

Information Bureau | 2016

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
Portugal	736.775	34
Spain	574.248	27
Morocco	383.120	18
Algeria	230.000	11
Tunisia	85.771	4
France	65.228	3
Italy	64.800	3
Total	2.139.942	100

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

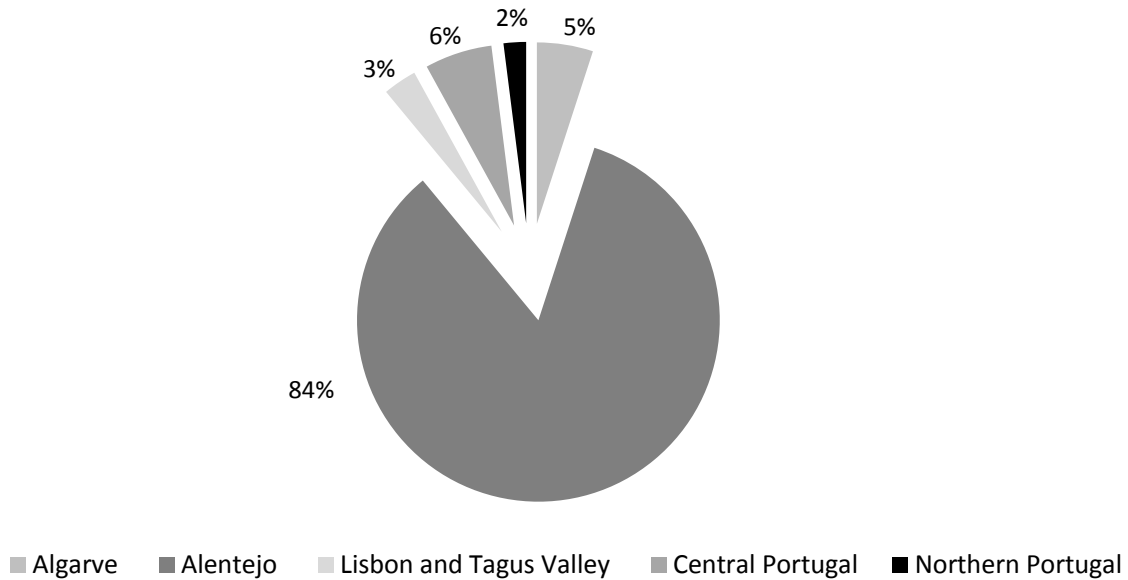
Distribution of forest acreages by species (ha)						
Year	1995/8	2005/6	2010	2010%	Change 1995 – 2010 (%)	
Eucalyptus	717.246	785.762	811.943	26%	13%	
Cork oak	746.828	731.099	736.775	23%	-1%	
Pine tree	977.883	795.489	714.445	23%	-27%	
Holm oak	366.687	334.980	331.179	11%	-10%	
Oak	91.897	66.016	67.116	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%	
Total	3.284.809	3.174,9		100%		

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 annual production (ton) *	Percentage
Portugal	100,000	49.6%
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%
Total	201,428	100.0%

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 62,7 percent in 2015 (table 4), followed by Spain with 16,0 percent. Total world exports in 2015 were EUR 1,430.8 million, which means an increase of 6% compared to 2014, equivalent to more than EUR 84.8 million.

Table 4 – World cork exports - 2015

Exporter countries	Million €	Market share (%)
Mundo	1.430.8	100,0%
Portugal*	897,2	62,7%
Spain	229,3	16,0%
France	67,0	4,7%
Italy	48,4	3,4%
Germany	28,8	2,0%
EUA	27,8	1,9%
China	20,2	1,4%
Morocco	19,2	1,3%
Chile	8,4	0,6%
Austria	7,2	0,5%
Others	77,2	5,4%

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 fourth largest importer of cork, which is processed and subsequently exported as end consumption products, with a share of 9,5 percent, equivalent to EUR 142,6 million (table 5).

Table 5 – World cork imports – 2015

Importer countries	Million €	Market share (%)
World	1,501.1	100,0%
EUA	264.0	17,6%
France	237.0	15,8%
Italy	147.5	9,8%
Portugal*	142.6	9,5%
Spain	103.7	6,9%
Germany	99.8	6,6%
China	36.8	2,4%
United Kingdom	36.0	2,4%
Russia	34.2	2,3%
Argentina	33.5	2,2%
Others	366.2	24,4%

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 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 2014, considering the composition of the Wood, Cork and Paper sectors by segments of economic activity, it was also observed that cork represents:

- 16% of turnover in these industries;
- 11% of the number of companies;
- 13% of the number of persons employed.



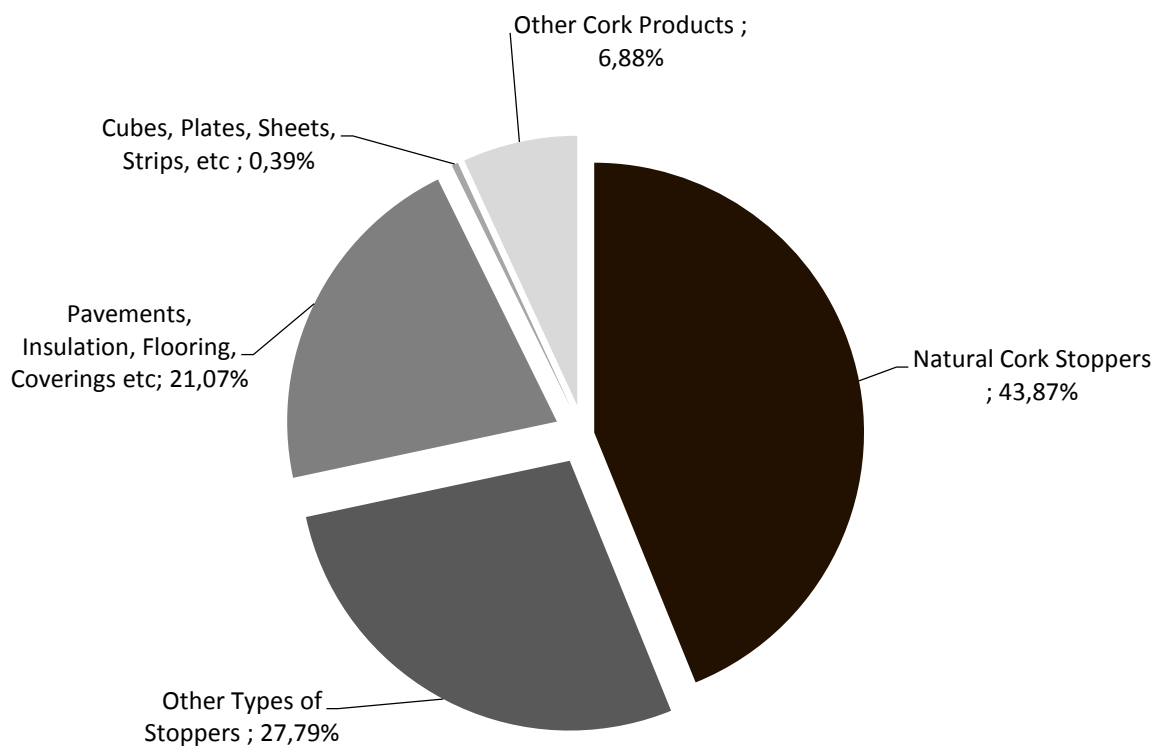
It is in the area of exports that the sector stands out the most in this group of industries, accounting for 70 percent of turnover and 65 percent of the number of persons employed involved in the export sector, in 2014. The balance of transactions in goods and services with foreign countries was 45 percent in the cork sector in 2014.

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

Destination of cork products

The main destination sector of cork products is the wine industry that absorbs 70 percent of what is produced, followed by the construction sector with 26 per cent - included here are floors, insulation and coverings, cubes, plates, sheets, strips -, the other cork products represent 4% according to chart 2.

Chart 2 – Cork Sales Structure (exports) by product type - 2015

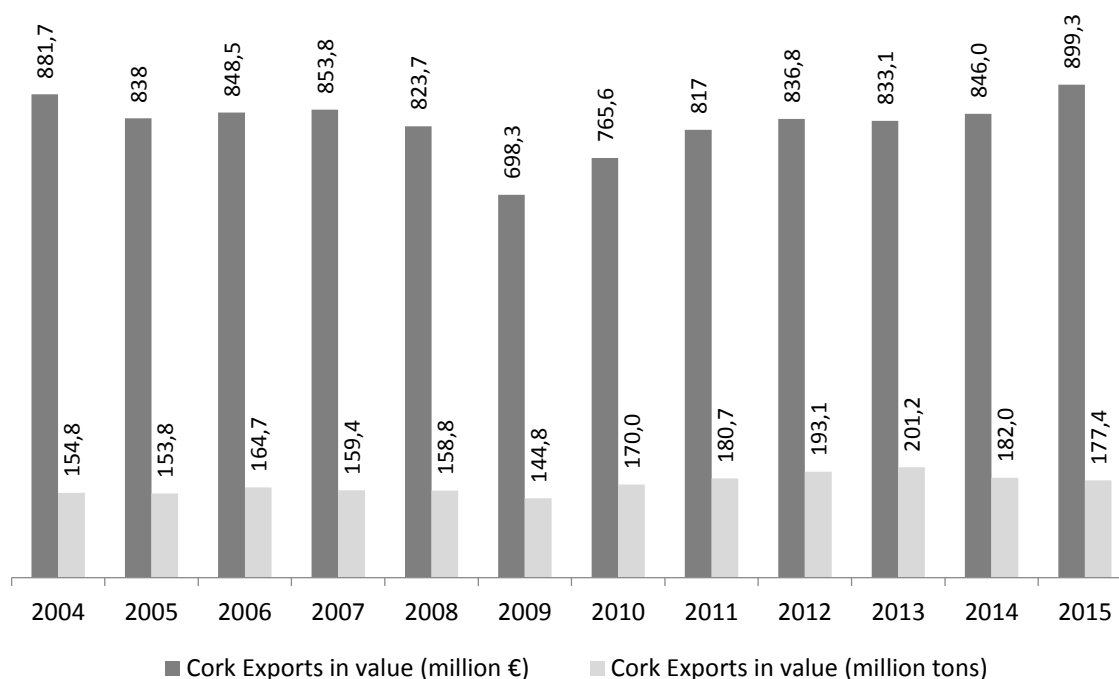


Source: INE and APCOR Year: 2016

Exports

According to the external trade data of the Portuguese Statistics Institute (INE), Portugal exported EUR 899,3 million (177,400 tons) in 2015, which is 6 percent higher than in 2014, in terms of value of exports and a decrease of 3 percent in terms of volume (chart 3).

Chart 3 – Evolution of Portuguese Cork Exports



Source: INE and APCOR Year: 2014

Portuguese cork exports represent about two percent of total Portuguese exports and entail a trade surplus of EUR 757,3 million (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)

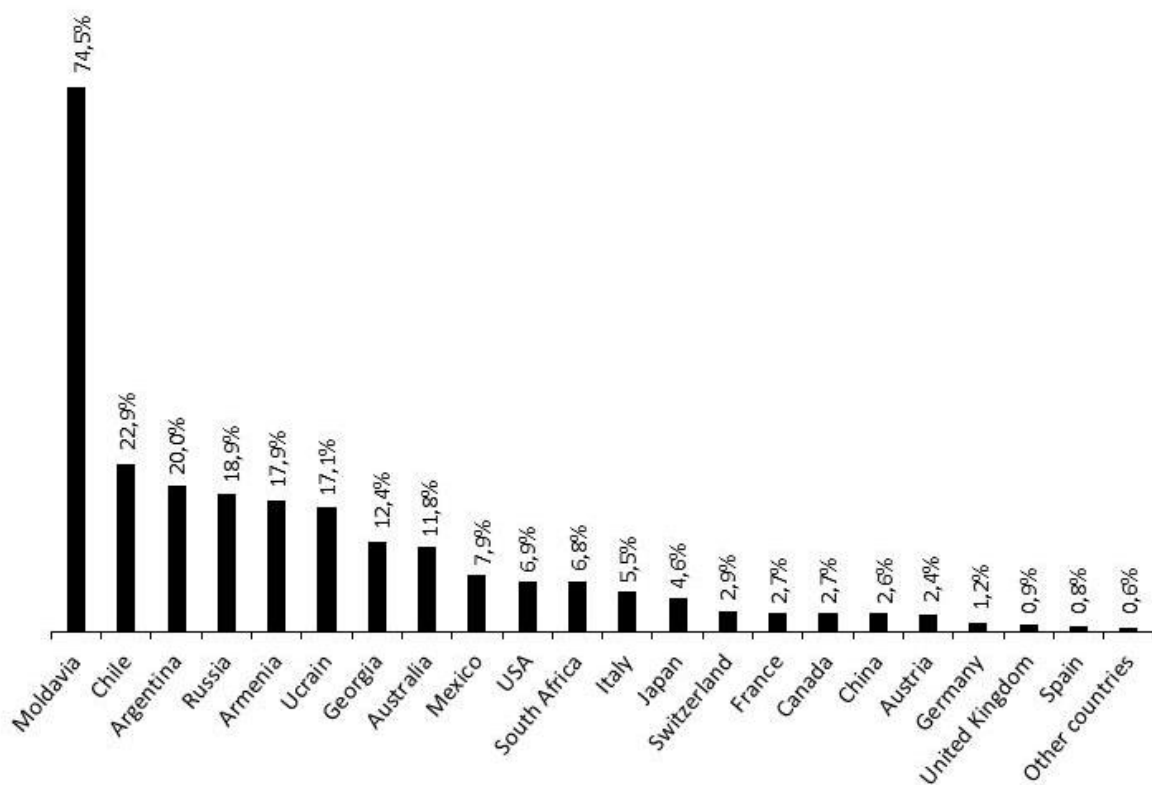
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Trade Balance												
Exports	881,7	838,0	848,5	853,8	823,7	698,3	754,5	817,0	836,8	835,1	845,9	899,3
Imports	130,2	146,2	130,4	131,8	129,3	83,00	95,0	136,7	132,2	135,5	127,7	142,0
Surplus	751,6	691,8	718,1	722,0	694,4	615,4	659,5	680,3	704,5	699,6	718,2	757,3

Source: INE



In terms of the representativeness of cork exports in all Portuguese exports by country, it is noted that for Moldavia, cork represents 74,5 percent of the export value. For Chile the value represents 22,9 percent, Argentina has 20 percent and Russia almost reaches 19 percent. The value of Portuguese cork exports to the Armenia already overcomes 17 percent and for Ukraine the cork exports value already reaches 17,1 percent (chart 4). For USA and South Africa cork exports are almost 7 percent and for Italy already exceeds 5 percent.

Chart 4 – Weight of Cork Exports in Total Portuguese Exports - 2015

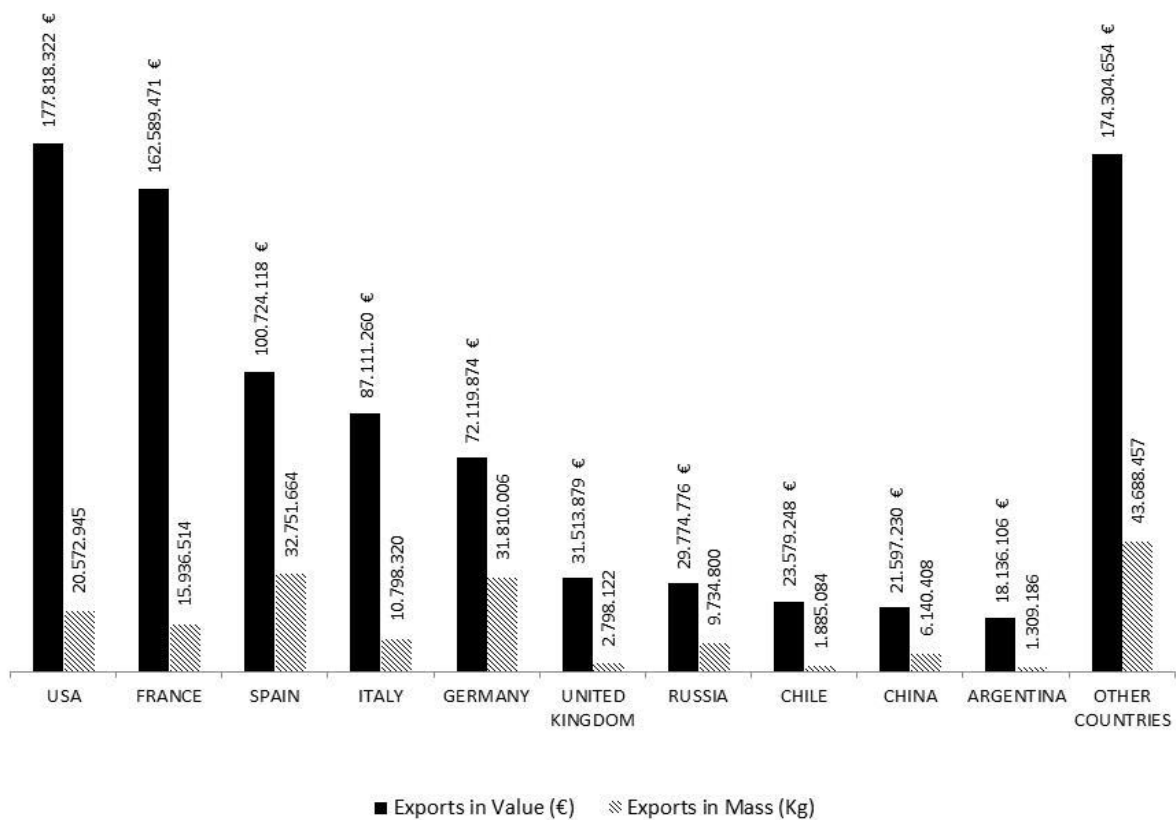


Source: INE Year: 2016



Europe is the main destination for Portuguese cork exports absorbing about 60% of the total exports in value. The main destinations of Portuguese cork exports are USA (19,77% - EUR 177,8 million), France (18,08% - EUR 162,5 million), Spain (11,2% - EUR 100,7 million), Italy (9,69% - EUR 87,1 million) and Germany (8,02% - EUR 72,1 million) (chart 5).

Chart 5 – Portuguese Cork Exports by Destination Country 2015

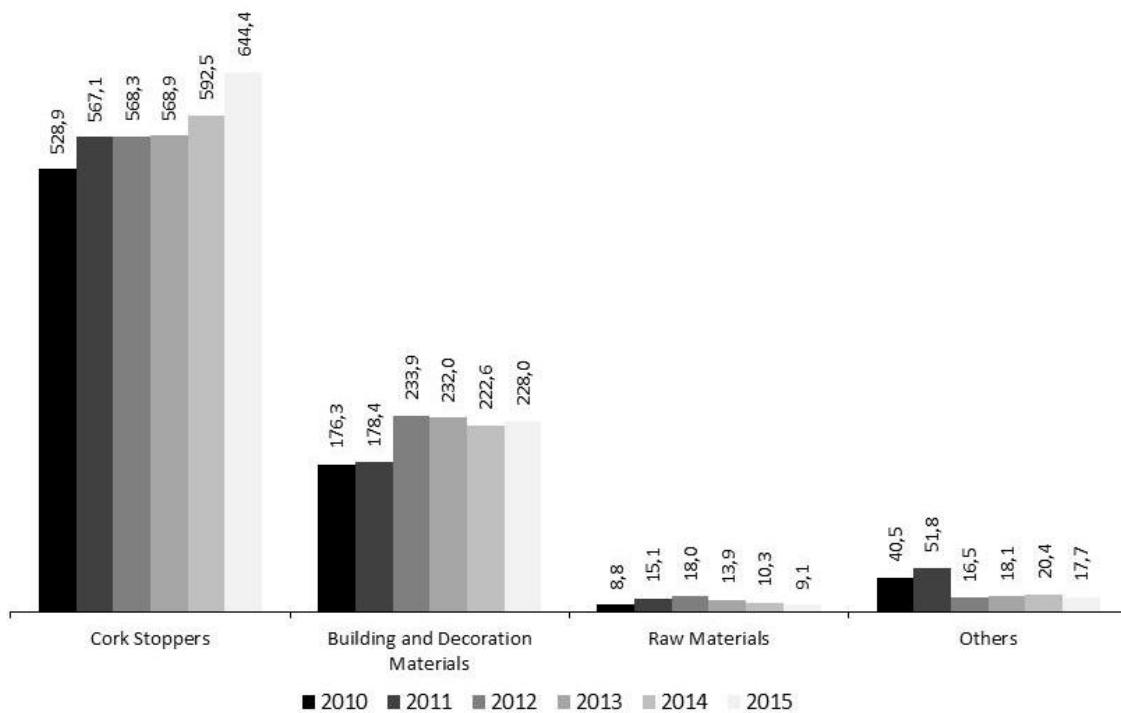


Source: INE



Cork stoppers continue to lead Portuguese cork exports, accounting for 71,1 percent of the total (corresponding to EUR 644,4 million), followed by cork as a construction material with 25,4 percent and EUR 228,0 million, the other products of and with cork represent 3 percent, i.e., EUR 26,8 million (chart 6).

Chart 6 – Main Export Products (Million €)

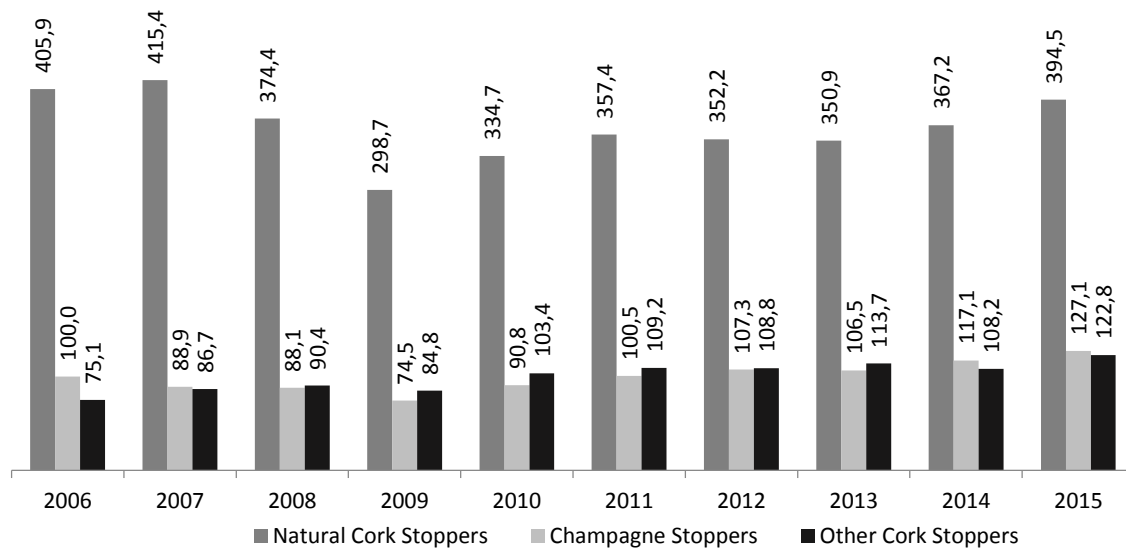


Source: INE



In the cork stoppers segment, natural corks take first place with 61,22 percent and EUR 394,5 million, followed by champagne corks with 19,73 percent and EUR 127,1 million and then for other types of stoppers with 19,05 percent, which include technical stoppers such as agglomerated, 1+1, microgranulated and others (EUR 122,8 million)(chart 7).

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



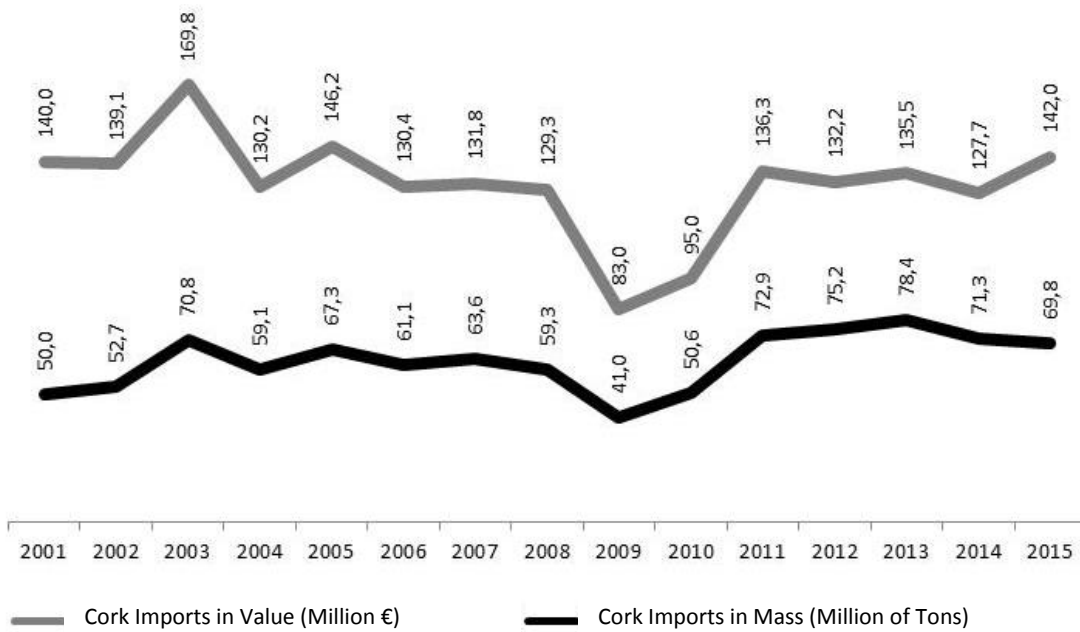
Source: INE



Imports

Portugal imported EUR 142,0 million of cork in 2015, equivalent to 69,8 thousand tons. This is an increase of 11% in value and a decrease of 2% in terms of mass compared to 2014 (chart 8).

**Chart 8 – Evolution of Portuguese Cork Imports
2001-2015**

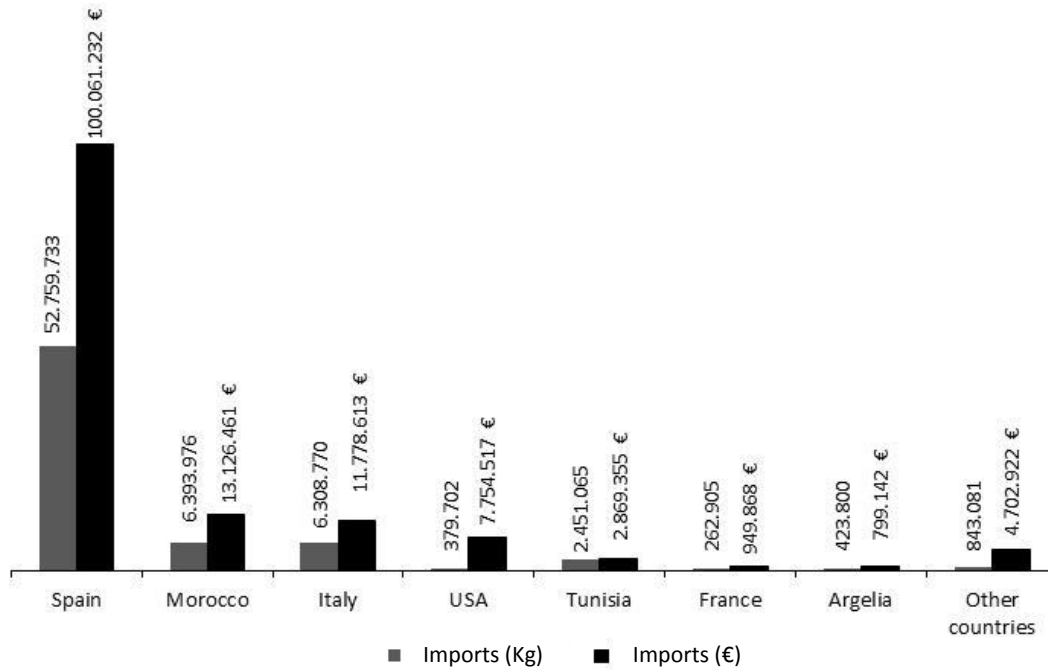


Source: INE



The imports for the cork industry in 2015 originated essentially from Spain (70,44% - equivalent to EUR 100 million) (chart 9).

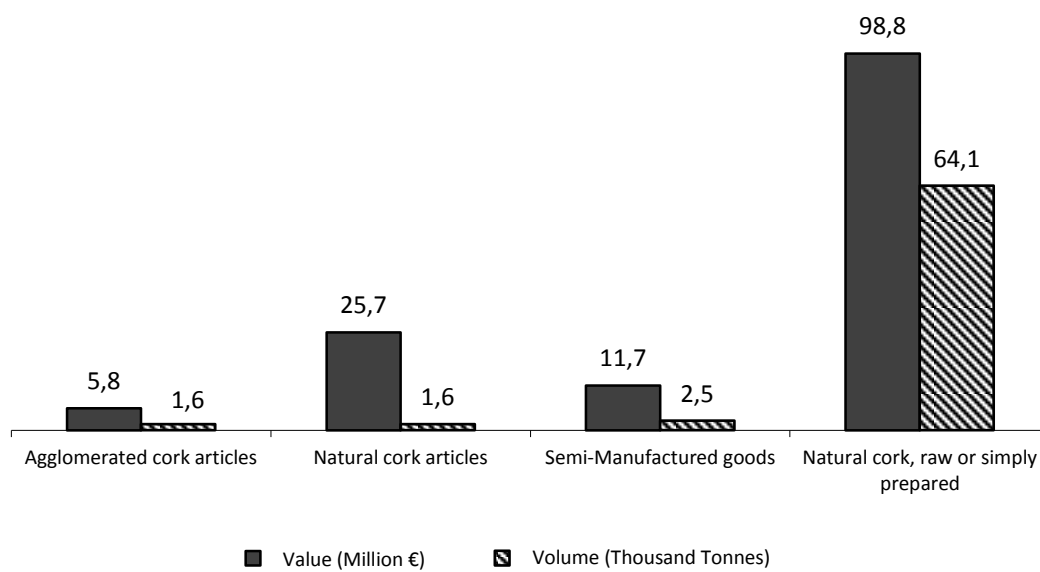
Chart 9 – Main Countries of origin of Portuguese cork imports - 2014



Source: INE

The main imported product is natural cork, valued at EUR 98,8 million in 2015, and accounting for about 70% of all Portuguese cork imports (chart 10).

Chart 10 – Portuguese Imports by Class of Products - 2015



Source: INE

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