**General Economic Overview – Portugal**

As previously stated, an in-depth exposition of Portugal’s current economic status is key in understanding how this country’s markets operate, both within national borders and in international relations.

**Real GDP and its growth rate**

The starting point of this section is real GDP and its growth rate. Per definition, this notion quantifies the output of a nation unrelated to price variation, so the aggregate value added by the corporate sector through production, in a set time span.   
Referring to the graph provided, a general upward trend can be observed, reflecting an overall robust economic growth through time. Nonetheless, different phases stand out in function of a varying growth rate, notably one of rapid expansion in the late 20th century and one of stabilisation in the current era. Some hypotheses that justify this variation in speed of growth may be rapid industrialisation, expansion of the tertiary sector and integration into the EU, which all in their own way influenced the economic management of the country. Additionally, periods of stagnation and contraction stand out in concomitance with other previously mentioned global externalities like the COVID19 pandemic.

**Employment and Unemployment**

A second focal point to cover when trying to understand Portugal’s economic situation is the rate of unemployment. GDP growth and employment go hand in hand, as job creation is fuelled by the former, despite being a factor in its development.   
Looking into the unemployment rate, or the percentage of the labour force remaining unemployed after a set time, a stable trend emerges, settling between 5% and 10%, up until the 2008-2014 financial market crisis. In this instance, it soared to 16%, only to then settle back in the previous range and later suffer a similar change during the global pandemic. Most recently, current estimates show a rapid rebound of labour participation in 2022 indicating a recovery period, symbol of a growing confidence in the Portuguese job market. Increases in this period can be associated to mismatches between labour demand and supply, either founded on skill requirements or on regional disparities.

**Inflation rates**

The final indicator to take into account is inflation. Despite representing GDP in constant prices and drawing conclusions unrelated to said characteristic’s variation, it remains essential to consider particularly due to its non-linear relationship with unemployment. To truly assess Portugal’s economic standing and relate it to general wellbeing, an analysis on said grounds is unavoidable.   
Inflation, being the growth rate of the consumer price index, is indicative of the variation in price of consumption goods. Referring to the visualisation offered, an outlier stands out in concomitance with the 1970s stagflation event, which raised inflation and unemployment rates globally. Outside this volatile period though, the trend was generally stable, settling between 2% and 3%, due to the application of stabilising economic policies, namely in the Eurozone territory. Another period worth to mention is between 2020 and 2022, where conditions such as the pandemic and geopolitical tensions (particularly due to the Russo-Ukrainian conflict) caused general supply chain disruptions and price fluctuations due to scarcity.

Real GDP, unemployment and inflation rates, and their respective growth are important indicators to consider when evaluating a country’s economic position. Some conclusions that can be drawn from the present data reveal Portugal as a well-established, modern country, with the resources and social infrastructure required to sustain fluid markets. Together with the socio-demographic factors analysed earlier, the current picture presents a nation with structural characteristics that favour the development of a snack market, topic of discussion that will follow.

**Imports and exports**

Another important aspect of Portugal’s economy is its trade dynamics, including imports, exports, and the trade balance. The value of goods imported in Portugal has increased over the years especially in the last few ones, reaching approximately $113.48 billion in 2023. Main import partners are Spain, which accounted for 31% of total imports in 2022, followed by Germany (11%), France (6%), China (5%), and Italy (5%). Exports have also grown, with $83.9 billion worth of goods exported in 2023. Spain remains the top destination for Portugal's exports, receiving 25% of the total goods exported in 2022, followed by France (12%), Germany (11%), but also non-EU markets, such as the United States (7%), and the United Kingdom (5%). Among the top exported food and beverage products, olive oil, port wine, and fresh raspberries stand out, reinforcing Portugal’s strong position in the international market for high-quality agricultural goods. It is therefore evident that snacks, which are the main focus of this analysis, do not rank among the major contributors to the country’s export revenue. Despite this growth in exports, the data highlight a persistent trade deficit, which has widened over the years, reaching around $29.57 billion in 2023, indicating that Portugal’s imports consistently exceed its exports.

**Conclusion**

Overall, Portugal’s economy has shown resilience and recovery capabilities, especially after major downturns, such as the global financial crisis and subsequent Eurozone debt crisis, and the Covid-19 pandemic. However, ongoing challenges include addressing the increasing unemployment rate, managing inflation, and rectifying the persistent trade deficit.

**Real GDP per capita and its growth rate**

Parallel to this, the GDP per capita and its growth rate provide a deeper understanding of how economic growth impacts overall prosperity and living standards. Portugal saw consistent growth in real GDP per capita during the late 1990s, with annual increases averaging around 3-4% from 1995 to 2000, reflecting economic expansion and the benefits of European Union integration. The early 2000s marked a period of slower growth, with GDP per capita growth rates dipping to 0.23% in 2002 and even showing some declines, such as -1.28% in 2003. However, steady improvements resumed in the mid-2000s, peaking at 2.33% in 2007. This positive trend was soon interrupted by the 2008 global financial crisis, which resulted in stagnation and a subsequent decline, leading to a -3.22% drop in 2009. This challenging period extended over several years as the Eurozone debt crisis unfolded, with real GDP per capita shrinking by -3.72% in 2012. From 2014 onwards, there was a more consistent upward trend, peaking at 3.45% in 2017, indicating a period of recovery. In 2019, GDP per capita continued to grow by 2.5%, but the Covid-19 pandemic in 2020 led to a sharp 8.5% contraction as economic activity and individual income levels declined significantly. The economy recovered in 2021, with GDP per capita rising by 5.3%, as restrictions eased and economic activity resumed. This upward trend continued into 2022, with a robust growth rate of 6.4%, but slowed to 1.5% in 2023. This deceleration could indicate a more uneven distribution of economic gains across sectors or regions, but could also reflect the challenges of sustaining rapid post-pandemic recovery among ongoing global economic uncertainties.