

Portugal

December 2023

This country fact sheet provides key trade and investment-related statistics for Portugal. Specifically, it shows Portugal's trade and investment flows in relation to both South Africa and the Western Cape, including an analysis of top markets and products. The report highlights the largest and fastest-growing products, and their sub-sectors. It also looks at tourism trends between Portugal and South Africa and the Western Cape.

Trade

In 2022, South Africa's exports to Portugal were valued at ZAR3.41bn, representing an increase of 20.43% y-o-y from the ZAR2.83bn recorded in 2021. In turn, South Africa's imports from Portugal totalled ZAR6.19bn in 2022, equivalent to an increase of 33.85% y-o-y from a cost of ZAR4.62bn incurred in 2021.

Citrus fruit was South Africa's dominant export category to Portugal in 2022 which, at a value of ZAR1,105.36m, was equivalent to 32.40% of total exports to Portugal. South Africa's main import product from Portugal was motor vehicles for the transport of goods. At a cost of ZAR1,116.91m, this represented 18.50% of South Africa's total imports from the country in 2022.

The Western Cape's export receipts from trade with Portugal totalled ZAR1,018.38m in 2022, which was a decline of 5.73% y-o-y from the ZAR1,080.33m earned in 2021. And the value of the Western Cape's imports from Portugal increased by 43.92% y-o-y to ZAR803.20m in 2022, up from ZAR558.09m in 2021.

The Western Cape's leading export product to Portugal in 2022 was citrus fruits which, at a value of ZAR426.21m, was equivalent to 41.85% of the province's exports to Portugal in 2022. An estimated 38.56% of South African citrus fruits exported to Portugal in 2022 were from the Western Cape.

Investments

According to fDI Markets, Portugal benefitted from 1,451 foreign direct investment (FDI) projects between January 2011 and November 2023. Of these, four FDI projects were from South Africa, which amounted to a total capital expenditure of R1,13bn and generated 175 jobs.

Tourism

South Africa welcomed 16,092 tourists from Portugal in 2022. This figure represented an increase of 172.10% when compared to 2021. A total of 5,488 tourists from Portugal travelled to the Western Cape in 2022, reflecting a y-o-y increase of 151.74% and a recovery of 42.13% in comparison to the number of tourists recorded in 2019.

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1. Trade

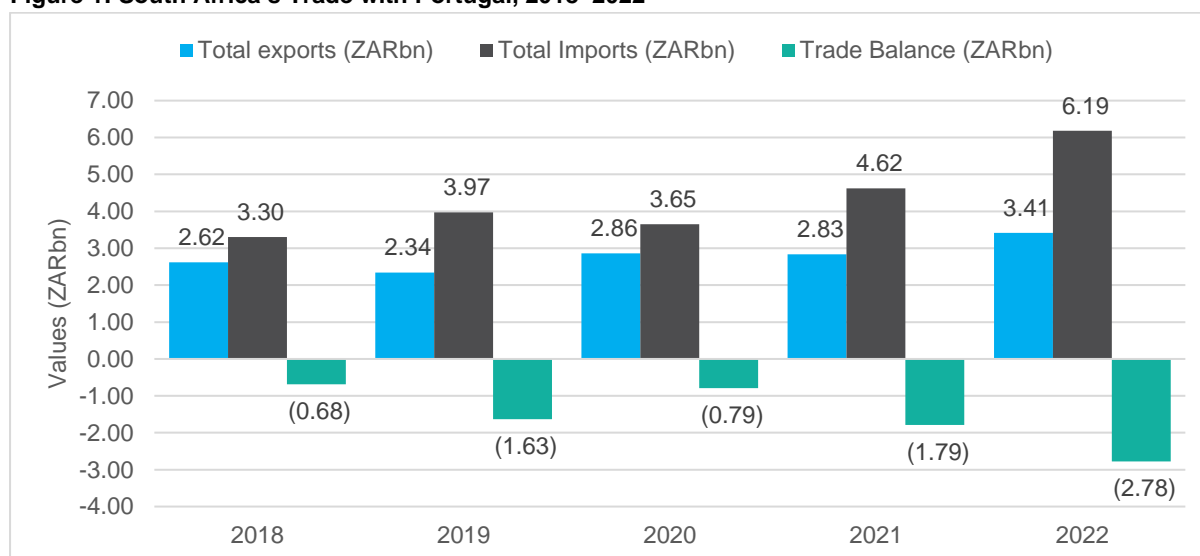
This section examines Portugal's trade flows with South Africa and the Western Cape between 2018 and 2022.

1.1 South Africa's Trade with Portugal

Figure 1 illustrates that South Africa's exports to Portugal increased substantially between 2018 and 2022, growing from ZAR2.62bn in 2018 to a high of ZAR3.41bn in 2022. South Africa's exports to Portugal increased by 20.43% y-o-y to a value of ZAR3.41bn in 2022, up from ZAR2.83bn in 2021. This was underpinned by significant increases in several export categories such as citrus fruits and petroleum oils, other than crude.

The cost of South Africa's imports from Portugal increased by 33.85% y-o-y to ZAR6.19bn in 2022, up from ZAR4.62bn in 2021. The country's trade balance with Portugal remained firmly in a deficit throughout the period.

Figure 1: South Africa's Trade with Portugal, 2018–2022



Source: Quantec, 2023

Citrus fruit was South Africa's top export to Portugal in 2022 which, at a value of ZAR1,105.36m, accounted for 32.40% of total export earnings, as shown in Table 1. Polymers of propylene was the second largest export category at a value of ZAR448.57m (13.15% of total exports), while cane or beet sugar placed third, at a value of ZAR255.23m (7.48%). Petroleum oils, other than crude, was South Africa's the fastest-growing export category to Portugal from 2018 to 2022, with a five-year average growth rate of 8,371.41%. Polymers of propylene followed with a five-year average growth rate of 26.00%.

Table 1: South Africa's Top 10 Exports to Portugal, 2022

Rank	Product	Exported value (ZARm), 2022	% Share 2022	Ave growth (%), 2018–2022
1	Citrus fruit	1,105.36	32.40%	14.08%
2	Polymers of propylene	448.57	13.15%	26.00%
3	Cane or beet sugar	255.23	7.48%	20.00%
4	Maize (corn)	251.65	7.38%	20.00%
5	Frozen fish, excluding fish fillets and other fish meat of heading 03.04	240.31	7.04%	-2.02%
6	Motor vehicles for the transport of goods	170.05	4.98%	-3.60%
7	Petroleum oils, other than crude	153.06	4.49%	8371.41%
8	Fish fillets and other fish meat	151.62	4.44%	14.23%
9	Molluscs	83.50	2.45%	8.94%
10	Apples, pears and quinces	58.39	1.71%	0.47%
	Total exports	3,411.93	100.00%	8.46%

Source: Quantec, 2023

Table 2 shows that South Africa's top import product from Portugal in 2022 was motor vehicles for the transport of goods. Valued at ZAR1,116.91m, this accounted for 18.05% of total imports from Portugal in that year. This was followed by imports of motor cars and other motor vehicles for the transport of persons; and by original equipment components, valued at ZAR1,025.57m and ZAR603.61m respectively. Motor cars and other motor vehicles for the transport of persons was the fastest-growing import category from Portugal during the period 2018–2022, having increased at an average rate of 685.894.28% per annum.

Table 2: South Africa's Top 10 Imports from Portugal, 2022

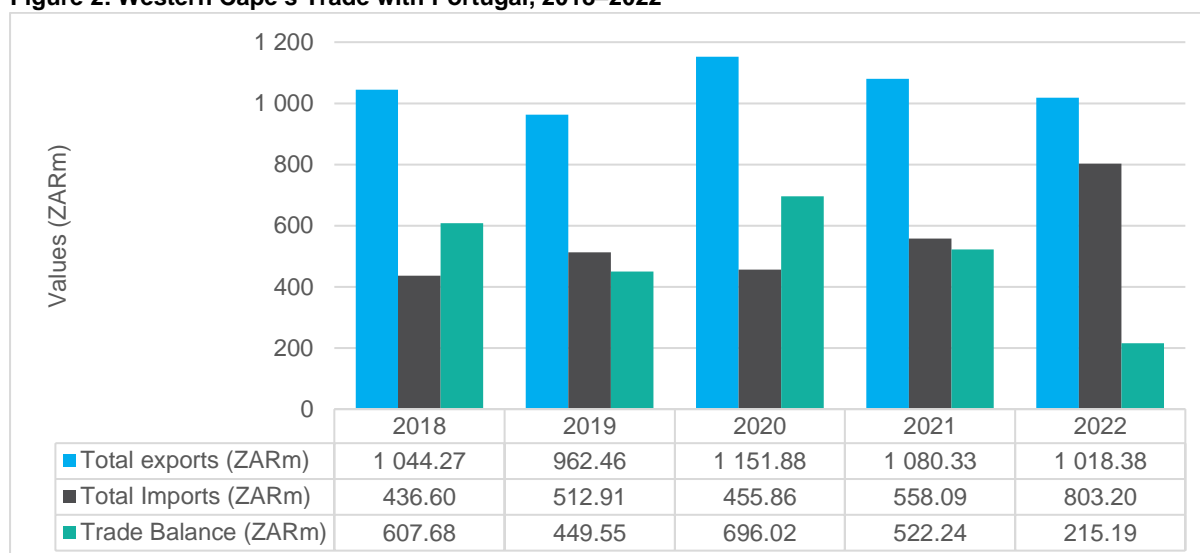
Rank	Product	Imported value (ZARm, 2022)	%Share 2022	Ave growth (%), 2018 - 2022
1	Motor vehicles for the transport of goods	1,116.91	18.05%	18.70%
2	Motor cars and other motor vehicles for the transport of persons	1,025.57	16.58%	685,894.28%
3	Original equipment components	603.61	9.76%	61.28%
4	Insulated (including enamelled or anodised) wire	259.73	4.20%	64.73%
5	Boards, panels, consoles, desks, cabinets and other bases	204.81	3.31%	129.58%
6	Electric motors and generators	197.59	3.19%	116.84%
7	Soya-bean oil and its fractions	159.90	2.58%	3,900.91%
8	Articles of natural cork	138.15	2.23%	2.42%
9	Uncoated paper and paperboard	124.96	2.02%	166.34%
10	Quicklime, slaked lime and hydraulic lime	103.66	1.68%	30.93%
	Total imports	6,187.39	100.00%	15.31%

Source: Quantec, 2023

1.2 Western Cape's Trade with Portugal

The Western Cape's export receipts from trade with Portugal totalled ZAR1,018.38m in 2022, representing a decline of 5.73% y-o-y from a value of ZAR1,080.33m recorded in 2021. This can be observed in Figure 2. In turn, import costs totalled ZAR803.20m in 2022, representing a 43.92% growth compared to the ZAR558.09m recorded in 2021. The Western Cape's trade balance with Portugal remained firmly in a surplus throughout the period reviewed.

Figure 2: Western Cape's Trade with Portugal, 2018–2022



Source: Quantec, 2023

The province's leading export product to Portugal in 2022 was citrus fruit which, valued at ZAR426.21m, was equivalent to 41.85% of the province's total exports to the European country in that year. Frozen fish, excluding fish fillets and other fish meat of heading 03.04, was the second largest export category at a value of ZAR231.12m, while fish fillets and other fish meat placed third with a value of ZAR151.62m in 2022. This can be seen in Table 3. Machinery, plant or laboratory equipment was the fastest-growing export category, having recorded a five-year average growth rate of 2,856.38% from 2018 to 2022.

Table 3: Western Cape's Top 10 Exports to Portugal, 2022

Rank	Product	Exported value (ZARm), 2022	% Share 2022	Ave growth (%), 2018-2022
1	Citrus fruit	426.21	41.85%	11.56%
2	Fish, frozen, excluding fish fillets and other fish meat of heading 03.04	231.12	22.69%	-2.43%
3	Fish fillets and other fish meat	151.62	14.89%	14.19%
4	Apples, pears and quinces	50.98	5.01%	0.32%
5	Molluscs	37.32	3.66%	36.77%
6	Articles for the conveyance or packing of goods	22.34	2.19%	34.72%
7	Prepared or preserved fish	14.12	1.39%	18.46%
8	Beauty or make-up preparations (other than medicaments)	10.72	1.05%	5.47%
9	Machinery, plant or laboratory equipment	10.07	0.99%	2856.38%
10	Grapes, fresh or dried	9.51	0.93%	13.66%
	Total exports	1,018.38	100.00%	2.30%

Source: Quantec, 2023

Table 4 illustrates that the Western Cape's leading import product from Portugal in 2022 was soya-bean oil. Valued at ZAR159.26m, this was equivalent to 19.83% of the province's total imports from Portugal in that year. Articles of natural cork was the second largest import category at a value of ZAR138.11m, while other plates, sheets, film, foil and strip was the third largest import category at a cost of ZAR59.57m in 2022. Prepared or preserved tomatoes was the fastest-growing import category during the period 2018–2022, with an average growth rate of 159.40% per annum.

Table 4: Western Cape's Top 10 Imports from Portugal, 2022

Rank	Product	Imported value (ZARm, 2022)	% Share 2022	Ave growth (%), 2018 - 2022
1	Soya-bean oil	159.26	19.83%	20.00%
2	Articles of natural cork	138.11	17.19%	2.43%
3	Other plates, sheets, film, foil and strip	59.57	7.42%	20.37%
4	Tomatoes prepared	56.08	6.98%	159.40%
5	Stoppers, caps and lids	33.95	4.23%	38.23%
6	Footwear with outer soles of rubber	27.46	3.42%	60.84%
7	Refrigerators, freezers and other refrigerating or freezing equipment	25.13	3.13%	9.88%
8	Bed linen, table linen, toilet linen and kitchen linen	21.63	2.69%	10.35%
9	Pasta, whether or not cooked or stuffed	17.54	2.18%	26.21%
10	Prepared foods obtained by the swelling or roasting of cereals or cereal products	16.28	2.03%	44.77%
	Total imports	803.20	100.00%	11.58%

Source: Quantec, 2023

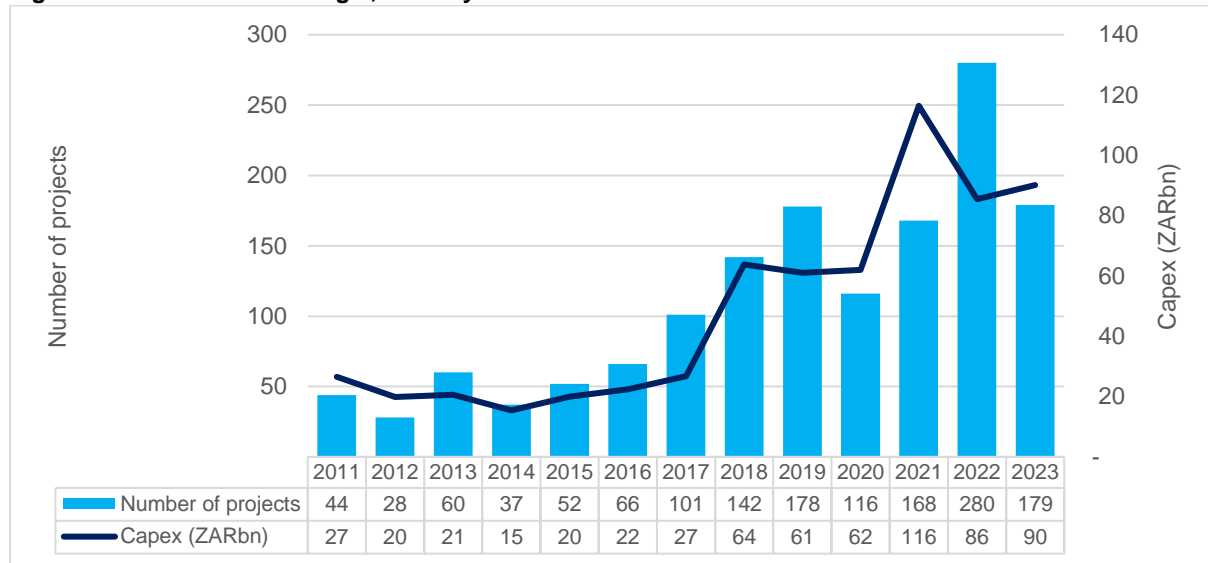
2. Foreign Direct Investment

This section examines Portugal's foreign direct investment (FDI) inflows and outflows from January 2011 to November 2023.

2.1 Global FDI in Portugal

Portugal benefitted from 1,451 global FDI projects from January 2011 to November 2023, as shown in Figure 3. These projects represented a total capital expenditure (capex) of ZAR630.51bn which equated to an average investment of ZAR434.12m per project. The FDI projects generated 128,065 jobs. In that period, the number of FDI projects varied from 44 in 2011 to an estimated 179 in the first eleven months of 2023. The capex value of these projects fluctuated between ZAR26.57bn in 2011 and an estimated ZAR90.12bn by November 2023.

Figure 3: Global FDI in Portugal, January 2011–November 2023



Source: fDI Markets, 2023

Note: The values for 2023 are from January to November.

From January 2011 to November 2023, Portugal's renewable energy sector was the largest recipient of FDI (in terms of capex) from around the world. This sector accounted for 19.64% of investments made in Portugal during this period. The real estate and the consumer products sectors were the second and third largest recipients of FDI (in terms of capex), with each of these sectors having benefitted from investments of ZAR82.38bn and ZAR56.97bn respectively.

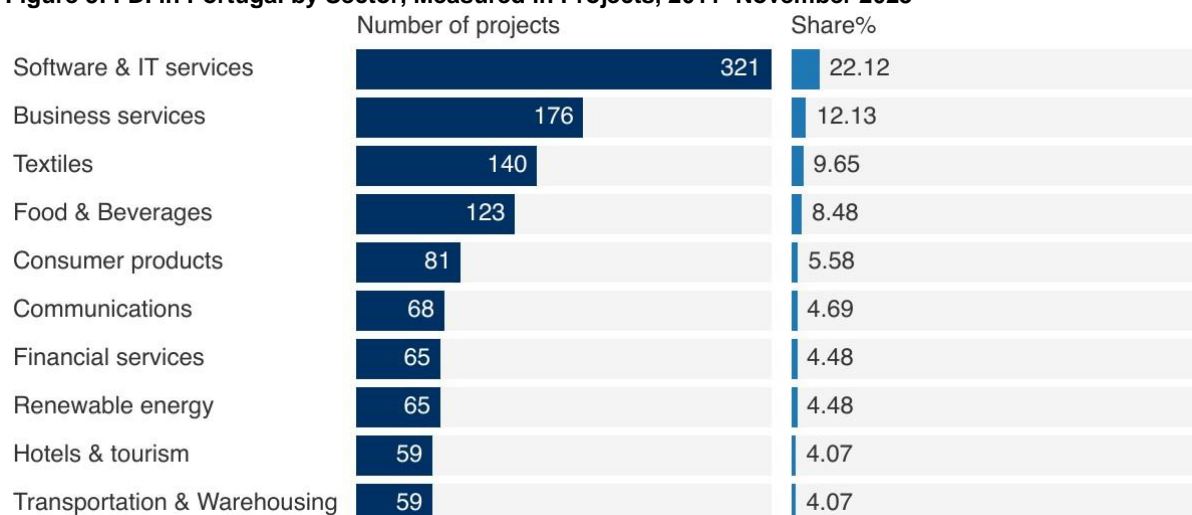
Figure 4: FDI in Portugal by Sector, Measured in Capex, 2011–November 2023



Source: fDI Markets, 2023

When FDI projects are ranked according to the number of projects in the different sectors, it can be seen in Figure 5 that the software and IT services sector was the top beneficiary of FDI during this period. This sector attracted 321 projects which was equivalent to 22.12% of the total number of FDI projects. The business services sector placed second, having attracted 176 projects that amounted to 12.13% of the total number of FDI projects. The textiles sector was third with 140 projects, equating to 9.65% of the total number of FDI projects.

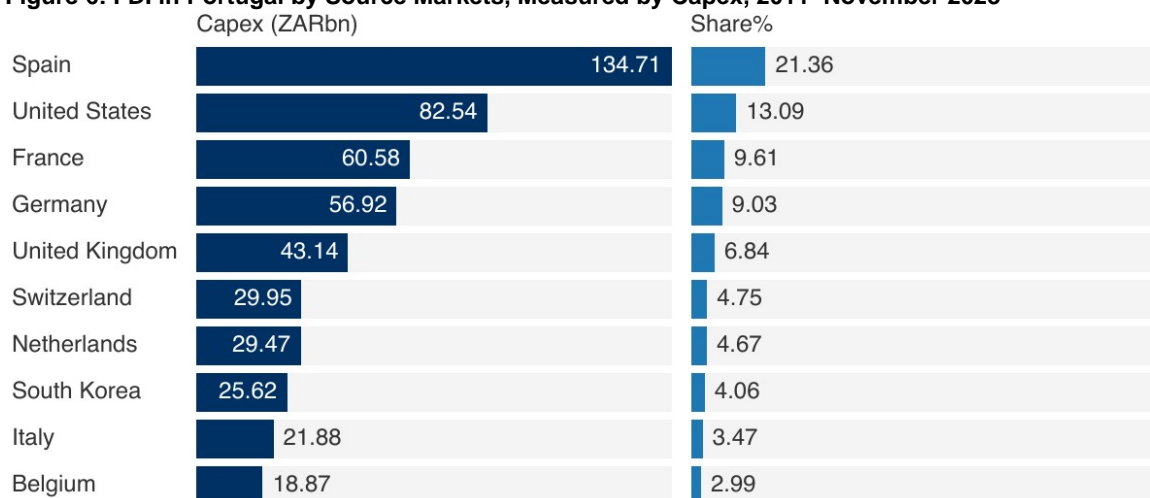
Figure 5: FDI in Portugal by Sector, Measured in Projects, 2011–November 2023



Source: fDI Markets, 2023

Spain was the top source market for FDI in Portugal when measured by capex, which is illustrated in Figure 6. Spain invested ZAR134.71bn (representing a 21.36% share of capex) across 334 projects from 2011 to November 2023. The United States ranked second, having invested ZAR82.54bn in 174 projects, which was equivalent to a share of 13.09% of capex. In third place was France, with investments totalling ZAR60.58bn in 143 projects, amounting to a share of 9.61% in capex.

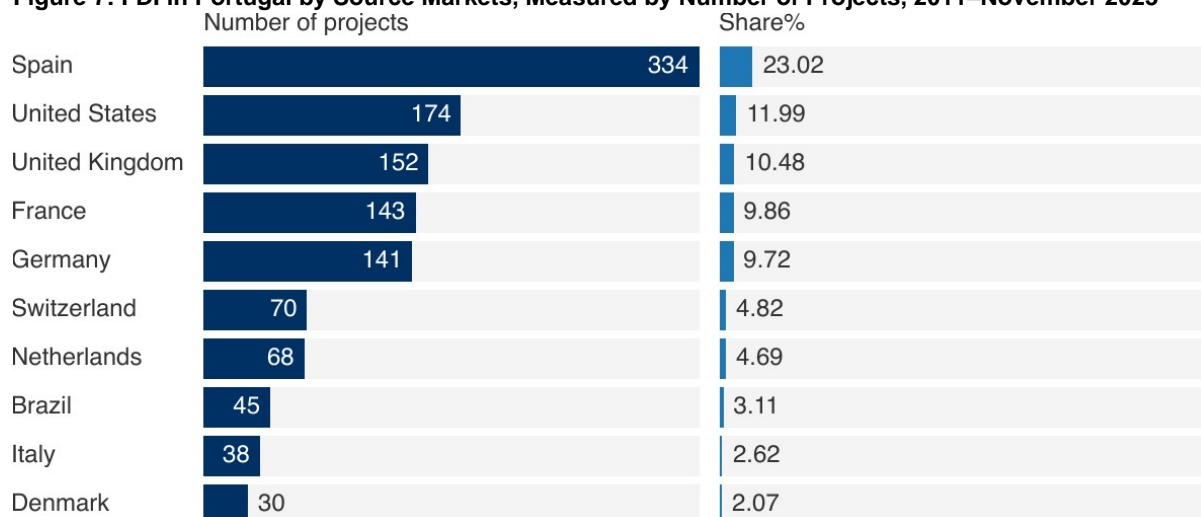
Figure 6: FDI in Portugal by Source Markets, Measured by Capex, 2011–November 2023



Source: fDI Markets, 2023

Looking at rankings relating the number of projects and the countries of origin for these investments, Spain was the principal contributor of FDI in Portugal from January 2011 to November 2023. The country invested in a total of 334 FDI projects, which represented 23.02% of the total number of FDI projects during this time frame. Figure 7 shows that the United States was second, having invested in 174 projects in Portugal in the same period. This was 11.99% of the total number of FDI projects in Portugal.

Figure 7: FDI in Portugal by Source Markets, Measured by Number of Projects, 2011–November 2023

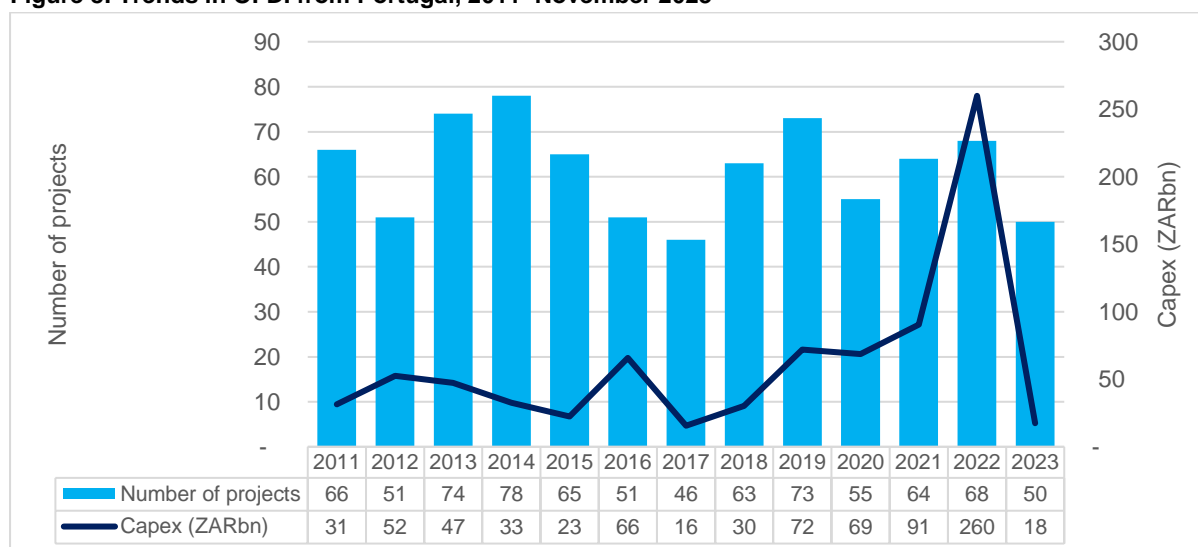


Source: fDI Markets, 2023

2.2 Global Outward Foreign Direct Investment from Portugal

Figure 8 indicates that between January 2011 and November 2023, Portugal was engaged in 804 global investments. These investments cumulatively amounted to a capex value of ZAR806.94bn, translating to an average investment of ZAR1,003.20m per project. During this period, the outward foreign investment (OFDI) projects generated 73,443 job opportunities.

Figure 8: Trends in OFDI from Portugal, 2011–November 2023



Source: fDI Markets, 2023

In terms of destination markets for OFDI from Portuguese companies, Mozambique was the only African country that featured among the top ten recipients of OFDI, measured by capex, from January 2011 to November 2023. Figure 9 shows that the United Kingdom was the main recipient of OFDI from Portugal during this period, with ZAR288.21bn (representing a share of 35.72% in total capex) invested in 72 projects. This was followed by the United States, which benefitted from investments in 78 projects with a capex value of ZAR89.08bn (representing a 11.04% share). Spain was third, having received investments worth ZAR82.52bn in capex (10.23%) from 153 projects during this period.

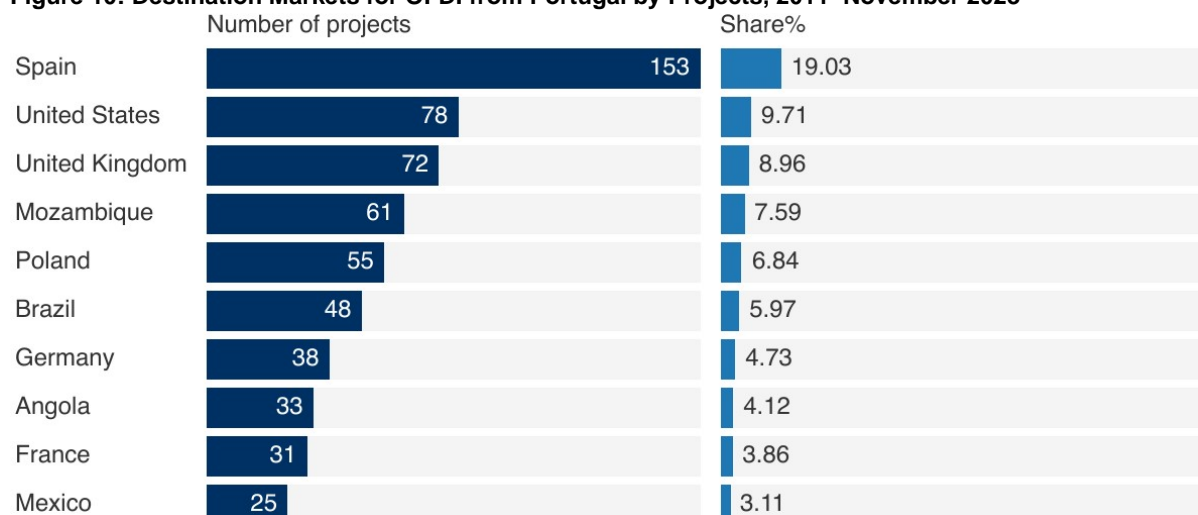
Figure 9: Destination Markets for OFDI from Portugal by Capex, 2011–November 2023



Source: *fDI Markets, 2023*

Turning to project numbers, Spain, the United States, and the United Kingdom emerged as the top beneficiaries of OFDI from Portugal between January 2011 and November 2023. Figure 10 demonstrates that these nations attracted 303 projects from Portugal, which represented a 37.69% of the country's OFDI during this period.

Figure 10: Destination Markets for OFDI from Portugal by Projects, 2011–November 2023



Source: *fDI Markets, 2023*

Figure 11 shows the top sectors that gained from OFDI from Portugal. The renewable energy sector was the largest recipient for OFDI with Portuguese investments valued at ZAR577.61bn, representing a 71.58% share of the total capex. This was spread across 101 projects from January 2011 to November 2023. The food and beverages sector was the second largest recipient, with investments valued at ZAR47.71bn in capex, equating to a share of 5.91%. The real estate sector was third with investments totalling ZAR21.91bn in capex (amounting to a share of 2.71%).

Figure 11: Top Sectors for OFDI from Portugal by Capex, 2011–November 2023

	Capex (ZARbn)	Share%
Renewable energy	577.61	71.58
Food & Beverages	47.71	5.91
Real estate	21.91	2.71
Financial services	15.98	1.98
Building materials	15.16	1.88
Transportation & Warehousing	13.97	1.73
Coal, oil & gas	11.64	1.44
Consumer products	9.97	1.24
Business services	9.85	1.22
Software & IT services	9.71	1.2

Source: *fDI Markets, 2023*

Regarding the number of projects, OFDI from Portugal was primarily focused on the software & IT services sector, as demonstrated in Figure 12. From January 2011 to November 2023, Portugal directed investments into 127 projects in this sector, which was a 15.81% share of the total number of projects. The renewable energy sector followed in second position with 101 projects, accounting for a 12.56% share. And in third place was the financial services sector, which benefitted from 96 projects (11.94%) during this period.

Figure 12: Top Sectors for OFDI from Portugal by Projects, 2011–November 2023

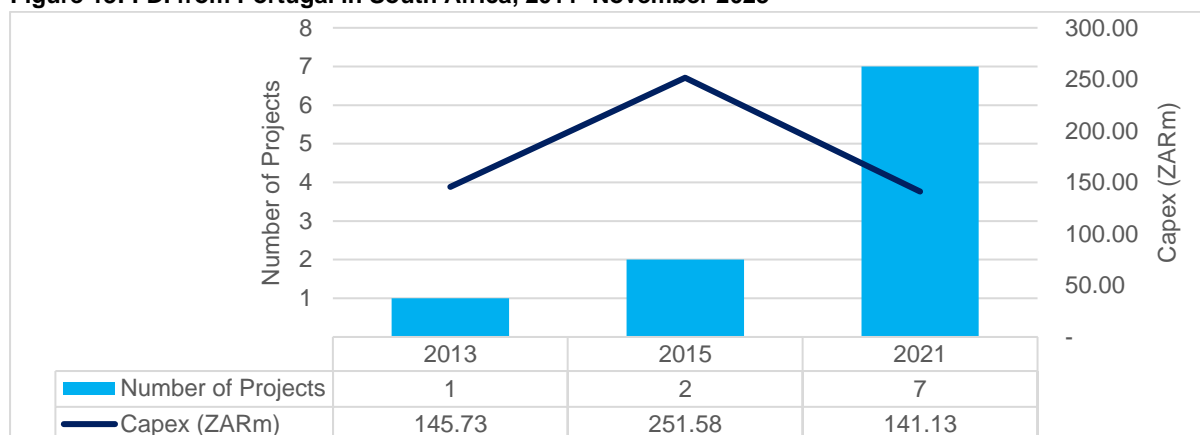
	Number of Projects	Share%
Software & IT services	127	15.81
Renewable energy	101	12.56
Financial services	96	11.94
Textiles	64	7.96
Business services	61	7.59
Food & Beverages	47	5.85
Transportation & Warehousing	44	5.47
Plastics	26	3.23
Consumer electronics	24	2.99

Source: *fDI Markets, 2023*

2.3 Bilateral FDI: Portugal FDI in South Africa

Although the Covid-19 pandemic distorted the global market and created a negative investment climate worldwide, South Africa remained a viable destination for FDI from Portugal. Figure 13 shows that the number of FDI projects in South Africa from Portugal varied between 2013 and 2021. During this period, the value (capex) fluctuated between ZAR145.73m in 2013 and an estimated ZAR141.13m in 2021.

Figure 13: FDI from Portugal in South Africa, 2011–November 2023



Source: FDI Markets, 2023

Figure 14 shows Portugal's FDI in South Africa from January 2011 to November 2023. The South African industry in which Portugal invested the most was transportation and warehousing, which received ZAR283.79m in capex in seven projects. This was followed by the financial services sector which benefitted from ZAR154.93m in capex spread across two projects.

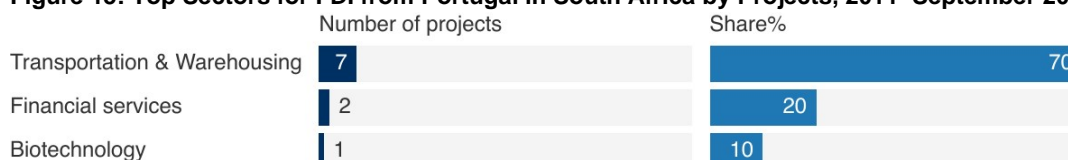
Figure 14: Top Sectors for FDI from Portugal in South Africa by Capex, 2011–November 2023



Source: FDI Markets, 2023

Figure 15 indicates the FDI from Portugal in South Africa according to the number of projects and the different sectors in which the investments were made. The transportation and warehousing sector was the top recipient for FDI with seven projects, which amounted to a share of 70% of the total number of projects. This was followed by the financial services sector with two projects and the biotechnology sector with a single project.

Figure 15: Top Sectors for FDI from Portugal in South Africa by Projects, 2011–September 2023



Source: FDI Markets, 2023

The companies from Portugal that invested in South Africa from January 2011 to November 2023 are listed in Table 5. Five Portuguese companies invested in ten projects in South Africa with a capex value of ZAR538.43m. These investments generated 152 employment opportunities. Most of the FDI, as measured by capex, was directed towards the transportation and warehousing sector.

Table 5: FDI from Portugues Companies in South Africa, 2011–November 2023

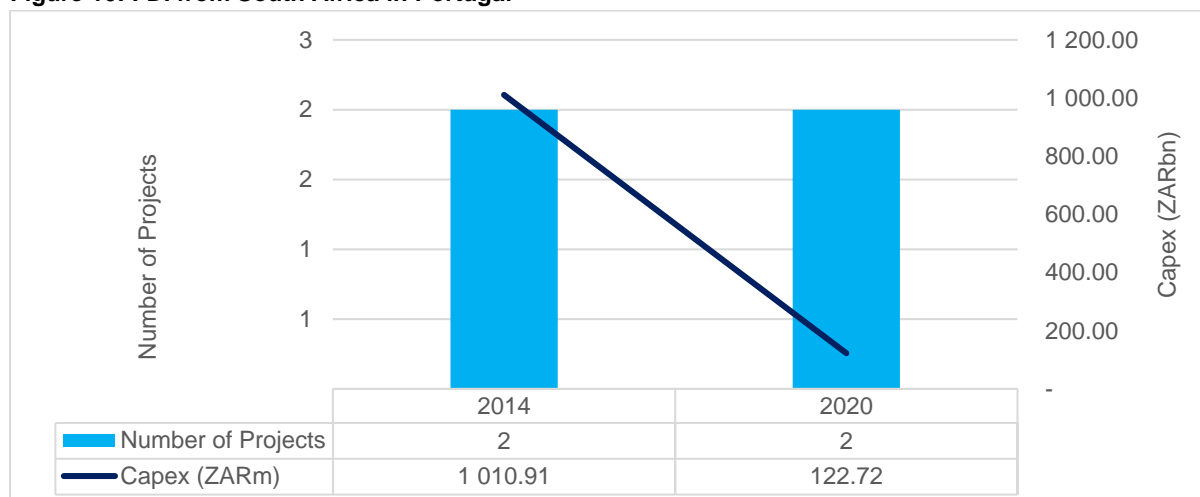
Date	Company	State	Sector	Number of projects	Capex (ZARm)
2015	Transitex	Gauteng, Western Cape	Transportation & Warehousing	2	251.61
2013	Mercantile Bank	Gauteng	Financial services	1	145.73
2021	Asfertglobal	Gauteng	Biotechnology	1	99.71
2019	Rangel Group	Gauteng, Western Cape, North West, KZN	Transportation & Warehousing	5	32.21
2021	Caixa Geral de Depositos	Gauteng	Financial services	1	9.20
Total				10	538.43

Source: FDI: fDI Markets, 2023

2.4 Bilateral FDI: South Africa's FDI in Portugal

In turn, South African companies invested in four projects in Portugal between January 2011 and November 2023, with a cumulative capex value of ZAR1,133.63m. This equated to an average investment of ZAR283.79m per project. An estimated 175 jobs were created as a result. South African investments (measured by capex) in Portugal peaked in 2014 when ZAR1,010.91 was invested in two projects. These figures can be observed in Figure 16.

Figure 16: FDI from South Africa in Portugal



Source: fDI Markets, 2023

Between January 2011 and November 2023, South African investments in Portugal were mainly focused on the transportation and warehousing sector, as seen in Figure 17. This sector attracted investments valued at ZAR1,010.91m in capex, accounting for an 89.17% share of the overall capex in Portugal by South African companies during this period. The software and IT services sector followed in second place, having benefitted from South African investments worth ZAR122.72m (10.83%).

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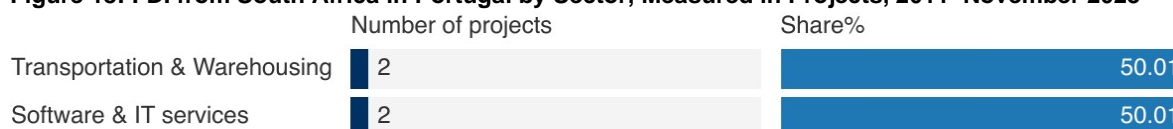
Figure 17: FDI from South Africa in Portugal by Sector, Measured in Capex, 2011–November 2023



Source: fDI Markets, 2023

Figure 18 highlights project numbers, showing that Portugal's transportation and warehousing sector and the software and IT services sector each benefitted from two South African FDI projects between January 2011 and November 2023.

Figure 18: FDI from South Africa in Portugal by Sector, Measured in Projects, 2011–November 2023



Source: FDI Markets, 2023

2.5 Bilateral FDI: Portugal's FDI in the Western Cape

The Western Cape attracted two FDI projects from Portugal between January 2011 and November 2023. These projects represented a total capex of ZAR128.86m which equated to an average investment of ZAR64.43m per project. These FDI projects generated 29 jobs. During the same period, however, there was no record of FDI from the Western Cape in Portugal.

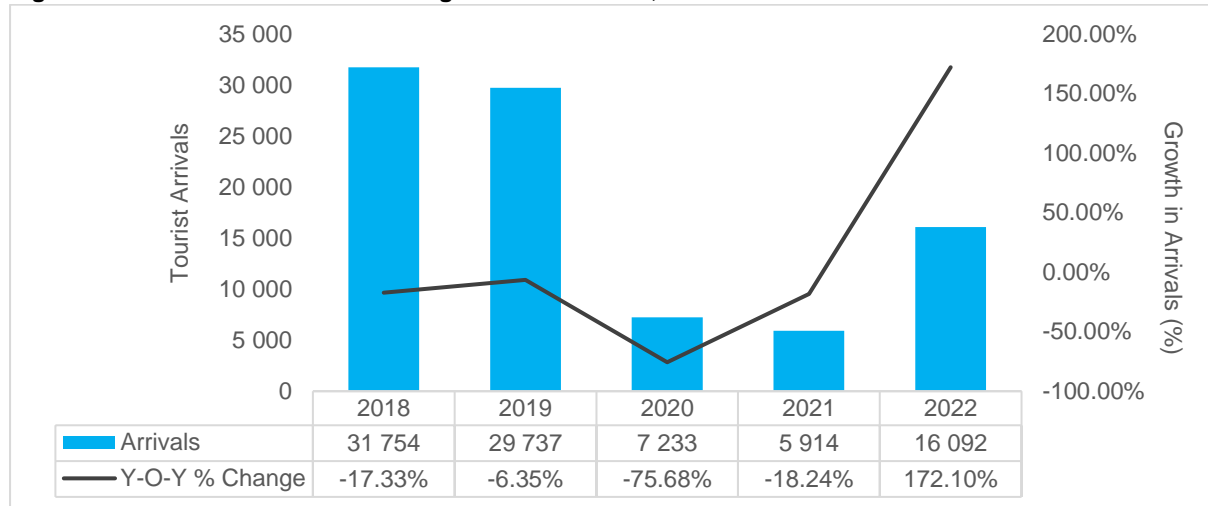
3. Tourism

This section analyses tourism trends between Portugal and South Africa as well as between Portugal and the Western Cape.

3.1 Tourist Arrivals from Portugal in South Africa

In 2022, South Africa welcomed 16,092 tourists from Portugal, reflecting a growth of 172.10% year-on-year when compared to 2021 and a recovery of 54.11% in relation to 2019. This is evident in Figure 19.

Figure 19: Tourist Arrivals from Portugal in South Africa, 2018–2022

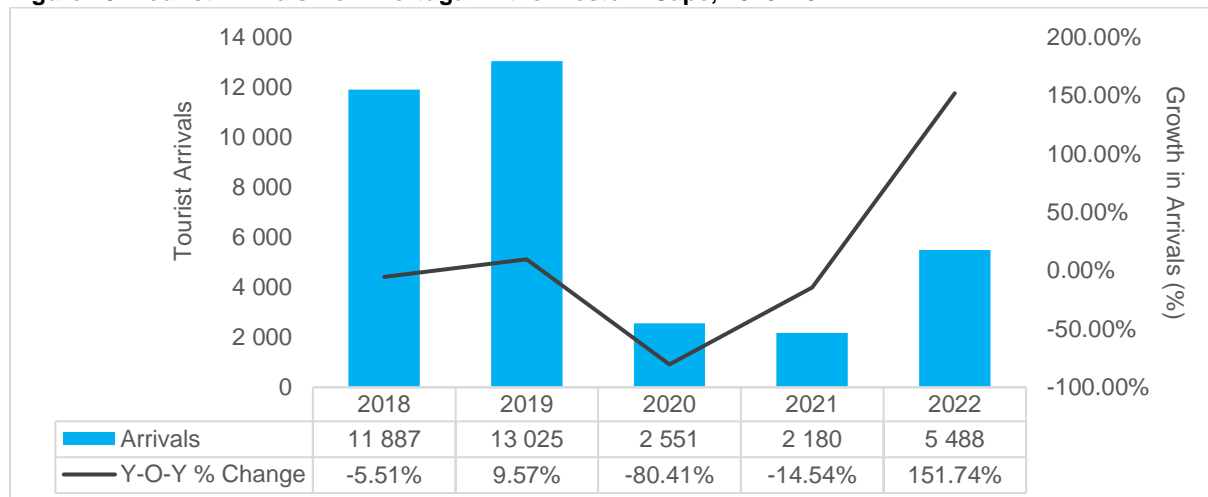


Source: SA Tourism, 2023

3.2 Tourist Arrivals from Portugal in the Western Cape

In 2022, some 5,488 tourists from Portugal visited the Western Cape, as seen in Figure 20. This reflects a recovery of 42.13% in comparison to 2019 and a year-on-year growth of 151.74% in relation to 2021.

Figure 20: Tourist Arrivals from Portugal in the Western Cape, 2018–2022



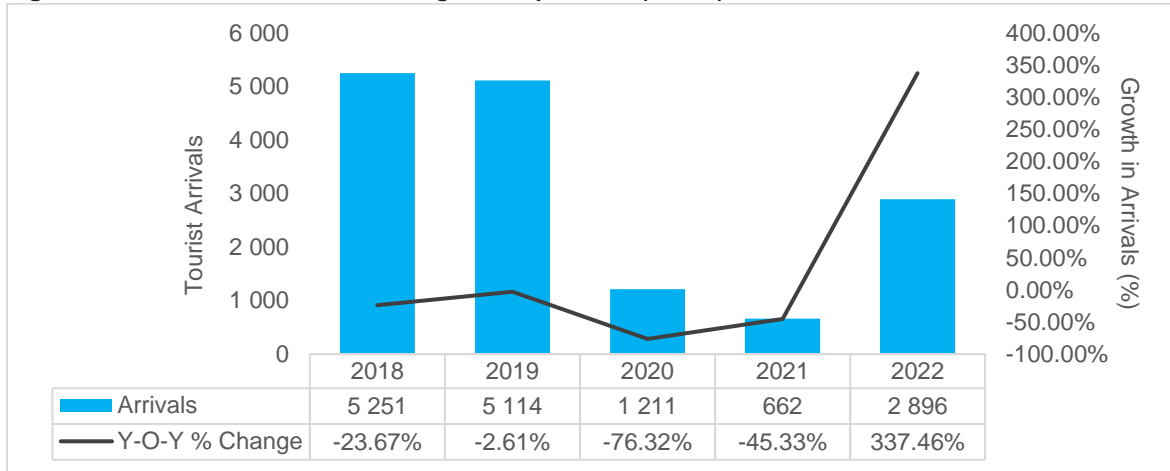
Source: SA Tourism, 2023

3.3 Tourist Arrivals from Portugal in Cape Town (via air)

With respect to Portuguese tourists travelling to Cape Town via air, there was a significant increase in passengers in 2022, with 2,896 air arrivals recorded for the year. This is equivalent to a year-on-year growth of 337.46% compared to 2021 and a recovery of 56.63% against 2019 figures.

Between January and October 2023, Cape Town recorded 3,307 air arrivals from Portugal, an increase of 67.95% year-on-year and a recovery of 84.71% in relation to the same period in 2019 (Jan-Oct).

Figure 21: Tourist Arrivals from Portugal in Cape Town (via air), 2018–2022



Source: Stats SA, 2023

Note: No data regarding air arrivals in Cape Town from different countries was collected between April and September 2020, owing to the Covid-19 pandemic

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