

A Strategic Economic Dialogue: Portugal–Ukraine Fact Sheet

For Portugal, Ukraine is a key supplier of grain and oilseeds – maize, wheat, rapeseed, and sunflower oil – that underpin its livestock and food processing industries. In return, Portugal has emerged as a supplier of dual-use defence equipment: since 2022, telecommunications and optical instruments have topped the export ranking.

With nearly 59,000 Ukrainian temporary protection holders – 71% of working age – Ukraine is now the fourth-largest foreign community in Portugal, representing a structural labour market asset for a country facing demographic decline. The 2024 security agreement and the upcoming third meeting of the bilateral Joint Commission signal that economic ties are entering a more strategic phase, with defence, renewable energy, pharmaceuticals, and infrastructure reconstruction as priority areas for deeper cooperation.

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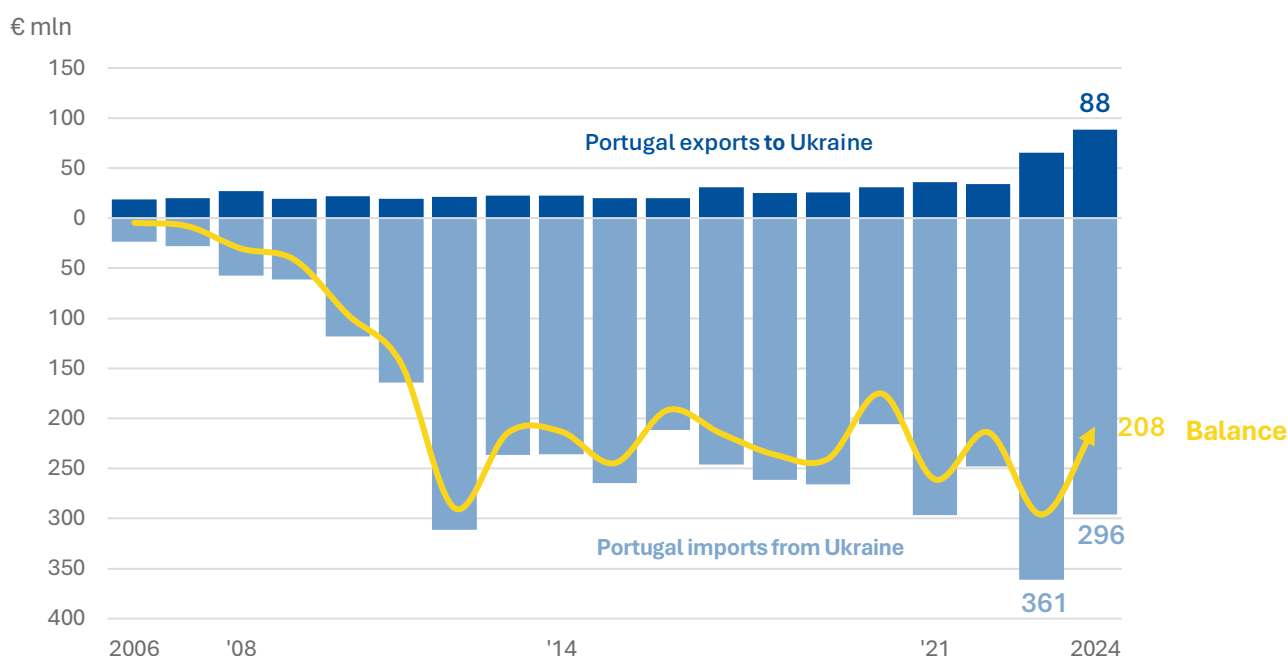
23 June 2026

MOVEMENT OF GOODS

Portugal consistently imports more from Ukraine than it exports to the country. This trade deficit persisted even after the start of the full-scale invasion in 2022. In 2024, the deficit stood at €208 mln: Portugal imported €296 mln worth of goods from Ukraine and exported €88 mln worth. The peak negative balance was recorded in 2023 (€296 mln). Notably, even at the start of the invasion in 2022, Portuguese imports from Ukraine did not decline and remained at €248 mln (Figure 1). Despite this, Ukraine remains a minor partner in Portugal’s overall trade structure, accounting for only 1.12% of Portuguese extra-EU imports and 0.40% of its extra-EU exports.

Figure 1. Trade in goods between Portugal and Ukraine in 2006-2024, € mln

Portugal imports far more from Ukraine than it exports

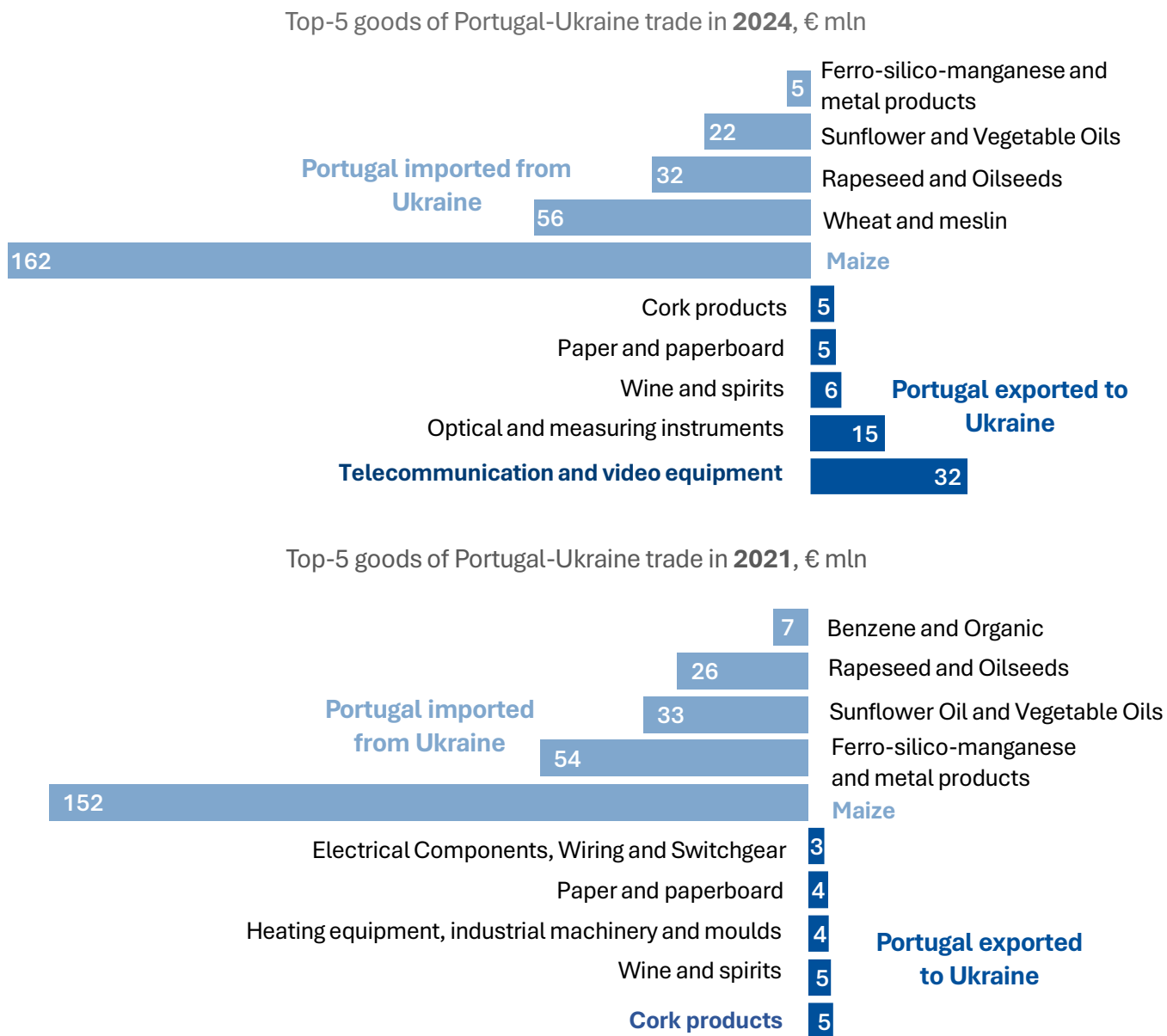


Source: ITC, CES calculations

The import structure has remained relatively stable between 2021 and 2024, with agricultural products dominating in both 2021 and 2024. Maize retained its position as the leading category (51% of imports in 2021 and 55% in 2024), whilst the most notable structural shift was the near-disappearance of ferro-silico-manganese – the second-largest import category in 2021 – due to the destruction of Ukraine's ferroalloy industry. Wheat and meslin entered the top five in 2024, a category absent from the 2021 ranking (Figure 2).

The export structure underwent a more fundamental transformation. In 2021, Portuguese exports to Ukraine were concentrated in traditional product categories: cork, wine, and industrial equipment. By 2024, two entirely new categories topped the ranking – telecommunications and video equipment and optical and measuring instruments – together accounting for over 53% of total exports, a combination absent from the top five just four years earlier. Traditional categories – wine, cork products, and paper and paperboard – have maintained their presence in the top five, albeit at a reduced relative share.

Figure 2. Top-5 goods in Portugal–Ukraine bilateral trade in 2024 and 2021, € mln



Source: ITC, CES calculations

Maize dominates Portuguese imports from Ukraine – €162 mln in 2024 and €152 mln in 2021 – driven by the livestock sector's structural dependence on Ukrainian grain. [95% of maize consumed in Portugal](#) goes to poultry and pig feed – a sector that is [the single largest sub-sector of Portugal's food industry](#), accounting for 21.3% of total food industry sales. Portugal produces [only 17.9% of its own cereal needs](#), making the country heavily reliant on imports. Ukraine has consolidated its position as the single largest maize supplier to Portugal – [its share of total Portuguese maize imports](#) grew from 35.2% in 2021 to 41.6% in 2024, despite the war.

Wheat and meslin (€56 mln, 18.9% of imports in 2024) entered the top five only in 2024. Portugal [covers just 5% of its domestic wheat demand](#) through local production, relying almost entirely on imports for its flour milling industry and animal feed.

Rapeseed and oilseeds (€32 mln in 2024, up from €26 mln in 2021) and sunflower and other vegetable oils (€22 mln, down from €33 mln in 2021) both feed into Portugal's established oilseed processing industry. Three major companies operate in the Lisbon area – [Sovena Oilseeds Portugal](#), which refines rapeseed, soybean, and sunflower oils and produces biodiesel; [Iberol](#), which processes soybeans and rapeseed into animal feed and biodiesel; and [Biovegetal](#), focused on biodiesel from rapeseed and soybean oil. Sunflower is [Sovena's primary commodity](#), refined for the food industry and margarine production. Ukraine's dominance in these markets is striking: it supplies [94.9% of all sunflower oil](#) imported into the EU overall and accounts for 41.0% of the EU market for processed rapeseed oil.

The near-disappearance of ferro-silico-manganese – from €54 mln (18% of imports) in 2021 to just €5 mln (1.6%) in 2024 – is one of the clearest illustrations of how the war has reshaped bilateral trade. Plant utilisation rates [fell from 30% in 2022 to 9% by September 2023](#), and in November 2023, three key plants – Nikopol (the largest in Europe, 1.2 mln t/year), Zaporizhzhia (400,000 t/year), and the Marganets Mining and Processing Plant – shut down completely due to hostilities, rising electricity tariffs, and logistical constraints. Ukraine's ferroalloy exports [fell by 48.5%](#) compared to pre-war 2021 already in 2023, and by a further 77.5% in 2024.

Telecommunications and video equipment (€32 mln, 36%) and optical and measuring instruments (€15 mln, 17%) have emerged as the dominant Portuguese export to Ukraine – together accounting for over 53% of total exports in 2024, a combination absent from the top five four years earlier. Portugal alone accounts for 23% of Ukraine's total telecom and video equipment imports. These categories encompass video cameras, aeronautical navigation instruments, and optical devices – components associated with drone systems – pointing to Portugal's qualitatively new role as a supplier of dual-use equipment. The key company in this segment is Tekever, a Portuguese unicorn [valued at €1.2 billion](#), which has been supplying AR3 and AR5 reconnaissance drones to the Ukrainian Armed Forces since 2022 and [opened an office in Ukraine](#) in April 2025.

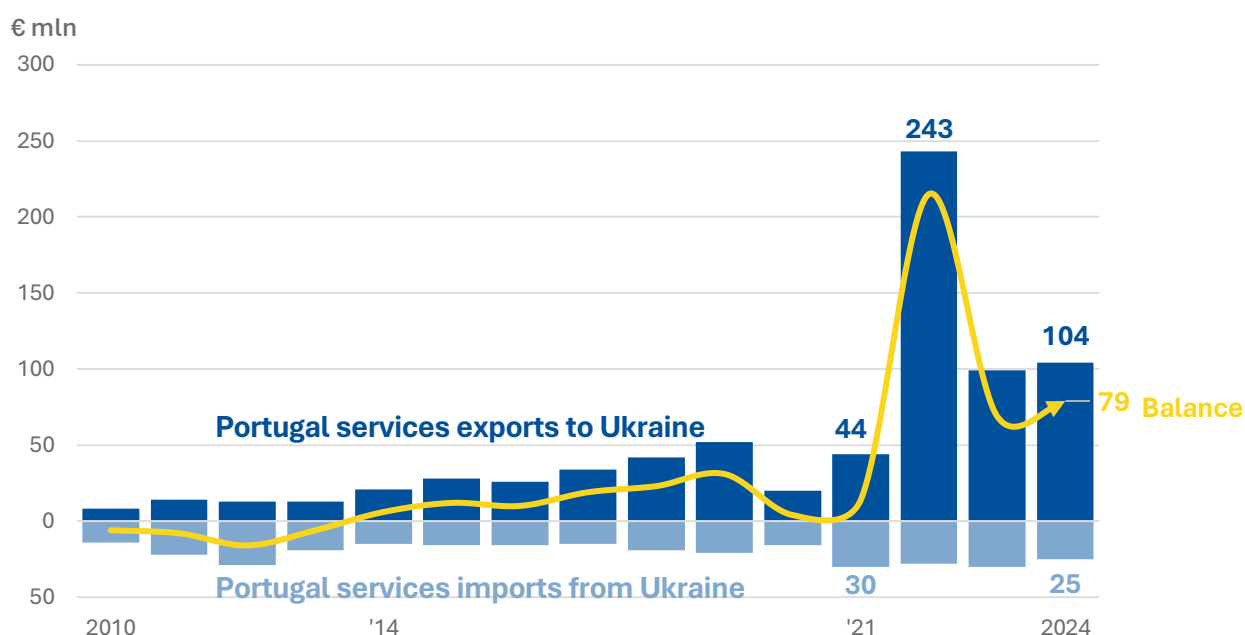
Wine and spirits (€6 mln), cork products (€5 mln), and paper and paperboard (€5 mln) have maintained their presence in the top five in both years, reflecting Portugal's traditional export strengths. Portugal holds an exceptional global position in cork: [Corticeira Amorim](#) – founded in 1870 – is the world's largest cork processing company with sales of €986 mln in 2023. Overall, Portugal accounts for [approximately 59.4% of global cork product exports](#). In paper sector, [The Navigator Company](#) is the largest producer of uncoated wood-free paper in Europe and Portugal's third-largest exporter by volume, with revenue of €1.95 billion in 2023. Ukraine is a small but stable market for all three categories.

MOVEMENT OF SERVICES

Until 2021, Portugal imported more services from Ukraine than it exported – though the gap had been narrowing since 2014, with Portugal's surplus reaching €31 mln in 2019 (Figure 3). The full-scale invasion triggered a dramatic change: in 2022, Portuguese service exports surged more than fivefold to €243 mln, generating a surplus of €215 mln – driven primarily by the sharp rise in spending by newly arrived Ukrainian refugees in Portugal. By 2023–2024, the surplus [stabilised at €69–79 mln](#) – well above pre-war levels.

Figure 3. Trade in services between Portugal and Ukraine, € mln

Portugal's services surplus with Ukraine surged after 2022



Source: Eurostat, CES calculations

Travel has consistently dominated Portugal's service exports to Ukraine. [Personal travel accounted for 55–63%](#) of Portugal's total service exports to Ukraine in 2015–2021, reflecting a consistently high flow of Ukrainian labour migrants and tourists to Portugal even before the invasion. Business travel included Ukraine's growing presence at Web Summit in Lisbon: the first Ukrainian pavilion appeared in 2021, and in 2022 the delegation grew to [70 companies and startups with 30,000 pavilion visitors](#), with delegations continuing in [2023–2024](#). After 2022, personal travel surged to [71–74% of total service exports](#) – now driven primarily by refugee spending.

On the Ukrainian side, IT and telecommunications have been the largest and most stable category – [consistently around 27%](#) of Ukraine's service exports to Portugal throughout 2015–2024. This reflects the broader strength of Ukraine's IT sector, whose [total service exports reached \\$6.45 billion in 2024](#). In Portugal, Ukrainian IT companies have established a direct presence: [Intellias](#) opened offices in Lisbon and Porto in 2022, growing to over 100 engineers; [Sigma Software](#) operates two offices in the Lisbon area – in Cascais since March 2022 and in Lisbon since July 2022. Transport services account for a further 18% of Ukraine's service exports to Portugal – mainly road and ground transport, with a sea component that spiked in 2022 and has since fallen sharply.

Despite the post-2022 growth, Ukraine remains a peripheral partner in Portugal's overall services trade: it accounts for only 0.23% of Portugal's extra-EU service imports and 0.41% of its extra-EU service exports.

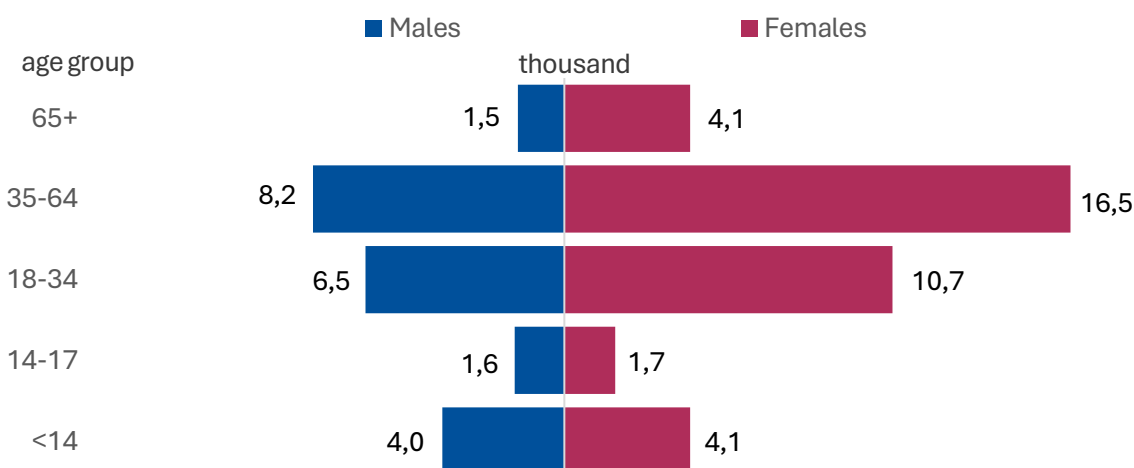
MOVEMENT OF PERSONS

Ukraine ranks 4th among the largest foreign communities in Portugal, with [79,232 Ukrainian citizens as of 2024](#), of whom 55,245 were under temporary protection. Ukrainians began arriving in the late 1990s, drawn by Portugal's strong labour demand in construction, agriculture, and elderly care. By 2008, the community of Ukrainian nationals with residence permits had grown to a peak of [52,494 – 11.9% of all foreigners in the country](#), before declining gradually as many acquired Portuguese citizenship or permanent residence. By 2025, [18 Ukrainian associations](#) were active in Portugal – 12 pre-war cultural centres, youth unions, and social organisations founded by the first wave of labour migrants, and 6 new bodies created after 2022 to provide humanitarian support and assist newly arrived refugees.

Since the start of temporary protection (March 2022: 23,930 people), the number of beneficiaries has [grown steadily](#) – to 50,750 in December 2023 and 59,015 in December 2025. With 71% of all holders of working age (Figure 4), the Ukrainian community represents a potential labour resource for a country facing deepening demographic pressure: [Portugal's working-age population is projected to decline significantly](#) over the coming decades, with the share of those aged 65 and over rising from [25% to close to 34% by the late 2040s](#). Labour shortages are already pronounced, particularly in [healthcare, metalworking, and IT](#).

Figure 4. Gender and age groups of Ukrainians under temporary protection in Portugal in 2025, thousands

Most Ukrainians in Portugal are women and kids



Source: Eurostat

Portuguese is among the least widely spoken languages in the Ukrainian community in Europe, making language the primary barrier to integration. The Portuguese government's ["Portugal for Ukraine" programme](#) – combining a job database, employment centre registration, and language courses – provided integration support for Ukrainian refugees; [approximately 12,500](#) Ukrainian temporary protection holders had entered the labour market in Portugal by 2023, predominantly in construction, cleaning, and agriculture. The corporate sector has also engaged: Galp – Portugal's largest oil and gas

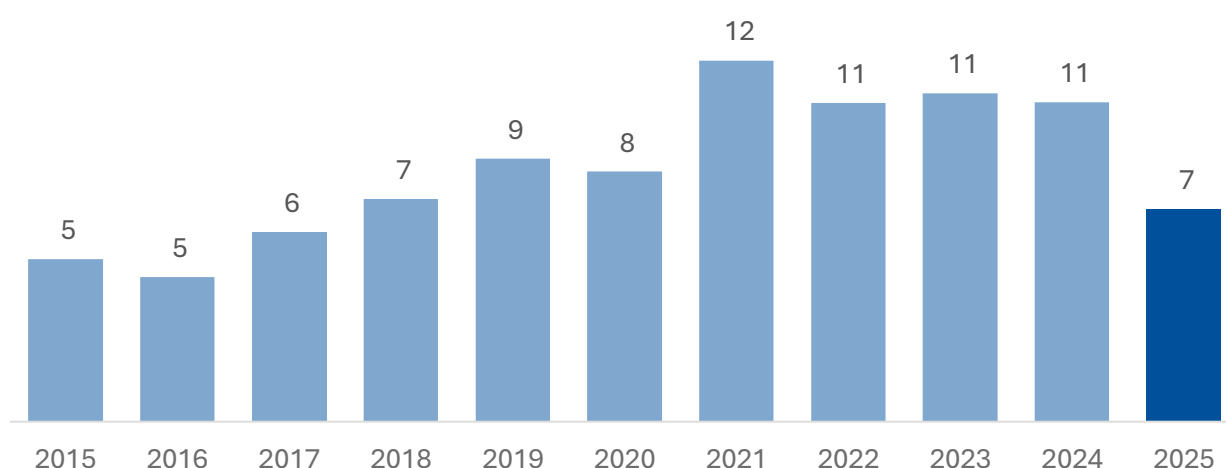
company – [allocated €6.5 mln](#) to support Ukrainian refugees in 2022, including 12-month paid internships for professionals in engineering, IT, and finance.

MOVEMENT OF CAPITAL

Portugal's direct investment in Ukraine remains small – €5–12 mln per year between 2015 and 2024, falling to €7 mln in 2025 (Figure 5). To put this into context: [Portugal's cumulative outward FDI](#) stood at €78.6 billion (26% of GDP) at the end of 2025, with an annual flow of €6.7 billion directed primarily to the Netherlands, Spain, and France. Portugal is an active foreign investor, but these resources are concentrated in developed neighbouring markets – Ukraine does not feature in this geography, and its share of total Portuguese FDI abroad is less than 0.01%.

Figure 5. Portugal's FDI stocks in Ukraine, EUR mln

Portugal FDI stocks in Ukraine declined to €7 mln in 2025



Source: [National Bank of Ukraine](#)

Despite modest FDI figures, several Portuguese companies have a tangible presence in Ukraine. [Metalgalva](#) – one of Europe's leading manufacturers of metal structures for lighting, renewable energy, and telecommunications – operates a production facility in Ukraine as part of a wider network of 16 industrial sites across 15 countries, supplying infrastructure components to the energy and transport sectors. [Heliflex Tubos e Mangueiras](#) – a manufacturer of polymer pipes and hoses with over 16 mln metres of annual production capacity – supplies the Ukrainian market through its local subsidiary Heliflex East Europe Ltd. [Fapomed](#) – a producer of single-use surgical gowns – has been running a production facility in Rivne region since 2010, manufacturing medical textiles for the healthcare sector.

The bilateral institutional framework rests on the Agreement on Economic Cooperation (2017), the Agreement on the Promotion and Reciprocal Protection of Investments (2003), and the Convention for the Avoidance of Double Taxation (2002), with the Ukrainian-Portuguese Joint Commission on Economic Cooperation serving as the main coordinating mechanism. The Commission has met twice since its establishment – in Kyiv (2009) and Lisbon (2018). A third meeting and accompanying business forum are scheduled for autumn 2026 in Lisbon, bringing together the ministers of economy of both countries and Portuguese and Ukrainian business representatives for the first time in years.

In late 2024, [AICEP Portugal Global](#) – Portugal's investment and trade promotion agency – [conducted a training programme](#) for UkraineInvest staff, concluding with a joint sectoral roundtable on agri-food processing with the participation of industry associations PortugalFoods and Produtech – an early practical step towards translating the bilateral institutional framework into concrete sectoral cooperation.

The [security agreement signed in May 2024](#) committed Portugal to €126 mln in military support and formally extended the cooperation agenda to reconstruction. During Portuguese Prime Minister Luís Montenegro's visit to Kyiv in December 2025, both countries [signed a strategic partnership](#) for the co-production of Magura unmanned surface vehicles – combat-proven naval drones that have sunk multiple Russian warships.

On the civilian side, the Portuguese state-owned Construção Pública signed a memorandum with the Zhytomyr City Council on school rebuilding in February 2024, with the project currently in the design and preparation phase; smaller initiatives in 2025 included the creation of ["School of Superheroes" educational centres](#) in Chernihiv and Cherkasy and a solar-powered traffic light project in Lviv by Portuguese company C2C-NewCap.

[Priority areas for deeper cooperation](#) include mechanical engineering, defence, pharmaceuticals, renewable energy, digitalisation, and infrastructure reconstruction, where Portugal's industrial capabilities complement Ukraine's recovery needs.

IMPLICATIONS FOR INTEGRATION POLICY AND STRATEGIC BILATERAL DIALOG

The Portugal–Ukraine economic partnership is structurally asymmetric: Ukraine supplies Portugal with the agricultural commodities – maize, wheat, rapeseed, and sunflower oil – that underpin its food industry, whilst Portugal has emerged as a supplier of dual-use and defence equipment to Ukraine, most visibly through Tekever's reconnaissance drones and the broader category of optical and navigation instruments. The security agreement of May 2024 and the December 2025 Magura drone co-production partnership suggest this defence-technology axis is deepening and could draw in a wider range of Portuguese defence-tech companies.

Portugal's established oilseed processing capacity – Sovena, Iberol, Biovegetal – currently relies on Ukrainian raw materials, but deeper integration along the value chain remains largely unexplored. The 2024 AICEP–UkraineInvest roundtable on agri-food processing points to growing mutual interest in moving beyond commodity trade towards joint processing ventures.

The presence of over 59,000 Ukrainian temporary protection holders – 71% of working age – represents a structural asset for a country facing demographic decline. Targeted programmes for qualification recognition and skills retraining could translate this potential into a genuine competitive advantage, particularly in healthcare, construction, and IT where shortages are already pronounced.

The institutional foundation – the Joint Commission, the security agreement, and the growing engagement between AICEP and UkraineInvest – is now in place. What remains is to translate it into concrete

investment projects – in defence, mechanical engineering, renewable energy, pharmaceuticals, digitalisation, and infrastructure reconstruction, where Portuguese industrial capabilities and Ukraine's recovery needs are most complementary.

The Centre for Economic Strategy (CES) is an independent centre for state policy research. CES is tasked with supporting reforms in Ukraine to achieve sustainable economic growth in the country. The Centre contributes to the development of Ukraine's economic growth strategy, analyses the most important aspects of public policies, and works to strengthen public support for reforms. It was founded in May 2015.

For more information about CES, please contact our Director of Communications, Viacheslav Nozdrin - viacheslav.nozdrin@ces.org.ua. We also invite you to visit our website.
