

Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S, Kolkata.

Dated : 24/01/2024

India-Portugal Bilateral Relations

A. Introduction

1. Relations between India and Portugal date back over 500 years when the Portuguese explorer Vasco da Gama led a sea-faring expedition to Calicut (Kozhikode) in Kerala in May 1498, making him the first to discover a direct sea route between Europe and India, across the Atlantic Ocean and the African continent. This enabled Portugal to directly access the highly profitable Indian spice market and emerge as a dominant colonial trading power.

2. India's relations with Portugal are warm and friendly. Portugal views India as a vibrant pluralistic democracy, a major world economy, and an ancient civilization with which it has close historical and cultural ties. Portugal has supported India's permanent membership in the United Nations Security Council (UNSC) and the Nuclear Suppliers Group.

B. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures

3. As per Indian Trade Classifications Portugal falls under Region 16 (EU) as a trading country partner. As per latest compiled and available statistics with DGCI&S, India's Exports to Portugal from April'23-Jan'24 stands at USD 0.79 billion and India's imports from Portugal stands at USD 0.12 billion with a resultant trade balance surplus of 0.67 billion US Dollar.

4. There has been growth in economic and commercial relations between India and Portugal in recent years, especially in areas such as Textiles and apparel, Machinery and appliances, Vehicle and Transport materials etc. An account of Bilateral commodities trade in goods from 2018-19 to 2022-23 are as under:

Export-Import statistics as per India's Ministry of Commerce data bank from 2018-19 to 2022-23 are as follows :

Export-Import statistics from 2018-19 to 2022-23

(US Dollar million)

S.No		2018-19	2019-20	2020-21	2021-22	2022-23
1.	Export	743.27	744.79	837.14	1191.80	1005.41
2.	Import	132.83	141.82	113.96	164.54	196.10
3.	Total Trade	876.10	886.60	951.10	1356.34	1201.51

(Source: Doc, Ministry of Commerce & Industry)

Major Indian exports to Portugal: Textiles and apparel including ready-made garments; agriculture products; metals; chemicals; plastic and rubber; footwear; machinery and appliances; leather and its articles; vehicles and transport materials.

Major Portuguese exports to India: Machinery and appliances; metals; minerals; plastic and rubber; chemicals; textiles and apparel; paper and pulp; wood and cork; optical and precision instruments.

5. Portugal ranks 51st in Foreign Direct Investment (FDI) into India with total cumulative FDI equity inflows from 2000-2022 worth US\$ 120.91 million (DPIIT; June 2022). Major Portuguese companies present in India include Visabeira, Vision Box (technology company), Portind Shoe Accessories (ancillary of the Portuguese footwear manufacturer Soprefa); Martifer (metals); Efacec (industrial machinery, equipment and tools); and the Petrotec Group (retail petroleum and oil distribution industry).

6. Indian investments in Portugal are estimated to be in the range of up to US\$ 450 million. Major Indian companies include Generis (part of the Aurobindo Pharma Group), the MGM Group (hotels), the Sugee Group (real estate) as well as Mahindra. WIPRO, HCL, TCS and Zomato.

7. Potential areas for Portuguese companies in India include Infrastructure & Construction, Renewable Energy (especially solar and wind power), Footwear, Textiles, Tourism & Hospitality, Defence & Aerospace, IT & Electronics, Water & Waste Management, Startups, Agriculture & Food Processing. The Portugal-India Business Hub (PIB Hub), a diaspora initiative has been established for supporting bilateral business initiatives.

C. Other Major Areas of Cooperation :

- On 12 October 2022, India and Portugal held the third round of Foreign Office Consultations (FOCs) in Lisbon to review bilateral relations and discuss cooperation in areas like joint efforts in multilateral fora, trade, defence, education, air connectivity, migration, climate action, people-to-people interactions, science and technology and cultural ties.
- India and Portugal have actively supported each other for various candidatures at the United Nations and other multilateral forums, including for UNSC non- permanent seats (India in 2021-22 and Portugal for 2027-28).
- India and Portugal signed the MoU in defence cooperation. Both sides have regularly exchanged delegations and participated in defence expos.

Source: [Prepared based on MEA's November, 2022 Report.](#)