Cabo Verde is an island country spanning an archipelago of 10 islands in the central Atlantic Ocean. Cabo Verde is in Western Africa off the coast of Senegal with a strategic location near major north-south sea routes. The geography of the islands is rugged, rocky, and volcanic. The government system is a republic; the chief of state is the president, and the head of government is the prime minister. Cabo Verde has a market economic system in which the prices of goods and services are determined in a free price system. Cabo Verde is a member of the Economic Community of West African States (ECOWAS).

**Key Economic Facts**

- **Income Level (by per capita GNI):** Lower Middle Income
- **Level of Development:** Developing
- **GDP, PPP (current international $):** $5.39 billion (2022)
- **GDP growth (annual %):** 17.71% (2022)
- **GDP per capita, PPP (current international $):** $9,082.84 (2022)
- **External debt stocks, total (DOD, current US$):** $2,059,769,905.90 (2021)
- **Manufacturing, value added (% of GDP):** 4.66% (2022)
- **Current account balance (BoP, current US$):** -$0.08 billion (2022)
- **Inflation, consumer prices (annual %):** 1.86% (2021)
- **Labor force, total:** 245,779 (2022)
- **Unemployment, total (% of total labor force) (modeled ILO estimate):** 13.57% (2022)
- **Imports of goods and services (current US$):** $1.32 billion (2022)
- **Exports of goods and services (current US$):** $0.89 billion (2022)

**GDP Composition %**

<table>
<thead>
<tr>
<th>Agriculture</th>
<th>Services</th>
<th>Industry</th>
<th>Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>57</td>
<td>17</td>
<td>5</td>
</tr>
</tbody>
</table>

*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

**Rankings**

- **Corruption Perceptions Index:** 38 / 178
- **Global Competitiveness Index:** 112 / 141
- **Index of Economic Freedom:** 47 / 176
- **KOF Index of Globalization:** 132 / 185
- **Networked Readiness Index (NRI):** 85 / 139

**Risk Assessment (Provided by Coface)**

- **Country rating:** C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.
- **Business Climate rating:** B - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

**Strengths**

- Fishery reserves
- Efficient banking and telecommunications services
- Stable political institutions
- Exchange rate cooperation agreement with Portugal, guaranteeing convertibility and a fixed rate with the euro, and a credit facility
- 20% of the country's energy consumption currently comes from solar panels and wind turbines, with a target of 50% by 2030

**Weaknesses**

- Weak diversification of the economy and dependence on tourism
- Very high level of public debt
- Heavily dependent on the economic performance of Eurozone countries
- Ageing, poor-quality infrastructure
- Island location: dependent on food imports (85% of total imports) and energy products
- Exposed to climate change, volcanic and earthquake events, and hurricanes

**U.S. Embassy**

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