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Report Highlights:

In 2023, Portugal imported $293 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, Portugal's food processing sector continues to offer opportunities for U.S. food ingredients. 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.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Market Fact Sheet: Portugal

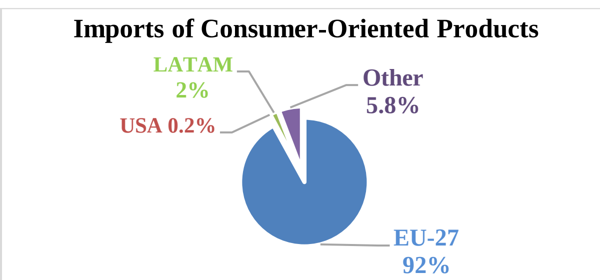
Executive Summary

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.

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 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% (2021)

Top Country Retailers

1) Sonae MC	24.9%
2) Grupo Jerónimo Martins	20.5%
3) Lidl	11.5%
4) Intermarché	10.7%
5) DIA Portugal	6.3%
6) Auchan Retail Portugal	5.5%
7) Aldi Portugal	5.1%
8) Mercadona	3.1%

GDP / Population 2023
Population: 10.3 million
GDP (nominal, est): $27.6 trillion
GDP Per capita (current prices): $26,888

Sources: FIPA, Retail Data, TDM, GATS, IMF

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@usda.gov

SECTION I. MARKET SUMMARY

According to the latest European Union economic forecast, Portugal's economy grew by 2.3 percent in 2023. In light of weak demand by main trading partners, economic growth is projected to remain subdued at the beginning of 2024 and to pick up only gradually afterwards. In full-year terms, GDP growth is forecast at 1.2 percent in 2024 and 1.8 percent in 2025. 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 overtake 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. 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.

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 domestic and international economy situation (inflation, international conflicts, drought, logistics challenges).
Domestic distribution systems are efficient and modern.	Food imported from third countries must comply with EU food law, labeling, traceability, and packaging laws, which vary from U.S. regulation and practice.
Diversity of food products in the market is increasing.	High transportation costs. In addition, small exporters face difficulties in shipping mixed/smaller container loads vs EU competitors or big exporters.
Good network of agents and importers to help get products into the market.	Lack of consumer awareness of U.S. brands, applicability, and varieties of U.S. products.
New generation of consumers demand healthy, sustainable products, creating new opportunities.	High import tariffs and import regulations impose a price disadvantage on non-EU based companies.

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. 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 EU and other countries provide for advantageous access to the EU 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 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

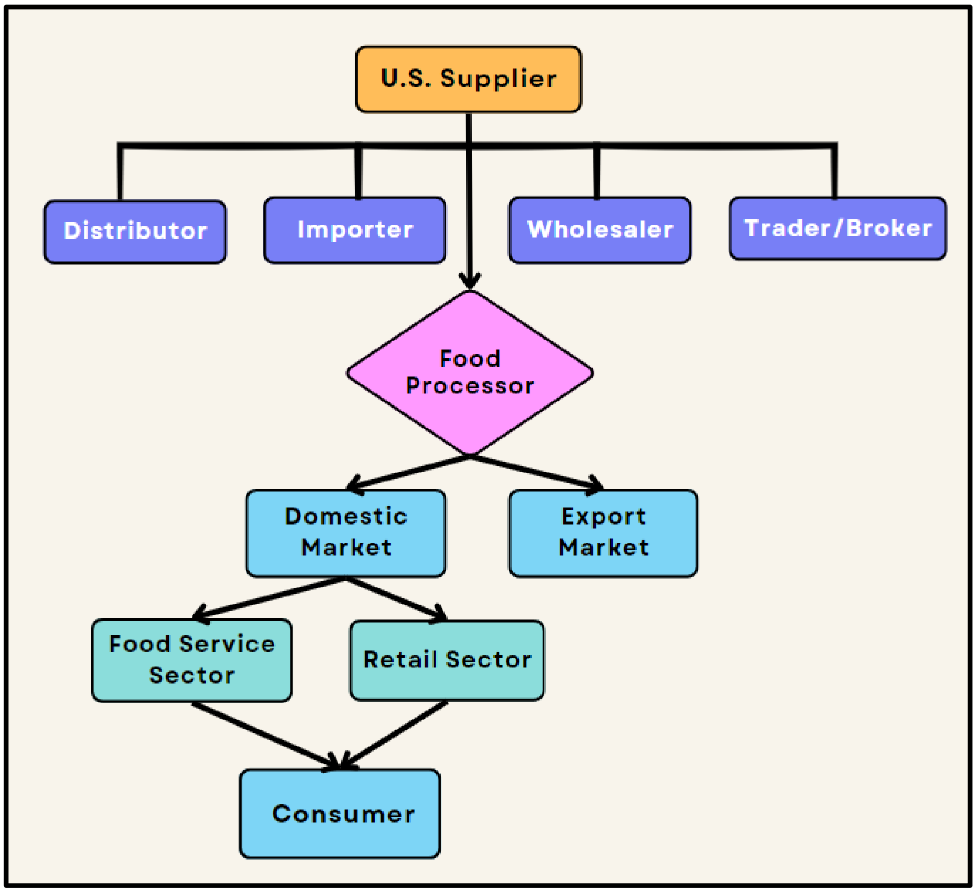
Trade shows in Portugal continue to offer excellent opportunities for U.S. exporters to contact potential clients or business partners from Portugal, other EU countries and other continents. The most important regional trade shows related to the food processing sector in the region are:

SISAB Portugal in Lisbon (date to be determined)

Seafood Expo Global (SEG) in Barcelona April 23-25, 2024 – USDA-endorsed show

Lisbon Food Affair in Lisbon Feb 2025 (date to be determined)

Market Structure



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

Company Profiles

The Portuguese food industry consists of 11,375 companies. The table below shows how these companies are distributed among the main sectors:

Table 2. Food Processing Industry sales by sector	
	% Food and Beverage Industry *
Meat & Meat Products	19%
Fishery Products	10%
Fruits & Vegetables	8%
Beverages	20%
Bread and Pasta	11%
Fats & Oils	7%
Animal Feed	9%
Other Food Products	16%

* Estimated; 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
Porminho Alimentaçao, S.A.	Retail & HRI	Local products/ Imports
POULTRY PRODUCTS		
Perugal, S.A.	Retail & HRI	Local products/ Imports
Avibom, S.A.	Retail & HRI	Local products/ Imports
Avipronto	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
Pan Por	Retail & HRI	Local products/ Imports
BAKED PRODUCTS (COOKIES)		
Cerealis Prod. Alimentares, S.A.	Retail & HRI	Local products/ Imports
Nutpor	Retail & HRI	Local products/ Imports
Dan Cake (Portugal) S.A.	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		
Pepsico Portugal	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

Source: Alimarket

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 effects continue to drive 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 the number of consumers over 60 years old surge and younger groups decline. This, along with urbanization and net migration, is reshaping consumer lifestyles and shopping decisions.

SECTION III. COMPETITION

In 2022, Portugal imported $18 billion of agri-food products from the world, 76 percent of which originated in the EU. Within the EU, Spain is the main agri-food supplier, as almost 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 2023 (in value)	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Frozen Fish Imports:131 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 producers. Domestic consumption and exports largely exceed local supply.
Almonds Imports:5 Value: $24	1.Spain - 79% 2. Germany - 12% 3.USA - 6%	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 sorted and processed, both to be used domestically or re-exported to Portugal.
Pulses Imports: 75 Value: $65	1.Argentina - 35% 2.Canada - 15% 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 local production is not sufficient to fulfill internal demand.
Peanuts Imports: 9 Value: $17	1.Argentina - 44% 2.USA - 23% 3.China - 11%	Strong competition from Argentina, who largely increased their presence in recent years.	Demand for peanuts keeps growing, both as a snack and as food ingredient.
Walnuts Imports: 3 Value: $15	1. Spain - 30% 2. Chile - 23% 3.Germany - 18%	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	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	293	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: TDM 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)

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.