



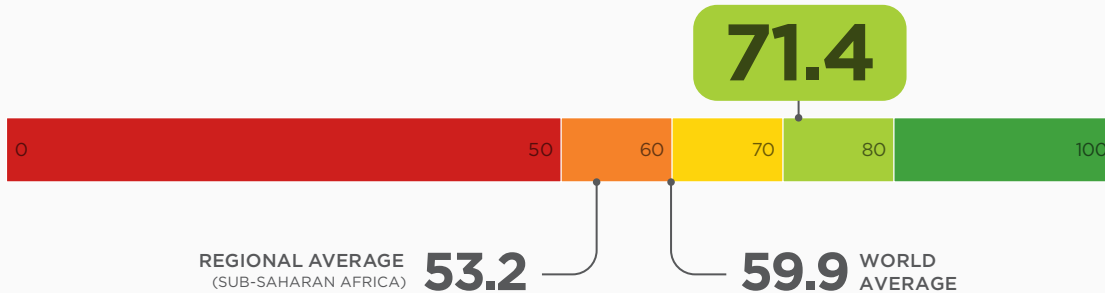
CABO VERDE

WORLD RANK:	REGIONAL RANK:
26	2
ECONOMIC FREEDOM STATUS: MOSTLY FREE	

Cabo Verde's economic freedom score is 71.4, making its economy the 26th freest in the 2026 *Index of Economic Freedom*. Its rating has increased by 2.7 points from last year, and Cabo Verde is ranked 2nd 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 "mostly free" according to the 2026 *Index*.

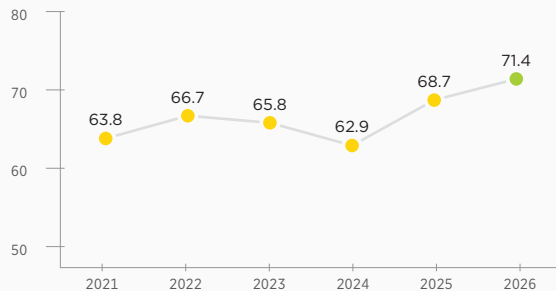
The small island economy has performed relatively well in many of the four pillars of economic freedom, the foundations of which are solid. Protection of property rights is stronger in Cabo Verde than it is elsewhere in the region. Expansionary public spending has caused widening budget deficits, although deficits have not been as large more recently. Services account for more than 70 percent of GDP. The business environment has become more efficient, and licensing requirements are less burdensome. Inflation has been declining.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +21.7

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.5 million

GDP (PPP):
\$5.9 billion
5.2% growth in 2025
3-year average growth rate: 5.7%
\$12,335 per capita

UNEMPLOYMENT:
11.9%

INFLATION (CPI):
1.0%

TRADE AS % OF GDP: 95.1%

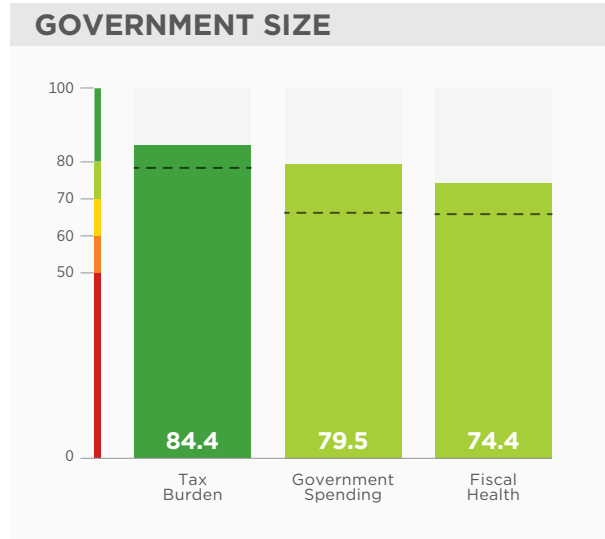
PUBLIC DEBT:
111.2% of GDP

2025 data unless otherwise noted. Data compiled as of January 2026.

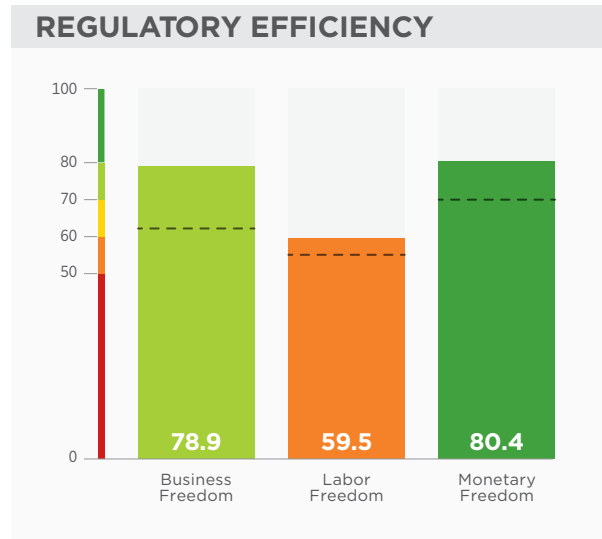
12 ECONOMIC FREEDOMS | CABO VERDE



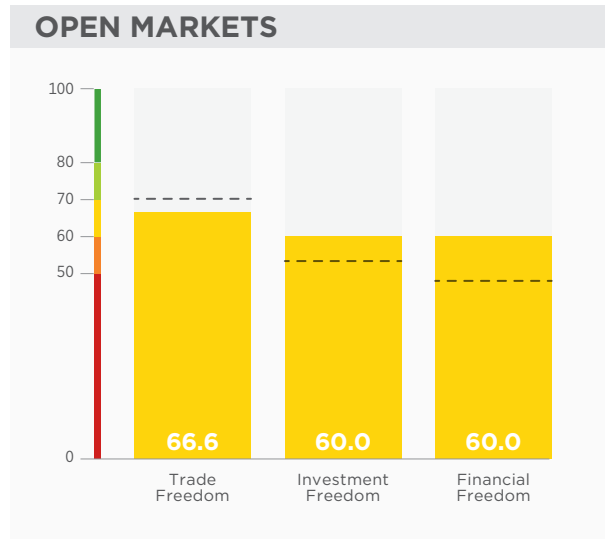
The overall rule of law is well respected in Cabo Verde. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 27.5 percent, and the top corporate tax rate is 21.4 percent. The tax burden equals 18.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 26.1 percent and -1.9 percent of GDP. Public debt amounts to 111.2 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 well above the world average.



The trade-weighted average tariff rate is 11.7 percent, and nontariff measures are in force. 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.