

Cape Verde's accession

As a result of the negotiations, Cape Verde has agreed to undertake a series of important commitments to further liberalize its trade regime and accelerate its integration in the world economy, while offering a transparent and predictable environment for trade and foreign investment. Amongst the commitments undertaken by Cape Verde are the following:

Market access for goods

As outlined in the Schedule for industrial products market access, Cape Verde is promising ceilings on duties (bound rates) ranging between zero and 55%. Some bindings involve reductions phased in over a period of up to 2018.

Cape Verde has committed to an average tariff binding of over 19% for agricultural products and 15% for industrial goods. Among products with higher tariffs (over 50%) are: alcoholic beverages, chocolates, soaps and detergents, carpets, glassware, cars and furniture. Product categories with lower tariffs (less than 5%) include civil aircraft, printed paper, certain medical goods and information technology products.

In agriculture, Cape Verde has no export subsidy programmes. On domestic support, no specific support has been provided for any agricultural product. Domestic support programmes (green box) are for environmental purposes, forest management, water conservation, rural development, agricultural research, irrigation systems, and the development of livestock etc. The total amount of domestic support provided by Cape Verde in 2005 amounted up to 7.7million CVE (Cape Verdean escudos) which approximately corresponds to USD1.025 million.

Market access for services

Cape Verde has made specific commitments on 10 services sectors and a wide range of sub-sectors. Persons would be allowed to offer their services in Cape Verde with limitations for business visitors, foreign employees, managers or executives, specialists and contractual services suppliers.

Background information on Cape Verde

Cape Verde is an archipelago located in the Atlantic Ocean off the west coast of Africa. It was a Portuguese colony until its independence in 1975.

Since 1991, the country has pursued market oriented economic policies, facilitating foreign investment, fostering the private sector through privatisations, developing tourism, light manufacturing industries and fisheries. Cape Verde has also developed its transport, communications and energy facilities.

Cape Verde's annual growth is 6.5% and the GDP has reached USD1.3 billion in 2006. The GDP per capita is USD6,000.

The economy of Cape Verde is service oriented accounting for more than 70% of GDP, while agriculture and fishing accounts for 10%.

The population of 423,000 mostly lives in rural areas (about 70%).

Cape Verde has few natural resources and suffers from serious water shortages exacerbated by cycles of long-term drought. The most important natural resources are salt, pozolan (volcanic

rock used in cement production) and limestone.

Merchandise exports/imports

- Merchandise exports: USD21 million
- Merchandise imports: USD542 million

Services exports/imports

- Commercial services exports: USD 371 million
- Commercial services imports: USD243 million

Trading partners

Its main trading partners are Portugal, Netherlands, Brazil, Spain, Italy, the US and France. The biggest importer to Cape Verde is Portugal (EUR116.79 million for 2007). Cape Verde exports to Portugal are worth EUR4.41 million in 2007.