

# cork.

**Information Bureau | 2019**

**Cork Sector in Numbers**





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## THE CORK OAK FOREST (MONTADO)

The cork oak forest is responsible for making a very important contribution to the economy and the ecology of several Mediterranean countries, occupying a worldwide area of 2,139,942 hectares (table 1). Based on geographic distribution, Portugal concentrates about 34% of the world's acreage, which corresponds to an area larger than 736,000 hectares, around 23% of the country's woodlands (table 2), thus the cork oak represents the dominant species in Portugal.

### Area of Cork Oak Forest

**Table 1 – Area of Cork oak forest**

Country	Area (hectares)	Percentage
<b>Portugal</b>	<b>736.775</b>	<b>34</b>
Spain	574.248	27
Morocco	383.120	18
Algeria	230.000	11
Tunisia	85.771	4
France	65.228	3
Italy	64.800	3
<b>Total</b>	<b>2.139.942</b>	<b>100</b>

Source: Portugal: IFN6, 2013; Spain: MARM, 2007; Italy: FAO, 2005; France: IM Liège, 2005; Marocco: HCEF Maroc, 2011; Algeria: EFI, 2009; Tunisia: Ben Jamaa, 2011

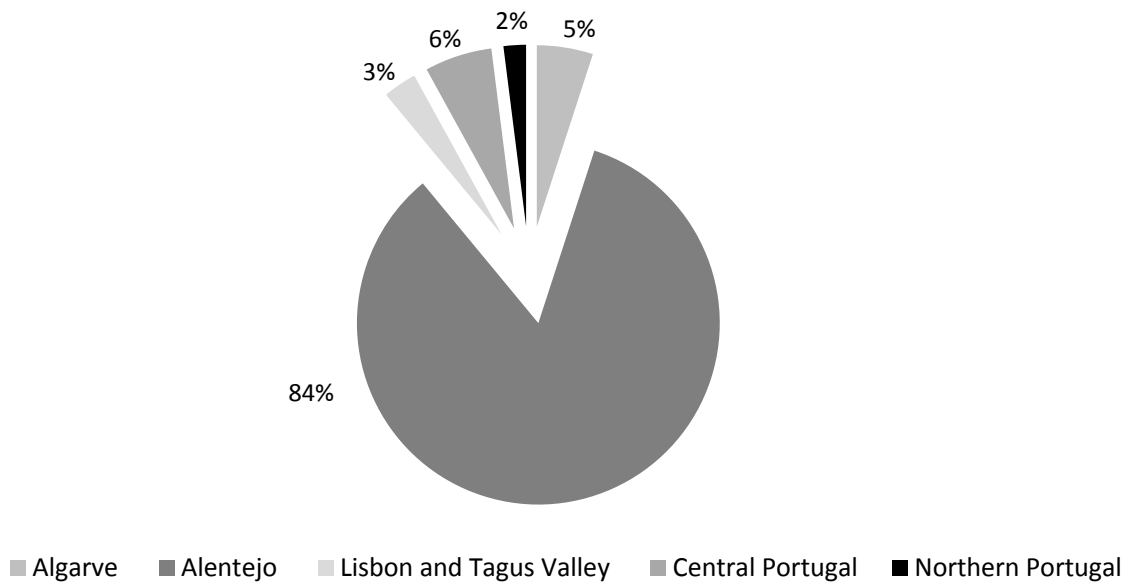
**Table 2 – Forest Species in Portugal**

Distribution of forest acreages by species (ha)					
Year	1995/8	2005/6	2010	2010%	Change 1995 – 2010 (%)
Eucalyptus	717.246	785.762	811.943	26%	13%
<b>Cork oak</b>	<b>746.828</b>	<b>731.099</b>	<b>736.775</b>	<b>23%</b>	<b>-1%</b>
Pine tree	977.883	795.489	714.445	23%	-27%
Holm oak	366.687	334.980	331.179	11%	-10%
Oak	91.897	66.016	67.116	2%	-27%
Stone Pine	120.129	172.791	175.742	6%	46%
Chestnut tree	32.633	38.334	41.410	1%	27%
Carob trees	12.278	12.203	11.803		-4%
Acacia	2.701	4.726	5.351	6%	98%
Various deciduous woods	155.187	169.390	177.767		15%
Various resinous trees	61.340	73.442	73.217	2%	19%
<b>Total</b>	<b>3.284.809</b>	<b>3.174,9</b>		<b>100%</b>	

Source: National Forestry Inventory (IFN6) Year: 2013

In Portugal, the largest concentration of cork oak forest can be found in the Alentejo (84%), with Central Portugal in second position at 6 per cent (chart 1).

**Chart 1 - Cork Oak Forest (Montado) area in Portugal by region in %**



Source: Directorate-General of Forest Resources (DGRF) – National Forestry Inventory (IFN) Year: 2006

**Cork Production**

In terms of global production, 2010 figures exceeded 200,000 tons, with 49,6% originating from Portugal (100,000 tons per year – table 3), reinforcing Portuguese leadership of the sector.

**Table 3 – Cork Production**

Country	Average anual production (ton) *	Percentage
<b>Portugal</b>	<b>100,000</b>	<b>49.6%</b>
Spain	61,504	30.5%
Morocco	11,686	5.8%
Argelia	9,915	4.9%
Tunisia	6,962	3.5%
Italy	6,161	3.1%
France	5,200	2.6%
<b>Total</b>	<b>201,428</b>	<b>100.0%</b>

Source: Portugal: FAO, 2010; Spain: FAO, 2010; Italy: FAO, 2010; France: FAO, 2010; Morocco: FAO, 2010; Algeria: FAO, 2010; Tunisia: FAO, 2010

## INDUSTRY

### Business fabric

The cork industry is divided over several districts, but the district of Aveiro has the largest share with 80 percent of the total. There are approximately 670 companies operating in the cork industry in Portugal, producing about 40 million cork stoppers per day (35 million of them in the north of the country), and they employ about eight thousand and three hundred workers (Source: Ministry of Labour and Social Solidarity – 2016).

### Main activities

The main production activities are Preparation, Manufacture – production of stoppers, Agglomeration and Granulation.

It is estimated that the cork arriving to the production process has in average the following applications:

Distribution of cork by the various applications (at the moment it enters the production process)	30 % Thin Cork Bark	40 % Disks
		60 % Blocks
Average values	25 % By-product	
	5 % Pieces	
	40 % Stoppers	

Source: APCOR

### International Cork Market

Portugal is the world leader of the cork sector in terms of exports. It had a market share of 62,4 percent in 2017 (table 4), followed by Spain with 18,5 percent. Total world exports in 2017 were EUR 1,578.2 million, which means an increase of 5% compared to 2016, equivalent to more than EUR 80.1 million.

**Table 4 – World cork exports - 2017**

Exporter countries	Million €	Market share (%)
<b>Mundo</b>	1.4578,2	100,0%
<b>Portugal*</b>	<b>985.2</b>	<b>62,4%</b>
Spain	292.9	18,6%
France	80.3	5,1%
Italy	41.8	2,6%
Germany	21.9	1,9%
EUA	18.8	1,4%
China	20,2	1,2%
Morocco	14.2	0,9%
Chile	9.6	0,6%
Austria	7.3	0,5%
Others	76.5	4,8%

Source: International Trade Centre (ITC) \* The values for Portugal in the ITC database are slightly different to those of the Portuguese Statistics Institute (INE). For reasons of technical consistency, and because the main objective of this analysis is to

determine the overall value of exports and the main exporting countries, it was decided to maintain the values for Portugal of the ITC.

Portugal is also the world's third largest importer of cork, which is processed and subsequently exported as end consumption products, with a share of 10,8 percent, equivalent to EUR 170,7 million (table 5).

**Table 5 – World cork imports – 2017**

Importer countries	Million €	Market share (%)
World	1,612.6	100,0%
France	260.9	15,8%
EUA	240.8	15,3%
<b>Portugal*</b>	<b>170.7</b>	<b>10,8%</b>
Italy	169.8	10,8%
Spain	132.6	8,4%
Germany	100.3	6,4%
Russia	42.2	2,7%
China	34.8	2,2%
United Kingdom	34.2	2,2%
Argentina	30.6	1,9%
Others	395.7	22,8%

Source: International Trade Centre \* The values for Portugal in the ITC database are slightly different to those of the Portuguese Statistics Institute (INE). For reasons of technical consistency, and because the main objective of this analysis is to determine the overall value of imports and the main importing countries, it was decided to maintain the values for Portugal of the ITC.

## DOMESTIC CORK MARKET

### Cork in Forest Industries

Portuguese forests, beyond their inescapable environmental value, have an undeniable economic and social importance, representing:

- 7.6 thousand companies, namely, 2% of the total companies in Portugal;
- 3% of turnover and 3% of the number of persons employed;
- cork represents 0.2% of the no. of companies in the forest sector, 0.4% of the turnover and 0.3% of the number of persons employed.

In 2016, considering the composition of the Wood, Cork and Paper sectors by segments of economic activity, it was also observed that cork represents:

- 16,6% of turnover in these industries;
- 10,9% of the number of companies;
- 12,4% of the number of persons employed.

It is in the area of exports that the sector stands out the most in this group of industries, accounting for 70 percent of turnover and 65 percent of the number of persons employed involved in the export

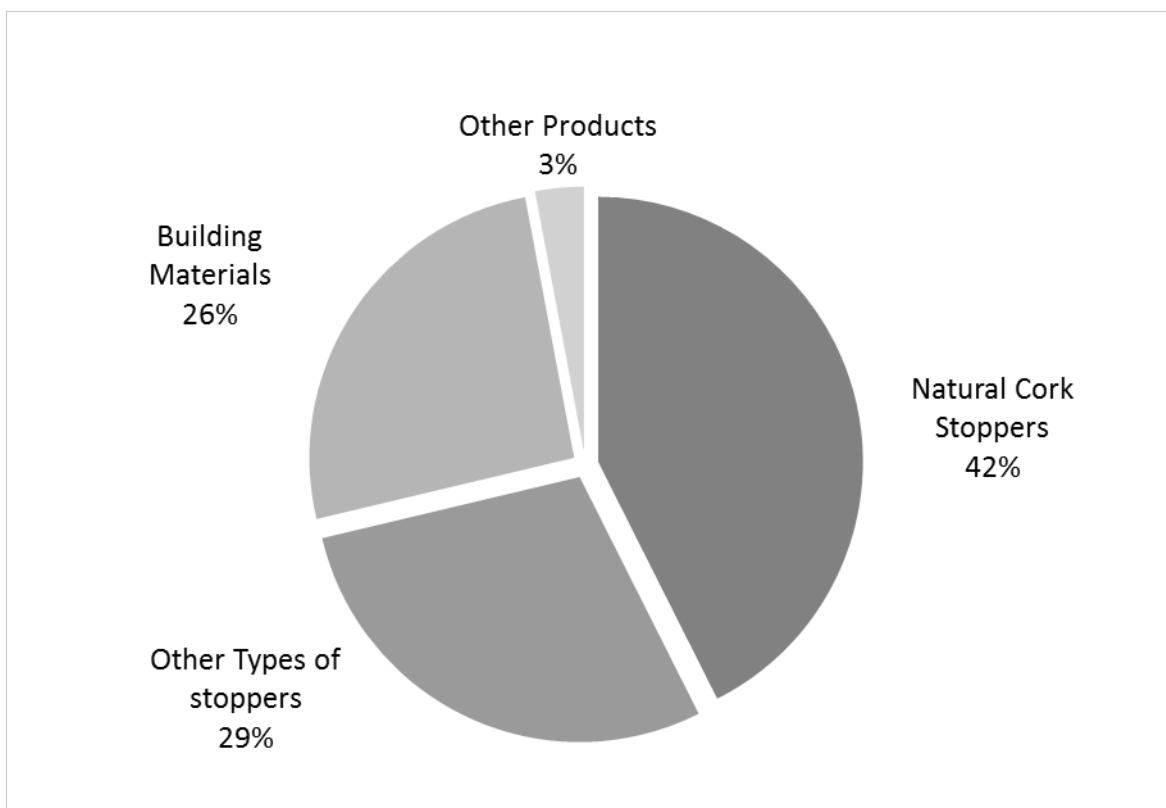
sector, in 2014. The balance of transactions in goods and services with foreign countries was 45 percent in the cork sector in 2014.

(Source: Analysis of companies in the wood, cork and paper sectors, Banco de Portugal, 2016 and 2018 updated)

### Destination of cork products

The main destination sector of cork products is the wine industry that absorbs 72 percent of what is produced, followed by the construction sector with 25 per cent - included here are floors, insulation and coverings, cubes, plates, sheets, strips -, the other cork products represent 3% according to chart 2.

**Chart 2 – Cork Sales Structure (exports) by product type - 2017**

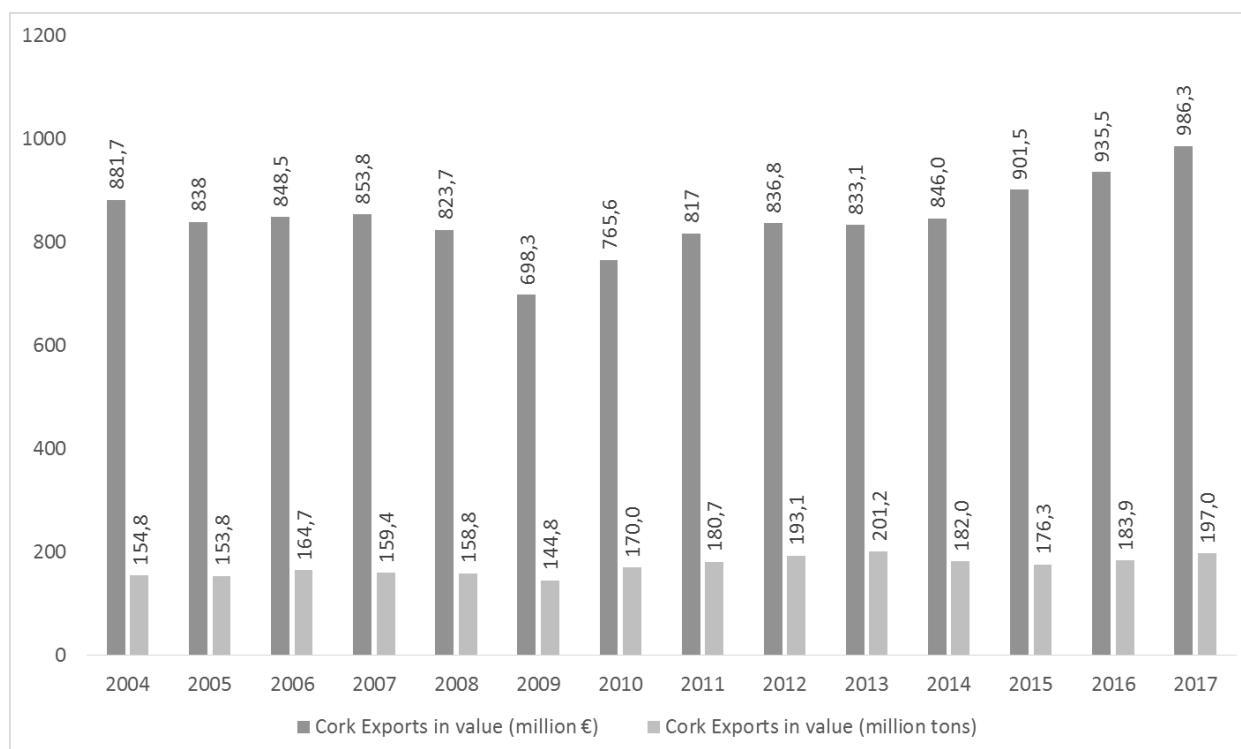


Source: INE and APCOR Year: 2018

## Exports

According to the external trade data of the Portuguese Statistics Institute (INE), Portugal exported EUR 989.3 million (197 thousand tons) in 2017, which is 5.4 percent higher than in 2016, in terms of value of exports and an increase of 7.1 percent in terms of volume (chart 3).

**Chart 3 – Evolution of Portuguese Cork Exports**



Source: INE and APCOR Year: 2018

Portuguese cork exports account for around 2 percent of exports of Portuguese goods, 1.2 percent of total Portuguese exports and represent a trade balance of 815.6 million euros (Table 6), as well as accounting for 19.4 percent of total Portuguese exports of forest products (based on the data available by the prospective study for forestry sector, December 2013 - AIFF).

**Table 6 – Trade Balance of the cork sector (current prices, EUR thousand)**

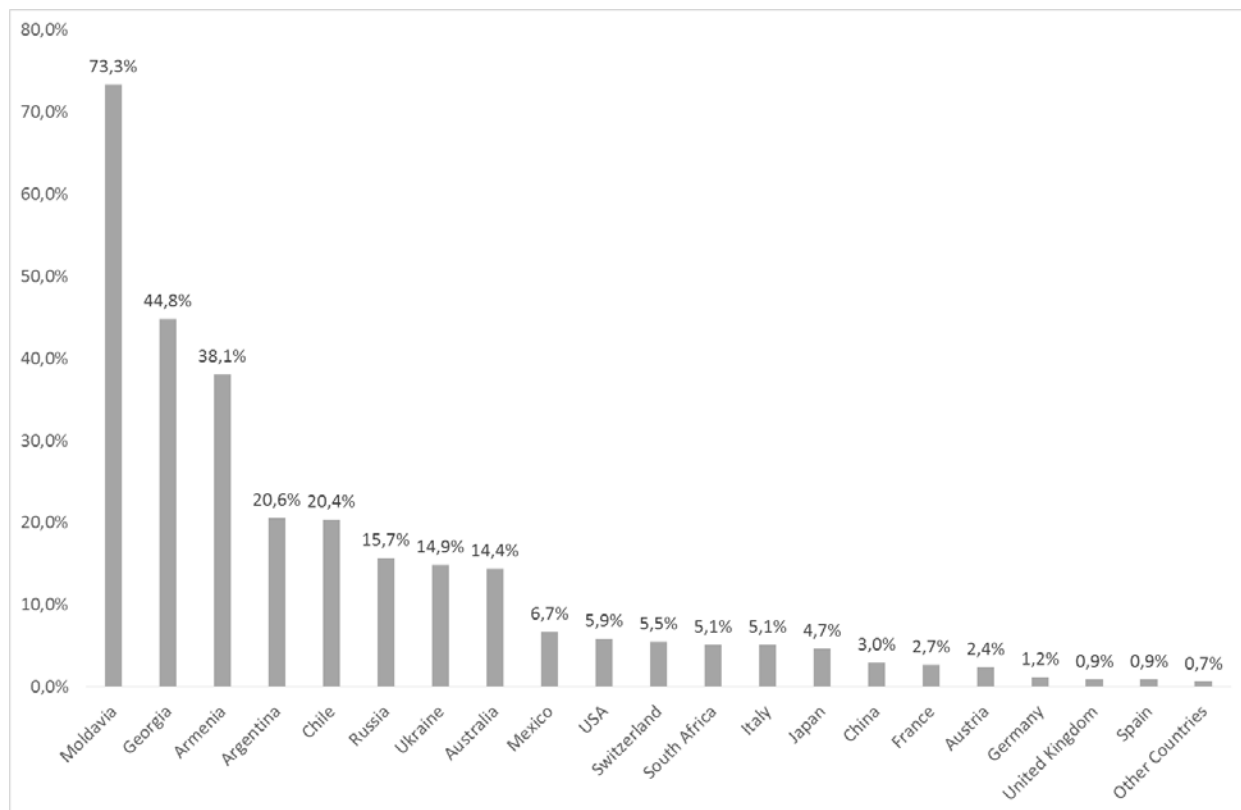
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Trade Balance</b>												
<b>Exports</b>	848,5	853,8	823,7	698,3	754,5	817,0	836,8	835,1	845,9	899,3	935,5	986,3
<b>Imports</b>	130,4	131,8	129,3	83,00	95,0	136,7	132,2	135,5	127,7	142,0	167,2	170,7
<b>Surplus</b>	<b>718,1</b>	<b>722,0</b>	<b>694,4</b>	<b>615,4</b>	<b>659,5</b>	<b>680,3</b>	<b>704,5</b>	<b>699,6</b>	<b>718,2</b>	<b>757,3</b>	<b>768,3</b>	<b>815,6</b>

Source: INE Year: 2018



In terms of the representativeness of cork exports in all Portuguese exports by country, it is noted that for Moldavia, cork represents 73.3 percent of the export value and for Georgia 44.8 percent, for Armenia the value reaches 38.1 percent and for Chile the value represents 20.4 percent. For Russia, the Portuguese cork exports reaches 15 percent and to Ukraine the value also achieves a very representative figure, 14.9 percent, also to Australia with 14.4 percent (chart 4). For USA and Mexico cork exports are almost 7 percent and 6 percent, respectively.

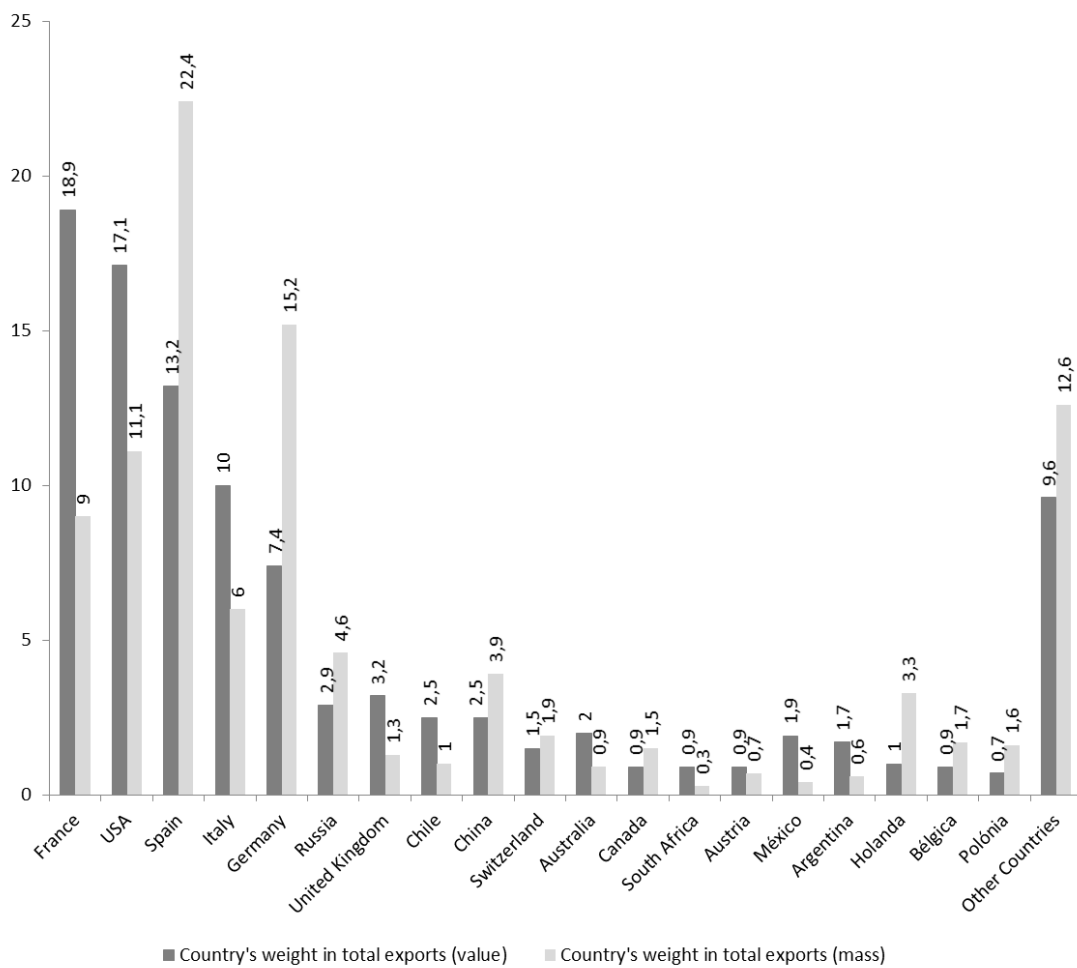
**Chart 4 – Weight of Cork Exports in Total Portuguese Exports - 2017**



Source: INE Year: 2018

Europe is the main destination for Portuguese cork exports absorbing about 60 percent of the total exports in value. The main destinations of Portuguese cork exports are France (18.9% - EUR 186.3 million), Spain (13.2% - EUR 130.5 million), Italy (10% - EUR 99.1 million) and Germany (7.4% - EUR 73.3 million) (chart 5).

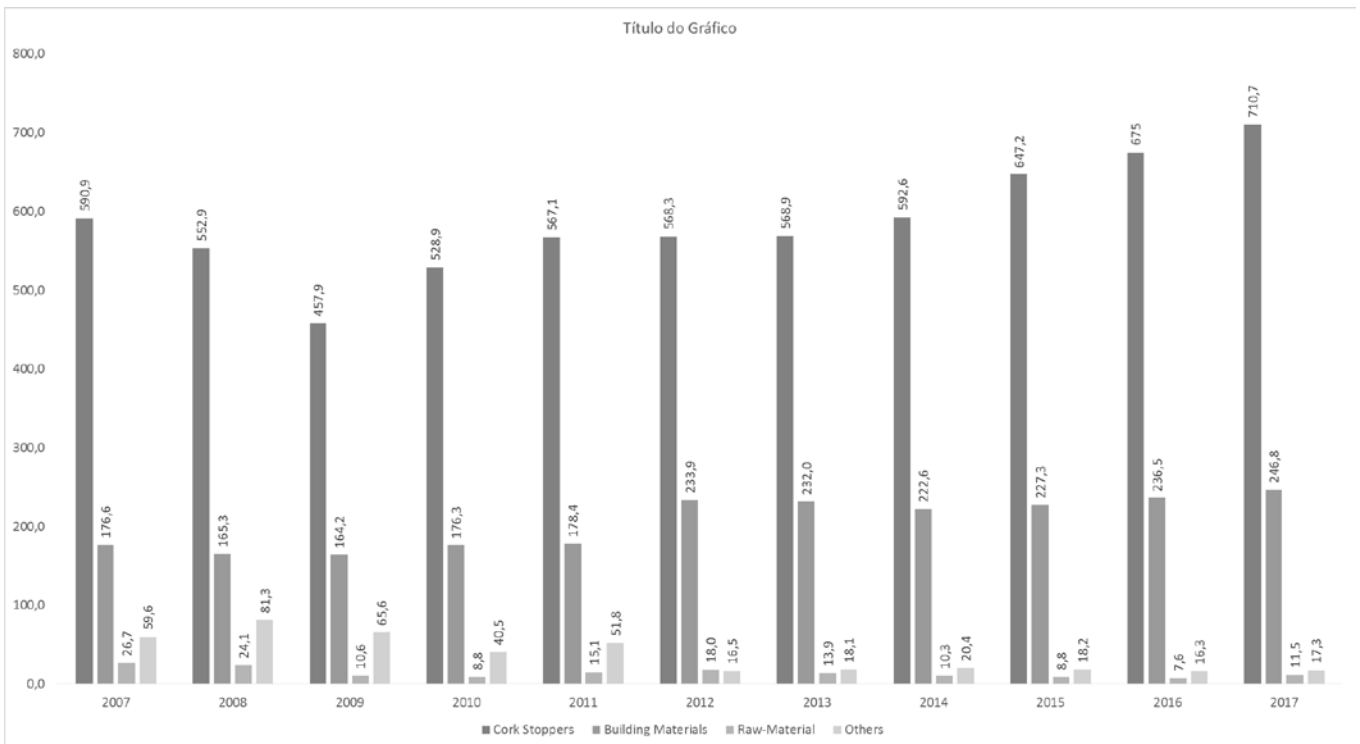
**Chart 5 – Portuguese Cork Exports by Destination Country 2017 - %**



Source: INE Year: 2018

Cork stoppers continue to lead Portuguese cork exports, accounting for 72.1 percent of the total (corresponding to EUR 710.7 million), followed by cork as a construction material with 25 percent and EUR 246.8 million, the other products of and with cork (including raw-material) represent 2.9 percent, i.e., EUR 28.8 million (chart 6).

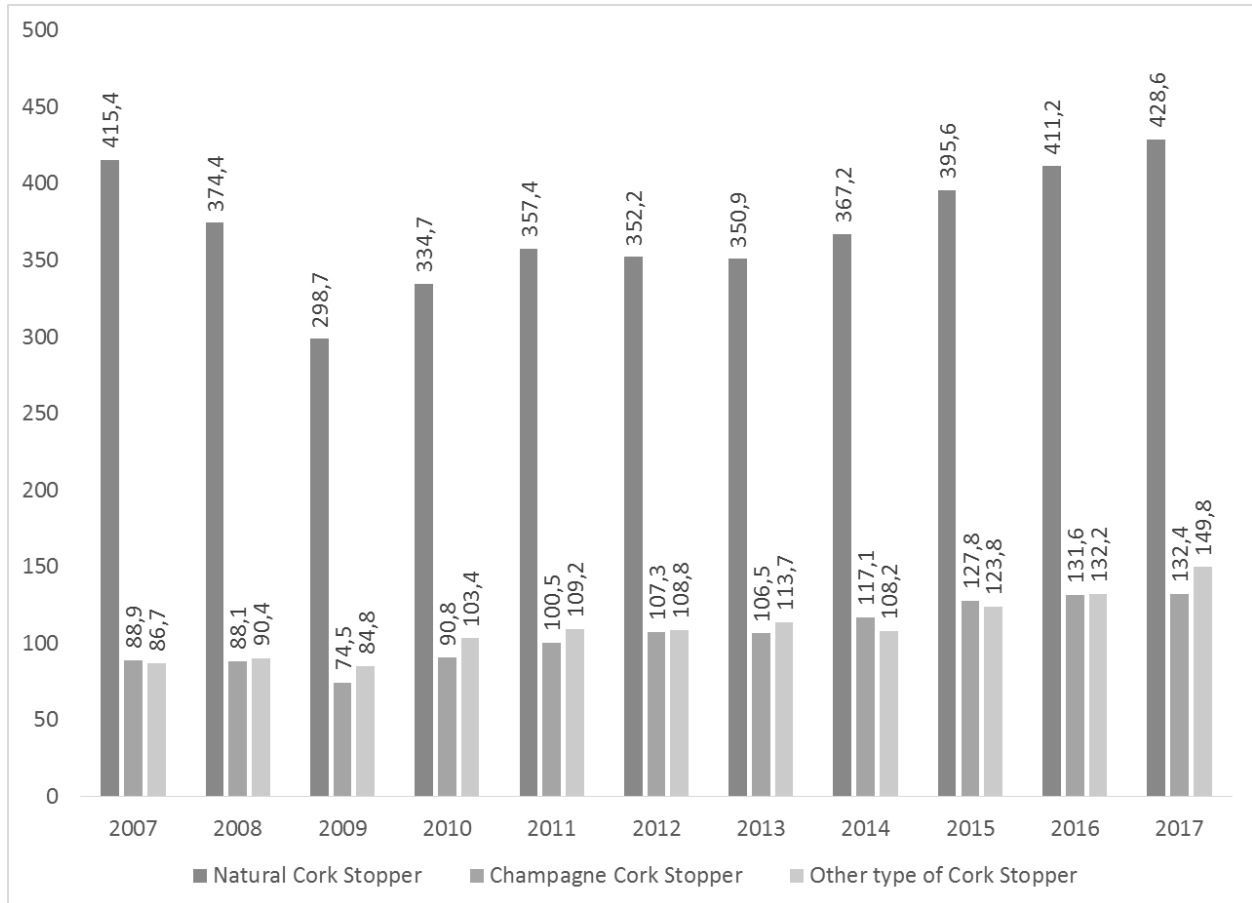
**Chart 6 – Evolution of Main Export Products (Million €)**



Source: INE Year:2018

In the cork stoppers segment, natural corks take first place with 60 percent and EUR 428.6 million, followed by other types of stoppers with 21 percent and EUR 149.8 million, which include technical stoppers such as agglomerated, 1+1, microgranulated and others, and then for champagne corks with 19 percent (EUR 132.4 million)(chart 7).

**Chart 7 - Evolution of the various types of cork stoppers (million €)**

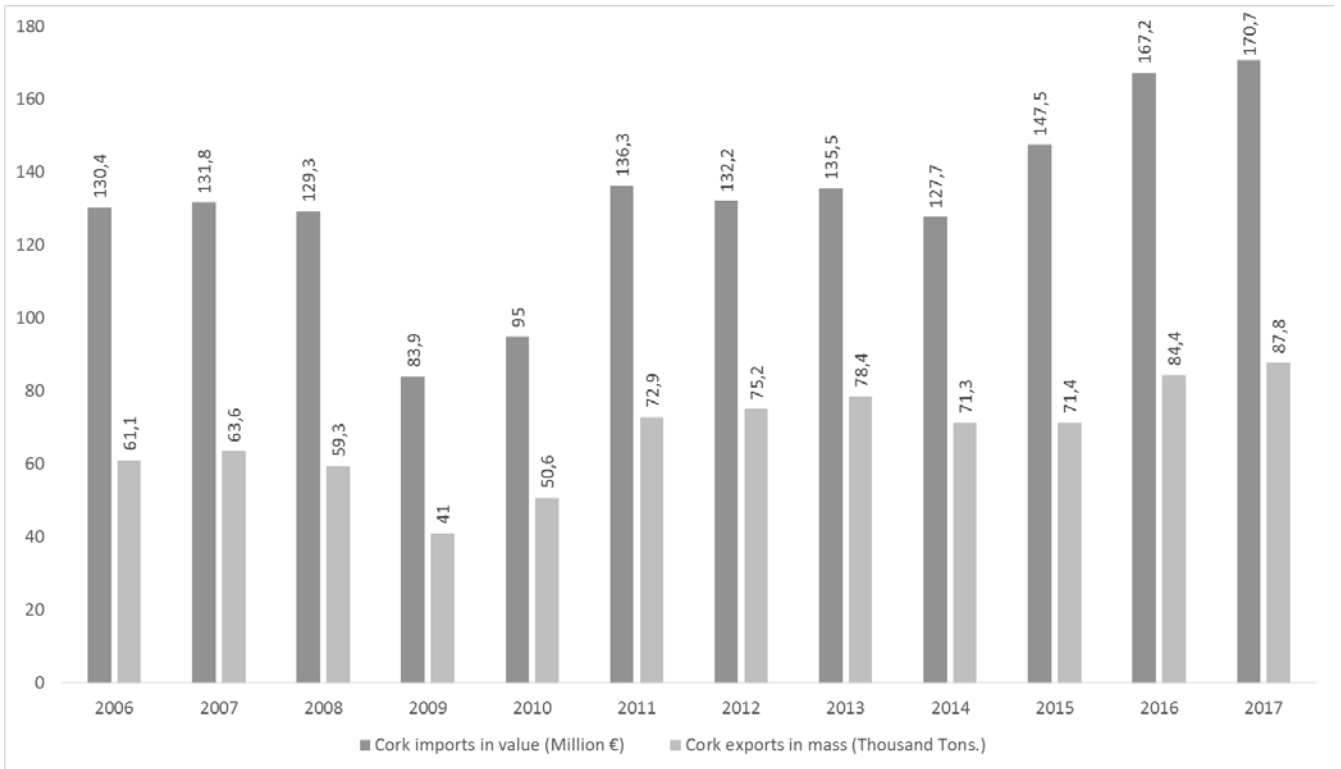


Source: INE Year: 2018

**Imports**

Portugal imported EUR 170.7 million of cork in 2017, equivalent to 87.8 thousand tons. This is an increase of 2.1 percent in value and an increase of 4 percent in terms of mass compared to 2016 (chart 8).

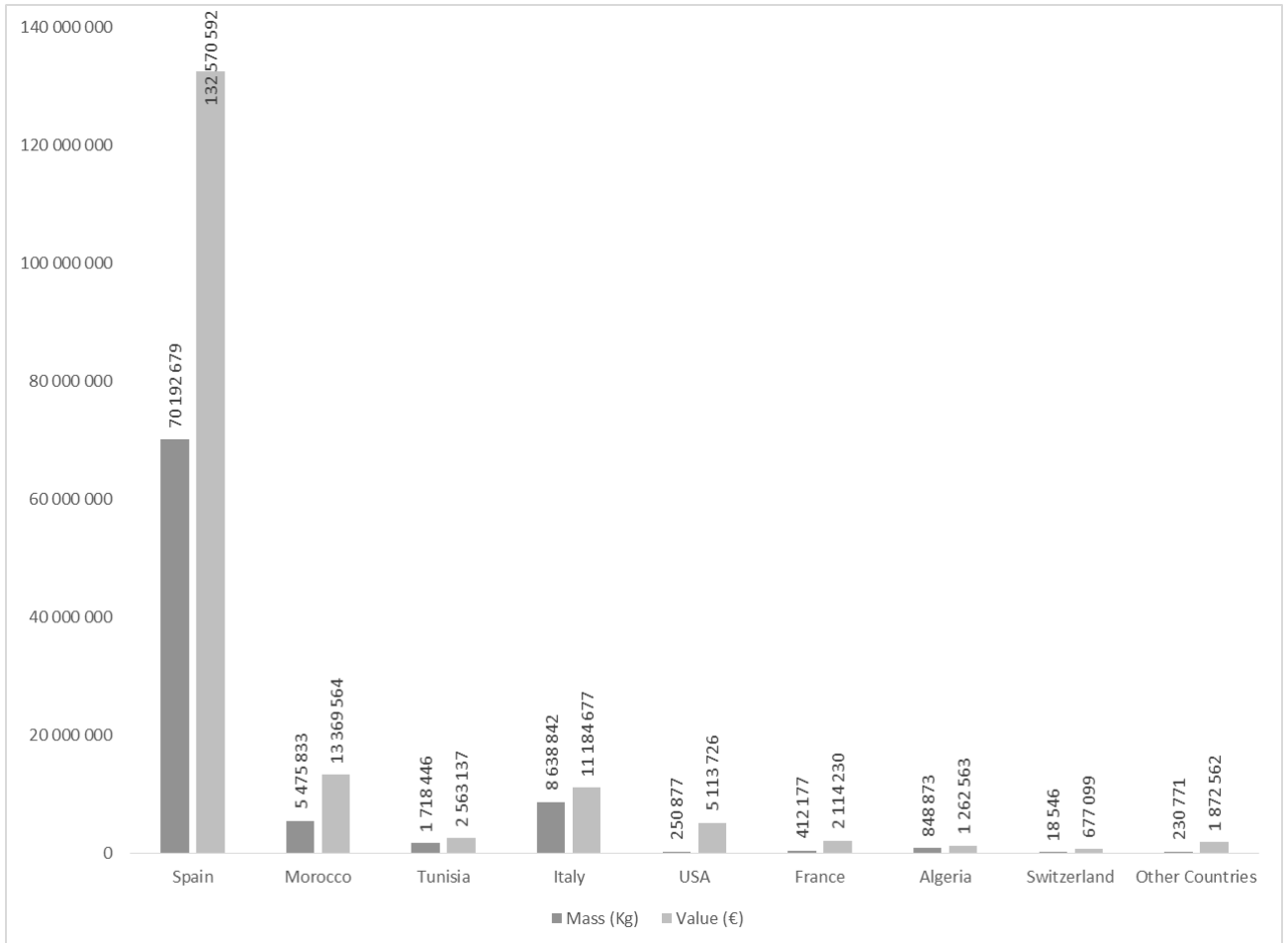
**Chart 8 – Evolution of Portuguese Cork Imports**



Source: INE Year: 2018

The imports for the cork industry in 2017 originated essentially from Spain (77.7 percent - equivalent to EUR 132.5 million) (chart 9).

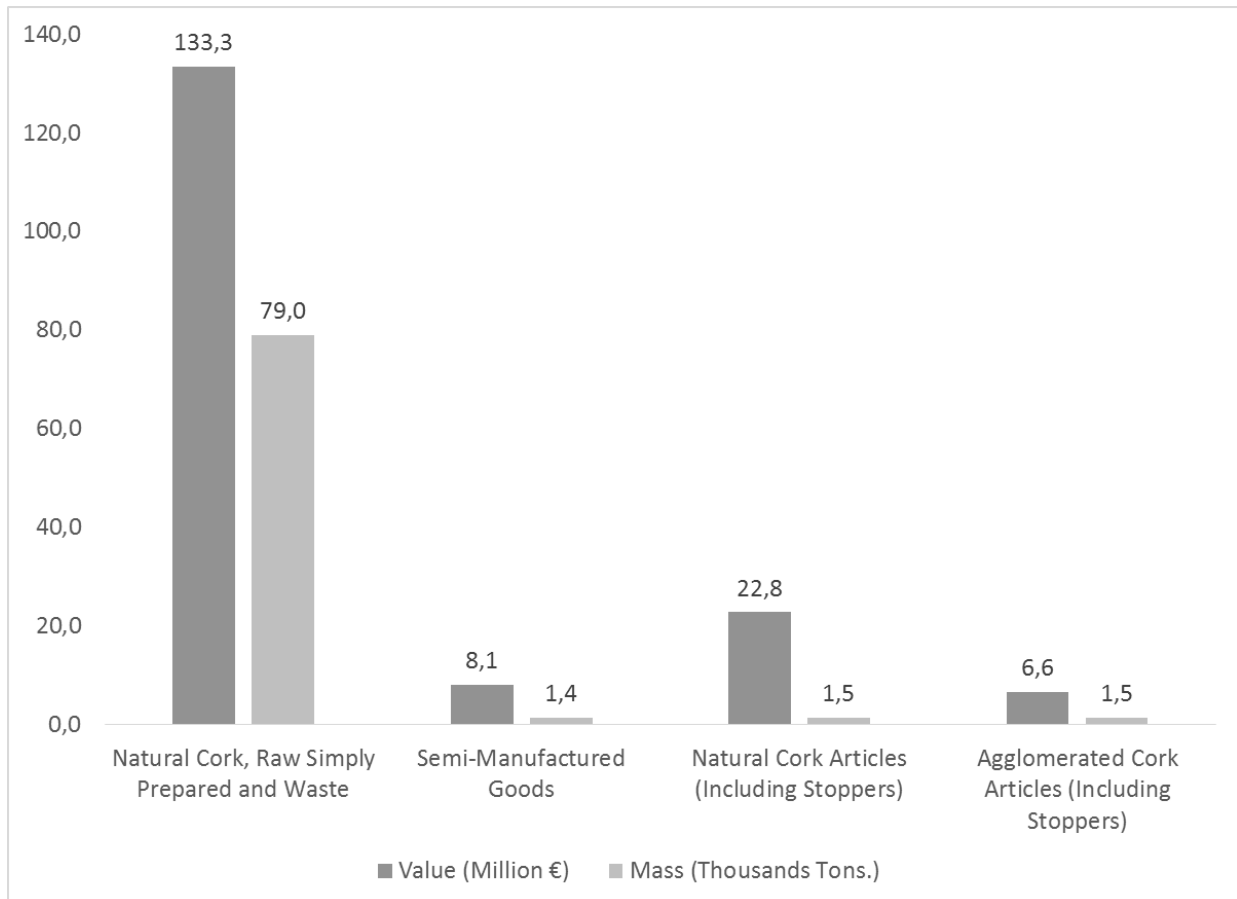
**Chart 9 – Main Countries of origin of Portuguese cork imports - 2017**



Source: INE Year: 2018

The main imported product is natural cork, valued at EUR 133.3 million in 2017, and accounting for about 78 percent of all Portuguese cork imports (chart 10).

**Chart 10 – Portuguese Imports by Class of Products - 2017**



Source: INE Year: 2018

More statistical information can be obtained on the site of APCOR at <http://www.apcor.pt/en/media-center/publications/> (Year Books)