



The information reflected in this paper has been gathered by [Jaume Portell](#), a reporter specialised in economics and international relationships, in an activity cofounded at a 85% by FEDER funds in the framework of the [AfricanTech](#) (1/MAC/1.3/0088) project, within the INTERREG VI D MAC 2021-2027 initiative.

## **CAPE VERDE**

### **Macroeconomic framework:**

Following Cape Verde annual growth rates gives us an insight into the volatility of its economy, which is closely linked to the outside world through the tourism industry. In 2022 it grew by 17% with the normalisation of the tourism sector after the pandemic, and during the following years it had a much more modest growth, although remarkable. According to the African Economic Outlook, growth in 2025 will be 5.4%. Monetary policy is linked, in part, to the need to maintain a fixed parity with the euro.

Services account for 67.6% of GDP and industry accounts for 21.8% of the economy. Agriculture accounts for just 7.8% of GDP. The fall in agricultural jobs has been partly absorbed by the most productive industry and the service sector. The report highlights Cape Verde potential in the blue economy, linked to fishing, and the need to modernise the infrastructure to make the most of its presence in the free trade agreement that the African continent already has in place.

Tourism revenues (over \$400 million in 2023) help adjust a trade balance in goods that is in deficit. Following the recovery from the pandemic, more than one million tourists arrived in Cape Verde in 2023 (almost double the local population). Remittances, in turn, accounted for more than 10% of the GDP and are also an important source of hard currency.

The GDP of Cape Verde in 2023 was \$2.53 billion.

### **Debt and currency:**

Cape Verde had an external debt stock of \$2451 million in 2023. In 2012, Cape Verde annual debt service payments amounted to about \$169 million. This year, in 2025, they have risen to \$836 million, almost five times what was previously paid.

The majority of Cape Verde debt (58%) is held by multilateral creditors, including the World Bank (28%) and the African Development Bank (18%). The rest of the stock is divided between private creditors (23%) and bilateral creditors (19%), including Portugal (6%), Japan (6%) and France (2%).

The Cape Verdean currency, the escudo, has a fixed parity with the euro at an exchange rate of 110,265 escudos per euro.

### **Imports and exports:**

Cape Verde trade balance revolves around products such as processed fish and refined oil, which accounted for more than half of revenues in 2023. In total, the country exported goods worth \$163 million that year, of which processed fish accounted for 34%. Exports of refined oil accounted for 23.4%, while rail freight containers and molluscs were other important exports, although in smaller proportions. The main destinations of these exports were Spain (46%), Portugal (8.67%), Togo (7.13%), Italy (6.88%) and India (6.27%) respectively.

Furthermore, imports amounted to \$1820 million, with energy-related imports, such as refined oil (44%), followed by aeroplanes and helicopters (2.7%) and cars (2%). Rail freight containers and cement were also relevant imports (at a lower level than the previous ones). Portugal accounted for 29% of imported goods, followed by Saudi Arabia (11%), the Netherlands (9%), Spain (8%) and China (6.6%).

### **Electricity:**

The electricity generation in Cape Verde increased between 2010 and 2022, in an electricity mix dominated mainly by fossil fuels. In 2010, the total generation was 0.34 TWh and 100% came from fossil fuels, according to the think tank Ember. By 2022, the generation in the country had increased to 0.5 TWh, with fossil fuels dominating (72%), accompanied by renewable sources such as wind (14%) and solar energy (14%). The generation met 100% of demand, according to the think tank Ember.

### **Defence:**

Cape Verde annual expenditure in defence was \$12.2 million in 2023, according to SIPRI, a Swedish institute specialized in the trade of this kind of products. In total, defence accounts for about 1.74% of the government spending. The Netherlands has been Cape Verde main supplier since 2000.

### **Demography:**

Cape Verde has seen an increase in population and a trend towards urbanisation. In 1990, the archipelago had 375,428 inhabitants, with 55.9% living in rural areas. By 2023, the population grew to 522,331 people, with 68% residing in urban areas. Life expectancy has increased from 65 years in 1990 to 75 years in 2022.

Half of the population is under 28.3 years old.

### **Technological innovation:**

Cape Verde has seen a substantial growth in internet adoption, increasing from 30% of the population in 2010 to over 72% in 2022. 8 out of 10 Cape Verdeans have a mobile phone according to the ICT Development Index.