

Introduction

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).



Location: Western Africa

Capital City: Praia (-1 GMT)

Chief of State: President Jose Maria Neves

Head of Govt.: Prime Minister Jose Ulisses Correia E. Silva

Currency: Cabo Verdean Escudo (CVE)

Major Languages: <p>Portuguese (official), Krioulo (a blend of Portuguese and West African languages)</p>

Primary Religions: <p>Roman Catholic 77.3%, Protestant 4.6% (includes Church of the Nazarene 1.7%, Adventist 1.5%, Assembly of God 0.9%, Universal Kingdom of God 0.4%, and God and Love 0.1%), other Christian 3.4% (includes Christian Rationalism 1.9%, Jehovah's Witness 1%, and New Apostolic 0.5%), Muslim 1.8%, other 1.3%, none 10.8%, unspecified 0.7% (2010 est.)</p>

Calling Code: 238

Voltage: 220

Key Websites

Main Government Page: governo.cv

Investment Promotion: cvtradeinvest.com

Agency:

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 %



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

Rankings

Index	Rank
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: A4 - A somewhat shaky political and economic outlook and a relatively volatile business environment can affect corporate payment behavior. Corporate default probability is still acceptable on average.

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

- Stable and effective political institutions
- Tourism sector fully recovered from the Covid-19 hiatus
- Solid potential for the development of renewable energies (target of 50% of the energy mix by 2030, compared with 18% in 2024)
- Developing the blue economy with promising fish stocks
- Gradual conversion of the debt contracted with Portugal into an environmental fund (€140 million in fine)
- Two financing agreements with the IMF, an Extended Credit Facility (ECF) and a Resilience and Sustainability Facility (RSF) totalling EUR 94 million

Weaknesses

- Low economic diversification and dependence on tourism (40% of jobs)
- Highly dependent on the economic performance of eurozone countries
- Exposure to climate change as well as volcanic, seismic and cyclonic risks
- Aging and poor-quality infrastructure (particularly for inter-island transport)
- Insularity means dependence on imported food and energy products
- High level of debt
- Many state-owned companies are under-performing and uncompetitive

U.S. Embassy

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