

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

CABO VERDE

Africa West

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office@lordwaverley.com

www.lordwaverley.com

WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Praia (Santiago) - Capital	Seat of government, finance and administration, and the political center through which the new PAICV government under PM Francisco Carvalho now runs economic policy.	Government/public contracts, financial services, real estate, light industry
Sal Island	Cabo Verde's primary international tourism gateway with direct European flights and the Santa Maria resort belt; the single largest concentration of the country's tourism-driven growth.	Tourism & hospitality, real estate, aviation services
Boa Vista Island	Second major resort island; together with Sal it accounts for the bulk of the 6.3% tourism-led growth recorded in 2025, a concentration the World Bank flags as a structural vulnerability.	Tourism & hospitality, real estate
Mindelo / Porto Grande (Sao Vicente)	Anchor of the Zona Economica Especial Maritima (incentives for qualifying investments above EUR2.5 million) and the EU Global Gateway-backed port modernization - solar power, shore power, CABNAVE shipyard - positioning Cabo Verde as a mid-Atlantic shipping and ship-repair hub.	Port & maritime logistics, ship repair, renewable-powered infrastructure
Fogo Island (planned ZEEF)	Site of a planned second special economic zone, the Zona Economica Especial do Fogo, still in preparatory/strategic-planning stage, aimed at diversifying FDI beyond the Sal/Boa Vista tourism belt.	Agro-tourism, volcanic/wine tourism, diversification-focused FDI
Inter-island transport network (air & maritime)	Identified by the World Bank as the single largest obstacle to broad-based growth; costly, unreliable domestic flights and aging ferry services limit market integration beyond the main tourism islands.	Domestic aviation, inter-island shipping, logistics concessions
Praia diaspora-finance corridor	Cabo Verde's diaspora is three to four times the resident population; diaspora remittances reached record levels in 2025, making diaspora-linked banking, housing finance and investment products a structurally significant niche.	Diaspora banking, remittance-linked housing finance, fintech

INVESTOR ENTRY ROUTES

- Register and apply for incentives through Cabo Verde TradeInvest, the state's primary investment-facilitation body for foreign direct investment.
- Access the operational Zona Economica Especial Maritima on Sao Vicente, which offers dedicated incentives for qualifying investments above EUR2.5 million.

- Position early for the planned Zona Economica Especial do Fogo, a second special economic zone intended to diversify FDI beyond the main tourism islands.
- Engage ENAPOR, the national port authority, and EU Global Gateway co-financing structures for port, shipping and maritime-logistics opportunities centered on Mindelo.
- Use the Cabo Verdean escudo's euro peg for currency predictability, and Cabo Verde's Special Partnership status with the European Union for trade and regulatory alignment.
- Reach Cabo Verde's large diaspora (three to four times the resident population) through licensed commercial banks for remittance-linked banking, housing finance and investment products.

MARKET-ENTRY OBSERVATION

Cabo Verde's economy grew 6.3% in 2025, driven overwhelmingly by record tourism arrivals from Europe, with unemployment falling to 6.2% and poverty declining from 53.8% to an estimated 51.2%. The country posted its first small budget surplus since 2007, alongside record foreign reserves and a current account surplus. Fitch has upgraded Cabo Verde's rating to B with a stable outlook, citing robust growth, fiscal consolidation and governance indicators stronger than regional peers. For a small island economy with no natural-resource wealth, this is a genuinely strong and broad-based macroeconomic performance.

The political backdrop reinforces that picture. Cabo Verde's May 2026 legislative election produced a clean, peacefully accepted transfer of power: the PAICV won an absolute majority, ending a decade of MpD government, and the outgoing prime minister conceded gracefully and stepped down as his party's leader. Incumbent President Jose Maria Neves, also PAICV, is now seeking a second term in the 15 November 2026 presidential election. Investors should note that a Neves win would give the PAICV simultaneous control of the presidency, government and parliament - worth tracking as a governance variable, though it follows from competitive elections rather than any erosion of Cabo Verde's long-standing democratic institutions.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Elevated public debt	Public debt remains high relative to GDP - recent estimates range from roughly 100% to 105% - among the highest ratios in Sub-Saharan Africa, even though much of it is concessional.	Favor investments with limited sovereign counterparty exposure; monitor Fitch/Moody's rating actions (B/stable as of the latest upgrade) as a fiscal-trajectory indicator.
TACV national airline fiscal burden	The state-owned airline, serving as Cabo Verde's main international and domestic air link, continues to post losses and rely on government guarantees and loan consolidations, making it a recurring contingent liability for the state.	Track ongoing privatization/restructuring plans for TACV; air-transport investors should assess route economics independent of the carrier's balance sheet.
Tourism and island concentration	Sal and Boa Vista account for the large majority of visitor arrivals and tourism-linked growth; a shock to European outbound travel or to either island's capacity would have outsized macro effects.	Diversify tourism-linked exposure across islands as inter-island connectivity improves, or hedge through non-tourism sectors such as fisheries, maritime services and diaspora finance.
Weak inter-island connectivity	Costly, unreliable domestic flights and aging, irregular ferry services raise business costs and limit market access for the outer islands, concentrating economic activity in a few locations.	Engage the government's transport-reform agenda (performance-based contracts, private-sector openings) directly; prioritize projects in Praia, Sal, Boa Vista and Mindelo until connectivity improves.
Post-election policy transition	The PAICV's May 2026 legislative win ended a decade of MpD government, and incumbent President Neves is seeking re-election on 15 November 2026; a PAICV sweep of all three branches would be a notable concentration of power even within a well-established democracy.	Confirm continuity of specific sector policies - the privatization pipeline, special economic zones - with the new PAICV government directly, since priorities may shift from the prior administration's.
Small domestic market	With roughly 529,000 residents, Cabo Verde's domestic consumer market is intrinsically small, making most investment theses dependent on export orientation - tourism, maritime services, agro-processing - rather than local demand.	Structure business plans around regional/international markets (EU, ECOWAS, diaspora) rather than domestic consumption alone.
Climate and resource constraints	As a semi-arid archipelago, Cabo Verde faces water scarcity and high energy-import dependence, raising operating costs for water- and energy-intensive projects.	Pair new projects with renewable energy and desalination components, aligning with the government's and EU Global Gateway's green-infrastructure push.

INVESTOR RISK NOTE

Cabo Verde remains, by a wide margin, one of the most politically stable and well-governed markets in Waverley's West Africa coverage. Its May 2026 legislative election handed power peacefully from the MpD, in government since 2016, to the PAICV - a textbook democratic alternation that reinforces Cabo Verde's standing as one of Africa's most consolidated democracies, even as investors should note the PAICV now controls the presidency, government and parliament simultaneously pending the November 2026 presidential vote. The real risks here are economic rather than political: very high public debt, a loss-making national airline reliant on state guarantees, and heavy dependence on two tourism islands. None of these are crisis-level, but they are the structural issues that will determine Cabo Verde's credit trajectory over the coming years.

MARKET ACCESS

Cabo Verde is a member of ECOWAS and the WTO, maintains a Special Partnership status with the European Union, and uses the Cabo Verdean escudo, pegged to the euro, giving investors currency predictability. Its Zona Economica Especial Maritima on Sao Vicente offers dedicated incentives for qualifying investments above EUR2.5 million, with a second special economic zone planned for Fogo island. The EU's Global Gateway initiative is co-financing port, digital and renewable-energy infrastructure, reinforcing Cabo Verde's positioning as a mid-Atlantic logistics and connectivity hub between Europe, the Americas and West Africa.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Prime Minister Francisco Carvalho / PAICV government	Took office following the PAICV's May 2026 legislative win, ending a decade of MpD government; now sets economic and investment policy with a fresh parliamentary majority.	New or pending investment approvals should be reconfirmed with the incoming government's priorities rather than assumed to carry over unchanged from the MpD era.
President Jose Maria Neves	Seeking a second term in the 15 November 2026 election with PAICV backing; if re-elected, extends PAICV control across all three branches of government.	Presidential-level engagement is most relevant for strategic, cross-government initiatives such as special economic zones and EU partnership deepening.
Cabo Verde TradeInvest	The state's primary investment-facilitation and incentive-approval body for foreign direct investment.	First point of contact for incentive applications, especially for projects targeting the Sao Vicente or planned Fogo special economic zones.
TACV (national airline)	Central to inter-island and international connectivity but a recurring source of fiscal risk given continued losses and state guarantees.	Monitor restructuring/privatization developments; aviation-sector investors should engage directly on route and concession opportunities.
ENAPOR (national port authority)	Operates Cabo Verde's main ports, including Mindelo's Porto Grande, now undergoing EU Global Gateway-backed green modernization.	Primary counterpart for port, shipping and maritime-logistics investment.
European Union / Global Gateway	Major financier of Cabo Verde's port, digital and renewable-energy infrastructure, reflecting the EU's strategic interest in the archipelago as a mid-Atlantic partner.	EU co-financing structures (EIB loans, grants) are a route to de-risking large infrastructure investments.
IMF / Fitch	The IMF's policy dialogue and Fitch's B/stable rating, upgraded from B- in 2024, anchor external perceptions of Cabo Verde's fiscal trajectory despite its high debt load.	Track Article IV consultations and rating actions as the clearest independent signal of debt-sustainability progress.

CURRENT INTERNATIONAL BUSINESS CHANNELS

Formal entry runs through Cabo Verde TradeInvest for incentive applications and company registration, with dedicated frameworks for the Sao Vicente maritime special economic zone and, prospectively, a second zone on Fogo. Port and maritime-logistics opportunities route through ENAPOR and the EU Global Gateway's co-financing structures; aviation opportunities are best engaged directly with TACV or the civil aviation authority given the carrier's ongoing restructuring. Diaspora-linked banking and remittance products are typically structured through Cabo Verde's licensed commercial banks.

INVESTOR PROFILE BEST SUITED

Cabo Verde suits investors seeking a genuinely stable, democratically governed frontier market with strong institutions: tourism and hospitality operators ideally diversifying beyond Sal and Boa Vista, maritime and port-logistics investors positioned around the Mindelo modernization, renewable-energy and water-infrastructure developers, and diaspora-focused financial services providers. It is less suited to investors seeking a large domestic consumer market or exposure-free fiscal counterparties, given the high public debt load and the national airline's recurring losses.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm policy continuity with the new PAICV government

Reconfirm the status of any pending incentive, concession or privatization process with the Carvalho government, which took office after the May 2026 election and may revisit MpD-era priorities.

STEP 2: Engage Cabo Verde TradeInvest for incentive structuring

Use the special economic zone frameworks - operational on Sao Vicente, planned for Fogo - to access incentives for qualifying investments above the relevant thresholds.

STEP 3: Assess debt and counterparty exposure carefully

Where a project involves a state-owned counterparty such as TACV, ENAPOR or a utility, evaluate standalone project economics rather than relying on sovereign guarantees, given Cabo Verde's elevated public debt.

STEP 4: Target diversification beyond Sal and Boa Vista

Favor projects that benefit from, or contribute to, improved inter-island connectivity, reducing concentration risk tied to the two dominant tourism islands.

STEP 5: Track the November 2026 presidential election outcome

Monitor the 15 November 2026 presidential vote, in which incumbent Neves seeks a second term; a PAICV win would complete the party's control of all three branches of government, a factor worth noting even absent governance concerns.

WAVERLEY'S ROLE

- Direct coordination with Cabo Verde TradeInvest and ENAPOR on special-economic-zone and port-investment structuring.
- Ongoing monitoring of TACV's restructuring and the broader state-enterprise privatization pipeline, flagging contingent-liability developments relevant to fiscal risk.
- Political and electoral tracking through the November 2026 presidential election and the new PAICV government's first-year policy agenda.
- Debt-sustainability monitoring referencing IMF Article IV findings and Fitch/Moody's rating actions, to keep investors ahead of Cabo Verde's credit trajectory.

INVESTOR CALL TO ACTION

Waverley Gateway views Cabo Verde as one of the more straightforwardly investable markets in its West Africa coverage: a stable, democratically governed archipelago economy whose main risks are fiscal and structural rather than political, best approached through diversified, inter-island-connectivity-linked positioning.

Engage TradeInvest/SEZ frameworks → Assess state-counterparty exposure → Diversify beyond Sal/Boa Vista → Track Nov 2026 presidential vote → Scale with debt-trajectory and connectivity improvements

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Near-term opportunities concentrate in Mindelo's EU-backed port and maritime-logistics modernization (shore power, solar, ship-repair at CABNAVE), renewable-energy and water infrastructure aligned with Global Gateway financing, and diaspora-linked financial services given record remittance inflows. The planned Fogo special economic zone represents a longer-dated diversification opportunity once its strategic plan and incentive framework are finalized, as does any eventual TACV restructuring or privatization.

POSITIONING

Cabo Verde's position in October 2026 is defined less by risk than by a genuinely rare combination for the region: a peaceful democratic transfer of power, European-grade governance indicators, and a growth story - 6.3% in 2025 - built on record tourism rather than extraction or external financing shocks. The PAICV's clean sweep of the presidency, government and parliament is worth noting as a concentration of power, but it follows directly from a competitive election the outgoing MpD prime minister conceded gracefully, not from any erosion of democratic process.

The honest caveats are fiscal and structural: public debt near or above 100% of GDP, a national airline that remains a recurring drain on the state budget, and a tourism economy still concentrated on two islands. Waverley Gateway's view is that Cabo Verde rewards patient, diversification-minded capital willing to work within these constraints rather than around them - this is a market to build a long-term position in, not one requiring the elevated risk premiums or contingency planning that define much of the rest of this series.

SELECTED SOURCES

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