimate)

- 1) [Sonae MC](#) \$6.6 bn
- 2) [Grupo Jerónimo Martins](#) \$6.5 bn
- 3) [Intermarché](#) \$3.1 bn
- 4) [Lidl](#) \$2.2 bn
- 5) [Mercadona](#) \$1.5 bn
- 6) [Auchan Retail Portugal](#) \$1.5 bn
- 7) [E. Leclerc Portugal](#) \$562 million
- 8) [Aldi Portugal](#) \$535 million
- 9) [Makro](#) \$385 million
- 10) [SPAR](#) \$117 million

GDP / Population 2023

Population: 10.6 million

GDP (nominal, est): \$299 billion (April 2024)

GDP Per capita (current prices): \$28,969 (April 2024)

Strengths/Weaknesses/Opportunities/Challenges

SWOT ANALYSIS

Strengths	Weaknesses
Growing manufacturing industry; increasingly developed infrastructure	High consumer price sensitivity
Opportunities	Threats
Growing food export sector; emphasis on health & sustainability	Slower economic recovery; high inflation and public debt

Data and Information Sources: Euromonitor, Eurostat, TDM LLC

Contact: AgLisbon@fas.usda.gov

SECTION I. MARKET OVERVIEW

According to the latest [World Economic Outlook report](#), Portugal’s economy is expected to grow by 1.7 percent and the projected consumer price change is estimated at 2.2 percent for 2024. The Portuguese economy kicked off 2024 better than expected and it is set to further moderate in 2024 before picking up again in 2025, pushed by private consumption and investment. Inflation is projected to continue receding alongside a steady increase in employment and a relatively stable unemployment rate. Private consumption is set to benefit from a steady increase in employment and wages, while the ongoing implementation of the Recovery and Resilience Plan continues to support investment. In the external sector, imports are expected to continue overtaking exports.

The agri-food industry is increasingly a strategic sector for Portugal, given its contributions to the economy, employment, and regional development. The food and beverage industry is the manufacturing sector that contributes most to the national economy, both in terms of turnover and gross value added. The latest data available shows that it also generates the most employment, as it is responsible for more than 112 thousand direct jobs and around 500 thousand indirect ones.

The agri-food sector is focused on strengthening its export markets, which are critical to the prosperity of the industry. Although the international economic situation remains challenging, the industry has been expanding into new markets. The sector has stated that it hopes to reach a target of \$10 billion in exports but knows that reaching that goal will require the creation of a solid and competitive infrastructure network. Based on the agri-food sector’s resilience and ambition, the Portuguese food processing sector will continue to offer good prospects for exporters of U.S. food ingredients.

In 2023, the tourism sector in Portugal continued its path of recovery, exceeding expectations and setting new records in various parameters. The number of foreign tourists hit 30 million and the number of overnight stays reached 77.1 million. The former figure is approximately twice that recorded 10 years ago and shows the rapid growth that the sector is experiencing. For 2024, the sector is expected to maintain this good performance, although at a more stable pace.

In terms of population and demographic trends, Portugal has an ageing population but stable incomes; low birth rates and an increasing life expectancy mean that ageing will accelerate. Only older age groups are set to expand, affecting the future consumer landscape as spending patterns adapt to changing lifestyles. Thus, the population is expected to age rapidly, and this trend is forecast to continue in the next decade. Correspondingly, the market will have to adapt to this demographic change and the impact on future consumer trends and preferences. This will create opportunities for new formats and products targeting this segment of the population.

Table 1. Advantages and Challenges Facing U.S. Exporters in Portugal

Advantages	Challenges
Good gateway to Europe and Portuguese speaking countries	Adjustments to the overall economy and political environment, and consumer habits.

Domestic distribution systems are efficient and modern	Increased consumer preference towards national food products (food nationalism) following the COVID-19 pandemic
Diversity of food products in the market is increasing	High transportation costs: small exporters face difficulties in shipping mixed/smaller container loads versus EU competitors or big exporters.
Consumers are increasingly health conscious, demanding new products	Food imported from third countries, including the United States, must comply with EU food law, which varies considerably from U.S. regulation and practice
Portugal is a net importer of food and agricultural products	EU labeling, traceability, and packaging laws
U.S. food and agricultural products have a good reputation for quality and reliability	Lack of consumer awareness of U.S. brands, applicability, and varieties of U.S. products

SECTION II. EXPORTERS BUSINESS TIPS

Local Business Customs

Success in introducing new products in the Portuguese market depends on acquiring local representation and making personal contact. With the recent years' pandemic restrictions and gathering limitations, as well as the cancelation and postponement of trade shows and other large meetings, Portuguese companies have adapted and are increasingly willing to engage through online interactions. The advantages of local representation include market knowledge, up-to date information and guidance on business practices and trade laws, sales contacts, and market development expertise. Good contacts are important for the exporter to be aware of future contracts and participate in tenders. Having a distributor that is appointed on an exclusive basis is ideal.

English is a widely spoken second language in Portugal, and U.S. exporters can expect to conduct their meetings with contacts in English. Large importers and wholesalers have branch sales offices or sub-agents or dealers in the principal cities and towns, with main offices concentrated in Porto and Lisbon. Typically, food products are imported by an importer, broker, or distributor. Portugal has sales channels ranging from traditional distribution methods, whereby wholesalers sell to small retailers that sell to the public, to large multinational supermarkets, and retail stores. However, personal relationships are still very important, especially within smaller organizations.

Market Entry Strategies

Market entry strategies for U.S. products intending to enter the Portuguese market should include:

- Market research to assess product opportunities.
- Advanced calculations of the cost of introducing the product in the Portuguese market to prove its competitiveness in the local market.

- Identify an experienced distributor or independent reliable agent to advise on import duties, sanitary regulations, and labeling requirements.
- Explore the purchasing arrangements of larger retail channels.

SECTION III. IMPORT FOOD STANDARDS, REGULATIONS and PROCEDURES

Food Standards and Regulations

For detailed information on food standards and regulations, please consult the Food and Agricultural Import Regulations and Standards Report ([FAIRS](#)) and the [FAIRS](#) Export Certificate Report for the [EU](#) and [Portugal](#). In addition, please check the U.S. Mission to the European Union ([USEU Mission](#)) web page for helpful information on exporting U.S. food and agricultural products into the European Union.

General Import and Inspection Procedures

Portugal follows the Harmonized Nomenclature and Classification System (HS) and applies [EU import duties](#) according to a maximum and minimum rate schedule. The minimum tariff rate is applied to goods originating in countries entitled to the benefits of most-favored nation treatment; that is, members of the World Trade Organization (WTO), including the United States, and countries with which the EU has signed trade agreements. In some instances, [negotiations and trade agreements](#) in place between the EU and other countries provide for advantageous access to the European market.

Currently, the EU and the United States have the following agreements and arrangement in place:

- [US-EU Organic Equivalency Arrangement](#)
- [Veterinary Equivalency Agreement](#)

The local importer has primary responsibility with the Portuguese Government for imported food products once they enter Portugal. It is recommended that U.S. exporters verify all import requirements with their Portuguese buyer. The buyer and local freight forwarder are in the best position to research such matters and assist with local authorities. The final authorization to import any product is subject to the Portuguese rules and regulations as interpreted by border officials at the time of product entry.

The following documents are required for ocean or air cargo shipments of food products into Portugal:

- Bill of Lading and/or Airway Bill
- Commercial Invoice
- Phytosanitary Certificate and/or Health Certificate, when applicable
- Import Certificate

The Standard U.S. label does not comply with EU labeling requirements. For all the details, visit the [EU labeling requirements](#) section of the [USEU Mission](#) webpage.

Please keep in mind that if the product you are exporting into Portugal does not comply with EU harmonized regulations, Portuguese customs or health authorities may not allow entry of the product.

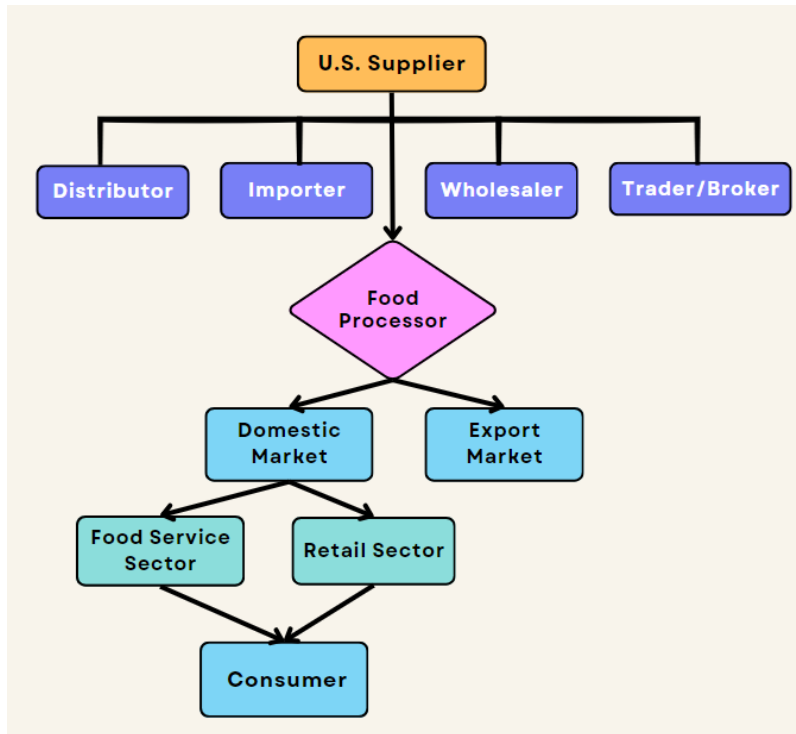
SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

Competitive Situation for U.S. Imported Goods

In 2023, Portugal imported \$19.4 billion of agrifood products from the world, 78 percent of which originated in the EU. Within the EU, Spain is the main agrifood supplier, with 47 percent of total imports originating in the neighbor country.

Product Category (TMT; Million USD)	Major Supply Sources in 2023 (in value)	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Frozen Fish Value: \$532	1. Spain - 40% 2. Russia - 11% 3. Netherlands - 11%	Other major suppliers offer high quality fish products at competitive prices.	Large competition from local suppliers and producers. Portuguese domestic consumption and exports largely surpass local supply.
Almonds Value: \$20	1. Spain - 75% 2. Germany - 15% 3. U.S.A - 7%	Spain is the third largest almond producer in the world. It has a strong trade relationship with Portugal, due to its proximity.	Spain imports almonds in large quantities from the United States. These are then processed, both to be used by the domestic industry or re-exported to Portugal.
Peanuts Value: \$17	1. Argentina - 44% 2. USA - 23% 3. China - 12%	Argentina is steadily increasing its market share, with high quality and competitive prices.	Portugal does not produce peanuts and relies on imports from other origins.
Pistachios Value: \$6	1. Netherlands - 46% 2. Spain - 30% 3. U.S.A. - 10%	Spain is the main entry point for U.S. and Iranian pistachios to Portugal.	Pistachio production in Portugal is extremely limited and demand keeps growing.
Pulses Value: \$64	1. Argentina - 35% 2. Canada - 16% 3. Spain - 9%	Strong competition from Argentina, who largely increased their presence in recent years, and Canada.	Portugal is a traditional consumer of pulses and its local production is not sufficient to fulfill internal demand.

Market Structure



Food Retail Sector

According to Euromonitor, retail in Portugal in 2023 continued to record positive retail value growth despite consumers' loss of purchasing power. High inflation rates, combined with the return of tourism, boosted retail value growth, which was particularly high for discounters, convenience stores and general merchandise stores.

Retail value registered double-digit growth for supermarkets in Portugal. During the outbreak of COVID-19, supermarkets experienced a temporary increase in sales as consumers stockpiled goods; however, this placed pressure on retailers to ensure stock levels were sufficient. Moving into 2022 and 2023, rising inflation placed further pressure on supermarkets. While price increases led to double-digit retail value growth, players were trying to retain customers, and consumers were seeking to switch to retailers with low prices. In response, many players increased their focus on promotions, improving the visibility and display area of private label products at the expense of manufacturers' labels.

With more retailers entering the national market and opening stores, the Portuguese have seen an increase in options for making their food purchases. Mercadona entered the country in 2019 and quickly expanded across the nation. In addition to its solid expansion strategy, the brand has attracted consumers through its strong private label offering.

Players are expected to continue investing in promotional campaigns and private label ranges to increase sales. With a wide coverage of the national territory and with the number of outlets set to rise, supermarkets are expected to continue gaining market share. As purchasing power increases, the importance of private label will reduce, and players with a wider offering of brands will regain share.

Top Portugal Country Retailers in 2023

Retail Organization	Sales 2023 *
Sonae MC	\$6.6 bn
Grupo Jerónimo Martins	\$6.5 bn
Intermarché	\$3.1 bn
Lidl	\$2.2 bn
Mercadona	\$1.5 bn
Auchan Retail Portugal	\$1.5 bn
E. Leclerc Portugal	\$562 million
Aldi Portugal	\$535 million
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Source: [Alimarket](#); *Estimate

The competitive environment is quite concentrated in the grocery store-based retailing, with Sonae MC (Continente) accounting for the largest share, followed closely by Grupo Jeronimo Martins (Pingo Doce). The concentration has considerably increased in the last decade. Currently, the six major distributors account for almost 80 percent of total share; just the two larger distribution groups account for almost 50 percent of the total share. Despite the ferocious competition, new foreign groups such as Lidl, Aldi or Mercadona, continue to reinforce their presence in the market through ambitious expansion plans.

In July 2019, Mercadona, a major Spanish food retail group, entered the national market. Mercadona is the fifth Spanish food distributor to enter the Portuguese market after DIA, Coviran, Frois, and El Corte Ingles. Mercadona continues its expansion plan and currently has 50 stores, planning to reach 60 stores by the end of 2024.

For more information on the Portuguese retail sector, visit [FAS GAIN Home](#).

Hotel, Restaurant, and Institutional Sector

The Portuguese food service sector is large and highly diversified. It includes restaurants, bars, hotels, contract caterers and the like. The foodservice industry underwent a year of recovery in 2023, despite the challenges brought by high levels of inflation and the consequent loss of consumer purchasing power.

The tourism sector is key to the Portuguese economy and is highly connected with the HRI sector. Portugal's tourism industry data reflects an extraordinary recovery in tourism and in 2023, the tourism sector in Portugal continued its path of recovery, exceeding expectations and setting new

records: the number of visitors exceeded 30 million and the number of overnight stays reached 77.1 million. It is interesting to note that the number of visitors is approximately twice that recorded 10 years ago and demonstrates the rapid growth that the sector is enjoying.

In 2024, this good performance is expected to be maintained, although at a more stable pace. This was reflected by a lukewarm start at the beginning of the year, although the Easter holidays helped boost the numbers. The tourist sector is setting high expectations for the summer holiday season and the rest of the year.

For more information on the Portuguese HRI sector, visit [FAS GAIN Home](#).

Food Processing Sector

The agri-food industry is increasingly a strategic sector for Portugal, given its contributions to the economy, employment, and regional development. The food and beverage industry is the manufacturing sector that contributes most to the national economy, both in terms of turnover and gross value added. It also generates the most employment, as it is responsible for more than 112 thousand direct jobs and around 500 thousand indirect ones.

The agri-food sector is focused on strengthening its export markets, which are critical to the prosperity of the industry. Although the international economic situation remains challenging, the industry has been expanding into new markets. The sector has stated that it hopes to reach a target of \$10 billion in exports but knows that reaching that goal will require the creation of a solid and competitive infrastructure network. Based on the agri-food sector’s resilience and ambition, the Portuguese food processing sector will continue to offer good prospects for exporters of U.S. food ingredients.

For more information on the Portuguese food processing sector, visit [FAS GAIN Home](#).

SECTION V. AGRICULTURAL and FOOD IMPORTS

Table 3. Agricultural and Food Import Statistics

AGRICULTURAL PRODUCTS IMPORTS	2020	2021	2022	2023	2024*
Total Agricultural and Related Products	13,413	15,785	18,079	19,411	19,000
Total U.S. Agricultural and Related Products	250	244	288	294	300
Total Agricultural Related Products	3,003	3,602	4,136	4,038	4,200
Total U.S. Agricultural Related Products	52	45	56	53	50
Total Consumer-Oriented Products	6,625	7,472	8,235	9,722	9,100
Total U.S. Consumer-Oriented Products	20	17	21	22	22
Total Fish Products	2,169	2,438	2,695	2,717	2,650
Total U.S. Fish Products	21	14	17	16	17

Source: Trade Data Monitor LLC; Unit: \$ Million (*) Estimate

Best High-Value, Consumer-Oriented Product Prospects Category

Products Present in the Market with Good Sales Potential

Tree nuts – Frozen Fish (cod and salmon) – Pulses (chickpeas) – Pet food – Condiments & Sauces – Food preparations

Products Not Present in Significant Quantities with Good Sales Potential

Processed Vegetables – Chocolate & Cocoa Products – Dairy Products

Products Not Present Because They Face Significant Barriers

Red meat and meat preparations (hormone ban) – Poultry (sanitary procedures - chlorine wash) – Processed food (with GMO ingredients)

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

If you have any questions or comments regarding this report or need assistance exporting to Portugal, please contact the [Office of Agricultural Affairs](#) at AgLisbon@usda.gov. In addition, the [FAS website](#) offers recent reports of interest to U.S. exporters interested in the Portuguese market. Also, please see below useful contacts:

Portuguese Trade Associations

[FIPA - Federação das Indústrias Portuguesas Agro-Alimentares](#) (Portuguese Federation of Agri-Food Industries); [ACOPE – Associação Dos Comerciantes de Pescado](#) (Portuguese Seafood Traders Association); [ANCIP – Associação Nacional de Industriais de Conservas de Peixe](#) (Portuguese National Association of Canned Fish Manufacturers); [AHRESP – Associação da Hotelaria, Restauração e Similares de Portugal](#) (Portuguese Hotel and Restaurant Association)

Portuguese Government Regulatory Agencies

[Direção-Geral de Agricultura e Desenvolvimento Rural](#) (Directorate General of Agricultura and Rural Development); [Autoridade de Segurança Alimentar e Económica](#) (Economic and Food Safety Agency); [Direção-Geral de Alimentação e Veterinária](#); (Directorate-General of Food and Veterinary Medicine)

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service home page at www.fas.usda.gov

Attachments:

No Attachments