



PORTUGAL - Industry II

Portuguese companies continue to surprise the world as they conquer new industrial markets and keep expanding their world-wide presence

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G A R M E N T S



LUIS CARMO

MANAGING PARTNER OF PORFIC

“PORTUGAL IS SMALL SO IN OUR SECTOR WE NEED TO LOOK AT THE INTERNATIONAL MARKETS”

“At the same time, these difficulties were forcing companies we worked with to close. But we couldn’t just stand still and so we began looking at other markets, other customers and that’s when things began to turn around for us.”

“In our sector it is necessary to look at the international market. This is a small country and there was not enough demand here in Portugal so there has to be internationalization,” he explains.

These days, Porfic’s biggest market is France where it does as much business as it does in Portugal. The firm also has customers from Germany, Spain and Belgium.

“Our customer is always a European concern which needs the components we produce for their final product developed in Europe. And it’s always a professional product, not one that is for sale to the general public,” he explains.

Porfic’s customers are in the telecommunications, vehicle lighting, home appliances, interior and exterior lighting, cold storage, construction and other industries.

“We also work with the automotive industry here but it is not the sector in which we are most active,” the executive says.

Porfic’s services include custom product development for clients, mould manufacturing, injection of parts and finishing and mounting, with the staff always working in close partnership with clients.

The company fills its orders using the latest cold and hot chamber casting machines, cutting presses, automatic sandpapering machines, drilling and threading machines, machining centres and automatic powder coating lines, along with other equipment.

Porfic was established 20 years ago, initially working with zamak, a family of alloys with a base metal of zinc and elements of aluminium, magnesium and copper. But zamak competition was growing from China and so the company added aluminium die casting to its activities.

“In the beginning we were thinking more about making products for sale to the public, consumer goods you could say. But then we evolved into turning out products for corporate clients,” Carmo says.

“Our sector is small and it’s a niche market but nowadays the Portuguese industry is well placed at a European level. Steel and iron used to have the most influence in the Portuguese foundry association, but the aluminium sector has grown and now these companies are the most numerous.”

Looking ahead, the managing partner of Porfic plans on further growth outside the country, especially in what he describes as “certain specific product areas”

“I’m optimistic about our industry in Portugal but it will probably not be like we know it from before. It will continue to be an important sector domestically as long as everything remains stable.”

Positive Environment

Cast iron and steel are the focus at Fundição do Alto da Lixo, S.A., or FAL, one of Portugal’s leading foundries which had its beginnings turning out parts for farm equipment and earthmoving machinery back in 1977.

“It was all started by my uncle who was the chief mechanic for the Caterpillar company in Angola and like many Portuguese in the colonies he returned home with independence,” explains General Manager Elio Sérgio Maia.

“He set up a repair shop here for bulldozers, excavators and tractors, got into making parts himself and then decided to establish a foundry in 1994 with a manual oven, a small forging unit and a rolling mill. And it just took off from there.”



“WE ADHERE TO THE STRICTEST ENVIRONMENTAL STANDARDS AS REQUIRED BY OUR CLIENTS”

Maia came aboard invited by his uncle to develop the commercial side of the foundry but there were no sales in the first year of operation. The company kept afloat by the repair and sale of used heavy machinery parts.

FAL’s foundry operations finally began making money with billings totalling 64,000 euros annually. Last year that figure had grown to 7 million euros.

A year after its founding, executives began discussing testing the international market and soon was working with German clients.

“Over the past 20 years we’ve been a very restless company offering new products and services here in Portugal while also conquering new foreign markets and new customers,” the general manager says.

“Right now we work with clients from all over Europe – Scandinavia, Germany, Austria, Switzerland and the Benelux countries and we do some business with the United Kingdom, Spain, the Czech Republic and Slovakia.

“And we’ve gotten some customers from the United States with whom we’ve just started working, we’ve also done a bit in South America,” he adds.

FAL works with grey iron, nodular iron and chromium and nickel iron, and stainless, low alloy, heat and wear resistant and carbon and carbon magnesium steels.

