vinetur

Portuguese wine exports fell 7.8% over 12 months, deepening pressure on producers

Domestic consumption dropped 5.5%, leaving a sector increasingly reliant on foreign buyers with fewer outlets for its wine

Friday, November 27, 2026



Portugal’s wine industry is selling less at home and abroad, adding to pressure on a sector that has relied increasingly on exports to offset weaker domestic demand.

Data presented by the Institute of Vine and Wine, known as IVV, at ViniPortugal's annual forum on Thursday, November 26, showed that exports of Portuguese wine fell 7.8% over the previous 12 months, a drop of 27 million liters. Domestic consumption declined 5.5% over the same period, according to Francisco Mateus of the IVV.

The figures add to signs of weaker wine demand beyond Portugal and point to a period of uncertainty for producers and distributors. At the same time, the industry said the country still imports wine to meet demand, and that total wine trade remains above national production. Mateus said that pattern shows a degree of balance in the market, even as both of the sector's main sales channels are under strain.

For beverage companies, the combined decline in local consumption and exports narrows the outlets available for Portuguese wine and could intensify competition among suppliers for retail shelf space, restaurant placements and export contracts.

Officials at the forum described the wine trade as being in a downturn, but said the industry has gone through cycles before. The latest IVV data suggest that the current contraction has been building since 2023, after several years in which exports played a larger role in absorbing production.

By September 2026, exports accounted for 42% of the Portuguese wine market, up from 37% in 2017, according to the figures presented at the event. That shift shows how important foreign demand has become for the sector as wine drinking inside Portugal has softened.

The data also showed a change in the composition of the wine sold by the country. Wines with protected origin status, including those classified under DOP and IGP systems, reached 427 million liters between September 2017 and September 2026, up from 397 million liters nine years earlier. Those wines now make up more than half of the portfolio sold by Portugal, a threshold that sector officials said has helped provide some stability because higher-quality wines tend to be less exposed to abrupt changes in demand.

The IVV said shifts in consumer profiles and price points have had a marked effect on supply and demand, especially for wines without DOP or IGP certification. That suggests the lower end of the market remains more vulnerable when households pull back or when buyers in export markets trade down to cheaper products.

Sector officials linked the downturn to a series of international shocks over the past decade. They cited the Covid-19 pandemic, the war in Ukraine, tariffs imposed by Donald Trump and the war in the Middle East as major events that disrupted trade and weakened the sector’s trajectory. Those factors, they said, have contributed to the steady contraction seen since 2023.

Even so, some export markets continue to offer support. Brazil remains one of the main destinations for Portuguese wine. According to the data presented at the forum, Brazil buys 14% of export volume at prices above €4, excluding fortified wines. That makes it an important market for producers seeking stronger pricing rather than volume alone.

One segment has also shown resilience despite the broader slowdown. Bag-in-box wines priced between €1 and €1.99 were the products that managed to increase sales both by volume and by value, in the domestic market and abroad. The performance of that category suggests that lower-priced and more practical formats are holding up better as consumers and buyers become more cautious about spending.

The contrast between stronger performance in value-oriented packaging and the industry’s push toward protected-origin wines highlights the split in the market. Producers are trying to preserve margins through recognized quality categories while also responding to demand for cheaper formats that can move in larger quantities.

The new IVV figures come at a time when Portuguese wine companies are weighing how much room remains to rely on exports as a buffer. With overseas shipments falling at the same time as domestic consumption, the sector is facing weaker demand on both fronts, even as higher-quality wines continue to account for a growing share of what Portugal sells.