



Investing in Cabo Verde:

Unlocking Opportunities in the Atlantic Gateway



INTRODUCTION

Cabo Verde, an archipelago of ten volcanic islands located in the central Atlantic Ocean off the coast of West Africa, presents a wealth of opportunities for global investors. Known for its political stability, strategic location, and growing economy, Cabo Verde has positioned itself as an attractive destination for investment. With a commitment to sustainable development, infrastructure enhancement, and economic diversification, the nation offers a favorable environment for businesses seeking growth and profitability. This report provides a comprehensive overview of the benefits and opportunities of investing in Cabo Verde, highlighting key statistics, relevant agencies, incentives, and sectors poised for expansion.

BACKGROUND

Gaining independence from Portugal in 1975, Cabo Verde has transformed into a model of democracy and good governance in Africa. Despite its small size and limited natural resources, the country has leveraged its strategic location along major trade routes to foster economic growth. The government has prioritized the development of sectors such as tourism, renewable energy, maritime services, and technology. Cabo Verde's stable political climate, progressive policies, and membership in regional and international organizations enhance its appeal to foreign investors.

STATISTICS

- ◉ **Gross Domestic Product (GDP):** Approximately \$2 billion USD.
- ◉ **GDP Growth Rate:** An average growth rate of 5-7% annually prior to global economic fluctuations.
- ◉ **Population:** Over 550,000 inhabitants.
- ◉ **Official Language:** Portuguese; Creole is widely spoken.
- ◉ **Currency:** Cabo Verdean Escudo (CVE), pegged to the Euro.
- ◉ **Literacy Rate:** Over 85%, indicating a well-educated population.
- ◉ **Major Economic Sectors:** Services (primarily tourism), agriculture, fishing, and remittances.
- ◉ **Tourism:** Accounts for approximately 25% of GDP.
- ◉ **Renewable Energy Goal:** Targeting 100% renewable energy penetration by 2025.

BENEFITS OF INVESTING IN CABO VERDE

Strategic Geographic Location

- » **Atlantic Gateway:** Positioned at the crossroads of Africa, Europe, and the Americas, facilitating trade and connectivity.
- » **Transportation Hub:** Development of maritime and air transportation links enhances access to international markets.
- » **Political Stability and Good Governance**
- » **Democratic Tradition:** Stable multi-party democracy with peaceful transfers of power.
- » **Rule of Law:** Strong legal framework that protects investments and property rights.
- » **Transparency:** Commitment to anti-corruption measures and transparent governance.

Favorable Investment Climate

- » **Open Economy:** Liberal economic policies that encourage foreign direct investment (FDI).
- » **Ease of Doing Business:** Streamlined procedures for business registration and operation.

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- » **Economic Freedom:** Ranked favorably in indices measuring economic freedom and ease of investment.

Skilled and Multilingual Workforce

- » **Education Focus:** Investment in education leads to a competent workforce.
- » **Language Proficiency:** Widespread knowledge of Portuguese, English, and French facilitates international business.

Growing Tourism Sector

- » **Natural Beauty:** Pristine beaches, cultural heritage, and favorable climate attract tourists year-round.
- » **Infrastructure Development:** Ongoing improvements in hospitality facilities and services.

Renewable Energy Potential

- » **Natural Resources:** Abundant wind and solar resources ideal for renewable energy projects.
- » **Government Support:** Strong commitment to renewable energy investments and sustainability.

Economic Diversification Efforts

- » **Sector Development:** Focus on diversifying the economy beyond tourism, including ICT, maritime services, and fisheries.
- » **Innovation and Technology:** Initiatives to promote digital transformation and technological advancement.

RELEVANT AGENCIES

Cabo Verde TradeInvest

- » **Role:** The government's investment promotion agency responsible for attracting and facilitating investment.
- » **Services:** Provides information on investment opportunities, assists with administrative processes, and offers aftercare services.
- » **Website:** www.cvtradeinvest.cv
- » **Contact:** Email: info@cvtradeinvest.cv | Phone: +238 260 70 00

Ministry of Finance

- » **Role:** Oversees fiscal policy, economic planning, and investment regulations.
- » **Services:** Provides guidance on financial regulations, taxation, and economic initiatives.
- » **Website:** www.minfin.gov.cv

Directorate General for Tourism and Transport

- » **Role:** Regulates and promotes the tourism and transport sectors.
- » **Services:** Facilitates investment in tourism infrastructure and transportation services.
- » **Website:** www.governo.cv

Cabo Verde Chamber of Commerce

- » **Role:** Represents the interests of the business community and promotes economic activities.
- » **Services:** Offers networking opportunities, information, and support services to businesses.
- » **Website:** www.cciss.cv

Agência Nacional de Água e Saneamento (ANAS)

- » **Role:** National agency for water and sanitation, promoting investment in infrastructure projects.
- » **Services:** Provides information and support for water and sanitation initiatives.
- » **Website:** www.anas.gov.cv

INCENTIVES FOR INVESTORS

Tax Incentives

- » **Corporate Tax Benefits:** Reduced corporate income tax rates for qualified investments.
- » **Customs Duty Exemptions:** Exemptions on import duties for capital goods, equipment, and raw materials.
- » **Value Added Tax (VAT) Exemptions:** VAT reductions or exemptions for specific sectors and activities.
- » **Tax Holidays:** Temporary exemptions from certain taxes for new investments in priority sectors.

Investment Protection and Guarantees

- » **Legal Security:** Protection against expropriation and nationalization.
- » **Repatriation of Profits:** Freedom to repatriate profits, dividends, and capital.
- » **Bilateral Agreements:** Investment treaties with various countries ensuring investor protection.

Financial Incentives

- » **Access to Financing:** Availability of credit facilities and support from national and international financial institutions.
- » **Public-Private Partnerships (PPPs):** Opportunities for joint ventures with the government in infrastructure and service projects.

Administrative Support

- » **One-Stop Shop Services:** Cabo Verde TradeInvest provides streamlined processes for business registration and licensing.
- » **Facilitation Services:** Assistance in obtaining necessary permits and approvals efficiently.

Sector-Specific Incentives

- » **Tourism Development:** Special incentives for investments in hotels, resorts, and tourism-related infrastructure.
- » **Renewable Energy Projects:** Benefits for sustainable energy initiatives, including expedited licensing and guaranteed tariffs.
- » **Technology and Innovation:** Support for ICT projects, including incubation services and grants.

OPPORTUNITIES FOR INVESTORS

Tourism and Hospitality

- » **Resort Development:** Construction and management of luxury resorts, eco-lodges, and boutique hotels.
- » **Cruise Tourism:** Development of port facilities and services catering to cruise ships.
- » **Adventure and Cultural Tourism:** Investment in activities like water sports, cultural tours, and events.

Renewable Energy

- » **Wind Energy Projects:** Establishment of wind farms to harness consistent trade winds.
- » **Solar Energy Investments:** Development of solar power plants and off-grid solutions.
- » **Energy Storage and Efficiency:** Opportunities in energy storage technologies and smart grid systems.

Maritime and Logistics Services

- » **Port Development:** Expansion and modernization of ports to enhance cargo and passenger services.
- » **Transshipment Hubs:** Leveraging strategic location for shipping and logistics operations.
- » **Fisheries and Aquaculture:** Sustainable fishing practices and seafood processing facilities.

Information and Communication Technology (ICT)

- » **Digital Infrastructure:** Investment in broadband networks, data centers, and telecommunications.
- » **Software Development:** Establishing tech startups and outsourcing centers.
- » **E-Government Solutions:** Providing digital services to enhance government operations.

Agriculture and Agro-Processing

- » **Organic Farming:** Cultivation of high-value crops using sustainable practices.

- » **Food Processing:** Establishment of facilities to process local produce for domestic consumption and export.
- » **Irrigation Projects:** Development of modern irrigation systems to improve agricultural productivity.

Real Estate and Urban Development

- » **Commercial Properties:** Development of office spaces, shopping centers, and mixed-use properties.
- » **Housing Projects:** Construction of residential units to meet growing demand.
- » **Infrastructure Development:** Participation in projects related to transportation, water, and sanitation.

Financial Services

- » **Banking and Insurance:** Establishment of financial institutions offering innovative products.
- » **Investment Funds:** Creation of funds targeting sectors like tourism, real estate, and energy.
- » **FinTech Solutions:** Development of digital payment platforms and financial inclusion services.

CONCLUSION

Cabo Verde stands as a beacon of opportunity in the Atlantic, offering a stable and welcoming environment for investors. The nation's strategic location, commitment to sustainable development, and proactive government policies create a fertile ground for businesses to flourish. With diverse opportunities across sectors such as tourism, renewable energy, maritime services, and ICT, investors have the chance to participate in Cabo Verde's growth story. By investing in Cabo Verde, businesses can achieve significant returns while contributing to the nation's socio-economic advancement and sustainable future.

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