

Voluntary Report – Voluntary - Public Distribution

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Report Highlights:

In 2023, Portuguese imports of agriculture, fish and forest products from the United States reached \$294 million, two percent higher than previous year. High inflation and a sharp rise in the cost of living, including increased food prices, led to a reduction in purchasing power and a greater demand for basic products in 2023. This trend continues in 2024, with consumers looking for cheaper products while still concerned about the quality of the products they buy. This continues to fuel demand for private label products, increasingly seen as an option that offers good value for money. Consumers are also becoming more trusting of the quality of private label products.

Market Fact Sheet: Portugal

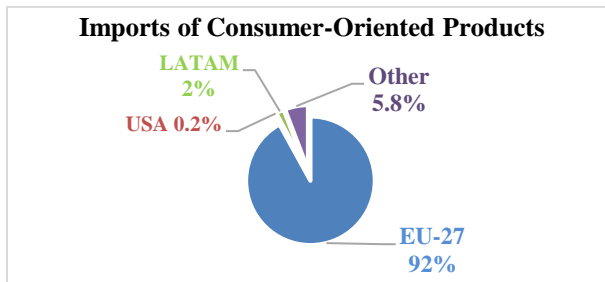
Executive Summary

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 of 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

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 and 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 SUMMARY

In 2023, Portugal’s annual real GDP growth decelerated to 2.3 percent, following a robust expansion of 6.8 percent in the previous year. Economic development in Portugal is predicted to moderate further in 2024, with annual real GDP projected to grow by 1.8 percent. Portugal experienced a decrease in inflation to 4.3 percent in 2023, from 7.8 percent in the previous year. This was largely due to stricter monetary policy, weaker economic growth, and lower food and energy prices, which all contributed to reducing inflationary pressures. Latest data shows that the inflation rate fell to 2.5 percent in July 2024, highlighting that price pressures have eased considerably. Lower inflationary pressures could boost household consumption.

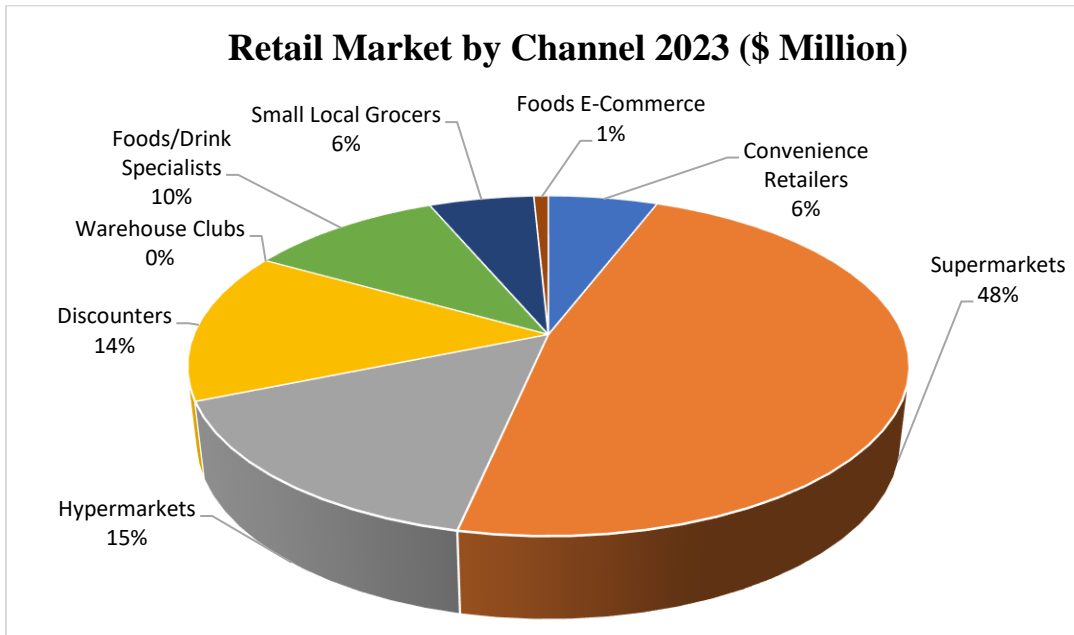
The current population for Portugal is 10.3 million. Portugal is an important gateway for goods into third markets as it keeps close business ties with countries and territories including Brazil, Macau, Angola, Mozambique, and other African countries, where over 250 million people speak Portuguese. Portugal is also an excellent entry point into the EU market. Additionally, due to a deficit in agricultural and food goods, Portugal relies heavily on imports to supply its population. English is widely spoken, the population is friendly toward Americans, and the country has one of the most cost effective business environments in Western Europe. For more economic details, please refer to the [“Facts and Figures”](#) section of the Portuguese Investment and Foreign Trade Agency ([AICEP](#)).

The tourism sector continues to be key for the economy, particularly for employment and its positive contribution to GDP. Tourism continues to demonstrate strength, with over 30 million visitors recorded in 2023, generating around \$28 billion. This marks a significant increase from previous years, according to the Portuguese government.

Advantages and Challenges Facing U.S. Exporters in Portugal

Advantages	Challenges
Good gateway to Europe and Portuguese speaking countries	Competition from neighboring EU countries, where tastes and traditional products may be better known
Domestic distribution systems are efficient and modern	Supermarket and hypermarket shelf space is expensive
Tourism sector is booming, which provides sales in the food sector, as well as demand for more international foods	High import tariffs, new and potential retaliatory tariffs, and import regulations impose a price disadvantage on non-EU based companies
Diversity of food products in the market is increasing. Consumers are becoming more open, creating opportunities for new and foreign products	Food imported from third countries, including the U.S., must comply with EU food law, which varies considerably from U.S. regulation and practice
Portugal is a net importer of food and agriculture 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

Retail Sales by Channel



Source: Euromonitor

SECTION II. ROAD MAP FOR MARKET ENTRY

Local Business Customs

Success in introducing your product in the Portuguese market depends on acquiring local representation and making personal contact. Both small and large U.S. exporters can benefit from finding the right person or group in Portugal who can provide advice and contacts. 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. In addition, the local contact will help U.S. firms identify an agent, distributor or representative for their products or services. Large importers and wholesalers have branch sales offices and/or sub-agents or dealers in the principal cities and towns, with main offices concentrated in Porto and Lisbon. Typically, importers, brokers and/or distributors directly import food products.

While modern sales techniques are becoming more prevalent, many businesspeople still prefer personal contact as a way of doing business. English is a widely spoken second language in Portugal, and U.S. exporters can expect to conduct their meetings with contacts in English.

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 the larger retail channel.

Food Standards and Regulations

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

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 Portuguese territory. Therefore, the Portuguese agent/importer should guide the U.S. exporter through the entire process of marketing a food or agricultural product in Portugal. Most food products require an Import Certificate issued by the competent authority.

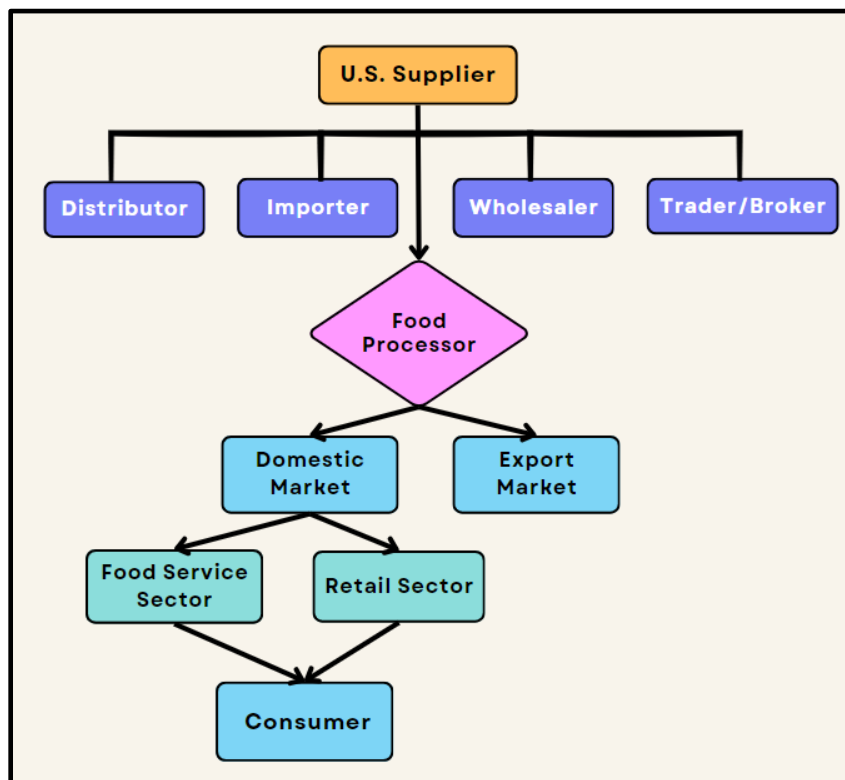
The following documents are required for ocean or air cargo shipments of food products into Portugal:

- 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 the EU's labeling requirements. For additional information, 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.

Market Structure



For more information on the Portuguese market, please consult additional sector reports for Portugal at [FAS GAIN Home](#).

Portugal Top Country Retailers

According to Euromonitor, retail value growth for supermarkets in Portugal in 2023 was 11 percent. During the COVID-19 pandemic, supermarkets experienced a temporary increase in sales as consumers stockpiled goods, although this placed pressure on retailers to ensure stock levels were sufficient. In 2022 and 2023, rising inflation placed further pressure on supermarkets. Although price increases led to a retail value growth, supermarket chains were looking to retain customers, while consumers were looking to switch to retailers with low prices. In response, many companies increased their focus on promotions, improving the visibility and display area of private label products at the expense of manufacturers' labels.

The grocery store retail sector is highly concentrated, with a significant gap between the top two global players, Pingo Doce and Continente, who together represent more than half of the market. While the supermarket segment is largely consolidated, expansion plans are driven by the smaller proximity formats. With more retailers entering the market and opening stores, Portuguese consumers have seen an increase in options for making 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, with more Portuguese buyers looking to the brand as the main grocery retailer for their food purchases. The retailer offers good quality and well-priced private label offerings and fresh product areas. Its success has been boosting its expansion plans in Portugal. In addition to selling

Portuguese products, Mercadona offers an array of goods of Spanish origin, which has distinguished it from the competition. With increasing competition, companies are set to innovate to improve consumer experience while standing out from competitors.

Retail Organization	Market Share 2023 (retail value)
Pingo Doce - Distribuição Alimentar SA	29.9
Modelo Continente Hipermercados SA	26.2
Itmp Alimentar SA (Intermarché)	13.6
Irmãdona Supermercados SA (Mercadona)	6.3
Auchan Retail Portugal SA	1.5
Supercor SA	0.7
Others	21.7

Source: Euromonitor

In 2024, Auchan finalized the acquisition of Spanish food retailer DIA Group's Portuguese operations, significantly boosting its store count in the country. The deal gives Auchan ownership of 483 Minipreço stores, adding to its existing 100 outlets. This brings the company's total Portuguese network to 583 stores, including 30 gas stations, four warehouses, and a digital store. The move will strengthen its position in the proximity format.

Changing consumer habits, demographic factors such as an aging population, and the development of e-commerce and new technologies are leading the sector to develop new commercial formats, where consumers increasingly appreciate proximity and value-added services. In addition, more digital and connected consumers are disrupting the traditional business models and driving sales. Consumers are buying more online and retailers are increasingly investing in this channel.

SECTION III. COMPETITION

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)	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 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 increased their presence in recent years, and Canada.	Portugal is a traditional consumer of pulses and its local production is insufficient to fulfill internal demand.

Source: Trade Data Monitor ([TDM](#))

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

Agricultural and Food Import Statistics

AGRICULTURAL PRODUCTS IMPORTS (\$ Million)	2020	2021	2022	2023	2024*
Total Agricultural and Related Products	13,413	15,785	18,140	19,521	20,000
Total U.S. Agricultural and Related Products	250	244	288	294	300
Total Agricultural Related Products	3,003	3,602	4,145	4,085	4,000
Total U.S. Agricultural Related Products	52	45	56	53	50
Total Consumer-Oriented Products	6,625	7,472	8,264	9,773	9,800
Total U.S. Consumer-Oriented Products	20	17	21	21	22
Total Seafood Products	2,169	2,439	2,695	2,748	2,700
Total U.S. Seafood Products	21	14	17	16	15

Source: TDM Inc; Unit: \$ Million; *Estimate

Best High-Value, Consumer-Oriented Product Prospects Category

Products Present in the Market with Good Sales Potential

Tree nuts, particularly almonds, walnuts, and pistachios -- Peanuts -- Pulses -- Food preparations -- Fish and Seafood (frozen) -- Spirits -- Pet foods

Products Not Present in Significant Quantities with Good Sales Potential

Condiments and sauces -- Specialty and snack foods -- Confectionery

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 in Madrid at the following address:

Email: AgLisbon@fas.usda.gov

Web: <https://es.usembassy.gov/business/>

The [FAS website](#) offers recent reports of interest to U.S. exporters interested in the Portuguese market. Additionally, please find below a list of trade associations and useful government agencies:

Trade Associations

[APED - Associação Portuguesa de Empresas de Distribuição](#)

(Portuguese Association of Distribution Companies)

[AHRESP - Associação da Restauração e Similares de Portugal](#)

(Portuguese Associations for HRIs Sector)

[FIPA - Federação das Indústrias Portuguesas Agro-Alimentares](#)

(Federation of the Agri-Food Portuguese Industries)

[ANCIPA – Associação Nacional de Comerciantes e Industriais de Produtos Alimentares](#)

(National Association of Retailers and Producers of Food Products)

Government Agencies

[Direcção-Geral de Agricultura e Desenvolvimento Rural](#)

(General Directorate for Agriculture and Rural Development)

[ASAE - Autoridade da Segurança Alimentar e Económica](#)

(Food Safety and Economic Authority)

[Direcção Geral da Alfandega e Dos Impostos Especiais sobre o Consumo](#)

(General Directorate for Customs and Special Taxation on Consumption)

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.