

Portugal

December 2021

Executive summary

This country fact sheet provides key trade, investment and tourism related statistics for Portugal. Specifically, it shows global trade and investment flows including an analysis of top markets and products for Portugal in relation to South Africa and the Western Cape, highlighting the largest and fastest growing products and sub-sectors. It also analyses tourism trends between Portugal and South Africa. The key highlights in the Portugal fact sheet are provided below:

Economy

- Portugal is a high-income country, ranked as the 43rd richest country in terms of GDP per capita in 2020.
- The Portuguese economy contracted by -7.6% in 2020 due to the severe impact of the coronavirus pandemic. The economy is, however, expected to rebound in 2021 and 2022.
- With a share of 22.5%, trade, repairs, transport, accommodation and food services were the largest component of Portugal's GVA in 2020.

Trade

- Portugal is a net exporter of services, recording a (services) trade surplus of US\$9.83 billion in 2020.
- The country's goods exports in 2020 were valued at US\$61.53 billion, while its imports amounted to US\$77.60 billion.
- Spain is Portugal's main trading partner, accounting for the largest share of both exports and imports.
- South Africa's exports to Portugal increased by 6.4% in 2020, with citrus fruit accounting for 46.8% of exports.
- The Western Cape's exports to Portugal increased by 19.6% in 2020, while imports decreased from US\$35.32 million in 2019 to US\$26.59 million.

FDI

- Portugal recorded a capital inflow of US\$24.38 billion from 908 greenfield projects between January 2011 and October 2021.
- During the same period, 4 FDI projects originated from Portugal to South Africa, which brought in an estimated capex of US\$31.1 million and created of 49 jobs.
- Only one of the four inward FDI projects from Portugal to South Africa landed in the Western Cape.

Tourism

- About 7 233 Portuguese nationals visited South Africa in 2020, down by -75.7% compared to the previous year.
- About 40% of Portuguese tourist in South Africa were in the country for holiday.
- 2 551 Portuguese tourists came to the Western Cape in 2020, compared to 13 025 in 2019.

Table of contents

1. Country overview	3
2. Economic overview	3
3. Trade.....	5
3.1 Trade in Services	5
3.2 Trade in goods	6
3.3 Trade between South Africa and Portugal.....	9
3.4 Trade between the Western Cape and Portugal	10
4. Foreign Direct Investment.....	12
4.1 Inward FDI from the rest of the world	12
4.2 Outward FDI from Portugal to the rest of the world	14
4.3 FDI flows between South Africa and Portugal	15
4.3.1 FDI flows from Portugal to South Africa	15
4.3.2 FDI flows from South Africa to Portugal	16
4.4 FDI flows between the Western Cape and Portugal	16
5. Tourism	16
5.1 Portuguese tourist arrivals to South Africa	17
5.2 Purpose of visit to South Africa.....	17
5.3 Portuguese tourist arrivals to the Western Cape.....	17
5.4 Portuguese passenger movement through Cape Town International Airport	18

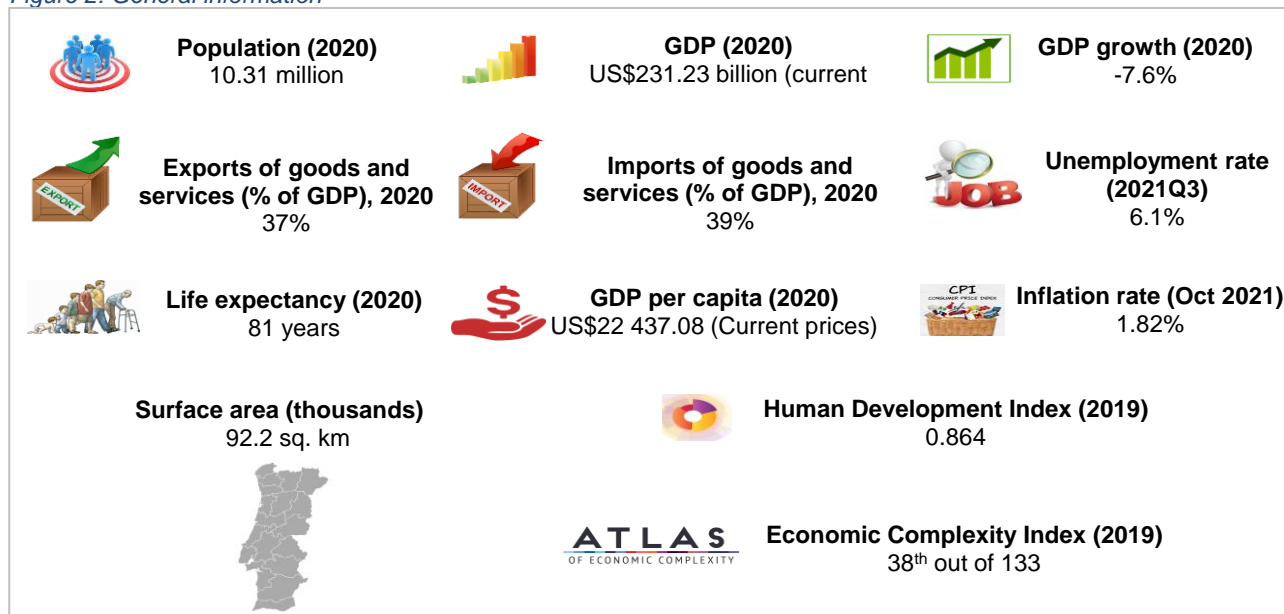
1. Country overview

Portugal, officially the Portuguese Republic, is a country located in south-western Europe, along the Atlantic coast of the Iberian Peninsula. The country is bordered by the Atlantic Ocean to the west and south and by Spain to the north and east. Lisbon, which is the capital city of Portugal, is the country's economic and cultural centre. The country was ranked as the 38th most complex nation according to the 2019 Economic Complexity Index. Additionally, Portugal is a high-income country, ranking as the 43rd richest economy in terms of GDP per capita in 2020. The Portuguese economy also has a relatively low inflation rate. In 2020, Portugal's population was estimated at 10.2 million, with urban population accounting for approximately 66% (UNCTAD, 2021). Portugal is ranked in the very high human development category. The country's Human Development Index value was 0.864 in 2019, positioning it at 38 out of 189 countries (UNDP, 2020).

Figure 1: Map of Portugal



Figure 2: General information

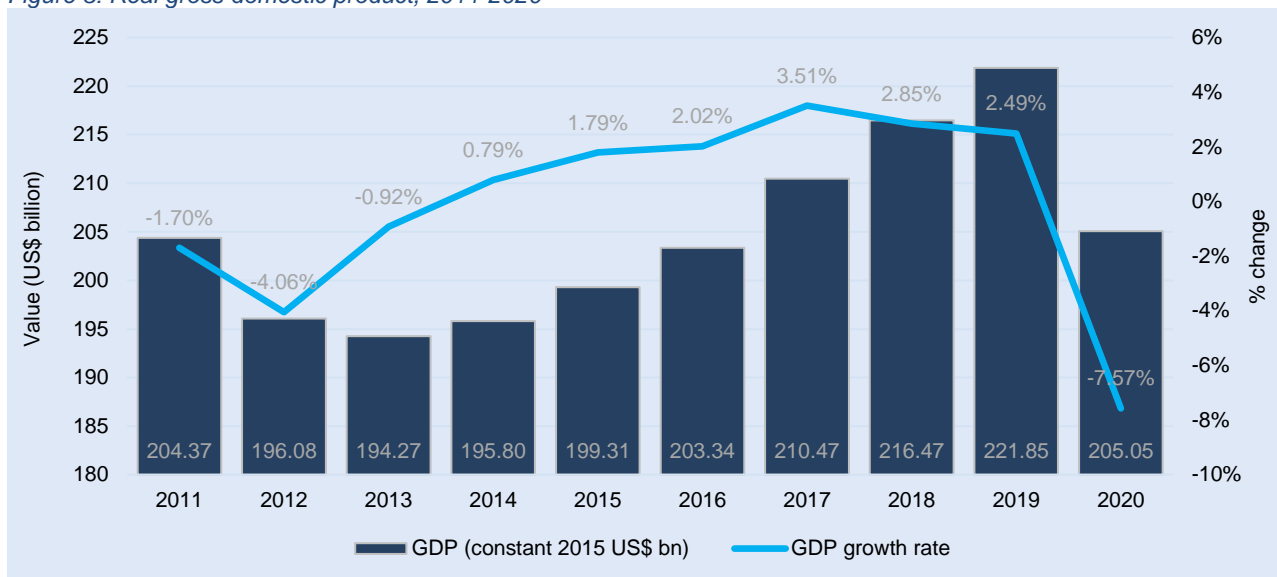


Sources: Statistics Portugal (2021) World Bank (2021); UNDP (2021); Atlas of Economic Complexity (2021); UNCTAD (2021)

2. Economic overview

The Portuguese economy was adversely affected by the coronavirus pandemic in 2020. Portugal's real gross domestic product (GDP) decreased from US\$221.85 billion in 2019 to US\$205.05 billion in 2020 as shown in Figure 3. As a result, the economy shrank by approximately -7.6% during 2020, which is the worst economic growth rate recorded over the past decade. GDP is expected to rebound in the coming years, with GDP growth rate projected at 4.8% and 5.8% in 2021 and 2022 respectively, surpassing its pre-crises level (OECD, 2021). The forecasted growth in GDP will mainly be driven by private consumption.

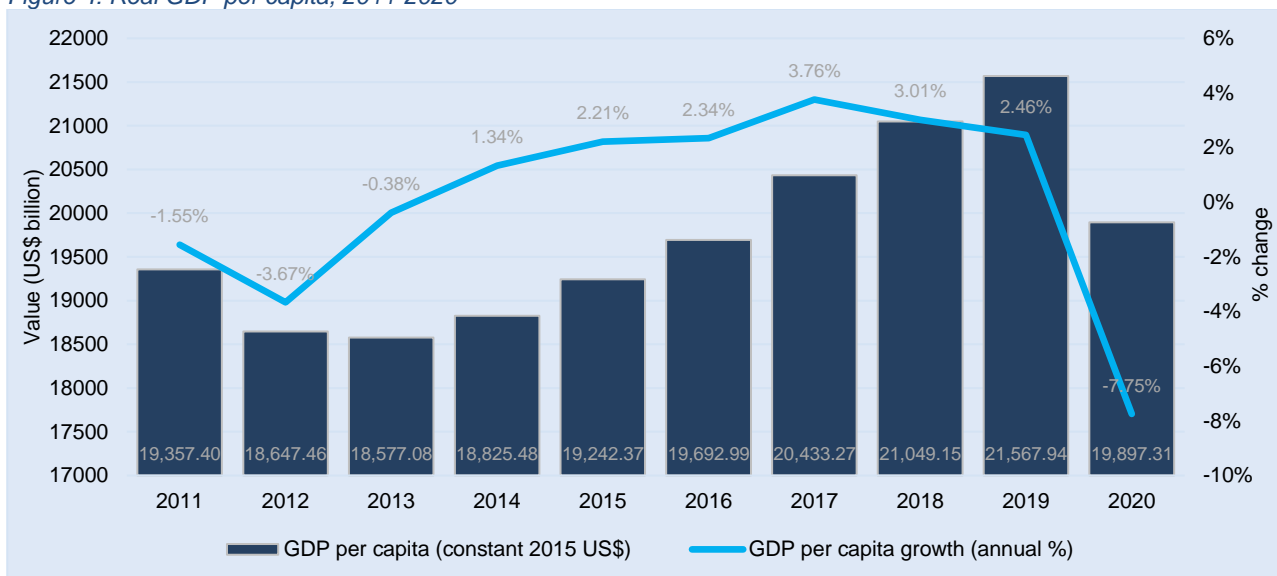
Figure 3: Real gross domestic product, 2011-2020



Source: World Bank (2021)

Portugal's real GDP per capita growth has averaged 0.18% over the past decade. After a steady rise between 2014 and 2019, real GDP per capita significantly decreased to US\$19 897.31 (representing a -7.8% decline) in 2020 as shown in Figure 4.

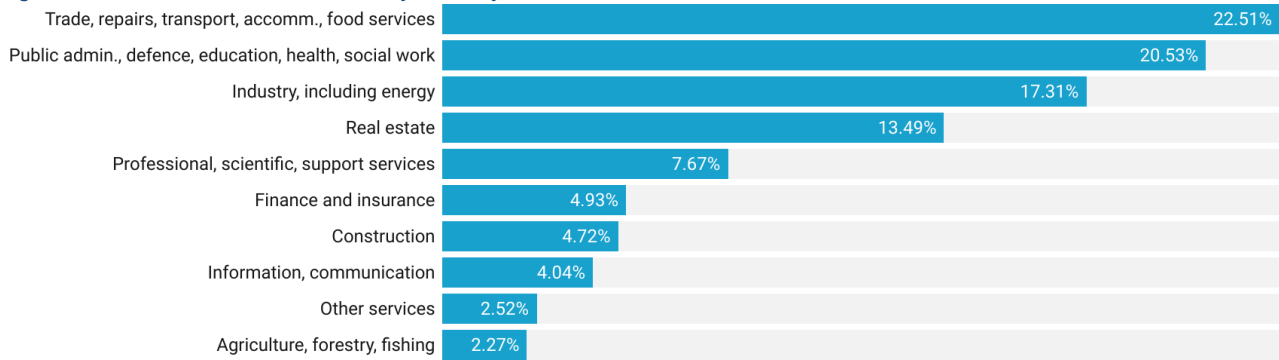
Figure 4: Real GDP per capita, 2011-2020



Source: World Bank (2021)

The contributions of Portugal's economic sectors to gross value added (GVA) in 2020 are shown in Figure 5. In general, the services sector, as a whole, is the largest component of the Portuguese economy. Trade, repairs, transport, accommodation and food services (22.5%) accounted for the largest share of GDP, followed by public administration, defence, education, health and social work (20.5%). On the contrary, agriculture, forestry and fishing, with a share of 2.3%, made the lowest contribution to GVA.

Figure 5: Share of real value added: by industry, 2020



Source: OECD (2021)

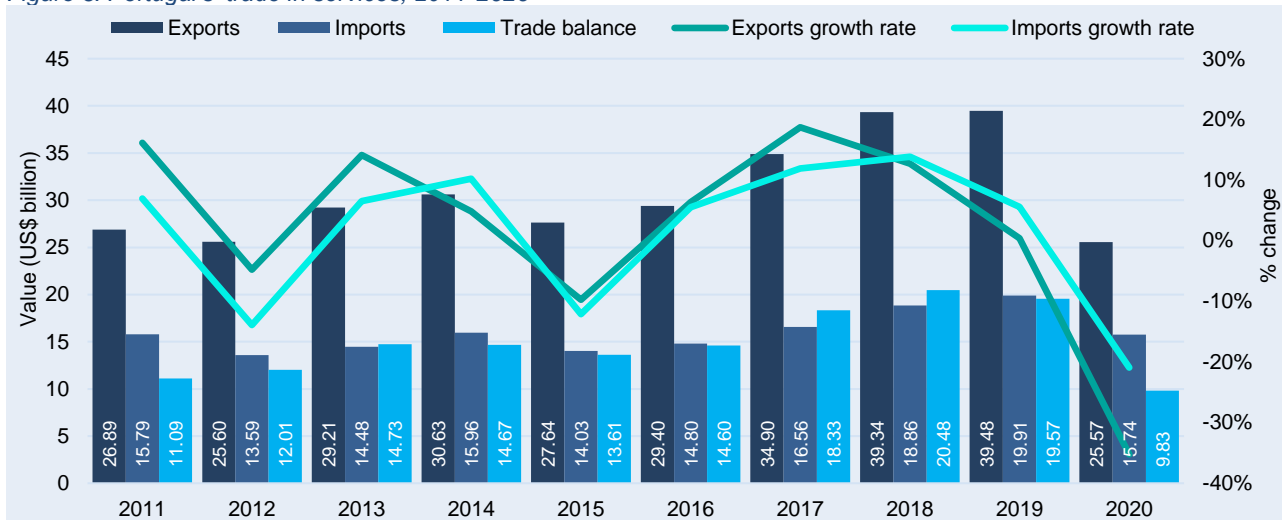
3. Trade

This section analyses Portugal's global trade trends as well as the country's trade with South Africa and the Western Cape.

3.1 Trade in Services

Figure 6 shows Portugal's global trade in service from 2011 to 2020. The figure depicts that Portugal is a net exporter of services. In 2020, the country exported US\$25.57 billion worth of services, whereas imports of services amounted to US\$15.74 billion. Services exports and imports declined by -35% and -21% respectively in 2020, which can be attributed to the slowdown in global economic activity associated with the coronavirus pandemic.

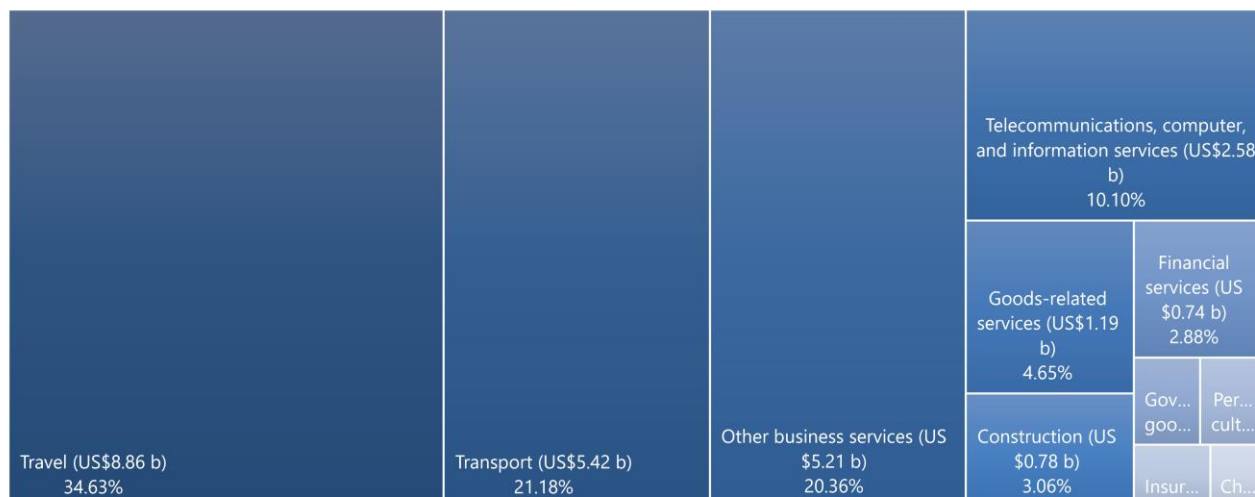
Figure 6: Portugal's trade in services, 2011-2020



Source: UNCTAD (2021)

As shown in Figure 7, travel was Portugal's top exported service in 2020, accounting for 34.6% of total services exports. Transport services (21.2%) and other business services (20.4%) were, respectively, the second and third largest components of services exports.

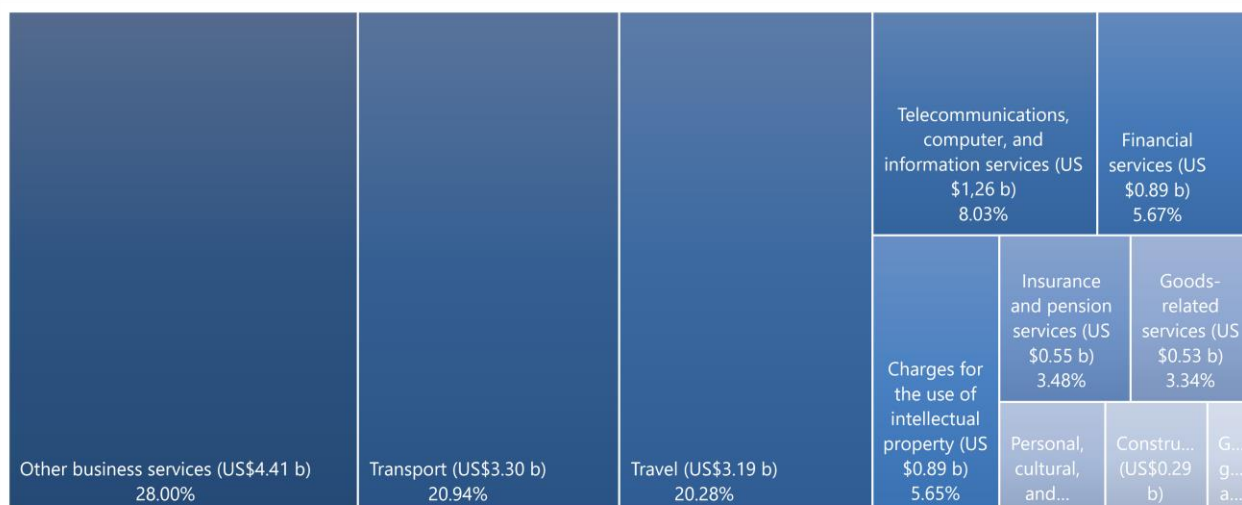
Figure 7: Services exported by Portugal, 2020



Source: UNCTAD (2021)

Other business services (28%), which includes research and development; professional and management consulting services; and technical and trade-related services, constituted the largest category of services imported by Portugal in 2020 as shown in Figure 8. With a share of 20.9%, transport was the second most imported service by Portugal, followed by travel (20.3%).

Figure 8: Services imported by Portugal, 2020

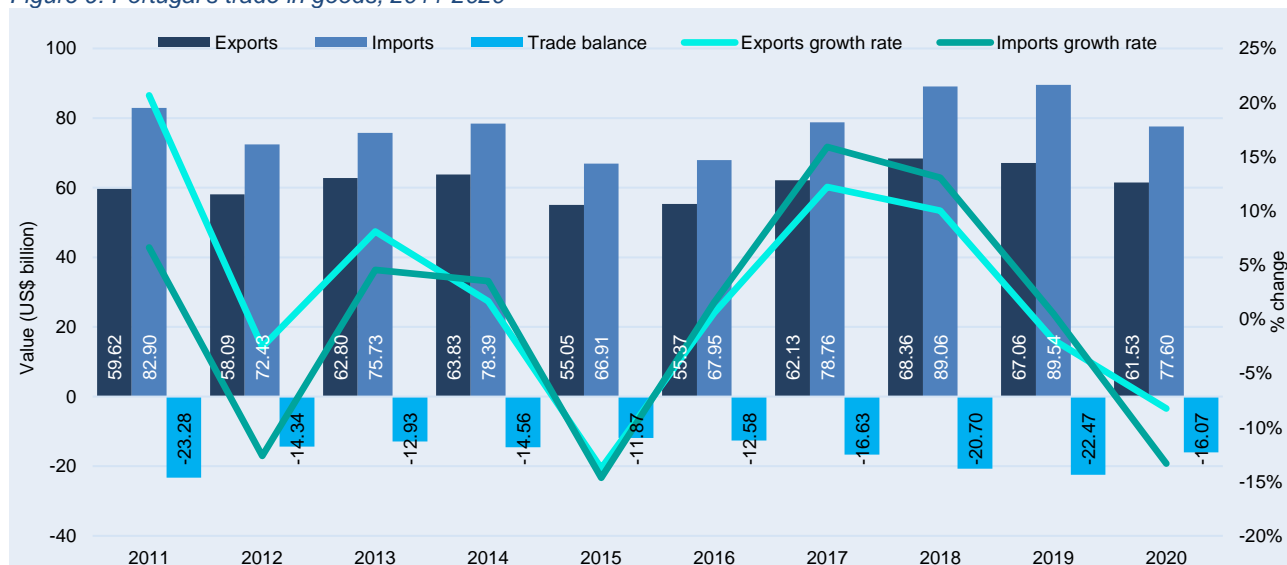


Source: UNCTAD (2021)

3.2 Trade in goods

As evident in Figure 9, Portugal consistently recorded a trade (goods only) deficit from 2011 to 2020. As the world battled with the coronavirus pandemic and the associated disruption of global supply chains, Portugal's goods exports to the rest of the world declined from US\$67.06 billion in 2019 to US\$61.53 billion in 2020, representing a percentage change of -8.3%. Similarly, Portugal's imports from the world totalled US\$77.60 million in 2020, down by -13.3% from the previous year.

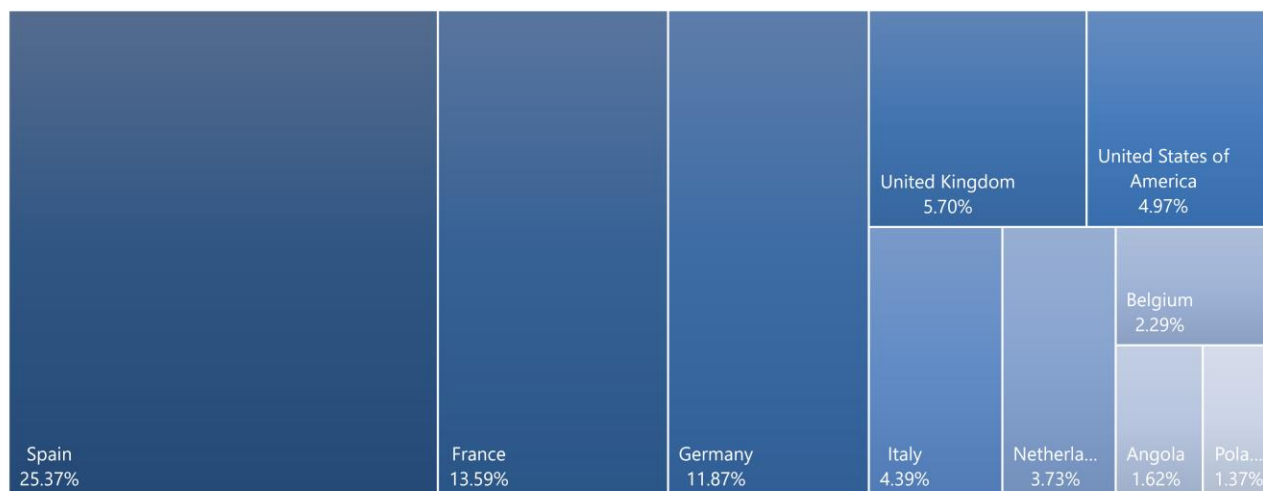
Figure 9: Portugal's trade in goods, 2011-2020



Source: UNCTAD (2021)

Spain, which shares a border with Portugal, is the country's main trading partner. In 2020, Portugal's major trading partner countries for exports were Spain (25.4%), France (13.6%) and Germany (11.9%) as shown in Figure 10. The top three destination markets for Portugal's goods exports were fellow European countries. Angola was the only African country in the top ten.

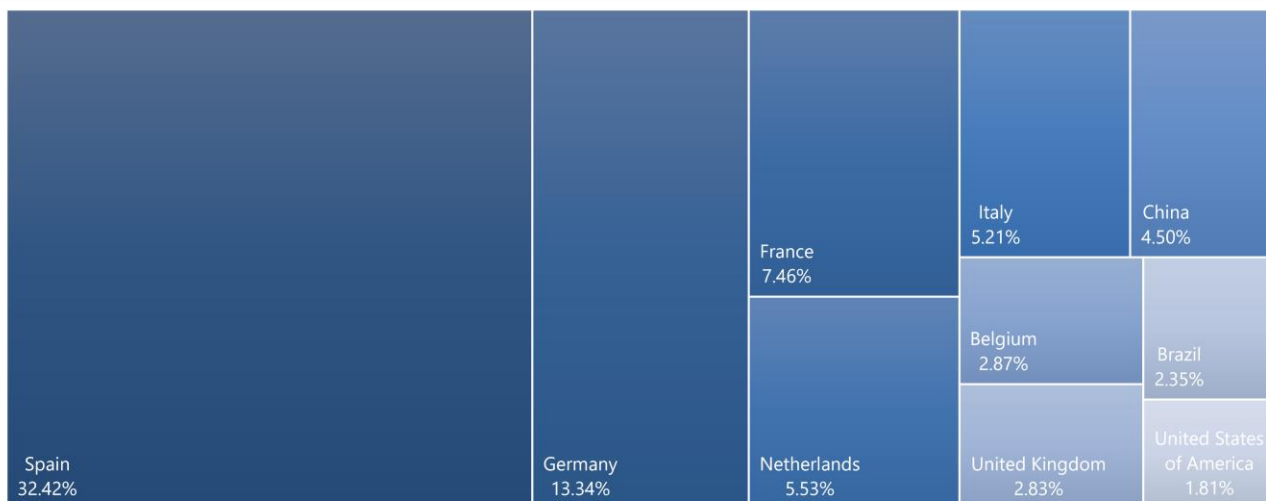
Figure 10: Top 10 destination markets for products exported by Portugal, 2020



Source: Trade Map (2021)

Spain was the top supplier of goods to Portugal in 2020, accounting for 32.4% of total goods imports. Germany (13.3%), France (7.5%), Netherlands (5.5%) and Italy (5.2%) rounded out the top five countries exporting goods to Portugal.

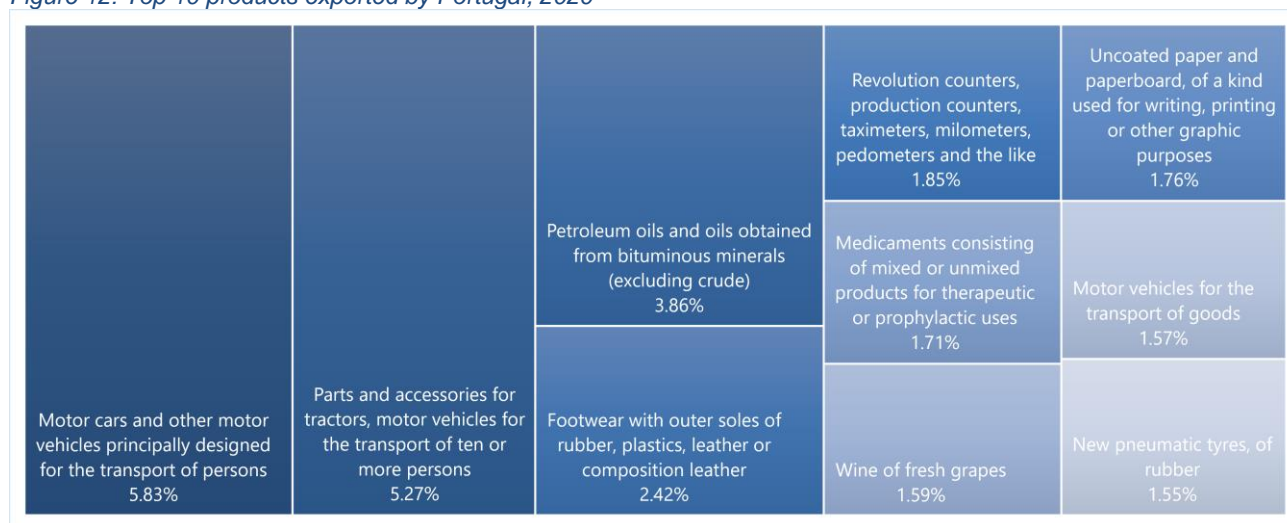
Figure 11: Top 10 source markets for products imported by Portugal, 2020



Source: Trade Map (2021)

Portugal exports a diversified range of products, with motor car and other motor vehicles principally designed for the transport of persons (5.8%) being the top exported product in 2020. Parts and accessories for tractors (5.3%), and non-crude petroleum oils (3.9%) completed the list of the top three products Portugal exported in this particular year.

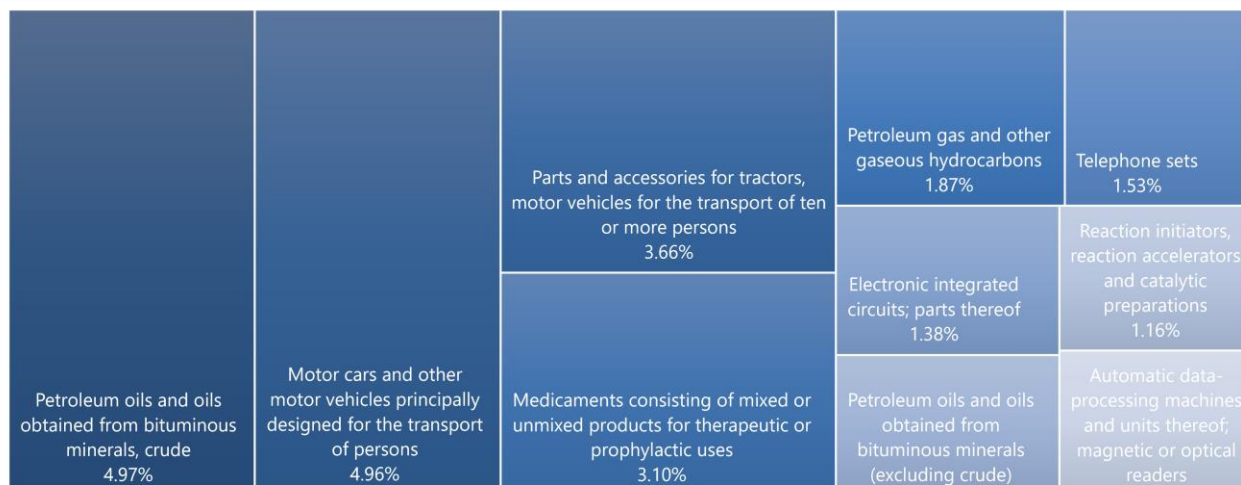
Figure 12: Top 10 products exported by Portugal, 2020



Source: Trade Map (2021)

The top three products imported by Portugal in 2020 were crude petroleum oils (5%); motor cars principally designed for the transport of persons (5%); and parts and accessories of tractors (3.7%) as shown in Figure 13.

Figure 13: Top 10 products imported by Portugal, 2020

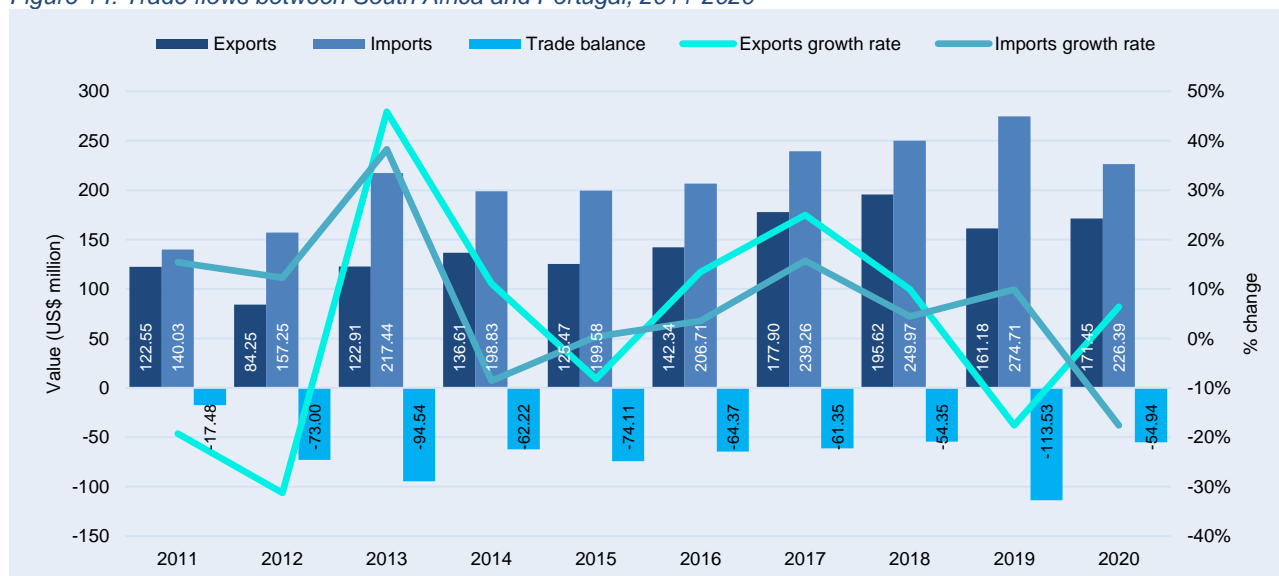


Source: Trade Map (2021)

3.3 Trade between South Africa and Portugal

Figure 14 shows South Africa's trade with Portugal between 2011 and 2020. In general, South Africa imports more from Portugal than it exports to the European country. In spite of the adverse impact of the coronavirus pandemic on global commerce, South Africa's exports to Portugal increased by 6.4% in 2020, following a -17.6% decline in the previous year. On the contrary, South Africa's imports from Portugal decreased from US\$274.71 million in 2019 to US\$226.39 million in 2020, leading a significant narrowing of the trade deficit.

Figure 14: Trade flows between South Africa and Portugal, 2011-2020



Source: Quantec (2021)

Citrus fruit, which was South Africa's top exported product Portugal in 2020, accounted for over two fifth of the country's total exports to the European nation. Over the past 5 years, South Africa's exports of citrus fruit to Portugal has grown at an average rate of 23.7%. Motor vehicles for the transport of goods (10%); and frozen fish (10%) completed the list of the top three South African products which were exported to Portugal. The product category that recorded the highest average growth rate between 2016 and 2020 was dates, figs, pineapples, avocados, guavas, mangoes and mangosteen.

Figure 15: Top 10 products exported from South Africa to Portugal, 2020

	Value	Share	% growth rate (2016-2020)
Citrus fruit, fresh or dried	US\$80.26m	46.81%	23.69%
Motor vehicles for the transport of goods	US\$17.14m	10%	10.46%
Fish, frozen, excluding fish fillets	US\$17.1m	9.97%	-0.22%
Polymers of propylene or of other olefins, in primary forms	US\$13.41m	7.82%	7.75%
Fish fillets and other fish meat	US\$7.5m	4.37%	9.68%
Molluscs	US\$7.48m	4.36%	20.69%
Apples, pears and quinces, fresh	US\$2.86m	1.67%	3.1%
Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried	US\$1.98m	1.16%	146.6%
Petroleum jelly; paraffin wax...	US\$1.64m	0.96%	31.97%
Grapes, fresh or dried	US\$1.4m	0.82%	-10.53%

Source: Quantec (2021)

The top three products of Portuguese origin that were imported to South Africa in 2020 were motor vehicles for the transport of goods (14.3%); original equipment components (12.3%); and motor cars principally designed for the transport of persons (6.5%). Motor cars principally designed for the transport of person recorded the highest average annual growth rate among the top 10 South African imports from Portugal during the past five years.

Figure 16: Top 10 products imported from Portugal to South Africa, 2020

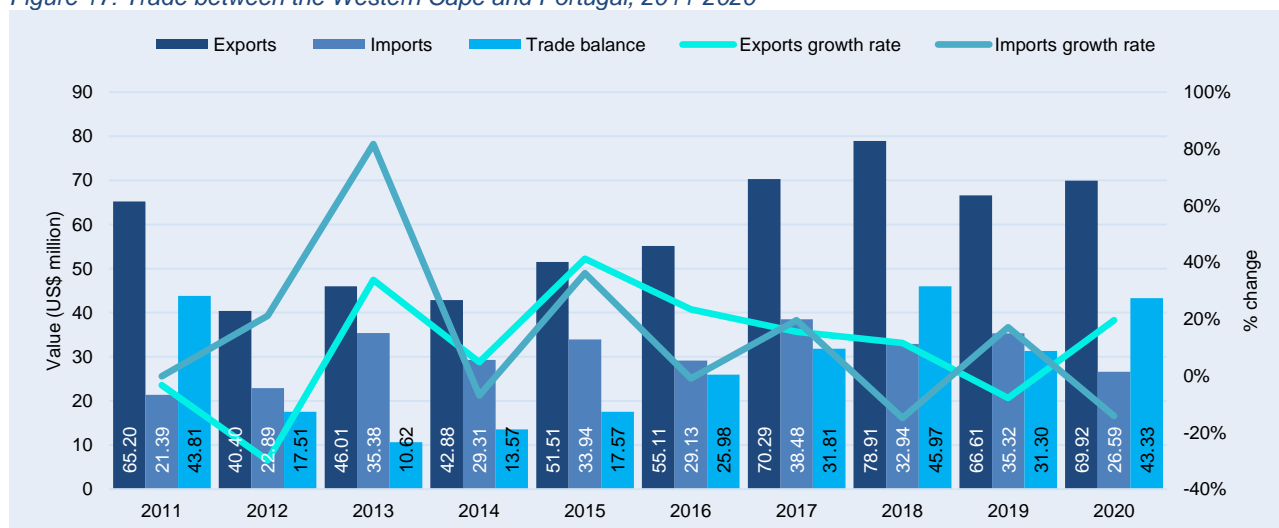
	Value	Share	% growth rate (2016-2020)
Motor vehicles for the transport of goods	US\$32.41m	14.32%	12%
Original equipment components	US\$27.83m	12.29%	42%
Motor cars and other motor vehicles principally designed for the transport of persons	US\$14.73m	6.51%	656,078%
Moulding boxes for metal foundry; mould bases; moulding patterns; moulds for metal	US\$13.15m	5.81%	255%
Sunflower-seed, safflower or cotton-seed oil and fractions thereof	US\$11.85m	5.23%	15,265%
Articles of natural cork	US\$6.58m	2.91%	-5%
Insulated wire, cable and other insulated electric conductors	US\$5.18m	2.29%	5%
Auxiliary plant for use with boilers	US\$4.36m	1.93%	3,984%
Quicklime, slaked lime and hydraulic lime	US\$4.24m	1.87%	20%
Parts and accessories of the motor vehicles	US\$4.07m	1.8%	-17%

Source: Quantec (2021)

3.4 Trade between the Western Cape and Portugal

The Western Cape accounted for about 40% of South Africa's exports to Portugal in 2020. As shown in Figure 17, the province's exports to Portugal exceed its imports from the European nation. After a 7.8% decline in 2019, the Western Cape's exports to Portugal increased by 19.6% in 2020, in spite of the general slowdown in the level of economic activities globally due to the impact of the Covid-19 pandemic. Conversely, the Western Cape's imports from Portugal decreased from US\$35.32 million in 2019 to US\$26.59 million in 2020.

Figure 17: Trade between the Western Cape and Portugal, 2011-2020



Source: Quantec (2021)

The Western Cape exported US\$69.92 million worth of goods to Portugal in 2020, 52.8% of which were citrus fruit. The Western Cape accounted for about 44% of South Africa's exports of citrus fruit to Portugal. Frozen fish (23.6%), and fish fillets (10.8%) completed the list of the top three products exported from the Western Cape to Portugal as shown in Figure 18. Among the top ten products Portugal purchased from the Western Cape, heterocyclic compounds; articles for the conveyance or packing of goods; and prepared or preserved fish recorded the highest average annual growth rate between 2016 and 2020.

Figure 18: Top 10 products exported from the Western Cape to Portugal, 2020

	Value	Share	% growth rate (2016-2020)
Citrus fruit, fresh or dried	US\$36.88m	52.75%	27.4%
Frozen fish, excluding fish fillets and other fish meat	US\$16.5m	23.61%	5.09%
Fish fillets and other fish meat	US\$7.51m	10.75%	14.35%
Apples, pears and quinces, fresh	US\$2.79m	4%	11.87%
Molluscs	US\$1.25m	1.79%	13.57%
Heterocyclic compounds with nitrogen hetero-atom(s) only	US\$0.85m	1.22%	12,760.98%
Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics	US\$0.71m	1.01%	545.96%
Grapes, fresh or dried	US\$0.68m	0.97%	3.14%
Beauty or make-up preparations and preparations for the care of the skin	US\$0.51m	0.73%	20.81%
Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs	US\$0.49m	0.69%	63.7%

Source: Quantec (2021)

Approximately one quarter of products imported from Portugal to the Western Cape in 2020 were articles of natural cork as shown in Figure 10. The second and third most imported products from Portugal by the Western Cape were prepared or preserved tomatoes (10.9%), and other plates, sheets, film, foil and strip.

Figure 19: Top 10 products imported from Portugal to the Western Cape, 2020

	Value	Share	% growth rate (2016-2020)
Articles of natural cork	US\$6.54m	24.59%	-1.78%
Tomatoes prepared or preserved otherwise than by vinegar or acetic acid	US\$2.89m	10.87%	282.29%
Other plates, sheets, film, foil and strip	US\$1.89m	7.12%	46.1%
Bed linen, table linen, toilet linen and kitchen linen	US\$1.17m	4.41%	6.41%
Refrigerators, freezers and other refrigerating or freezing equipment	US\$1.1m	4.12%	5.78%
Guts, bladders and stomachs of animals (other than fish)	US\$1.06m	3.99%	50.25%
Prepared foods obtained by the swelling or roasting of cereals or cereal products; cereals	US\$0.85m	3.19%	19.05%
Stoppers, caps and lids	US\$0.84m	3.17%	6.8%
Bread, pastry, cakes, biscuits and other bakers' wares	US\$0.49m	1.86%	47.13%
Chocolate and other food preparations containing cocoa	US\$0.45m	1.7%	597.26%

Source: Quantec (2021)

4. Foreign Direct Investment

This section analyses inward and outward Foreign Direct Investment (FDI) flows to and from Portugal between January 2011 and October 2021.

4.1 Inward FDI from the rest of the world to Portugal

Between January 2011 and October 2021, Portugal recorded a total number of 908 projects, which generated a total capital expenditure of US\$24.38 billion and created 79 334 jobs. FDI inflows to Portugal totalled US\$4.08 billion in 2020, down 17% compared to the previous year. The number of FDI projects declined from 176 in 2019 to 110 in 2020.

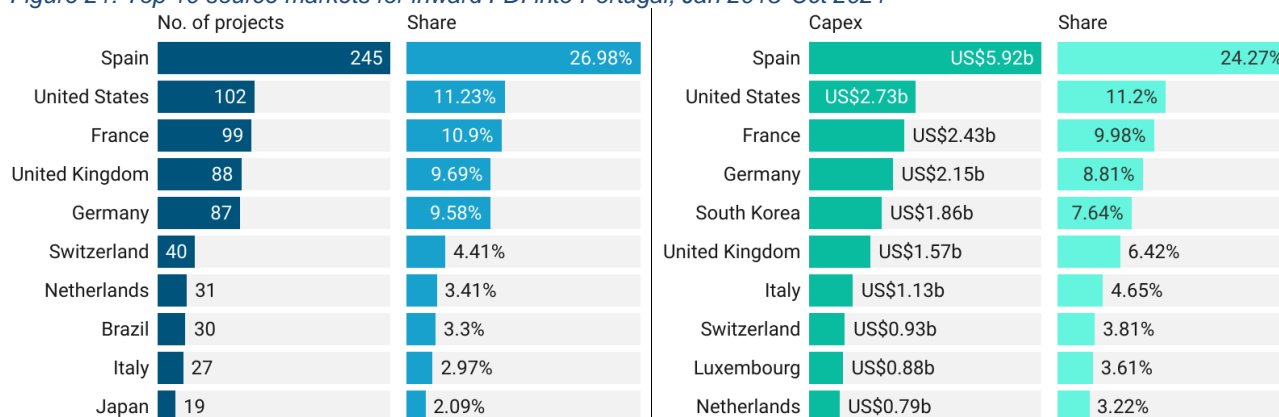
Figure 20: Inward FDI into Portugal, January 2011-October 2021

	No. of projects	Capex	Jobs created
2011	44	US\$1.72b	4067
2012	28	US\$1.27b	2389
2013	60	US\$1.29b	5032
2014	37	US\$0.84b	2776
2015	52	US\$1.3b	4351
2016	66	US\$1.29b	4598
2017	101	US\$1.61b	7450
2018	142	US\$3.8b	15152
2019	176	US\$3.49b	15294
2020	110	US\$4.08b	9598
2021 (Jan-Oct)	92	US\$3.7b	8627

Source: FDI Intelligence (2021)

A significant proportion of Portugal's inward FDI projects originated from Western Europe. Figure 21 contains a list of the top ten countries with investments in Portugal between January 2011 and October 2021. Spain was Portugal's top source market in terms of both the number of FDI projects and capex, with a share of 27% and 24.3% respectively.

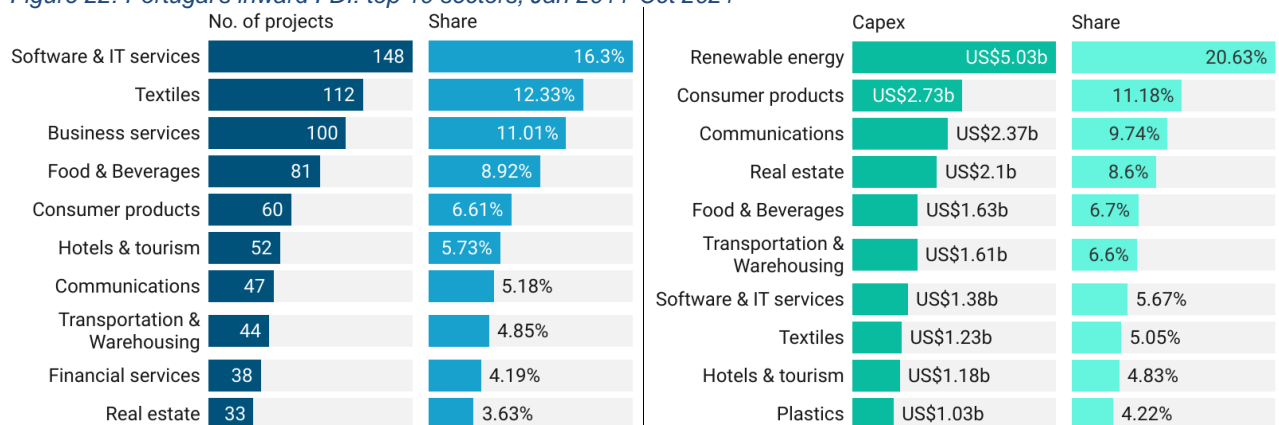
Figure 21: Top 10 source markets for inward FDI into Portugal, Jan 2013-Oct 2021



Source: FDI Intelligence (2021)

As shown in Figure 22, most of the capital inflows to Portugal were destined for the following industries: renewable energy (20.6%); consumer products (11.2%); and communications (9.7%). Similarly, software and IT services (16.3%) and textiles (12.3%) recorded the highest number of inward FDI projects in Portugal between January 2011 and October 2021.

Figure 22: Portugal's inward FDI: top 10 sectors, Jan 2011-Oct 2021



Source: FDI Intelligence (2021)

Table 1 contains the top ten investing companies with the highest number of FDI projects in Portugal between January 2011 and October 2021. Mercadona tops the list with 14 projects, followed by Coviran with 12 projects. The top ten companies accounted for 8.4% of projects. Within the past 12 months, five of the top ten companies have announced projects.

Table 1: Top ten investing companies for inward FDI into Portugal: by project, Jan 2011-Oct 2021

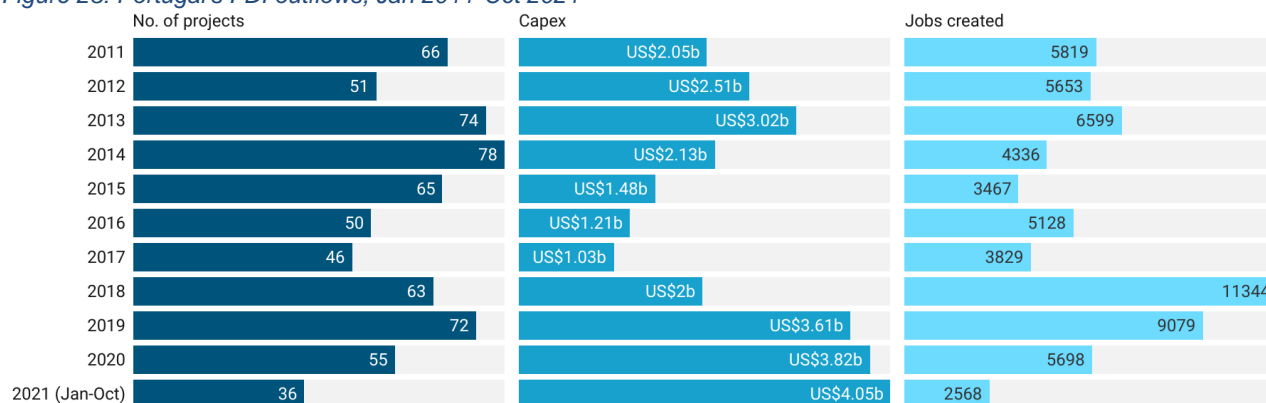
	Company name	No. of projects	Global projects	% of global projects	Projects in last 12 mths
1	Mercadona	14	15	93%	5
2	Coviran	12	12	100%	7
3	Lidl	8	721	1%	1
4	Hanwha Q Cells	7	19	37%	0
5	Intermarche	6	13	46%	1
6	Aldi	6	559	1%	3
7	Primark (Penneys)	6	174	3%	0
8	STEF Iberia	6	8	75%	0
9	Selina	6	85	7%	0
10	Scalpers	5	21	24%	0

Source: FDI Intelligence (2021)

4.2 Outward FDI from Portugal to the rest of the world

Capital outflows from the US to the rest of the world totalled US\$26.91 billion between January 2011 and October 2021. These investments, which were 656 in total, created 63 520 jobs. The number of outward FDI projects also declined by approximately 23.6% in 2020.

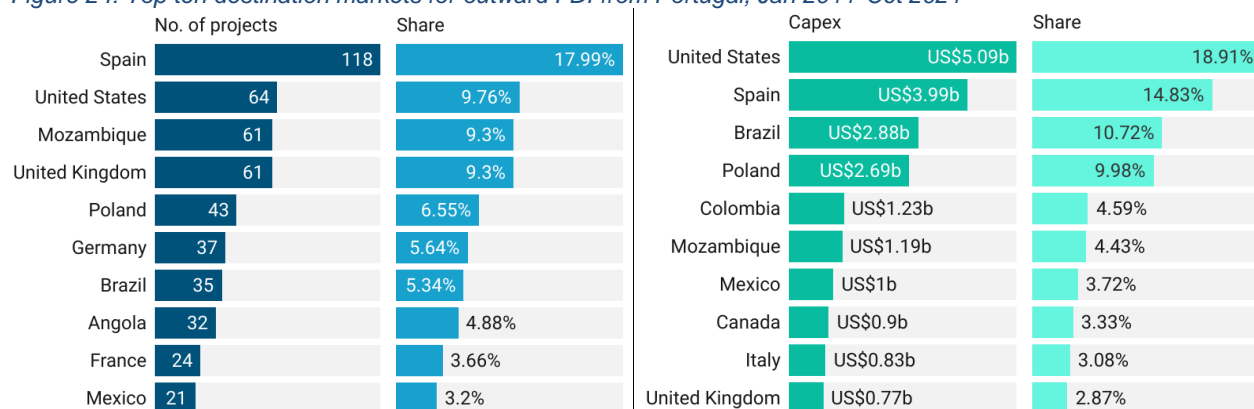
Figure 23: Portugal's FDI outflows, Jan 2011-Oct 2021



Source: FDI Intelligence (2021)

In terms of capex, outward FDI from Portugal was the largest in the United States (18.9%), followed by Spain (14.8%), and Brazil (10.7%) as can be seen from Figure 24. Mozambique and Angola, in 3rd and 8th position respectively, were the only African country that made the list for the top ten destination markets for outflow FDI projects from Portugal. The top two countries that received the highest number of FDI projects from Portugal, during the period under consideration, were Spain (18%) and the United States (9.8%).

Figure 24: Top ten destination markets for outward FDI from Portugal, Jan 2011-Oct 2021



Source: FDI Intelligence (2021)

About half of capex that emanated from Portugal's outward FDI to the rest of the world, between January 2011 and October 2021, were made in the renewable energy industry. In terms of the number of outward FDI projects, financial services (14.5%) were the top industry, followed by software and IT services (13.7%); and renewable energy (11%).

Figure 25: Portugal's FDI outflows: top ten sectors, Jan 2011-Oct 2021

	No. of projects	Share		Capex	Share
Financial services	95	14.48%	Renewable energy	US\$13.54b	50.3%
Software & IT services	90	13.72%	Food & Beverages	US\$2.81b	10.43%
Renewable energy	72	10.98%	Real estate	US\$1.45b	5.37%
Textiles	53	8.08%	Financial services	US\$1.15b	4.27%
Business services	44	6.71%	Building materials	US\$1b	3.73%
Food & Beverages	42	6.4%	Transportation & Warehousing	US\$0.85b	3.16%
Transportation & Warehousing	33	5.03%	Coal, oil & gas	US\$0.76b	2.82%
Consumer electronics	21	3.2%	Hotels & tourism	US\$0.53b	1.98%
Plastics	21	3.2%	Consumer products	US\$0.5b	1.86%
Industrial equipment	19	2.9%	Business services	US\$0.49b	1.82%

Source: FDI Intelligence (2021)

With 26 FDI projects, EDP Renewables tops the list of the leading ten investing companies from Portugal that invested in the rest of the world between January 2011 and October 2021. Biedronka (25 projects), Millenium BIM (20 projects) complete the list of the top five Portuguese companies with the highest number of FDI projects across the globe during the period under review.

Table 2: Top ten investing companies for outward FDI from Portugal: by project Jan 2011-Oct 2021

	Company name	No. of projects	Global projects	% of global projects	Projects in last 12 mths
1	EDP Renewables (EDP Renovaveis)	26	28	93%	8
2	Biedronka	25	31	81%	4
3	Millennium BIM	20	20	100%	0
4	Banco Comercial e de Investimentos	16	16	100%	0
5	Banco de Fomento Angola	14	70	20%	0
6	Sonae Sierra	14	24	58%	0
7	Worten	14	21	67%	0
8	EDP Renewables North America (Horizon Wind Energy)	13	22	59%	6
9	Parfois	12	12	100%	1
10	Jeronimo Martins (JM)	11	21	52%	0

Source: FDI Intelligence (2021)

4.3 FDI flows between South Africa and Portugal

This sub-section focuses on FDI flows between Portugal and South Africa between January 2011 and October 2021.

4.3.1 FDI flows from Portugal to South Africa

Between January 2011 and October 2021, four Portuguese companies invested a total of US\$31.1 million in South Africa, involving 4 projects. These projects led to the creation of 49 jobs. The South African industries that benefited from these projects were financial services, and transportation and warehousing. Two of these projects were undertaken by Transitec, a subsidiary of Mota Engil Group, in Cape Town and Johannesburg.

Table 3: FDI from Portugal to South Africa, Jan 2011-Oct 2021

Month	No. of projects	Capex	Jobs created	Sector	Investing company
Dec 2013	1	10	19	Financial services	Mercantile Bank
May 2015	1	11	14	Transportation & Warehousing	Transitex
Jul 2015	1	11	14	Transportation & Warehousing	Transitex
Apr 2021	1	1	2	Financial services	Caixa Geral de Depositos
Total	4	31	49		

Source: FDI Intelligence (2021)

4.3.2 FDI flows from South Africa to Portugal

There was a total of four FDI projects by companies of South African origin in the Portuguese market between January 2011 and October 2021. These projects were accompanied by a total capital expenditure of US\$55.8 million, 89% of which was by Barloworld Logistics in June 2014. Transportation and warehousing, and software and IT services accounted for two projects each.

Table 4: FDI from South Africa to Portugal, Jan 2011-Oct 2021

Month	No. of projects	Capex (US\$ m)	Jobs created	Sector	Investing company
Jun 2014	2	49.4	102	Transportation & warehousing	Barloworld Logistics
Nov 2020	1	3.2	66	Software & IT services	Flock Eventing Platform
Dec 2020	1	3.2	66	Software & IT services	Peach Bots (FinChatBot)
Total	4	55.8	234		

Source: FDI Intelligence (2021)

4.4 FDI flows between the Western Cape and Portugal

One of the four FDI projects that originated from Portugal to South Africa landed in the Western Cape. No project was recorded in the opposite direction during the period under review. This project, which was in the transportation and warehousing industry by Transitex, represented a capex of US\$10.5 million and created 14 jobs.

Table 5: FDI from Portugal to the Western Cape, Jan 2011-Oct 2021

Month	No. of projects	Capex (US\$ m)	Jobs created	Sector	Investing company
Jul, 2015	1	10.5	14	Transportation & Warehousing	Transitex

Source: FDI Intelligence (2021)

5. Tourism

Key tourism insights obtained from the latest Euromonitor Portugal travel report revealed that the global COVID-19 pandemic led the tourism industry to be hit hard in 2020, and the impact continued into the start of 2021. Recovery in tourism flows, in both volume (number of trips) and value terms, has been slow but a change is visible.

According to the latest tourism report released by South African Tourism (SAT, 2021), global tourism suffered its worst year on record in 2020. A Travel in Portugal report released by Euromonitor states that “2020 was probably the worst year ever for travel agencies. The sales failures were brutal, with months almost without billing and with travel agents having to return what they had already sold. The escalation of the pandemic forced airports, airlines, hotels and travel agencies to adapt. Although better results are expected, 2021 is a year of high uncertainty, with travel agencies needing to adapt their offer to changes in travel restrictions”.

5.1 Portuguese tourist arrivals to South Africa

The graph below depicts tourist arrivals from Portugal into South Africa from 2016 - 2020. A -75.7% decline in Portuguese tourist arrivals was experienced in 2020 due to the impact of the pandemic on international travel.

Figure 26: Portuguese tourist arrivals to South Africa, 2016-2020



Source: South Africa Tourism (2021)

5.2 Purpose of visit to South Africa

In 2020, Portuguese tourists to South Africa primarily travelled for Holidays (40.0%), VFR (26.6%) as well as Meetings, Incentives, Conferences and Events (MICE) (14.8%). Travelers from this country are typically youth, between the ages of 25-34 (37.9%) and 35-44 (25.3%).

5.3 Portuguese tourist arrivals to the Western Cape

The Western Cape saw the strongest volume in Portuguese tourists in 2017 with (18 398) visitors. The table below shows the trends of this market to the province. A decline of (-35.4%) was seen in 2018 followed by a 9.6% increase in 2019, however the impact of the pandemic resulted in the highest decline over the period under review with only 2551 visitors, recording a (-80.4%) drop.

Be that as it may, the Western Cape has consistently recorded the largest share of Portuguese tourists and is followed by Gauteng province.

Figure 27: Portuguese tourist arrivals to the Western Cape, 2016-2021



African Tourism (2021)

Source: South

5.4 Portuguese passenger movement through Cape Town International Airport

According to the latest OAG Traffic Analyzer data, passengers from Portugal who travelled through Cape Town International Airport began to drop in April 2020. The decline followed the nationwide lockdown that started in March 2020, resulting in a sharp downward trend in travel between April and September 2020.

However, no stability has been seen as from the start of the pandemic, arrivals are up and down with no steady figures. When observing movement by month, 2019 passenger levels indicate that February and March were the most popular months for travel from this market and that was the case in 2020 as well as before the effect on travel caused by the pandemic.

In the face of strict global travel restrictions in 2020, an increase in travelers started to reflect in October. The highest share of travelers recorded from this market in South Africa (2020).

Figure 28: Portuguese passenger movement through Cape Town International Airport, Jan 2019 - Sept 2020



Source: OAG Traffic Analyzer (2021)

DISCLAIMER:

Wesgro has taken every effort to ensure that the information in this publication is accurate. We provide said information without representation or warranty whatsoever, whether expressed or implied. It is the responsibility of users of this publication to satisfy themselves of the accuracy of information contained herein. Wesgro cannot be held responsible for the contents of the publication in any way.

© Wesgro, 2021