



U.S.  
COMMERCIAL  
SERVICE  
United States of America  
Department of Commerce

# U.S. Country Commercial Guides



## Cabo Verde 2020

## Table of Contents

<b><i>Doing Business in Cabo Verde</i></b> _____	<b>4</b>
Market Overview _____	4
Market Challenges _____	5
Market Opportunities _____	5
Market Entry Strategy _____	6
<b><i>Leading Sectors for U.S. Exports and Investment</i></b> _____	<b>7</b>
Renewable Energy _____	7
Maritime Economy _____	9
Tourism _____	11
Transportation _____	14
<b><i>Customs, Regulations, and Standards</i></b> _____	<b>15</b>
Trade Barriers _____	15
Import Tariffs _____	15
Import Requirements and Documentation _____	15
Labeling and Marking Requirements _____	15
U.S. Export Controls _____	15
Temporary Entry _____	16
Prohibited and Restricted Imports _____	16
Customs Regulations _____	16
Standards for Trade _____	17
Trade Agreements _____	17
Licensing Requirements for Professional Services _____	18
<b><i>Selling U.S. Products and Services</i></b> _____	<b>19</b>
Distribution & Sales Channels _____	19
eCommerce _____	21
Selling Factors and Techniques _____	23
Trade Financing _____	25
Protecting Intellectual Property _____	26
Selling to the Public Sector _____	26
<b><i>Business Travel</i></b> _____	<b>28</b>
<b><i>Investment Climate Statement (ICS)</i></b> _____	<b>32</b>
<b><i>Political Environment</i></b> _____	<b>33</b>

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## Doing Business in Cabo Verde

### Market Overview

The archipelago of Cabo Verde is composed of 10 volcanic islands and eight islets and is located in the mid-Atlantic Ocean approximately 450 miles west of Senegal. It has a land area of 4,033 square kilometers, and its 700,000 square kilometer maritime Economic Exclusive Zone (EEZ) is roughly the size of Texas. Approximately 570,000 people live on the nine inhabited islands.

Cabo Verde graduated to developed country status in 2007 and met most of its Millennium Development Goals by 2015. It invested in political stability and has a history of parliamentary democracy and economic freedom that is unique in the region. Elections are free, fair, and regular, and there have always been smooth transitions of power since the country gained independence from Portugal in 1975. Good governance, prudent macroeconomic management (including strong fiscal, monetary, and exchange-rate policies), trade openness, increasing integration into the global economy, and the adoption of effective social development policies have contributed to its success. Broad political stability is expected to prevail in Cabo Verde, underpinned by strong democratic institutions and robust protection of human rights and civic freedoms. The business and investment climate continues to improve, although there are bureaucratic and cultural challenges to overcome.

The government has prioritized renewable energy, tourism, maritime and air transportation, information and communications technology (ICT), blue-economy industries, financial services, and agribusiness as the key sectors for private investment and public-private partnerships. The government identified these key sectors in its 2017-2021 Strategic Plan for Sustainable Development (PEDS). This plan included a commitment to privatizing various state-owned enterprises and addressing macroeconomic challenges. It aimed to create 45,000 new jobs by the end of 2020 and position Cabo Verde as a mid-Atlantic platform across a variety of sectors to capitalize on its geostrategic location at the crossroads of the African, European, and American continents. The strategy sought to harness the domestic and international private sector as the key driver for continued economic development.

In 2018 and 2019, the government organized a series of investment conferences, including one in Boston, to promote Cabo Verde as a stable, open, and attractive investment destination. The government plans to hold additional conferences after travel restrictions caused by the COVID-19 pandemic are lifted. Despite several years of impressive progress, economic contraction caused by COVID-19 will prevent the government from achieving its original goals under PEDS. The government is already working on a recovery plan and an agenda reflecting its ambitions for 2021-2030, which will be aligned with PEDS 2017-2021 and the UN Sustainable Development Goals. The new agenda seeks to further mobilize private investment in maritime economy, renewable energy, and the health and technology sectors.

In July 2020, as part of its efforts to develop the country's maritime economy, the government approved a Special Economic Zone around the island of São Vicente (ZEEEM-SV). Although China provided funding for the ZEEEM-SV's viability study, the government has been clear that it seeks a diverse range of investors in the zone's projects, including expanding deep-water ports, fisheries, ship repair, and other related services.

In 2019, the government completed two important privatization processes: airline transportation (international and domestic) and domestic maritime transportation for passengers and cargo. Both privatizations demonstrated gains in efficiency and reliability but faced financial challenges that were significantly compounded by the COVID-19 pandemic. Plans to privatize other state-owned enterprises, including a concession contract for the management of the ports and airports, were suspended due to the pandemic but are expected to move forward within the next year.

The government remains committed to reforms aimed at developing the private sector and attracting foreign investment to diversify the economy and decrease unemployment, which declined from 12.2 percent in 2018 to 10.7 percent in the first half of 2019. There are few regulatory barriers to foreign investment in Cabo Verde, and foreign investors receive the same treatment as Cabo Verdean nationals regarding taxes, licenses and registration, and access to foreign exchange. As of 2020, foreign investment in Cabo Verde is concentrated in tourism and light

manufacturing. Aligned with PEDS, the government seeks to position Cabo Verde as a regional and international hub across a range of sectors, including technology, finance, and transportation of both passengers and cargo, and the government is developing policies to realize this plan.

Cabo Verde does not have a bilateral investment treaty or a taxation treaty with the United States. For more than a decade, Cabo Verde has maintained its interest in establishing a bilateral trade and investment framework agreement with the United States in its continuing efforts to diversify trade partnerships and reduce its dependence on Europe. However, as a member of ECOWAS, Cabo Verde will benefit from the Trade and Investment Framework Agreement (TIFA) signed in August 2014, although it has not yet entered into force. Demand for high-quality, price-competitive U.S. products in the archipelago is strong. Cabo Verde is also eligible to export products to the United States duty free under the Africa Growth and Opportunity Act (AGOA).

### **Market Challenges**

**Vulnerabilities and Market Size:** Cabo Verde's low proportion of arable land, scant rainfall, lack of natural resources, territorial discontinuity, and small population make it a high-cost economy (particularly in terms of energy, water, and transportation costs) with few economies of scale. Cabo Verde is vulnerable to external shocks, as demonstrated by the COVID-19 pandemic. The country's GDP had been expected to grow by at least five percent in 2020 but is now likely to contract by more than eight percent. In addition, Cabo Verde's public debt is anticipated to reach 132.5 percent of GDP this year, one of the highest levels in Africa. The unemployment rate is expected to double to 20 to 25 percent.

**Access to Credit and Additional Policy Changes:** Cabo Verde has implemented reforms that create an economic and regulatory climate favorable to foreign investment, including specific investment incentives for the key sectors identified in the government's strategy. Access to credit has also been a common challenge for Cabo Verdean importers and businesses. However, the government offers technical assistance and guarantees access to credit for viable projects to support micro, small, and medium companies. Procurement laws that guide international tenders and privatization processes are based on international standards, and the process is generally transparent. However, the complexity of these processes can strain both the capacity of small and medium entities looking to bid on them and the government institutions managing the privatization. In the energy sector, although the government continues to pursue a transition to renewable energy, additional policy and procedural reforms are necessary to ensure viability of private investments in the sector.

**Competition:** American businesses and exporters face competition in Cabo Verde from European competitors, some of whom have been active in Cabo Verde since its colonial days. European companies are already familiar with aspects of the business culture, financing, regulations, and standards. China's commercial presence is also growing and diversifying beyond small sundry shops to include more significant investments, especially in the ICT sector.

### **Market Opportunities**

Despite the challenges imposed by the COVID-19 pandemic, the Government of Cabo Verde has remained focused on several key sectors for private sector investment and partnership. It is the government's ambition to transition to 50 percent renewable energy sources by 2030. This is a sector that has already attracted U.S. businesses. The maritime economy – particularly port management, bunkering, ship repair, fishery, and other maritime industries – offers important opportunities, particularly in the context of the special exclusive economic zone in São Vicente. Cabo Verde received more than 818,000 tourists in 2019, and the tourism sector continues to offer opportunities. Information and communication technology companies have actually seen gains during the global pandemic, and the future of this industry in Cabo Verde is very promising. Investments in all of these sectors will benefit from fiscal and other incentives.

The government's agenda to restructure and privatize strategic state-owned enterprises – including management of ports and airports, pharmaceutical production and distribution, and a ship repair facility, among others – has been

delayed due to the pandemic but is expected to move forward, which will offer investment and export opportunities to U.S. businesses.

When studying the small, fragmented Cabo Verdean market, companies should also consider the regional potential. Cabo Verde's strategic location, political and economic stability, human resources, and projects aimed at transforming it into a regional hub (air, maritime, digital, and other) provide opportunities for accessing the attractive West African market. Cabo Verde also represents a potential market for small U.S. businesses. There is interest among local firms in establishing partnerships with U.S. businesses to import items from the United States, including corn, technological components, and solar panels to be assembled in Cabo Verde. The limited quantity of imports Cabo Verde needs of most items has been too small for many U.S. exporters. However, small- or medium-sized U.S. companies could find good business opportunities in Cabo Verde that also serve as a launching pad into the regional market. Cabo Verde's physical (airports, ports, roads, hotels) and IT infrastructures are generally of high quality.

There are local entities responsible for supporting foreign investments and businesses. Cabo Verde TradeInvest (CVTI) is responsible for large-scale investment promotion and is a one-stop shop for foreign investors. For investments of less than \$500,000, ProEmpresa and Casa do Cidadão provide similar services for investors. ProEmpresa's role is to promote micro-, small- and medium-sized businesses.

Cabo Verdeans perceive American products as being of high quality and prefer them when they are available at a competitive price. English is not widely spoken among the population, but officials in key public and private entities have adequate English language skills. The population is very friendly toward Americans.

### **Market Entry Strategy**

There is no single recommendation with respect to market entry. Having a Cabo Verdean business partner or manager who can speak both Portuguese and Cabo Verdean Creole can be extremely helpful, particularly in industries marketed primarily to the local population. For industries targeting foreigners and tourists, dual English and Portuguese language proficiency would be useful as well. Working with a local lawyer is recommended to understand the country's legal framework and procedures. (U.S. Embassy Praia's website includes a list of [local attorneys](#).)

There are multi-service marketing companies available to provide support services to businesses. These marketing companies operate on a much smaller scale than similar businesses in the United States. However, their contacts and expertise can generate much faster responses when building business relationships under time and language constraints.

There is no American Chamber of Commerce in Cabo Verde, but there are a few successful micro and small businesses run by Cabo Verdean-American dual nationals who can offer relevant insights and recommendations.

An exploratory visit is advisable to gain an understanding of each island and specific opportunities and constraints. An initial meeting with Cabo Verde TradeInvest – the Cabo Verdean foreign investment promotion agency – is highly recommended. Cabo Verde TradeInvest can also assist with business registration and establishing relevant contacts.

## Leading Sectors for U.S. Exports and Investment

### Renewable Energy

#### Overview

Imported petroleum products constitute about 80 percent of Cabo Verde's total energy supply, while 20 percent comes from renewable sources, primarily wind and solar. Although 93 percent of the population has access to electricity, there are significant losses in the distribution grids, and electricity costs are extremely high. Recognizing the need for sustainable, low-cost energy, the government aims to achieve a penetration rate for renewable energy of 50 percent by 2030, with a phased implementation schedule. To achieve its ambitious goal, the government anticipates that Cabo Verde will need more than 150MWp of new solar projects and more than 60MW of new wind farms.

The ECOWAS Center for Renewable Energy and Energy Efficiency (ECREEE) was established in Cabo Verde in 2009 with the support of the ECOWAS Commission and the governments of Austria and Spain, along with technical assistance from the United Nations Industrial Development Organization (UNIDO). Promoting renewable energy and energy efficiency and supporting the region's economic and social development in an environmentally friendly manner are the main goals of ECREEE. In 2018, under the Power Africa program, the United States Agency for International Development (USAID) and ECREEE started a partnership to enhance renewable energy development in West Africa. The \$3 million partnership's activities include: implementing measurement campaigns on hydro-power sites, supporting investment processes across the region, co-funding clean energy mini-grids using ECOWAS' renewable energy facility, and providing data management and capacity building across the ECOWAS region. Cabo Verde has been included in a number of regional projects as described in the [Power Africa Toolbox](#).

Power Africa is a market-driven, U.S. government-led public-private partnership aiming to double access to electricity in Africa. While Power Africa's activities in Cabo Verde have been limited to date, the initiative offers private sector entities tools and resources to facilitate doing business in Africa's power sector. Learn more about the full [Power Africa toolbox](#) or other [opportunities offered by Power Africa](#).

#### Leading Sub-Sectors

**Wind:** Cabo Verde has relevant experience in the sector, including through a public-private partnership called Cabeolica. Energy generated by wind turbines feeds the national grid on several islands. Cabo Verde offers good and reliable wind resources (18m/s).

**Solar:** Small independent producers are already operating in Cabo Verde, and small-scale solar power systems have been installed in some rural communities. Cabo Verde has ample sunshine with an energy/day ratio of 6-8 Wh/m<sup>2</sup>/day.

**Wave:** Cabo Verde has high potential for ocean power that is yet to be exploited. The energy carried by Atlantic Ocean waves is large; typical mean values are between 20 – 70 kW/m of wave front. An American company is currently developing a pilot research site on the island of São Vicente.

**Geothermal:** Geothermal is another potential energy source, but its exploration is limited by scale. Islands like Fogo have great potential, but the technological feasibility of geothermal exploration presupposes a level of scale greater than 5MW.

#### Opportunities

Beyond opportunities to export equipment, technology, and know-how (technical assistance) from the United States to Cabo Verde, the development of a local market for renewable energy has great potential. Reduced energy costs could catalyze other businesses, industries, and services engaged in the construction, marketing, installation, and maintenance of renewable technologies. Renewable energy is also relevant in other sectors, such as tourism, the maritime economy, and agriculture. This is the sector in which U.S. businesses have expressed the most interest.

Beyond the government's strong political commitment to renewable energy, Cabo Verde offers tax benefits for investments in the sector and has a master plan for the electricity sector that identifies sites for the development of renewable-energy projects. The World Bank is assisting the government with privatization studies, particularly plans for the privatization of ELECTRA (the water and energy production company). The privatization process was expected to advance in 2020 but was suspended due to the COVID-19 pandemic.

#### **Resources**

[Ministry of Industry, Trade and Energy](#)

[Energy and Water Production Company](#)

[ECOWAS Center for Renewable Energy and Energy Efficiency](#)



## Maritime Economy

### Overview

To tap into the full potential of the country's vast exclusive economic zone and strategic location, the government aims to transform Cabo Verde into a maritime and logistics platform in the Atlantic. The flagship project toward that goal is the creation of a special exclusive economic maritime zone (ZEEEM-SV) centered around the island of São Vicente, home to Porto Grande, the country's largest port. Cabo Verde has also started transitioning to a blue economy model, which requires new projects to consider their impact on the ocean and coastal areas and prioritize social and economic inclusion of coastal communities. Cabo Verde has already made important advances in the maritime sector and boasts nine ports. Fisheries and fish processing are receiving more attention as a strategic sector and account for 80 percent of the country's exports. Domestic maritime transportation of passengers and cargo is now operated by a private consortium and was showing improvements in numbers and efficiency prior to COVID-19. Cruise ship visits were also on the rise before the pandemic. In 2019, Cabo Verde received 48,500 cruise ship passengers (an increase of three percent over 2018) and 147 cruise ships. Porto Grande in Mindelo received most of the cruise ship passengers (26,021), followed by the Port of Praia (14,107).

### Leading Sub-Sectors

**Ports** (improvement of facilities, equipment, and management): Despite good infrastructure, Cabo Verdean ports continue to require repairs, upgrades, and new equipment, including for security. The planned relocation of the commercial deep-water port facility on the island of São Vicente is also an important construction prospect. The African Development Bank is currently funding the rehabilitation of two ports, and the U.S. government, through the Millennium Challenge Corporation (MCC), supported significant improvements to the Port of Praia. The Government of Cabo Verde intends to enter into a concession contract to manage all nine ports; however, the process is suspended due to the COVID-19 pandemic.

**Fisheries:** The government hopes to improve and expand this important sector. Fish processing and conservation offer important opportunities linked to significant export potential. Sport fishing-based tourism represents another relatively untapped opportunity. Aquaculture activities – including shrimp farms – have recently started and are demonstrating positive results.

**Ship Repair:** As part of the special maritime zone, the government plans to privatize the existing ship repair facility (Cabnave). Cabnave, although in need of major investments, continues to receive and repair ships from Europe (mainly Spain) and China. Cabo Verde's privileged location and its future positioning as a maritime hub are valuable factors to consider for American companies interested in ship-repair opportunities.

**Bunkering:** The provisioning of fuel to the many ships that pass through Cabo Verde's Porto Grande is a critical component of transforming the country into a maritime platform in the Atlantic. This need also presents an opportunity for U.S. exporters of oil, natural gas, and diesel.

**Logistics/Transit Hub to West Africa:** This sector is still unexploited but could offer important business potential in the context of a maritime platform. Potential opportunities include warehousing and distribution centers, packaging and assembling, repair services, and other services for the West African market.

### Opportunities

The maritime economy is interconnected with other key sectors and offers opportunities in ports, logistics and maritime transportation, renewable energy, tourism (particularly cruise ships), and ship repair. The special economic zone (ZEEEM-SV) offers many investment opportunities and incentives. The government will be awarding specific fiscal benefits and incentives on a case-by-case basis depending on the relevance of the project to the development of the zone. The ZEEEM-SV's goal is to support the transformation of Cabo Verde (particularly the island of São Vicente) into a modern maritime hub. Although the Chinese government was involved in the feasibility studies and spatial planning for the ZEEEM-SV, the project is open to all partners and investors. The

zone's projects continue to be defined but will include port-facilities improvements, deep water ports, bunkering, ship repair, renewable energy, and other activities.

**Resources**

[Ministry of Maritime Economy](#)

[Ports of Cabo Verde](#)

[Economic Regulator](#)

## Tourism

### Overview

Tourism is the driver of Cabo Verde's economy, directly accounting for at least 24 percent of the country's GDP, 10 percent of formal employment, and the majority of Cabo Verde's Foreign Direct Investment. In 2019, Cabo Verde welcomed almost 820,000 tourists (up from 145,000 tourists in 2000), and the government anticipated reaching one million tourists in 2021. Europe is the main market, with 24 percent of visitors coming from the United Kingdom. Cabo Verde's tourism is dependent on international operators such as TUI and concentrated on two islands (Sal and Boa Vista) offering a "sun, sea, and sand" product. The government is seeking to diversify the tourism sector – and attract more private sector investment – by promoting other kinds of attractions, including sea turtle nesting sites, game fishing, water sports (including sailing, yachting, wind and kite surfing), hiking and trekking, volcanic exploration, birdwatching, canyoning, culture (music, festivals, and cultural heritage), cruise ships, and retirement options for senior citizens. Successful diversification of the tourism sector will require better packaging and promotion of these offerings in the international market, investments in high-quality medical care, and further improvements to inter-island and international transportation connections.

### Leading Sub-Sectors

**Health:** The COVID-19 pandemic has underscored the critical need to improve healthcare facilities to provide tourists peace of mind and keep them safe while visiting Cabo Verde. The government is already investing in health centers on the most visited islands. Additional opportunities exist in construction, health equipment, and technical assistance.

**Ecotourism:** Although some of the rural islands receive tourists interested in ecotourism, this sector is still underexplored and a viable niche market. The islands offer unique experiences that combine sun and sand with mountain trekking (including on an active volcano), viewing turtle nests, scuba diving, and bird watching.

**Cruise Services:** These include on shore activities for cruise ship passengers as well as bunkering activities. Despite the sector's rapid growth (before COVID-19), small- and medium-sized businesses in Cabo Verde are not taking advantage of this market niche.

**Sporting Events/Nautical Tourism:** Cabo Verde is well positioned and already has good infrastructure for these types of events, such as kite surfing, wind surfing, sailing, volleyball, international beach games, and other aquatic activities. American businesses operating in the area could take advantage of these opportunities.

**Cultural/Heritage Tourism:** Cabo Verde's history, including its role in the slave trade, and its unique culture could attract specific groups of tourists, but this area has not been fully explored.

**Agribusiness:** Most of the country's resorts and hotels (particularly the large European resorts) rely on imported food, beverages, and supplies from Europe. Local Cabo Verdean producers struggle to place their agricultural and fisheries products in tourism facilities due to transportation challenges, a lack of packaging and refrigeration, the seasonality of certain products, and difficulty obtaining required certifications. American businesses with experience in these matters could tap into a growing market in Cabo Verde.

### Opportunities

Cabo Verde has developed a good reputation among its European visitors. Development and diversification of the tourism sector is a high priority for the government. The country already has significant tourism infrastructure and incentives in place, including four international airports, domestic airports, ports, and tax benefits with special provisions for investment in the tourism sector. Due to the crosscutting nature of the sector and the requirements of the market, opportunities abound. Investments in health, agribusiness, specific market niches, and even renewable energy and ICT solutions would contribute to, and benefit from, Cabo Verde's continued development as an international tourist destination.

## **Resources**

[Ministry of Tourism and Transport](#)

[Tourism Cabo Verde](#)

[Chamber of Tourism](#)

## Digital Economy

### Overview

Cabo Verde seeks to transform itself into a mid-Atlantic technology hub that will not only produce digital products but also serve as a center for digital innovation in the ECOWAS region. To achieve this goal, the country is investing in technical literacy and digital skills. Cabo Verde has made significant progress in the use of digital technologies to promote internal efficiency, simplify government procedures, and improve public services. This has been particularly important in allowing Cabo Verde to overcome the geographical dispersion of its population. Sixty-seven percent of households and more than 57 percent of individuals have access to the internet. In fact, there are more active mobile phones in Cabo Verde than there are people. In July, Cabo Verde moved to the "High" group in the United Nations' 2020 E-Government Rankings in recognition of the country's scope and quality of online services, status of the telecommunication infrastructure, and existing human capacity. Nevertheless, further progress is required in digital government policies and practices to overcome the constraints of low connectivity due to lack of cable capacity and bandwidth restrictions. Huawei maintains an active, but not exclusive, presence in the country and supplies Cabo Verde's two telecom providers with equipment. Cabo Verde's telecommunication market is open to all interested vendors.

### Leading Sub-Sectors

**Subsea Cables:** Leveraging its political stability and unique location near multiple subsea cable systems, Cabo Verde has the potential to serve as an important node for subsea cables connecting Europe, Africa, and America. A new cable terminal is being constructed in Praia for the EllaLink subsea cable between Brazil and Europe. Cabo Verde is also hoping to link to Equiano, Google's subsea cable announced in July 2019 that will connect Portugal and South Africa.

**Regional Hub for Data Storage/Processing:** With funding from the African Development Bank, the government is establishing two data centers – one each in Praia and Mindelo – to provide the infrastructure needed to develop Cabo Verde's capacity as a regional ICT hub.

**Education/Research:** Cabo Verde intends to include technology among the "basic skills" taught to all students. Cabo Verde seeks to develop a critical mass of professional skills in digital technologies, in partnership with manufacturers, to contribute to national technology companies and staff foreign companies based in Cabo Verde. In partnership with universities, Cabo Verde hopes to boost research, development, and practical application of digital technologies. The country aims to create affordable, sustainable, and innovative solutions that appeal to national and regional markets

### Opportunities

As Cabo Verde moves quickly to improve its ICT infrastructure, opportunities to export technology, material, and technical assistance abound. There are several small companies developing apps, and the government actively supports these innovation efforts. Small digital companies seek additional investment to fully build and export their products.

### Resources

[NOSI - Operational Nucleus for the Information Society](#)

[General Directorate for Digital Economy](#)

[Economic Regulator](#)

## **Transportation**

### **Overview**

Cabo Verde has long prioritized improving maritime and air transportation to unify the country's nine inhabited islands, but it is a complex task that remains a work in progress. In 2019, Cabo Verde restructured and privatized its national airline operator and signed a concession contract for the provision of maritime transportation of passengers and cargo. In 2019, the airline and ferry operators were each serving more passengers and showing improvements in key efficiency indicators, but the COVID-19 pandemic had a significant negative impact on these numbers. Cabo Verde and the United States signed an Open Sky Agreement in 2002, and Cabo Verde maintains similar agreements with the European Union and others.

### **Leading Sub-Sectors**

**Aviation:** There are opportunities for the sale of airline and aviation equipment, as well as medevac airplanes and helicopters. There have been discussions about the creation of a school for pilot instruction on the island of Sal.

**Maritime Sector:** Cabo Verde relies heavily on ferry boats and would like to become a regional logistics hub for transshipping.

**Urban Transport:** Electric cars would help relieve Cabo Verde's dependence on imported oil. Improvements in urban transportation are needed as the country's cities expand.

### **Opportunities**

Even considering global uncertainty in the transportation sector, there are several opportunities. These include the government's plans to purchase an aircraft for medical evacuations and growing interest in importing electric cars. Cabo Verde has four international airports. The country has an open sky policy and has signed bilateral air services agreements with several countries. Cabo Verde continues to welcome investments and private partnerships in the transportation sector.

### **Resources**

[Airport Security Agency](#)

[Ministry of Tourism and Transportation](#)

[Civil Aviation](#)

## **Customs, Regulations, and Standards**

### **Trade Barriers**

Cabo Verde has a liberal trade framework. Foreign investors and companies receive the same treatment as Cabo Verdean nationals regarding taxes, licenses and registration, and access to foreign exchange. Import and export operations need to be accredited through the issuance of a commercial operator certificate. There are three import licenses: imports exempted from license (including those without commercial value), imports subject to automatic licensing, and imports subject to non-automatic licensing. The general principle is that all goods are subject to automatic licensing. The exception – non-automatic licensing – applies to goods subject to sanitary, phytosanitary, and safety controls, as well as goods subject to legal restrictions such as medicines, fuel, and weapons.

### **Import Tariffs**

Import duties are generally calculated on an ad-valorem basis (a percentage of the goods' value). In addition to the duties above, imported products are subject to a Value Added Tax and Special Consumption Tax, which apply to specific goods. The customs schedule at the [General Directorate of Customs](#) should be consulted for a better understanding of the tariffs that apply to specific goods.

### **Import Requirements and Documentation**

Import operations need to be accredited through the issuance of a commercial operator certificate. It is also necessary to have an import license, depending on the categories and the goods. Both the commercial operator certificate and the import license are issued by the [Chamber of Commerce](#). Import requirements and documentation include the bill of lading, commercial invoice, and certificate of origin when required by the importer. Depending on the product, the exporter may be required to present health or phytosanitary certificates. There are registered agents who can help navigate the procedures and required documents.

### **Labeling and Marking Requirements**

Labeling requirements are enforced by the Independent Health Regulatory Agency (ERIS) that establishes the labeling/marketing requirements for the pharmaceutical, cosmetic, and food sectors. There are special formalities to comply with to import food products. Food and pharmaceutical products imported into Cabo Verde must abide by international norms and include the date of manufacture, the validity period, composition, trademark, and manufacturer's name. The information must be presented in Portuguese.

Contact [ERIS](#) for more information:

Address: Avenida Cidade de Lisboa, Várzea - Praia 296 - A, Cabo Verde

Email: [eris@eris.cv](mailto:eris@eris.cv); Phone: +238 2626410/2622453

### **U.S. Export Controls**

The United States imposes export controls to protect national security interests and promote foreign policy objectives. The U.S. Department of Commerce's Bureau of Industry and Security (BIS)'s Export Enforcement is responsible for the enforcement of the Export Administration Regulations (EAR). BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure. In accordance with the EAR, BIS officials conduct site visits, also known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR, to verify compliance.

An EUC is an on-site verification of a party to a transaction to determine whether it is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of recipient(s) of items subject to the EAR, to include: confirming their

legitimacy and reliability relating to the end use and end user; monitoring their compliance with license conditions; and ensuring such items are used and/or re-exported or transferred (in-country) in accordance with the EAR.

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "[red flags](#)," or warning signs, intended to discover possible violations of the EAR.

Also, BIS has "[Know Your Customer](#)" guidance.

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars and focus on the basics of exporting as well as more advanced topics. Check a [list of upcoming seminars and webinars](#).

BIS also provides [online training](#).

The EAR does not regulate transactions involving all U.S. goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the [e-CFR](#) (Electronic Code of Federal Regulations).

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates a number of smaller lists of restricted parties that are maintained by a variety of U.S. Government agencies, including the Department of Commerce, as an aid to industry in conducting electronic screens of potential parties to regulated transactions.

### **Temporary Entry**

Goods in transit, temporary import, re-import, and re-export are within the category of imports exempted from license requirements, which includes those without commercial value and not assessed custom duties. Foreign contractors may benefit from temporary exemptions from import duties when the items are necessary for the performance of government contracts or approved foreign investment projects.

### **Prohibited and Restricted Imports**

Goods subject to legal restrictions include medicines, fuel, and weapons, among others. These goods are under non-automatic licensing and require prior authorization of relevant authorities. Businesses should contact Cabo Verdean customs authorities for more information on licenses for restricted goods at [General Directorate of Customs](#).

### **Customs Regulations**

Cabo Verdean customs falls under the National Directorate of State Revenues (DNRE), which is responsible for taxes and customs duties. As a member of the World Trade Organization (WTO), Cabo Verde has adopted a liberal framework for processing and taxing goods. This process is only available to duly licensed importers and exporters, supported by accredited brokers.

#### Address:

General Directorate of Customs  
Amilcar Cabral Avenue  
Praia, Santiago Island  
Cabo Verde

Website: [General Directorate of Customs](#)



Phone: +238 261 7758 or +238 261 7759

## **Standards for Trade**

### **Overview**

Cabo Verde does not develop unique national standards unilaterally or with a company. Cabo Verde is in the process of joining the International Organization for Standardization (ISO), of which the United States is also a member, and largely uses its standards. The country is a member of the Economic Community of West African States (ECOWAS), which also develops standards and has a body responsible for the regional normalization of standards (ECOSHAM). Cabo Verde is bound by the ECOWAS treaty to apply European Union (EU) standards through the EU's Economic Partnership Agreement (EPA), an association agreement with ECOWAS. The body responsible for standardization in Cabo Verde is the Institute of Quality and Intellectual property: [IGOPC](#).

### **Standards**

The Cabo Verdean normative documents include all Cabo Verdean standards, technical specifications, technical reports, guides, and technical agreements and are published in the official gazette as adopted. Also included are all regional and international normative documents that Cabo Verde has adopted. In addition to the published or adopted standards, Cabo Verde may adopt additional standards from recognized international entities responsible

#### Testing, Inspection, and Certification

The Multisectoral Regulatory Agency for the Economy (ARME) and the Regulatory Agency for Health (ERIS) are responsible for inspections and certification of products entering the market. The Institute of Quality and Intellectual Property supports national inspection authorities' efforts to guarantee best international practices, ensuring that the National Quality System and the Conformity Assessment System adhere to international standards. In June 2020, the government created a National Certification Commission (CONCERT) to develop and implement certification processes for products and services and to promote national private initiatives in the field of certification. CONCERT includes representatives of the Institute for Quality Management and Intellectual Property; General Directorate for Agriculture, Forestry and Livestock (DGASP); the Institute for Research and Agrarian Development (INIDA); National Directorate of Industry, Commerce, and Energy (DNICE); Chamber of Commerce of Barlavento (CCB); Chamber of Commerce of Sotavento (CCISS); Cabo Verdean Quality Association (ACQ); Association for Defense of Consumers (ADECO); and the Independent Health Regulatory Authority (ERIS).

### **Publication of Technical Regulations**

Regulations are published in the government's official gazette "[Boletim Oficial de Cabo Verde](#)."

### **Contact Information**

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify the WTO of proposed technical regulations and conformity assessment procedures that could affect trade. [Notify U.S.](#) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated website are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

### **Trade Agreements**

Cabo Verde has neither a bilateral investment treaty nor a taxation treaty with the United States. For more than a decade, Cabo Verde has expressed an interest in establishing a bilateral trade and investment framework agreement with the United States. However, as a member of ECOWAS, Cabo Verde will benefit from the TIFA agreement

that was signed in August 2014 when it enters into force. Cabo Verde is also eligible for duty-free imports into the United States under the African Growth and Opportunity Act (AGOA).

Cabo Verde has bilateral investment agreements with Angola, China, Cuba, Germany, Italy, Mauritius, the Netherlands, Portugal, and Switzerland. It enjoys a special partnership with the European Union as a Peripheral Region Nation and participates in ECOWAS. Cabo Verde also has an agreement on mutual protection of investments with Hungary and tax treaties with Portugal, Macau, Spain, Guinea-Bissau, and Senegal.

[AGOA](#)

[Cabo Verde TradeInvest](#)

### **Licensing Requirements for Professional Services**

The Ministry of Industry, Trade, and Energy is the authority on licensing requirements, and the Cabo Verdean Investment and Export Promotion Agency (Cabo Verde TradeInvest) can provide useful assistance. Additionally, the Chambers of Commerce have resources related to licensing requirements.

## **Selling U.S. Products and Services**

### **Distribution & Sales Channels**

#### **Overview**

Distribution channels vary greatly by island and by sector. Major distribution centers are the capital city of Praia (Santiago) and Mindelo (São Vicente) and their ports, the Port of Praia and Porto Grande. There are a few importers who distribute to a network of wholesalers that then supply retailers.

#### **Using an Agent or Distributor**

There are no large-scale national distributors that reach all of the islands. It would be incumbent upon the business owner to seek out a distributor with an appropriate network depending on the product.

It is best to have an agent or partner in country to manage and monitor the enterprise on the ground. Electricity and transportation can be unreliable and/or expensive and can inhibit offsite management and distribution.

#### **Establishing an Office**

To facilitate the bureaucratic process of opening a business, potential investors should consider hiring a lawyer to assist with the process of establishing an office in Cabo Verde. U.S. Embassy Praia's website includes a [list of attorneys](#), and Cabo Verde TradeInvest can also provide relevant contacts for business or investment lawyers, if needed.

Individual merchants may establish businesses and conduct commercial activity in their own names as individuals. Larger commercial enterprises must be established within the processes and limits defined by Cabo Verdean law. The Ministry of Industry, Trade, and Energy is the government department responsible for defining and executing the guidelines of the country's economic policy. The municipalities are the licensing agencies for retail commercial activities in their area of jurisdiction.

#### **Creation of Companies and Establishing an Office**

Foreign investors are authorized to create 100 percent private companies, except in the fisheries sector, where one or more Cabo Verdean partners must hold a minimum share of 51 percent, or inter-island maritime transport, which requires a local share of at least 25 percent.

A foreign investor may carry out business activities in an individual capacity or by establishing one of the three types of trading companies permitted by law: limited companies, single-shareholder limited companies, or joint-stock companies. The main types of trading companies are limited companies and joint-stock companies and choosing one of these options is primarily dependent on the size of the business (i.e., capital to be invested), with the former being more suitable for generating small- and medium-scale business and the latter more suitable for large-scale investment.

The potential external investor can form a company, by any of the necessary legal forms, opting for one of two procedures. The simplest and quickest process to establish a business is "Empresa no Dia" ("company in a day"), which is done through the Casa do Cidadão and involves delivering identification and relevant business/investment documents along with a fee of approximately \$100. As the name implies, the entire process can normally be completed in one day. Alternatively, an investor can form a company through the Land Registry Office. Both options have advantages and disadvantages, and the choice should be based on a careful analysis of the company's interests and the relationship to be established between the partners or shareholders. "Por quotas" and "Anonymous" companies are the most common legal forms.

Limited companies (Ltd) must comply with the following requirements:

- publicly established, including the share capital and number and value of shares

- minimum share capital of 1 escudo (0.01 euros)
- split of share capital, underwritten by every shareholder
- at least 50 percent of the underwritten capital deposited in cash at a local bank, remaining 50 percent of underwritten capital paid in the form of assets or cash over the next three years, in accordance with the company's statute

Joint-stock companies must fulfill the following requirements:

- minimum of 2 (two) shareholders
- minimum capital of 1 escudo (0.01 euros) and the capital must be fully subscribed
- at least 30 percent of the underwritten capital deposited in cash at a local banking institution, remaining 70 percent of underwritten capital paid up in the form of assets or cash over the next five years, in accordance with the company's statute
- may be a single-member company, in which case the company is a stock corporation with a single owner (Sociedade Anónima, Unipessoal, SA)

All of these steps may be completed at Casa do Cidadão through the “Empresa no Dia” process.

A corporate subsidiary is not a legal entity distinct from the parent company, but it has full legal capacity to conclude contracts as part of its activities. The procedure for establishing a Cabo Verdean branch of a foreign company is similar to establishing other types of companies; it requires proof of the company's resolution to establish representation, a complete and up-to-date text of the contract to establish the represented entity and proof of its legal existence, the decision to establish a branch in Cabo Verde that indicates the type of company and the name of the person representing the company in Cabo Verde, and an attorney's letter with authenticated signatures conferring power of attorney to represent the company for the establishment and legalization of the company in Cabo Verde.

Other formalities include registration of the company in the commercial registration office, publication of the statutes of the parent company in the official gazette, and registration with the Social Security Office and the General Directorate for Contributions and Taxes.

### **Franchising**

Although many Cabo Verdeans are familiar with popular U.S. brands, franchising remains rare, as competition in the local market is more often based on price rather than name recognition or perceived quality.

### **Direct Marketing**

Cabo Verde has a few marketing and advertising firms. Thanks to increasing internet penetration and high rates of social media use, the costs associated with reaching consumers is relatively low. Media such as print, radio, and television platforms also present easy access to consumers. However, telemarketing has not taken off in Cabo Verde and presents opportunities for American businesses. Direct marketing via mail is limited in Cabo Verde because an address database is still being developed.

### **Joint Ventures/Licensing**

Cabo Verde has no restrictions on joint ventures between local businesses and foreign investors. Normal due diligence is recommended when partnering with local businesses in any area of investment/business. The government also encourages joint ventures as the preferred mechanism for the employment of foreign capital.

## **Express Delivery**

Cabo Verde is relatively well served by representatives of FedEx and DHL, which both have offices in Praia or agencies where packages can be picked up or delivered. The delivery of packages by the Cabo Verdean Post Office has improved over the years with offices across the country offering adequate express delivery services.

## **Due Diligence**

Companies are advised to perform due diligence on their business partners and agents in any sector of investment or business prospect. The U.S. Embassy in Praia can assist with contacts to entities that can have reliable information on brokers and potential partners, including Cabo Verde TradeInvest and the Chambers of Commerce. While there is no American Chamber of Commerce in Cabo Verde, the Embassy can also provide contacts of established U.S. businesses that can provide helpful information.

## **eCommerce**

The eCommerce Innovation Lab (EIL) is an office within the U.S. Department of Commerce's Commercial Service that focuses on advancing the expertise and knowledge of cross-border ecommerce and digital strategy among all U.S. small- and medium-sized businesses. It positions the U.S. Commercial Service as a pacesetter resource for U.S. businesses through empowering client-facing staff with a baseline understanding of digital trade, enabling quicker response to client needs by providing value add digital client counseling. This helps ITA to adapt alongside industry to remain ahead of the curve on client service, trade promotion, and trade policy development through more knowledgeable and effective collaboration.

The EIL has created a U.S. Field-based client digital strategy counseling process that focuses on these key concepts:

- **eCommerce is a sales channel** that crosses all industries that sell or promote brand awareness online. eCommerce as a sales channel is part of a businesses' B2B and/or B2C digital strategy.
- **A digital strategy** addresses the basic needs of a business required to succeed in cross-border ecommerce sales channels. Our counseling process focuses on identifying these needs.
- **eCommerce Key Performance Indicators** allows businesses to understand where their digital efforts are paying off.
- **eCommerce Business Service Provider Directory (BSP)** provides the much-needed follow-up to our digital strategy recommendations that will help the client to succeed in overseas markets.

## **Assessment of Current Buyer Behavior in Market**

Cabo Verde's population of about 570,000 is young, with one-third under the age of 18. Praia is the biggest city, with about 130,000 residents, and two-thirds of Cabo Verdeans live in an urban area. Education is valued, and 87 percent of the population is literate. Mobile phones are ubiquitous, and 57 percent of Cabo Verdeans have internet access.

Despite strong competition from European products, the population likes U.S. products, and many have strong linkages with the United States due to a diaspora of around 500,000 in the United States. Despite the country's small population and relatively low median income, there is a consumer class that can afford and would prefer U.S. products were they more readily available. Tourists who visit the islands are another class of consumer who prefer quality products and specific brands.

## **Local eCommerce Sales Rules & Regulations**

In Cabo Verde e-commerce is challenged by inefficient shipping infrastructure, aggravated by an informal home address system and the small market size. Recent new rules and regulations are attempting to improve these conditions, but they need additional review and adaptation to local conditions to support expanded e-commerce.

### **Local eCommerce Business Service Provider Ecosystem**

The ongoing COVID-19 pandemic led to the hasty implementation of new e-commerce rules and regulations, forced government certification and acceptance of e-documents, and made consumers more open to online shopping. Innovative solutions were introduced as businesses and government entities started to rely upon online sales of products and delivery of services; this trend will likely continue long after the pandemic. The government has recognized the need to modernize e-commerce rules and regulations and reinforce the security and safety of online sales.

## **Selling Factors and Techniques**

### **Overview**

Advertising in both Portuguese and Cabo Verdean Creole is recommended. For sales targeting tourists and foreigners, English should also be used. Operators seeking to break through in the national market should consider hiring a local marketing company. Services, infrastructure, and business conditions vary greatly from island to island.

### **Trade Promotion and Advertising**

Advertising in Cabo Verde is done mainly through the radio, Facebook and other social media, newspapers, television, and billboards. Due to extensive cell phone coverage, SMS is also commonly used. There is an annual trade fair, the [Cabo Verde International Fair](#), which is a good opportunity to disseminate information about goods and services. The main newspapers, radio, and television outlets include:

- [Sapo Cabo Verde](#)
- [A Semana](#) (newspaper)
- [Expresso das Ilhas](#) (newspaper)
- [A Nação](#) (newspaper)
- [Santiago Magazine](#) (newspaper)
- [Noticias do Norte](#) (newspaper)
- [National Television](#)
- [TV Record Cabo Verde](#)
- [National Radio](#)
- [Radio Cidade](#)
- [Radio Morabeza](#)

### **Pricing**

The market determines most prices, but the multisectoral regulator regulates prices of essential goods such as water, electricity, telecommunications, petroleum products, and basic foodstuffs.

The VAT is 15 percent, except for tourism-related activities and services, which are taxed at 10 percent. There are exemptions for some basic products.

### **Sales Service/Customer Support**

Local customer service support is below U.S. standards, and long waits and unresponsive service are common. Although many businesses are computerized, consumers are highly advised to maintain their own records.

### **Local Professional Services**

Business owners whose employees may need specific vocational training should contact the Instituto de Emprego e Formação Profissional ([IEFP](#)), an employment and vocational institute present on most of the islands, well in advance of the business' establishment to negotiate professional training and internships for employees prior to the business' launch.

The IEFP can recommend labor with trade experience, including carpentry, plumbing, electricians, and construction. Local companies can also provide professional help on a temporary or more permanent basis. [Guia de Servicos](#) is

one located in Praia. The [Hotel and Tourism School](#) can also provide trained entry-level workers for the tourism and restaurant sectors.

Business owners can freely bring foreign employees to Cabo Verde if needed.

#### **Principal Business Associations**

Cabo Verde has two chambers of commerce and one chamber of tourism. There are also entrepreneur associations for youth and women. These associations accept the participation of foreign firms and normally advocate on behalf of private sector concerns with the government and can advise the government on relevant topics.

#### **Limitations on Selling U.S. Products and Services**

There is no limitation on selling U.S. products and services.



## **Trade Financing**

### **Methods of Payment**

Payments can be made through bank transfers directly into the supplier's account in Cabo Verde or to the supplier's home bank account. 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.

Accounts can be established at any of the country's banks. Bank transfers, debit card payments, and checks are common methods of payment. Although international credit cards are not widely used, Visa cards are becoming more commonly accepted, particularly in the tourism sector. Online payment and e-banking are also becoming more common.

For more information about the methods of payment or other trade finance options, please read the [Trade Finance Guide](#).

### **Banking Systems**

Cabo Verde has a small but relatively sound, efficient, and well-managed banking system supervised and regulated by the Central Bank of Cabo Verde (BCV). BCV is responsible for regulation of the sector and has demonstrated itself as a reliable and stable entity. The onshore segment is composed of seven banks:

- Banco Comercial do Atlântico
- Caixa Económica de Cabo Verde
- Banco Interatlântico
- Banco Cabo-Verdiano de Negócios
- Banco Angolano de Investimentos
- Ecobank-Cabo Verde
- Banco Internacional de Cabo Verde

Banks have branches on all inhabited islands, which are also served by an extensive network of ATMs and widely available point-of-sale (POS) machines. Debit cards, credit cards, and prepaid Visa cards are available through all banks. Establishing a bank account is relatively uncomplicated: the client must provide proper identification and obtain a taxpayer number from the Casa do Cidadão. The process is independent of nationality and can be fully completed within a day. 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, although local and foreign investors sometimes complain about a lack of commercial products for accessing credit. The legal guidelines for accounting systems are clear and consistent with international norms.

The seven on-shore banks in the market are embracing technological innovation. Internet-based tools and services in the banking sector continue to grow in Cabo Verde, gaining increasing importance and changing the model of the client-bank relationship of the past.

There are four offshore banks registered in Cabo Verde, but a December 2019 law terminated their existing licenses. These offshore banks are in the process of converting to an on-shore bank or liquidating. Banking represents more than 80 percent of the assets of the entire Cabo Verdean financial system.

Foreign companies and investors are subject to the same laws, procedures, and protections as their Cabo Verdean counterparts.

## **Foreign Exchange Controls**

Article 9 of Cabo Verde's External Investment Code grants foreign investors the right to transfer abroad, in a freely convertible currency and at the exchange rate prevailing in Cabo Verde on the date the request is made, all amounts resulting from foreign investment operations duly registered, namely the following:

- dividends and profits resulting from foreign investment operations
- capital derived from alienation, liquidation, or extinction of enterprises, branches, or other forms of representation or ownership that constitute their foreign investment, as well as capital resulting from the alienation of assets linked to the operation of those facilities, propriety of the investor
- any amount earned as a result of contracts that constitute foreign investment
- sums referring to amortization and interest rates resulting from financial operations that constitute foreign investment
- income derived from the exercise of management functions performed as a foreign investor

Exceptions to this policy include:

- amounts related to a foreign-investment operation non-registered in accordance with the law
- declarations and proofs presented containing false or inadequate information

## **U.S. Banks and Local Correspondent Banks**

Cabo Verde Central Bank (BCV) has a strong relationship with the New York Federal Reserve. The New York Fed receives all U.S. dollar transactions bound for Cabo Verde. Cabo Verde is eligible for EXIM Bank programs.

## **Protecting Intellectual Property**

Since the publication of the [2020 Special 301 Report](#), Cabo Verde has acceded to the WIPO Internet Treaties.

In any foreign market companies should consider several general principles for effective protection of their intellectual property. Please see [Protecting Intellectual Property](#) and [Stopfakes.gov](#) or [contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov](#).

for more resources.

## **Selling to the Public Sector**

### **Selling to the Government**

Government contracting opportunities are advertised on the Ministry of Finance's [website](#), in local newspapers, and sometimes in international newspapers. Contractual bid information can also be obtained directly through the relevant ministry. Bids are subject to competitive and transparent international guidelines.

U.S. companies bidding on Cabo Verdean government tenders may also qualify for U.S. government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. embassy or other U.S. government agencies expressing support for the U.S. bidders directly to the Cabo Verdean government. Consult [Advocacy for Foreign Government Contracts](#) for additional information.

## Financing of Projects

The World Bank and the African Development Bank have funded important infrastructure projects in Cabo Verde, including roads, port rehabilitation, and technology parks. These entities have also supported important policy reforms, such as in privatization, education, and state finances.

**Multilateral Development Banks and Financing Government Sales:** Price, payment terms, and financing can be a significant factor in winning a government contract. Many governments finance public works projects through borrowing from the Multilateral Development Banks (MDB). A helpful guide for working with MDBs is the [Guide to Doing Business with the Multilateral Development Banks](#). The U.S. Department of Commerce's International Trade Administration has a Foreign Commercial Service Officer stationed at each of the five different MDBs: the African Development Bank; the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank; and the World Bank.

Learn more by contacting the:

- Commercial Liaison Office to the [African Development Bank](#)
- Commercial Liaison Office to the [World Bank](#)

## **Business Travel**

### **Business Customs**

Meetings begin relatively timely, with an expected wait time of 10-15 minutes. Drop-ins are usually entertained, but it is customary to prearrange any meetings. It is common to call within a half hour of meetings to reconfirm the start time. It is also advisable to provide advance notice of the number of participants attending the meeting as most offices will need to organize their space to accommodate guests.

Lunch meetings are common in the country. For this type of meeting, the location should be chosen carefully as the rule of thumb is that the person who extends the invitation covers the bill.

Attire is typically business casual due to the hot and dry climate, although most offices are equipped with air conditioning.

While next steps are often enthusiastically discussed, it is best to gather as much concrete information as possible during the encounter as delays with follow-up are common.

Token gifts are welcomed throughout the year, especially as a form of appreciation after a successful event or negotiation, but the gesture is mainly expected during the holiday season. Culturally, items that can be offered as gifts in Cabo Verde are the same as in Western countries.

### **Travel Advisory**

Detailed and updated travel information on Cabo Verde is available through the U.S. Department of State's [Consular Information Sheet](#) and [Travel Advisory](#) for the country.

### **Visa Requirements**

A passport and visa are required for most travelers to Cabo Verde. As of February 2020, American citizens entering Cabo Verde for tourism do not need a visa for visits of less than 30 days. Travelers are required to pre-register [online](#) before traveling to Cabo Verde, even if a visa is not required. U.S. citizens traveling for business purposes should obtain information about visas by contacting the [Embassy of the Republic of Cabo Verde](#) (3415 Massachusetts Avenue, NW, Washington D.C. 20007; tel. 202-965-6820) or the [Consulate General of Cabo Verde in Boston](#) (tel. 617-353-0014). Overseas, inquiries should be made to the nearest Cabo Verdean embassy or consulate. Visit Cabo Verde's [Consular Portal](#) to learn more about applying for longer-term visas, entry and exit requirements, questions on dual nationality, and preventing international child abduction. Please refer to [Customs Information](#) to learn more about customs regulations.

U.S. companies that require travel of foreign businesspersons to the United States are advised that security evaluations are handled via an interagency process. Visa applicants should visit the [U.S. Visas](#) page on [travel.state.gov](http://travel.state.gov) for more information.

### **Currency**

In Cabo Verde the official currency is the Cabo Verdean escudo (ECV), but euros are widely accepted, particularly on the islands of Sal and Boa Vista. The escudo is pegged to the euro, while the escudo-dollar exchange rate changes daily.

Generally, credit or debit cards or cash in escudos are widely accepted forms of payment. Cabo Verde's Vinti4 network generally accepts Visa cards and Mastercard for payments in point-of-service machines as well as at ATMs for cash withdrawal. Fees for payment and money withdrawal are established by the card issuer. Traveler's checks are not commonly accepted in Cabo Verde.

## **Telecommunications/Electronics**

There are two telecommunications companies in the local market providing a range of services, including land line, mobile, and internet services. Cabo Verde has reliable and fast internet, and 4G mobile data is available on cell phones. All major hotels in Cabo Verde offer internet access to their guests, although some charge a fee.

Cabo Verde's electricity network supplies 220 volts, so transformers are needed for American electronics that can only run on the U.S. standard of 110 volts. Power sockets in Cabo Verde are type F, accommodating plugs with two round pins.

## **Transportation**

Cabo Verde has four international airports: Praia, Mindelo, Sal, and Boa Vista. Prior to COVID-19, commercial air carriers offered regular service between Praia and Dakar, Lisbon, Casablanca, Boston and Washington. TAP (the Portuguese flag airline) and Cabo Verde Airlines were the major airline carriers to the country before the borders were closed in March to help contain the pandemic. TAP offered flights to both Mindelo and Praia. Cabo Verde Airlines maintained its hub in Sal, connecting numerous cities in Europe, Africa, and the Americas. Several international tour operators offered charter flights to Sal and Boa Vista to multiple European cities. As of August 2020, it was unclear which international air routes would return to regular service or when. Domestic air travel among the islands is provided by TICV (Transportes Aéreos de Cabo Verde), which covers all islands except Brava and Santo Antão. Delays are common, but the service is generally acceptable.

Cabo Verde Interilhas (CVI) provides maritime transportation for passengers and cargo for all islands. While ferry fares are affordable, maritime transportation is subject to cancellation and delay due to sea conditions.

Taxis are reasonably priced, numerous, and available throughout the commercial areas of Praia, 24 hours a day. The minimum charge is CVE 100 (about \$1), but most rides within Praia cost CVE 200. By law, the rates double after midnight. Legally, taxis should have meters installed, but this is seldom enforced. It is recommended that passengers ask the fare before getting in the taxi. Taxi drivers know the city well, but most do not speak English. It is customary to instruct them to slow down ("*devagar*") or stop ("*para!*") when necessary. Taxis are also available on other islands.

Rental cars are available in Cabo Verde. Rates, depending on type and availability of vehicle, range from 4,000 to 7,000 CVE (approximately \$40-\$75) per day. It is possible to hire a driver as well. Gas stations typically sell both gasoline ("*gasolina*") and diesel ("*gasóleo*") at prices set by the government.

## **Language**

The official language in Cabo Verde is Portuguese. It is used by the government for public services, schools, newspapers, and most television and radio channels. The local language, Cabo Verdean Creole ("*Kriolu*"), is not official but is almost universally spoken, although the dialect varies by island. For advertising purposes, Portuguese is generally used when companies want to lend an air of formality to their product or service (e.g., banks, insurance companies, real estate agencies), while Cabo Verdean Creole is used to target the masses (e.g., retail shops, supermarkets, detergent brands, restaurants). Both languages are used in social media, but Creole is more common.

## **Health**

Medical facilities in Cabo Verde are limited, and some medicines are in short supply or unavailable. The country's largest hospitals are in Praia and Mindelo. There are smaller public health centers and private medical clinics, of variable quality in both personnel and equipment, throughout the country. First responders are generally unable to access areas outside of major cities or provide urgent medical treatment. Transportation between islands is difficult, and inter-island medevac options are limited. The islands of Brava and Santo Antão do not have operational airports, which makes air evacuation in the event of a medical emergency difficult.

Some of the islands are mountainous, and travelers venturing into areas of altitude may suffer from altitude sickness, which can be life threatening. Travelers should follow the U.S. Centers for Disease Control and Prevention (CDC) guidance on malaria. In recent years, there have been some cases on Santiago island. Travelers should use CDC-recommended mosquito repellents and avoid mosquitoes. Travelers should bring a supply of prescription medications and any over-the-counter medications frequently used, as not all are available on the local market.

**Sanitation:** Tap water is not potable. Bottled water and other packaged beverages are generally safe. Be aware that ice for drinks might be made using tap water. Conditions in the two largest cities, Mindelo and Praia, are fair. Although these cities and other smaller villages have hospitals and healthcare centers, medical care is inadequate. All water supplies are unsafe for drinking. Bottled water is readily available. Uncooked vegetables should be avoided. There is a high risk of travelers' diarrhea, so it is recommended that visitors eat only recently cooked food and wash their hands frequently.

**Additional immunizations:** While additional immunizations are not required, Hepatitis A and Typhoid immunizations are recommended for all travelers. Hepatitis B is recommended for travelers expecting a prolonged stay or frequent short stays. Yellow fever is also required for travelers coming from countries with a risk of yellow fever transmission.

**Medical Evacuation:** Ambulance services are not widely available, and training and availability of emergency responders may be below U.S. standards. Injured or seriously ill travelers may prefer to take a taxi or private vehicle to the nearest major hospital rather than wait for an ambulance. The U.S. Embassy in Praia maintains a [list of doctors and hospitals](#). We do not endorse or recommend any specific medical provider or clinic. In the event of serious medical emergencies, every effort should be made to go to Lisbon, Portugal.

**Medical Insurance:** Make sure your health insurance plan provides coverage overseas. Most care providers overseas only accept cash payments. See our [website](#) for more information.. Visit the [U.S. Centers for Disease Control and Prevention](#) for more information on the types of insurance you should consider before you travel overseas. We strongly recommend supplemental insurance to cover medical evacuation.

Travelers should refer to Department of State's Travel [Website](#) and [CDC Guidance](#) for the most up-to-date information.

### **Local Time, Business Hours, and Holidays**

The local time zone in Cabo Verde is (GMT-1). The working hours are generally Monday through Friday, 8:00 a.m. to 5:00 p.m. or 6:00 p.m., with a lunch break between noon and 2:00 p.m. The holidays are:

- January 1, New Year's Day
- January 13, Democracy and Freedom Day
- January 20, National Heroes' Day
- Ash Wednesday
- Good Friday
- May 1, Labor Day
- June 1, Children's Day
- July 5, Independence Day
- August 15, Assumption Day
- November 1, All Saints' Day
- December 25, Christmas Day

Note: There are other holidays that vary by municipality.

**Temporary Entry of Materials and Personal Belongings**

There are no restrictions on the temporary entry of materials and/or personal belongings.

## **Investment Climate Statement (ICS)**

The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State's [Investment Climate Statement](#) website.



## **Political Environment**

For background information on the political and economic environment of the country, please click on the link to the U.S. Department of State [Countries & Areas](#) website.

Direct link: <https://www.state.gov/countries-areas/cabo-verde/>