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Report Highlights:

In 2021, Portugal imported $244 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. Despite the pandemic and other trade related challenges, the total value of U.S. exports of agricultural and related products to Portugal remained stable in 2021 compared to the previous year. The external sector is projected to have a positive net contribution to growth in 2022, reflecting the recovery in tourism, although it is dependent on the evolution of the COVID situation. 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.

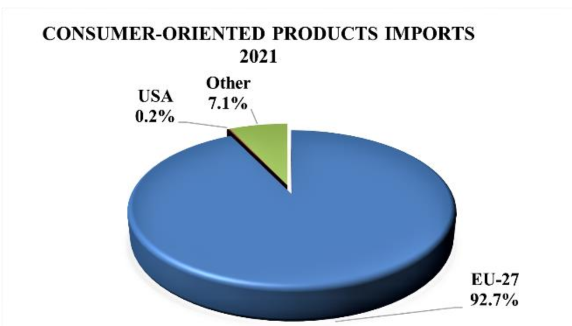
Market Fact Sheet: Portugal

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 2021, Portugal's total imports of agricultural and related products reached $15.6 billion, up 17 percent compared to 2020. Almost 45 percent of these imports originated from Spain.

Imports of Consumer-Oriented Products

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 of Portuguese import requirements. For exports of animal products, the production plant must be approved for export to the EU.



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-ingredient.

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 approximately for 50 percent of the retail market.

Quick Facts CY2021

World Imports of Consumer-Oriented Products

$7.4 billion

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

1) Dog & Cat Food
2) Food Preparations
3) Frozen Salmon
4) Walnuts
5) Sauces

Food Processing Industry Facts 2020

Food Industry Output	$20.0 bn*
Food Exports	$6.5 bn
Food Imports	$8.8 bn
No. of Employees	118,000*
No. of Food Processors	11,500*
% of total GDP	12.5%*

*Estimate

Top Country Retailers

1) Sonae MC 26.8%
2) Grupo Jerónimo Martins 22.9%
3) Lidl 11.3%
4) Intermarché 8.8%
5) Auchan 5.6%
6) DIA - Minipreço 3.9%

GDP / Population 2020

Population: 10.3 million

GDP (nominal, est): $257,391 billion

GDP Per capita (nominal, est): $25,065

Sources: FIPA, Hipersuper, TDM, GATS, Eurostat

Strengths/Weaknesses/Opportunities/Challenges

SWOT ANALYSIS	
Strengths	**Weaknesses**
Growing manufacturing industry; increasingly developed infrastructure	Highly vulnerable to pandemic-sensitive sectors (tourism)
Opportunities	**Threats**
Growing food export sector; emphasis on health & sustainability	COVID-19's impact on income levels and the economy; high inflation rates and public debt

Data and Information Sources: Euromonitor, Eurostat, Trade Data Monitor, LLC

Contact: AgLisbon@fas.usda.gov

SECTION I. MARKET SUMMARY

According to the latest European Union economic forecast, Portugal's economy grew by 4.9 percent in 2021, recovering slightly more than half of the output level lost in 2020, when GDP dropped by 8.4 percent due to the outbreak of the COVID-19 pandemic. Economic growth is forecast at 5.5 percent in 2022 and 2.6 percent in 2023. Domestic demand is set to contribute substantially to growth in both years, helped by the implementation of the Recovery and Resilience Plan. The external sector is projected to have a positive net contribution to growth in 2022, reflecting the recovery in tourism, although it is still highly dependent on any further disruptions caused by the sanitary situation.

The agri-food industry is increasingly a strategic sector for Portugal, given its contributions to the economy, employment, and regional development. In 2021, it is estimated that this sector included 11,500 companies, with 118,000 direct jobs. The food industry in Portugal consists of mostly small and medium sized companies. Until 2019, the sector recorded growth, both in the domestic market and in exports. Naturally, 2020 brought an unprecedented challenge. According to Statistics Portugal (INE), the year 2020 was globally marked by the strong negative impact of the COVID-19 pandemic on the national economy, which led to a strong contraction of the great majority of the branches of economic activity. Food industries kept its continued strength in total sales and services, despite the slight decrease of 0.6 percent compared to the previous year, totaling $13 billion (14.1 percent of total manufacturing industries).

In 2021, the Portuguese agri-food industry continued to be robust and very much focused on strengthening its export markets, which are critical to the prosperity of the industry. The industry continues to keep businesses running to respond to consumers demand, but uncertainties caused by the COVID-19 health crisis worldwide may create further difficulties. Nevertheless, this resilient and innovative food processing sector offers prospects for U.S. food ingredients.

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

Advantages	Challenges
Good gateway to Europe and Portuguese speaking countries.	Post COVID-19 economic environment; adjustments to the overall economy; changes in 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. ROAD MAP FOR MARKET ENTRY

Entry Strategy

Success in introducing your product in the Portugal market depends on acquiring local representation and making personal contact. With the current 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.

Import 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 European Union has signed trade agreements. In some instances, negotiations and trade agreements in place between the European Union and other countries provide for advantageous access to the European market.

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

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.

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. 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.

Trade Shows

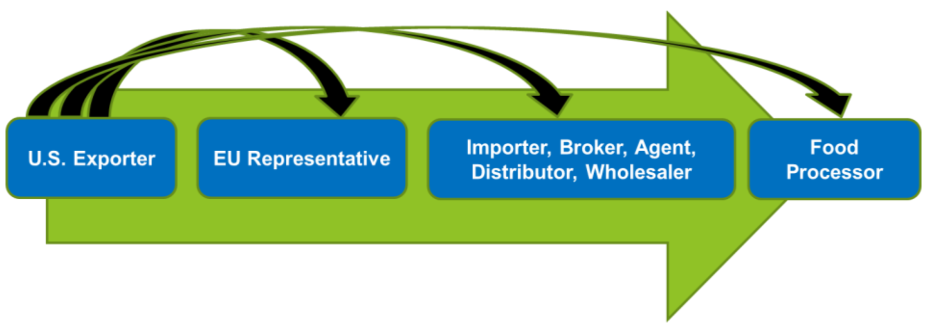
The COVID-19 crisis has had a tremendous impact on trade shows, forcing organizers to cancel or postpone in-person events, organizing them virtually. In 2022, many are hoping the situation will continue to improve and are planning to host their exhibits, whether presential, virtual or hybrid. The most important regional trade shows related to the food processing sector in the region are:

SISAB Portugal in Lisbon (date to be determined)

Seafood Expo Global (SEG) in Barcelona April 26-28, 2022

Alimentaria, in Lisbon (date to be determined) and Barcelona April 4-7, 2022.

Market Structure



For more information on the Portuguese food processing sector, visit FAS GAIN Home.

Company Profiles

The Portuguese food industry consists of 11,500 companies. The table below shows how these companies are distributed among the main sectors:

Table 2. Food Processing Industry sales by sector		
	2020	**% Food and Beverage Industry**
Meat & Meat Products	2,731	18.8
Fishery Products	1,403	9.7

Fruits & Vegetables	1,216	8.4
Beverages	3,066	21.2
Bread and Pasta	1,638	11.3
Fats & Oils	1,065	7.3
Animal Feed	1,368	9.5
Other Food Products	2,020	13.8

Source: INE; Unit: Million $

Main Companies Operating in the Food Processing Industry

Company	End-User Channels	Procurement Channels
MEAT AND MEAT PRODUCTS		
Nobre Alimentacao, Lda.	Retail & HRI	Local products/ Imports
Sicasal, S.A.	Retail & HRI	Local products/ Imports
Prima, S.A.	Retail & HRI	Local products/ Imports
POULTRY PRODUCTS		
Lusiaves, S.A.	Retail & HRI	Local products/ Imports
Perugal, S.A.	Retail & HRI	Local products/ Imports
Avibom, S.A.	Retail & HRI	Local products/ Imports
CANNED FISH		
Rui Costa E Sousa & Irmao, S.A.	Retail & HRI	Local products/ Imports
Riberalves, S.A.	Retail & HRI	Local products/ Imports
Pascoal & Filhos, S.A.	Retail & HRI	Local products/ Imports
DAIRY PRODUCTS		
Lactogal, S.A.	Retail & HRI	Local products/ Imports
Formageries – Bel Portugal, S.A.	Retail & HRI	Local products/ Imports
Parmalat Portugal Lda	Retail & HRI	Local products/ Imports
PREPARED FOODS AND VEGETABLES		
Conesa Group	Retail & HRI	Local products/ Imports
Macarico, S.A.	Retail & HRI	Local products/ Imports
Compal da Horta S.A.	Retail & HRI	Local products/ Imports
BAKED PRODUCTS		
Bimbo Donuts Portugal, Lda.	Retail & HRI	Local products/ Imports
Diatosta, S.A.	Retail & HRI	Local products/ Imports
Dan Cake Portugal, S.A.	Retail & HRI	Local products/ Imports
BAKED PRODUCTS (COOKIES)		
Cerealis Prod. Alimentares, S.A.	Retail & HRI	Local products/ Imports
Dan Cake Portugal, S.A.	Retail & HRI	Local products/ Imports
Vieira do Castro	Retail & HRI	Local products/ Imports
NUTS		
Frutorra-Pimenta, Lda.	Retail & HRI	Local products/ Imports
Pabi, S.A.	Retail & HRI	Local products/ Imports

Madeira & Madeira, Lda.	Retail & HRI	Local products/ Imports
SNACKS		
Matutano	Retail & HRI	Local products/ Imports
Dalimar	Retail & HRI	Local products/ Imports
S&A Aperitivos, Lda.	Retail & HRI	Local products/ Imports
CONDIMENTS AND SEASONINGS		
A.Centazzi, Lda.	Retail & HRI	Local products/ Imports
Vatel, S.A.	Retail & HRI	Local products/ Imports
Margao (McCormick & Company, Inc)	Retail & HRI	Local products/ Imports
SAUCES		
Comtemp, Lda.	Retail & HRI	Local products/ Imports
Mendel Goncalves, S.A.	Retail & HRI	Local products/ Imports
Macarico, S.A.	Retail & HRI	Local products/ Imports
RICE		
Novarroz, S.A.	Retail & HRI	Local products/ Imports
Valente Marques, S.A.	Retail & HRI	Local products/ Imports
Arrozeiras Mundiarroz, S.A.	Retail & HRI	Local products/ Imports
PASTA		
Cerealis Prod. Alimentares, S.A.	Retail & HRI	Local products/ Imports
Iberopasta Lda.	Retail & HRI	Local products/ Imports
Belora II - Industria Lda.	Retail & HRI	Local products/ Imports
PULSES		
Ribeiros, S.A.	Retail & HRI	Local products/ Imports
White and Green Natural, S.A.	Retail & HRI	Local products/ Imports
Raimundo & Maia, Lda.	Retail & HRI	Local products/ Imports
SPECIALIZED FOOD INGREDIENTS		
Rogerio Leal & Filhos, S.A.	Food Manufacturers	Local products/ Imports
Fabricas Lusitana, S.A.	Food Manufacturers	Local products/ Imports
Frulact, S.A.	Food Manufacturers	Local products/ Imports
BEVERAGES: ALCOHOLIC AND NON-ALCOHOLIC		
CocaCola European Partners Portugal, Lda	Retail & HRI	Local products/ Imports
Sumol+Compal, Marcas S.A.	Retail & HRI	Local products/ Imports
Symington Family Estates Vinhos, S.A.	Retail & HRI	Local products/ Imports

Sector Trends

The U.S. Commercial Service publishes every year the “Portugal Country Commercial Guide.” This report contains useful and up-to-date information on Portugal’s economy, reforms to increase competitiveness, employment trends, and foreign investment, and is useful to help understand the Portuguese business climate.

Some major consumer trends currently observed in Portugal are:

- **Online shopping and technology:** The pandemic is driving e-commerce options and it is expected that the importance of this channel will continue to grow. New business models are coming into play to respond to consumers' new demands.
- **Population:** An ageing population is transforming consumer habits as consumers over 60 years old surge and younger groups decline. This, along with urbanization and net migration, are reshaping consumer lifestyles and shopping decisions.

SECTION III. COMPETITION

In 2021, Portugal imported $15.6 billion of agri-food products from the world: 78 percent of which originated in the EU. Within the EU, Spain is the main agri-food supplier since 45 percent of total imports originated in the neighboring country. The lack of trade tariffs, trade barriers, and other restrictions make European goods more attractive and competitive, particularly to price sensitive goods.

Product Category (TMT; million USD)	Major Supply Sources in 2021 (in value)	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Frozen Fish Imports:133 Value: $453	1.Spain-41% 2.Russia-11% 3.Netherlands–8%	Other major suppliers offer high quality fish products at competitive prices.	Large competition from local producers. Domestic consumption and exports largely exceed local supply.
Almonds Imports:5 Value: $27	1.Spain-75% 2.USA-10% 3.Germany-9%	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 domestic industry or re-exported to Portugal.
Pulses Imports: 65 Value: $67	1.Argentina-44% 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.
Pistachios Imports: 0.5 Value: $5	1.Netherlands-50% 2.Spain-44%	Spain and The Netherlands are the main entry point for U.S. and Iranian pistachios to Portugal.	Pistachio production in Portugal is extremely limited and demand keeps growing.
Walnuts Imports: 4 Value: $21	1.Spain-30% 2.Chile-22% 3.France-15%	Chile is increasing their presence in the market, replacing Spain as a traditional supplier.	Portugal has a limited walnut production, insufficient to meet demand.

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

Table 3. Agricultural and Food Import Statistics

AGRICULTURAL PRODUCTS IMPORTS	2018	2019	2020	2021	2022**
Total Agricultural and Related Products	**14,270**	**13,809**	**13,413**	**15,638**	**15,000**
Total U.S. Agricultural and Related Products	413	321	250	244	240
Total Agricultural Related Products	**3,508**	**3,336**	**3,003**	**3,562**	**3,500**

Total U.S. Agricultural Related Products	67	62	52	45	50
Total Consumer-Oriented Products	**6,720**	**6,690**	**6,625**	**7,432**	**7,000**
Total U.S. Consumer-Oriented Products	24	36	24	17	20
Total Fish Products	**2,577**	**2,411**	**2,169**	**2,415**	**2,400**
Total U.S. Fish Products	27	31	21	14	15

Source: TDM LLC; Unit: $ Million;* Estimate ** Forecast

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@fas.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)

Attachments:

No Attachments.