

WORLD RANK: **40** | REGIONAL RANK: **3**

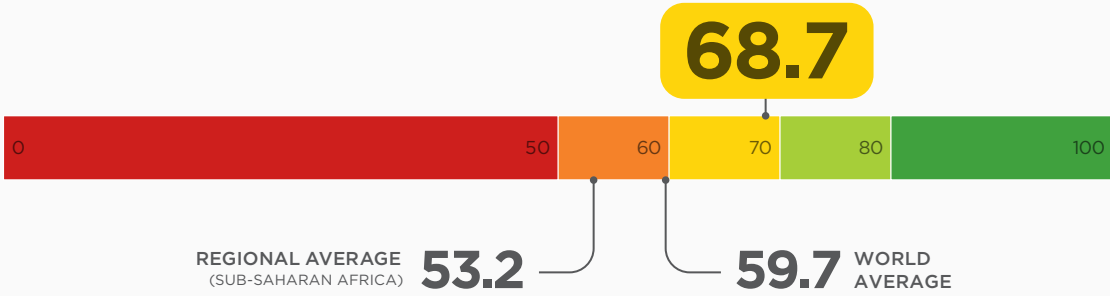
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

CABO VERDE

Cabo Verde's economic freedom score is 68.7, making its economy the 40th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 5.8 points from last year, and Cabo Verde is ranked 3rd out of 47 countries in the Sub-Saharan Africa region. The country's economic freedom score is higher than the world and regional averages. Cabo Verde's economy is considered "moderately free" according to the 2025 *Index*.

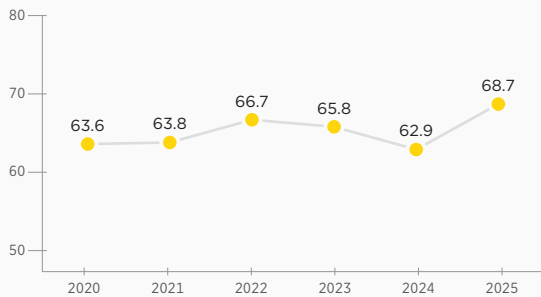
The small island economy has performed relatively well in many of the four pillars of economic freedom, the foundations of which are solid. Protection of property rights is stronger than it is elsewhere in the region. However, expansionary public spending has caused widening deficits. Services account for more than 70 percent of GDP. Foreign aid finances the high trade deficit. The business environment has become more efficient, and licensing requirements are less burdensome. Inflation has been decreasing in recent years.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +19.0

RECENT FREEDOM TREND

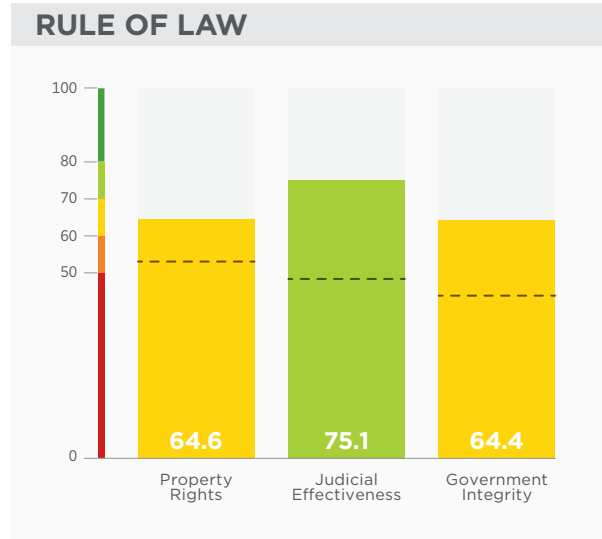


QUICK FACTS

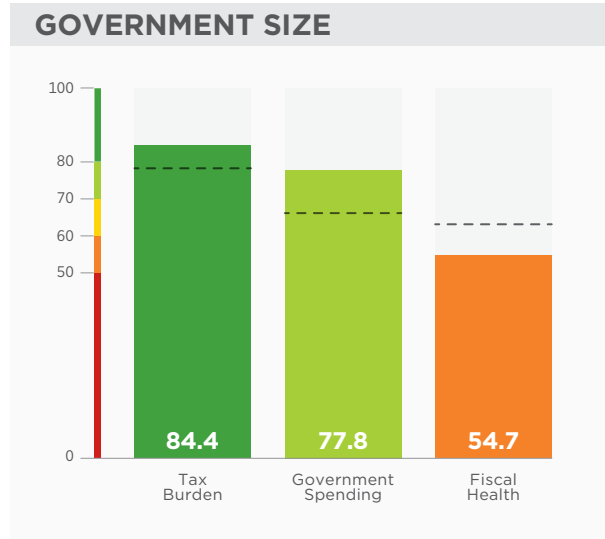
- POPULATION:** 0.5 million
- UNEMPLOYMENT:** 12.0%
- GDP (PPP):** \$5.4 billion
- INFLATION (CPI):** 3.7%
- 5.1% growth in 2023
- FDI INFLOW:** \$136.0 million
- 3-year average growth rate: 9.8%
- PUBLIC DEBT:** 114.0% of GDP
- \$10,682 per capita

2023 data unless otherwise noted. Data compiled as of November 2024.

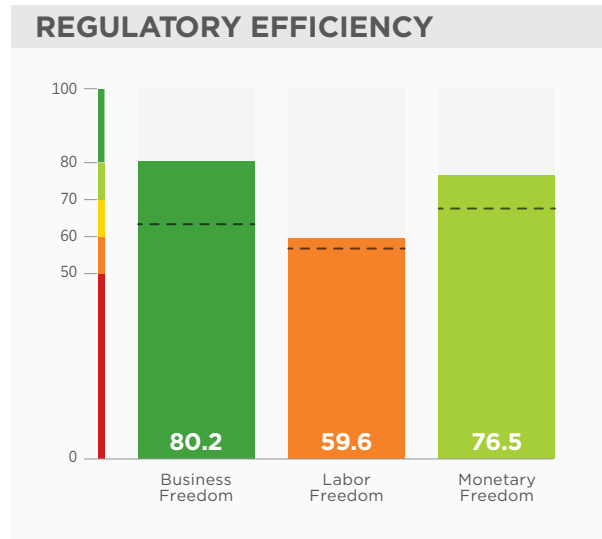
12 ECONOMIC FREEDOMS | CABO VERDE



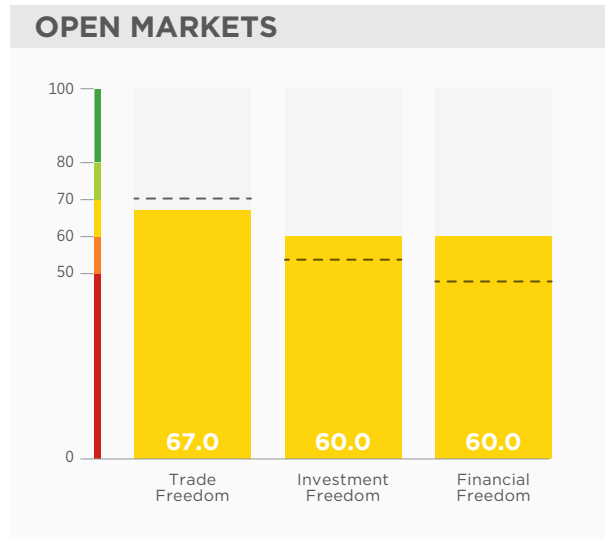
The overall rule of law is relatively well respected in Cabo Verde. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 27.5 percent, and the top corporate tax rate is 21.42 percent. The tax burden equals 18.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 27.2 percent and -4.0 percent of GDP. Public debt amounts to 114.0 percent of GDP.



Cabo Verde's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is slightly below the world average.



The trade-weighted average tariff rate is 11.5 percent, and nontariff measures are in effect. Foreign and domestic investors are generally treated equally under the law. The number of nonperforming loans in the banking system has decreased. Credit is generally allocated on market terms.