
XI. PORTUGAL

Some 10 million Portuguese live in an area only slightly bigger than New Brunswick. A relatively poor country, with an estimated per capita GDP of just over US\$3 400 in 1987, Portugal joined the EEC on January 1, 1986. Membership in the Community had long been a Portuguese objective as a key contributor to the country's development efforts and it is expected to reap economic benefits.

The principal urban centres are Lisbon (capital city), Porto (second largest city and prime industrial centre), Coimbra, Setubal, Aveiro, Evora, Faro, Funchal (Madeira) and Ponta Delgade (Azores).

Market Access

As a condition of Portugal's entry into the EEC, a transitional period is in effect in the trade field as tariffs, rules and regulations are brought into line with those of the Community. While EEC membership may affect future market access for some Canadian fisheries and agricultural products, it is expected that access for industrial and manufactured products may in fact improve.

With entry into the EEC the Portuguese system of prior import licensing (to control foreign exchange outflows) and import surcharges has been largely removed. In some specific sectors import licensing continues to provide protection for Portuguese and/or Community products.

Portugal must import a very large portion of its food, raw material, machinery and technology requirements. The country's traditional balance of trade deficits are at least partially offset by earnings from tourism and remittances from Portuguese living and working abroad.

Portuguese imports in 1988 totalled US\$16.8 billion and, by May 1989 imports had reached US\$7 billion. Principal sectors of interest to Portuguese importers are agricultural products (13.5 per cent in 1988), mineral products including petroleum (16.7 per cent), and machinery and transport equipment (37.6 per cent). The market for consumer products had been limited by the imposition of restrictive import practices, including up to 60 per cent import surcharges for luxury items. High-technology products and services is another market which has been developing rapidly in recent years, especially the electronics and communications equipment sectors.