

COUNTRY FACT SHEET:

(Portugal)



dairy products (Lactogal), beer (Unicer, Centralcer), fats / oils / olive oil (Sovena, Fima /Unitever), processed cereals (Cerealis), coffee (Delta), fruit (Luis Vivente), soft drinks & juices (Compal)

Grocery retail structure

- The retailer concentration in Portugal is quite high with 2 companies representing 50% and 6 accounting for 78% of the retail turnover
- Supermarkets are the most popular retail channel accounting for 64% of total whereas Hypermarkets represent 26%
- Private Label penetration is quite high in food with 42%. As far as drinks are concerned it is 19%
- The retail sector increased its turnover by 10% in the last years because people are consuming more at home as a reaction to the economic crisis

Major grocery retailers

Group	No. of stores	Food turnover, gross (in m EUR)	Market share (%)	No. of depots per product category	Positioning
Continente	172	3,900	25,7%	3	1
Pingo Doce	361	3,500	22,9%	2	2
Intermarché	230	1,400	9,1%	2	3
Auchan	32	900	6,0%	2	6
Minipreço	583	1,060	7%	3	5
Lidl	238	1,120	7,4%	2	4

Foodservice structure

- The food service sector (measured by Nielsen as Restaurants, snack-bars and Coffee shops) plummeted from €10,2Bil in 2002 to €6,3Bil in 2012. Only in 2011 the decrease was of -16% due to the V.A.T increase to 23% from 13% combined with the increase in at home consumption as a reaction to the economic crisis
- The structure is very atomized with 66,000 units, where Coffee shops and snack represent 87% of the total turnover.
- The fast-food restaurant chains in shopping malls only represent 3% of the outlets. Macdonalds is the leading restaurant brand with 138 but Ibersol is the leading organization representing brands such as Burger King, Pizza Hut, KFC, Pans & Co, Pasta Café, amongst others.
- The C&C sector also fell 36% from 2001 accompanying the trend of its clients
- The Hospitality sector has been expanding its business. Main operators are Sogenave, Eurest from Compass, Sodexo and Gate Gourmet
- The Hotel sector has been growing following the increased relevance of the tourism. It now accounts for 1704 units which in total represents 284,000 beds. The organized hotel sector accounts for 263 units representing 64,000 beds.

Main food shows

- ALIMENTÁRIA, in Lisbon, only every 2 years, the next one to be March 2015. It is a general show aiming to generate new business for companies entering the Portuguese market or for distributors, to showcase their representations and contact with potential clients. Consumers are also allowed on the

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Sources: INE National Statistics Board, Nielsen, Kantar World Panel

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1st day. While in the past it was somewhat important, its relevance has been plunging as main local companies withdrew support to the show.

- SISAB, end of February every year hosting a few hundred Portuguese F&D companies. It has been increasing its importance because the organization managed to bring over 1,000 visitors every year from all over the world. Only Int'l buyers and guest of the organization are allowed to get in.

Main trade magazines

- Distribuição Hoje, bimonthly, from IFE group, circulation of 4,000. It targets the retail sector and its relevance has been decreasing along the years.
- Hipersuper, a former magazine which became a digital service targeting readers by email and offering a news subscription service
- Intermagazine, a quarterly magazine focusing on food service. It is surviving due to its events / PR sector organizing contests and events with hotel schools and Chefs, the new media stars of the food sector.
- Other more sector specific magazines exist such as Carne (meat), Revista de Vinhos, Wine (wines)

Consumer behaviour today & expected food trends - Opportunities for Flemish food exporters

- Retail is a mature sector, with an high degree of concentration / consolidation which has been benefiting from the increase of consumption at home
- Private Label recently lost a bit of its glamour due to the needs of the retailers to protect their margins and the manufacturers to promote their products
- Promote, promote, promote...that seems to be the key element today to move sales forward increasing the relevance of the in-store promotion, targeted retailer campaigns / category management and merchandising
- Former key trends such as convenience have been harmed by a back to basis approach focusing on the more basic product offering
- The increase of the consumption at home triggered the interest on cooking and raised the profile of Chefs. The paradox for a poor country is the success of the expensive Bimby's, Kitchen-aid's or even Le Creuset's...
- The consumer is also becoming more health conscious (however part of it is cosmetic). The increased promotion of slimming programs and importance of dietetic shops such as the Celeiro chain. The interest in organic is also growing but more moderate (a supermarket chain of organic products Bio, is moving forward
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EVALUATION OF MARKET AND OPPORTUNITIES

- Belgium is perceived as the capital of Europe by the average Portuguese. That is reinforced by having in Brussels a Portuguese as the EU President for the last 10 years.
- Portuguese are quite keen on food & drink which is deeply embedded into cultural tradition
- Indulgence, health, gastronomy are key drivers of consumer attention which can be explored by Belgium companies
- The increase in tourism is fostering the development of the hotel sector
- The retail scene in Portugal is similar to any other Western European country: professionalism, logistic efficiency, tight quality requirements, centralized negotiation. Also, they are quite strong financially and provide a wide consumer reach to their suppliers
- The economic tide is turning up, a better timing to approach the market