



Executive Summary

The Republic of Cabo Verde is composed of 10 volcanic islands and eight islets located in the central Atlantic Ocean, some 450 kilometers west of Senegal. It has a land area of 4,033 square kilometers, and a 700,000 square kilometers Economic Exclusive Zone (EEZ). The population is estimated at 500,000 (according to the 2010 census), 55.7 percent of whom are located on the main Santiago Island.

Cabo Verde is a lower middle income country with a Gross Domestic Product (GDP) of US\$1,897 Billion. GDP per capita in Purchasing Power Parity (PPP) terms was last recorded at US\$3,818.17 in 2012. Cabo Verde achieved middle-income country status at the end of 2007. Good governance, prudent macroeconomic management, including strong fiscal, monetary and exchange-rate policies, trade openness and increasing integration into the global economy, and the adoption of effective social development policies have produced positive results throughout the archipelago. The business and investment climate continues to improve although there are bureaucratic and cultural challenges to overcome.

Cabo Verde's economy relies on foreign aid flows, tourism, remittances, a business friendly environment, outsourcing labor to other countries, and development programs. The economy is heavily dependent on the services sector, with tourism, commerce, transportation, and public services accounting for 62 percent of GDP. Tourism alone accounts for over 20 percent of GDP and it is expected to continue its strong performance. Although nearly 70 percent of the population lives in rural areas, agriculture and fishing only account for nine percent of GDP, while remittances make up 20 percent of GDP. Manufacturing represents less than nine percent of GDP as a result of high costs for raw materials, energy and water.

As a result of a decline in remittances, and low levels of investment, the current account deficit worsened in 2013. International reserves at the end of 2013 amounted to about 4.3 months of prospective imports. The government of Cabo Verde has announced that it will reverse its expansionary fiscal policy and cut expenditures to reduce the public debt (currently at 98 percent of GDP). While the government adopted a more loose monetary policy, and liquidity in the banking system has improved, this has not yet been reflected in higher lending.

Cabo Verde's long-term economic growth strategy is aimed at infrastructure development (maritime transport and renewable energy), and improved governance. The modernization of ports and airports to facilitate transportation of people and merchandise throughout the archipelago presents investment opportunities for American companies in the transportation sector. In addition, the government of Cabo Verde is committed to improving access to water and energy to promote business creation and investment.

As a regional leader in renewable energy, Cabo Verde has wind farms built on four islands, providing 10 to 20 percent of the country's electricity. A 32-acre solar farm outside Praia is Africa's largest facility of this type, producing five megawatts of thermal energy conversion.

Currently, about 27 percent of the energy consumed in Cabo Verde comes from renewable sources. The government's goal is to increase this number to 50 percent by 2020, which presents additional investment opportunities for American companies in this sector.

1. Openness To, and Restrictions Upon, Foreign Investment

The Government of Cabo Verde (GOCV) looks to both private and foreign investment as the engine for the country's future economic growth, with a focus on tourism, transportation services, renewable energy and export oriented industries. A great effort has been made to promote a market-oriented economic model. In 2014, Cabo Verde achieved its highest economic freedom score (66.1), making its economy the 60th freest in the 2014 Index of Economic Freedom, the 3rd out of 46 countries in the Sub-Saharan Africa region, and the first within the Lusophone countries. The World Bank, IMF, United States, and many other donors have endorsed and supported the GOCV's economic liberalization policies.

There are few regulatory barriers to foreign investment in Cabo Verde. Foreign investment in Cabo Verde is concentrated in tourism and light manufacturing. Sectors such as construction (public infrastructure), transportation, maritime security, and energy are attracting most of the public investment. In terms of transportation, Cabo Verde's strategic and geographic location places the country in a position to become a regional and international shipping hub for both passengers and cargo. Nevertheless, the country remains underserved, with insufficient and inefficient maritime transportation, especially for passengers.

Similarly, lack of water and energy are two important bottlenecks to economic growth in Cabo Verde. To overcome these major development challenges, the Government of Cabo Verde has invested in alternative energy resources. The GOCV has a goal to have 50 percent of electricity come from renewable energy sources by 2020. There are also plans to power the entire islands of Brava and Maio with nothing but green energy (a combination of solar, wind, wave, and bio-fuel) within the next five years, although a specific plan for achieving this has not been unveiled. Many of the largest wind and solar energy projects have been constructed utilizing concessional loans which are often tied to commerce with donor countries, but several small-scale projects are on the works to offer greater access to locally generated power. The energy sector in Cabo Verde is undergoing important regulatory changes and attracting many international investors. Cabo Verde is interested in mobilizing private sector funding and other resources through public-private partnerships. However, bureaucratic and cultural challenges often delay the process and start of projects, which tests investor's patience.

Starting in the mid-1990s, the GOCV implemented a series of reforms that have transformed a centrally-planned economy into a market-oriented economy. The number of publicly-owned enterprises has decreased from forty in the 1990s to six as of today. Privatization came either through private sector sales or through liquidation. The two main utility companies, Electra (electricity and water) and Cabo Verde Telecom, the country's three banks, and the main state-owned entities in the tourism sector have all been sold off. All privatization or liquidation processes ran smoothly with the exception of Electra, which returned to government ownership. The decision to repossess Electra resulted from a breach of contract with the Portuguese investor.

A consensual agreement was reached during the negotiations. State owned enterprises such as Electra and TACV Cabo Verdean airlines are in part responsible for the increased public debt, which is now at 98 percent of GDP, and is expected to continue to increase.

In January 2008, four years after the United Nations Resolution 59/210 recommendation, Cabo Verde graduated from a Least Developed Country to a Lower Middle Income Country. On May 26 of the same year (five months after the World Trade Organization (WTO) approved GOCV application) Cabo Verde's legislatures unanimously ratified the agreement and formally acceded to the WTO. In compliance with WTO regulations, Cabo Verde legislation does not discriminate against foreign investors in terms of tax treatment, access to licenses approvals nor exchange rate controls.

Cabo Verde is the first country to have successfully concluded a Millennium Challenge Corporation (MCC) compact. Moreover, in February 2012, Cabo Verde became the first country to sign a second compact after consistently displaying good economic and political governance. The first compact (US\$110 million) has been used to improve the country's investment climate and reform the financial sector; improve infrastructure to support increased economic activity and provide access to markets, employment, and social services; and increase agricultural productivity, and raise the income of the rural population as well as carry out key policy reforms needed for sustained economic growth. The second compact (US\$66.2 million) is carrying out wide-reaching reforms in the water and sanitation and land management sectors. The second compact continues to support Cabo Verde's overall national development goal of transforming its economy from aid-dependency to sustainable, private-sector led growth.

TABLE 1: The following chart summarizes several well-regarded indices and rankings

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	(41 of 177)	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom index	2014	(60 of 177)	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2014	(121 of 189)	http://doingbusiness.org/rankings
Global Innovation Index	2013	103 of 142	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2012	3,830 USD	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

TABLE 1B - Scorecards: The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a 2012 per capita gross national income (GNI) or \$4,085 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: <http://www.mcc.gov/pages/selection/scorecards>. Details on each of the MCC's indicators and a guide to reading the scorecards are available here: <http://www.mcc.gov/documents/reports/reference-2013001142401-fy14-guide-to-the-indicators.pdf>

2. Conversion and Transfer Policies

Cabo Verde's exchange-rate fluctuation risk is low, and dependent on the Euro (the Cabo Verdean Escudo (CVE) is pegged to the Euro). Since 1998, Cabo Verde has pursued a fixed exchange rate policy by pegging the CVE to the Portuguese Euro, and since January 4 1999, to the euro, at a rate of CVE110.27 per euro. This fixed exchange rate arrangement is a credit facility granted by Portugal to Cabo Verde –Credit Facility Contract – and managed by a joint Cabo Verdean and Portuguese body named Comissão do Acordo de Cooperação Cambial (COMACC). Both residents and non-residents may hold foreign exchange accounts, subject to government approval and regulations. Most payments and transfers are subject to controls.

The government gives foreign investors important guarantees such as privately managed foreign currency accounts, which can be credited from abroad or from other foreign accounts in Cabo Verde. In addition, it allows undisputed repatriation of dividends, profits and capital from foreign investment operations. To receive these benefits the investor has to qualify for foreign investor status through GOCV's official agency Cabo Verde Investimentos which is the one-stop-shop for investors.

The regulatory legislation specifies that for the first five years of operation, dividends may be freely expatriated without tax and that for the next fifteen years dividends may be expatriated with a flat tax rate of ten percent. Incentives for outward investment in developing countries are not included in the legislation, but they have been provided on an ad hoc basis.

Current law permits a foreign investor to request the Bank of Cabo Verde to transfer loan repayment, revenue/profits, and capital gains overseas within 30, 60 and 90 days respectively.

3. Expropriation and Compensation

In the event of expropriation, or acquisition of privately owned property by the government for the public's interest, the government will compensate the owner, on the basis of prevailing market prices, or the actual market value of the property on the day of expropriation. Compensation may be repatriated at the exchange rate in effect on the day of expropriation.

4. Dispute Settlement

Disputes between foreign investors and the government will be settled either by recourse to a single referee or an arbitration commission. Referees may be foreigners. If so, they may not have

the same nationality as the parties involved in the dispute. Should there be difficulty in reaching an agreement over the nomination of the referees, referees may be appointed by a recognized national body or international organization, with the ultimate authority being the International Center for Settlement of Investment Disputes (ICSID). The ICSID is an autonomous international institution established under the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID or the Washington Convention) with over one hundred and forty member States. Generally, arbitration will be carried out in Cabo Verde and in Portuguese, unless the parties agree on another location and language. The decision of the single referee or the arbitration committee is final and there is no appeal.

5. Performance Requirements and Investment Incentives

The government offers local and foreign investors the same incentives. The incentives do not carry performance requirements. Instead, the government favors investments that are either export-oriented or diversify geographically and technologically the country's industrial base. The prevailing corporate income tax is 25 percent per year, and for certain industries such as tourism, renewable energy and transport related services there are incentives such as tax credits (50 percent) to be deducted annually from the corporate income tax. There are other incentives such as exemption from IUP (Net Worth Tax), custom duties upon certain conditions as specified in the law.

Through existing international agreements, exporters have preferential access to the markets of Europe, West Africa and the United States. Incentives for firms that export their entire output (free-zone enterprises) are the most generous, but all foreign firms investing in Cabo Verde, regardless of the location of their markets, can benefit from the following incentives.

6. Right to Private Ownership and Establishment

The right to private ownership and establishment is guaranteed under the constitution. Property rights are recognized and guaranteed by several Cabo Verdean laws, as well as by the constitution. There is a legal entity that records secured interests in property, both chattel and real estate. There is also a legal system that protects and facilitates acquisition and disposition of all property rights.

7. Protection of Property Rights

Cabo Verde is in the process of implementing its second MCC Compact in the amount of \$66.2 million of which \$17.3 million is for Land Management for Investment Project. This investment is expected to improve Cabo Verde's investment climate by refining the legal, institutional and procedural environment to create conditions for increased reliability of land information, greater efficiency in land administration transactions, and strengthened protection of land rights. The project consists of developing and implementing a new land information management system, and clarifying parcel rights and boundaries on targeted islands with high investment potential.

The Land Management and Investment Project supports the Government of Cabo Verde in creating a single reliable and easily accessible source of land rights and land boundaries information, which is expected to strengthen Cabo Verde's investment climate for large and small investors, and reduce land registration time and costs. The project is expected to be finalized within the next four years.

International/regional conventions:

Cape Verde Islands is a member of the following international agreements:

Berne Convention (since 1997)

Rome Convention (since 1997)

WIPO Convention (since 1997)

WTO/TRIPS (since 2008)

IP legislation:

Statutes of the Intellectual Property Institute of Cape Verde (2010)

Resolution No. 25/2010 of May 24, 2010, establishing the Institute for Intellectual Property of Cape Verde (IPICV) (2010)

Decree-Law No. 1/2009 of April 27, 2009, revising the Law on Copyright (2009)

Decree-Law No. 13/2008 of April 7, 2008, establishing the Cultural Creation Grant and Approving its Regulations (2008)

Decree-Law No. 33/2007 of September 24, 2007, regulating the Use of Digital Signatures (2007)

Industrial Property Code (approved by Decree-Law No. 4/2007 of August 20, 2007) (2007)

Law No. 8/VII/2007 of March 26, 2007, concerning the Establishment of the Legal Regime Applicable to the Promotion and Protection of Industrial Property Rights and its Regulations (2007)

Resolution No. 16/2006 of May 22, 2006, approving the Government Programme for the 7th Legislature 2006-2011 (2006)

Legislative Decree No. 10/93 of June 29, 1993, governing the Exercise of the Broadcasting Activity (1993)

Copyright Office:

Institute of Intellectual Property of Cabo Verde

Avenida Cidade de Lisboa,

C.P. No 146A

Praia - Santiago

Telephone (238) 260 4340

(238) 9817731

Telefax (238) 261 6994

E-mail address: Jose.B.Carvalho@ipi.gov.cv

Point of contact: Mr. José Maria Barreto

Industrial Property Office

Institute of Intellectual Property of Cabo Verde

Avenida Cidade de Lisboa,

C.P. No 146A

Praia - Santiago

Telephone (238) 260 4340
(238) 994 7283
Telefax (238) 261 6994
E-mail address: Rogerio.Monteiro@ipi.gov.cv
Point of contact: Mr. Monteiro Rogerio

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Embassy point of contact: Juan Vazquez VazquezJM@state.gov

Local lawyers list: http://praiia.usembassy.gov/attorney_information.html

8. Transparency of the Regulatory System

Cabo Verde is an example in Africa because of its transparency and good governance. Its government is committed to improving the conditions for foreign investment and to encouraging a more transparent and competitive economic environment. In 2013, Cabo Verde ranked 41st on Transparency International's Corruption perception index, it was second among African nations trailing only Botswana. In addition, the MCC control of corruption score cards ranked on 96 percent with a score of 1.38. According to the 2013 Heritage Foundation's Index of Economic Freedom, Cabo Verde's economic freedom was ranked 60th in the world with a score of 66.1. The basic Cabo Verdean legislation affecting foreign investment is contained in the Cabo Verde Investment Law (Decree-Law No. 34/2013 and the Law of Industrial Development. These laws establish the principle of equal treatment for foreign investment and confirm the government's commitment to the creation of a dynamic business environment. The Industrial Development Statute regulates the granting of incentives and simplifies the investment approval process. Laws to promote exports, incentives to export, and free-zone enterprises stress the commitment of the government to encourage investment in export-oriented industries. The overall entrepreneurial environment benefits from high levels of regulatory flexibility and efficiency. The tax regime encourages entrepreneurial activity, and government policies support free trade and open markets. Although bureaucratic procedures have been simplified in a number of cases, there is still room for improvement. The Investment Approval Process has been expedited within the revision of the external investment code. The Caboverdian Agency for the Promotion of Investment, Cabo Verde Investimentos (CI), has become a one-stop shop for external investors. However investing in Cabo Verde is still a slow process.

9. Efficient Capital Markets and Portfolio Investment

Cape Verde has a small but relatively strong, efficient and well managed financial sector supervised and regulated by a single institution: the Central Bank of Cape Verde. The financial sector consists of:

- Credit institutions (banks and other institutions that are qualified by law);
- Special credit institutions (credit unions and savings banks);
- Nonbanking institutions;
- Insurance companies;

- Stock Exchange;

In the 1990s, the statute of International Financial Institutions (IFI) was created for institutions whose activities are directed primarily to non-residents. Most IFI banks in Cape Verde are "foreign branches" or subsidiaries of Portuguese banks, which were established in Cape Verde to benefit from tax advantages in their transactions with non-residents.

The onshore segment contains eight banks (Banco Comercial do Atlântico; Caixa Económica de Cabo Verde; Banco Interatlântico; Banco Cabo-Verdiano de Negócios; Banco Angolano de Investimentos; Novo Banco; Ecobank-Cape Verde, and Banco Espírito Santo-Cape Verde). There are 10 non-bank institutions: a venture capital management company – A Promotora; three currency exchange offices - Cotacâmbios de Cabo Verde, Arisconta - Câmbios Lda. and Girassol - Câmbios Lda.; a company that issues credit cards and handles the payment system - SISP, a leasing company Promoleasing - Sociedade de Locação Financeira SA; three securities fund management companies - Innovation Box, Sociedade de Gestão de Fundos de Habitação de Interesse Social e Novagest SA; and a money transfer agency - Global Money Transfer-Cape Verde SA.

The offshore market is comprised of nine institutions licensed to operate, eight in banking activities (Banco Fiduciário Internacional, Banco Sul Atlântico, Banco Português de Negócios, Banco Montepio Geral, Banco Espírito Santo, Banco Privado Internacional, Caixa de Crédito Agrícola Mútua and Atlantic International Bank) and one acting as fund manager (CA Finance SA).

Overall, the banking sector is still relatively small, with a limited supply of financial products. However, it is well-managed and exhibits good performance indicators. Credit risk is mainly controlled through a limited exposure and strict compliance with prudential ratios.

At the end of 2010 (latest information available), the banking sector, excluding the IFIs and offshore banks, had:

- A network of 105 branches covering all municipalities in the country;
- 141 ATMs and 1985 debit machines available in all islands;
- Internet banking offered by the four major banks; and
- Debit cards, credit cards and prepaid Visa.

Bank credit is available to foreign investors under the same conditions as for national investors. The private sector has access to some credit instruments such as loans, letters of credit and lines of credit. The legal guidelines for accounting systems are clear but are not totally consistent with international norms.

The Export-Import Bank of the United States (<http://www.exim.gov/>) has institutional ties to national commercial banks.

The Cape Verdean stock market, Bolsa de Valores de Cabo Verde (BVC), is fully operational. It has been most active in the issuance of Bonds. Foreign investors must open a bank account with a local bank in Cape Verde before buying stocks or bonds from BVC.

Financial Sector Main Legislation:

- Banks and the Special Credit Institutions: Law No. 3/V/96 - 1 July;
- Insurance: Decree Law No. 52 F/90 4 July and Decree-Law No 1 /2000, January 31
- The Securities Market: Laws No. 51, 52 and all 53/V/98, May 11, 98;
- IFIs: Laws No. 43/III/88 of 27 December, 60/VI/2005 - April 18, DL No 12/2005 February 7, and 44/2005 - June 27;

Banking, Insurance, and Securities Market Regulations are in compliance with International regulations and meet international best practice.

10. Competition from State-Owned Enterprises

In industry, interference in state-owned enterprises (SOEs) in Cabo Verde is a relatively minor concern. With the exception of certain industries which remain protected (e.g., freight handling at the airport, port authority, importation of pharmaceutical products and distribution of electricity), private and state-owned enterprises compete freely and without major interference from the government. In these “liberalized” markets, both private and state-owned enterprises have the same access to credit, markets, and business opportunities. SOEs in Cabo Verde are most active in the transportation sector. SOEs are generally managed by a board of directors which is nominated by the Minister in charge of the respective sector. Overall, there is little government interference in the day-to-day management of SOEs and they are generally evaluated based on their economic or financial performance. However, even though most directors are not politically appointed, they must maintain the confidence and support of the government. All SOEs are required to produce annual reports and must submit their books to independent auditors.

11. Corporate Social Responsibility

The private sector, government and regulators are becoming increasingly aware of the importance of environmental and social responsibility in Cabo Verde. Many companies conduct campaigns to promote social awareness in areas such as health, environmental protection, and cultural preservation. For instance, all investment projects are required to provide an environmental impact study prior to approval. However, companies’ specific CSR efforts in Cabo Verde tend to be more reactive than proactive. For example, a recent outbreak of Dengue Fever in the country was met by public awareness campaigns launched by some local companies.

In terms of women’s issues, the government of Cabo Verde is a leader in the region, if not in the world. During previous governments, women have equally been represented in ministerial level positions. For example, eight of eighteen ministerial positions are currently held by women. While there is still room for improvement, relative to other countries in the region, Cabo Verdean women tend to have good representation among businesses in the country.

12. Political Violence

Cabo Verde's strengths are its political and social stability. There have never been any political or religious conflicts resulting in violence. In recent years there have been some incidences of strikes, promoted by labor unions, but they were all peaceful.

13. Corruption

In 2012, Cabo Verde ranked 39th on Transparency International's Corruption perception index, it was second among African nations trailing only Botswana. Cabo Verde has signed and ratified the UN Anticorruption Convention.

Corruption is a crime punishable by law. Giving or accepting a bribe is a criminal act and conviction could result in up to eight years in prison. To combat corruption effectively, the Cabo Verdean government established the High Authority Against Corruption, and parliament has added three additional prosecutors to enforce the law. Other institutions active in combating corruption include the Judicial Police, the Prosecuting Counsel and the courts. Corruption or the bribery of political officials and/or public servants is not a major issue of concern in Cabo Verde. There have been rumored incidents of corruption in the recent past, which earned a lot of public criticism and media coverage.

Under U.S. law, American companies and their affiliates are subject to the Foreign Corrupt Practices Act, which strictly prohibits the bribery of foreign officials.

14. Bilateral Investment Agreements

Cabo Verde has bilateral investment agreements with Angola, Austria, Belgium, China, Germany, Holland, Italy, Portugal, Russia, United Kingdom, Sweden, and Switzerland. Since, Cabo Verde has enjoyed a Special Partnership with to the European Union as a Peripheral Region Nation.

15. OPIC and Other Investment Insurance Programs

The Overseas Private Investment Corporation (OPIC) (<http://opic.gov/>) offers political risk insurance, which includes coverage for exchange inconvertibility, expropriation, and war. Cabo Verde is also a member of the Multilateral Investment Guarantee Agency (MIGA).

16. Labor

With the national unemployment rate above 16.4 percent, creating jobs is a major concern for the Cabo Verdean government. Unemployment among youth and highly skilled labor is even higher; 34.6 percent for ages between 15 and 24, and 15.6 percent among the highly skilled workforce (university degree). The government is striving to stimulate national production and attract foreign investment to create jobs and support entrepreneurial initiatives. The low cost, high productivity and wide availability of labor in Cabo Verde is economically enviable. Unskilled labor represents some 30 to 40 percent of the total labor force and is readily available. However, technical, managerial, and professional talent is more difficult to find. In 2013, Cabo Verde's Commission for Social Dialogue approved the archipelago's first minimum wage and set it at

11,000 Cabo Verdean escudos (approximately 135 USD) per month. The minimum wage went into force on January 2014.

17. Foreign Trade Zones/Free Ports

The Cabo Verde Investment Law (new: decree law 34/2013), External Investment Law, the Industrial Development Law, the Industrial Statute, the Enterpot Law, and the Law of Free-enterprises, constitute a package of free zone legislation. These laws allow for flexibility of location and provide strong incentives for export-oriented firms. The free-zone enterprise law introduces a new status for enterprises that produce goods and services exclusively for export or to sell to other free-zone enterprises in Cabo Verde.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

TABLE 2: Key Macroeconomic data, U.S. FDI in Cabo Verde

	Cabo Verde Central Bank		USG or international statistical source		USG or international Source of data (Source of Data: BEA; IMF; Eurostat; UNCTAD, Other)
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (<i>Millions U.S. Dollars</i>)	2012	1,777	2012	1,827	http://www.worldbank.org/en/country *The differences between the values may be related exchange rates utilized and values (nominal versus real) from the different sources.
Foreign Direct Investment	Cabo Verde Central Bank		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (<i>Millions U.S. Dollars, stock positions</i>)		None		None	(BEA) click selections to reach.
Cabo Verde FDI in the United States (<i>Millions U.S. Dollars, stock positions</i>)		None		Not shown	(BEA) click selections to reach
Total inbound stock of FDI as percent host GDP		N/A		N/A	

TABLE 3: Sources and Destination of FDI**Table 3-i Inward Direct Investment Positions as Reported by Cabo Verde and Outward Direct Investment Positions as Reported by Counterpart Economy as of end-2012**

US Dollars, Millions

Investment from:	Direct Investment Positions		Equity Positions (Net)		Debt Instruments Positions (Net)	
	Inward Reported by Economy	Outward Reported by Counterpart Economy*	Inward Reported by Economy	Outward Reported by Counterpart Economy*	Inward Reported by Economy	Outward Reported by Counterpart Economy*
Germany		1		1		0
Italy		30		31		-1
Portugal		319		293		25
TOTAL		350		325		25

FDI in Cabo Verde – Source: Cabo Verde’s Central Bank

	2007	2008	2009	2010	2011	2012
CVE in Millions	15,339.30	19,873.60	13,836.00	13,178.30	12,152.50	4,919.70
Exchange Rate (Avg)	80.62	75.34	79.38	83.28	79.28	85.84
USD in Millions	190.3	263.8	174.3	158.2	153.3	57.3
percent by country of origin	Spain	Italy	UK	Ireland	Portugal	Others
2007	19.7	15.7	13.8	2.5	12.2	36.2
2008	11.7	5.3	9.8	9.8	22.7	40.9
2009	25.0	6.2	7.7	10.4	10.4	40.2
2010	25.8	4.2	25.5	19.6	4.1	20.9
2011	58.3	11.1	2.7	2.0	11.2	14.7
2012	4.6	1.9	6.3	1.3	20.1	65.1
percent by island	Maio	Boavista	Sal	Santiago	S Vicente	Others
2007	1.4	18.4	37.7	36.2	2.6	4.1
2008	0.4	9.8	34.3	45.6	1.9	8.0
2009	0.2	21.3	29.7	48.0	0.8	0.1
2010	0.0	25.6	49.3	22.7	1.6	0.8
2011	0.0	0.1	73.5	20.1	5.1	1.2

	2012	0.1	2.0	8.4	78.6	6.7	4.2
by activity in percent	Tourism & Real Estate Services	Financial Services	Other Services	Industry	Commerce	Others	
2007	75.6	7.6	6.0	.01	2.3	8.4	
2008	70.5	7.1	2.9	0.0	0.0	19.5	
2009	86.8	2.6	2.7	0.1	4.9	2.9	
2010	83.5	8.0	5.0	1.3	0.1	2.1	
2011	76.7	4.5	11.3	6.7	0.0	0.8	
2012	33.5	7.8	43.4	3.2	0.3	11.7	

TABLE 4: Sources of Portfolio Investment

None available

19. Contact Point at Post for Public Inquiries

Juan Vazquez
 Political/Economic Officer
 R. Abilio Macedo n. 6
 Praia, Cabo Verde
VazquezJM@state.gov

Carla M. Brigham
 Commercial Specialist
 R. Abilio Macedo n.6
 Praia, Cabo Verde
BrighamCM@state.gov