NUSA Atlantic Partners

Cape Verde Investment Outlook

Market developments, tourism trends and long-term regional growth

Cabo Verde offers a rare combination of Atlantic location, democratic continuity, euro-linked monetary stability and tourism-led growth. The investment case is real, but it is selective.

Publication	Authorship	Purpose
Corporate white paper | May 2026	Research & analysis by NUSA Atlantic Partners	Support conversations with investors, developers and strategic partners

Executive Summary

Cabo Verde is emerging as one of the more distinctive investment markets in the Atlantic region. It is not a large market, and it should not be approached as one. Its relevance lies in a different proposition: a politically stable island economy with strong European links, a fixed exchange-rate regime with the euro, a tourism sector that has recovered strongly after the pandemic, and a visible pipeline of infrastructure investment in airports, ports, energy and connectivity.

The investment case is therefore real, but selective. Cabo Verde offers opportunities for investors, developers and operators who are prepared to work with the realities of a small island economy: limited scale, high import dependence, concentrated tourism demand, water and energy constraints, and execution risks around land, permitting and local delivery capacity.

Recent macroeconomic indicators support a cautiously positive view. The IMF projected real GDP growth of 5.2% in 2025 after 7.2% in 2024, while the World Bank estimated 7.3% growth in 2024, supported mainly by tourism and resilient domestic demand. Inflation has moderated, the external position has improved, and the euro peg remains a central element of investor confidence. At the same time, public debt, state-owned enterprise risks, climate exposure and dependence on external demand remain important constraints. [1][2]

Tourism is the main demand engine. INE Cabo Verde reported 1,248,052 hotel guests in 2025 and 6,120,204 overnight stays. Bed occupancy increased to 72%, while average length of stay reached 4.8 nights. These figures confirm the strength of the recovery, but they also highlight concentration risk. [3]

> *The opportunity is not simply that Cabo Verde is growing. The opportunity is that selected locations are becoming more investable as tourism demand, infrastructure finance and institutional continuity reinforce each other.*

Theme	Opportunity	Execution risk
Macro and institutions	Growth recovered strongly; euro peg and reserves support confidence.	Small economy, high debt stock, SOE risk and exposure to external shocks.
Tourism and hospitality	Hotel guests reached 1.25 million in 2025 and overnight stays exceeded 6.1 million.	Demand remains concentrated by island and source market.
Real estate and development	Potential in hospitality, serviced apartments, mixed-use coastal assets and urban nodes.	Land access, permitting, utilities and operator selection determine viability.
Infrastructure	Airport, port, urban-connectivity and energy investment improves the enabling environment.	Project timing, maintenance and inter-island execution remain constraints.

1. Why Cabo Verde Matters as an Atlantic Investment Market

Cabo Verde's investment relevance does not come from market size. It comes from positioning. The country sits in the Atlantic between Europe, Africa and the Americas. It has longstanding institutional links with the European Union, a large diaspora, a service-oriented economy and a tourism profile that is increasingly visible to European operators and investors.

This matters because Cabo Verde is not only a tourism destination. It is also becoming a test case for a broader Atlantic investment theme: small-scale but institutionally readable markets where European capital, infrastructure finance and local development ambitions can meet.

For European investors, that combination can be attractive. But it also requires discipline. Cabo Verde should not be assessed only at national level. It must be assessed island by island, asset by asset and partner by partner. A project on Sal, Boa Vista, Sao Vicente or Santiago may each carry a very different risk-return logic.

Market feature	Investment relevance
Atlantic location	Supports tourism, maritime positioning and European connectivity.
Euro-linked currency	Reduces one major source of uncertainty for European investors.
Political continuity	Improves readability compared with many frontier markets.
Tourism-led economy	Creates demand for hospitality, real estate and services.
Small island structure	Requires careful underwriting of scale, logistics and utilities.

2. Macroeconomic and Institutional Context

Cabo Verde has moved beyond simple post-pandemic recovery. The rebound was strong, but the more important question is whether the country can sustain stable medium-term growth while reducing vulnerabilities.

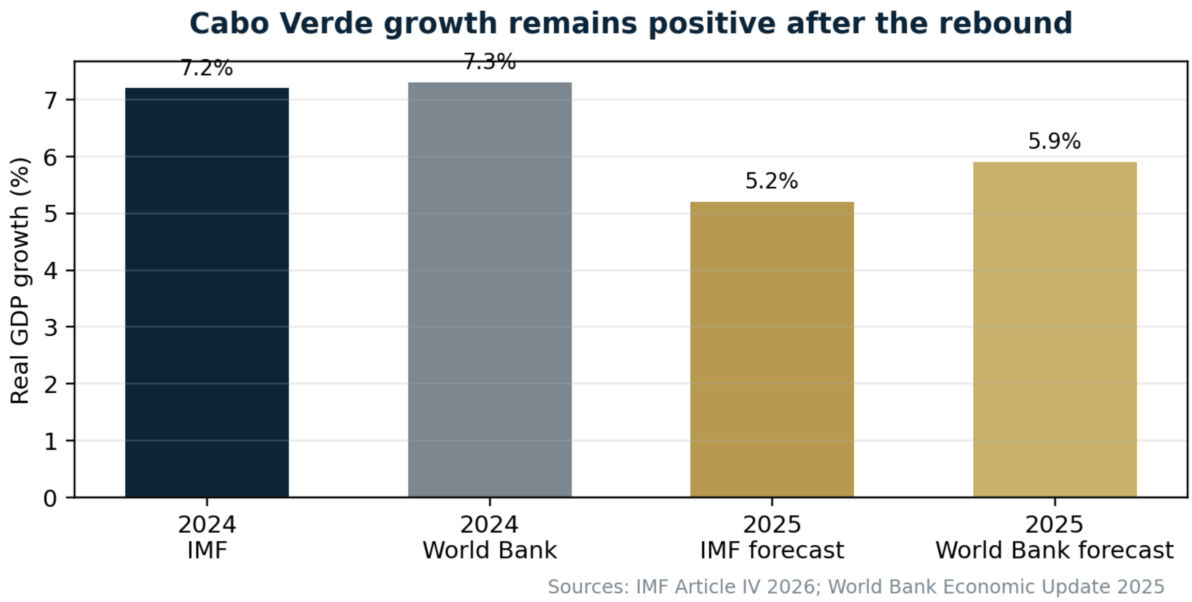

Figure 1. Real GDP growth references from IMF and World Bank. The chart separates observed 2024 estimates and 2025 forecasts to avoid overstating precision. Sources: IMF and World Bank. [1][2]

The fixed exchange-rate regime is a central part of the investment case. The Cabo Verde escudo has been pegged to the euro since 1998. For European investors, this does not eliminate country risk, but it does reduce currency volatility against the euro compared with many other emerging or frontier markets. [5]

At the same time, the macroeconomic case should not be overstated. Cabo Verde remains vulnerable to external shocks, given its dependence on tourism, imports and European source markets. Public debt remains high, state-owned enterprises continue to represent a fiscal risk, and the economy is exposed to climate-related pressures.

3. Tourism and Hospitality Trends

Tourism is the main demand engine behind Cabo Verde's investment outlook. It supports hotels, resorts, serviced apartments, restaurants, transport, retail, airport traffic, port activity and selected real estate development.

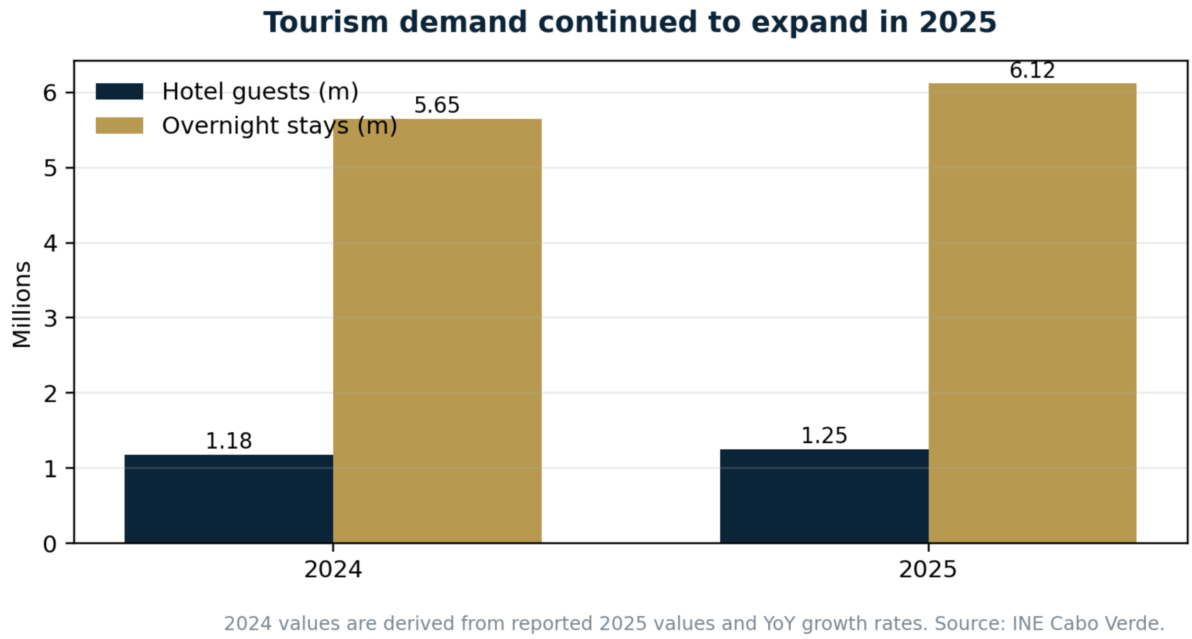

Figure 2. Hotel guests and overnight stays, 2024-2025. 2024 values are derived from INE reported 2025 values and year-on-year growth rates of 6.0% for guests and 8.3% for overnight stays. [3]

The most recent official tourism data confirm a strong market recovery. INE Cabo Verde reported 1,248,052 hotel guests in 2025 and 6,120,204 overnight stays. Average length of stay reached 4.8 nights, while bed occupancy increased to 72%. [3]

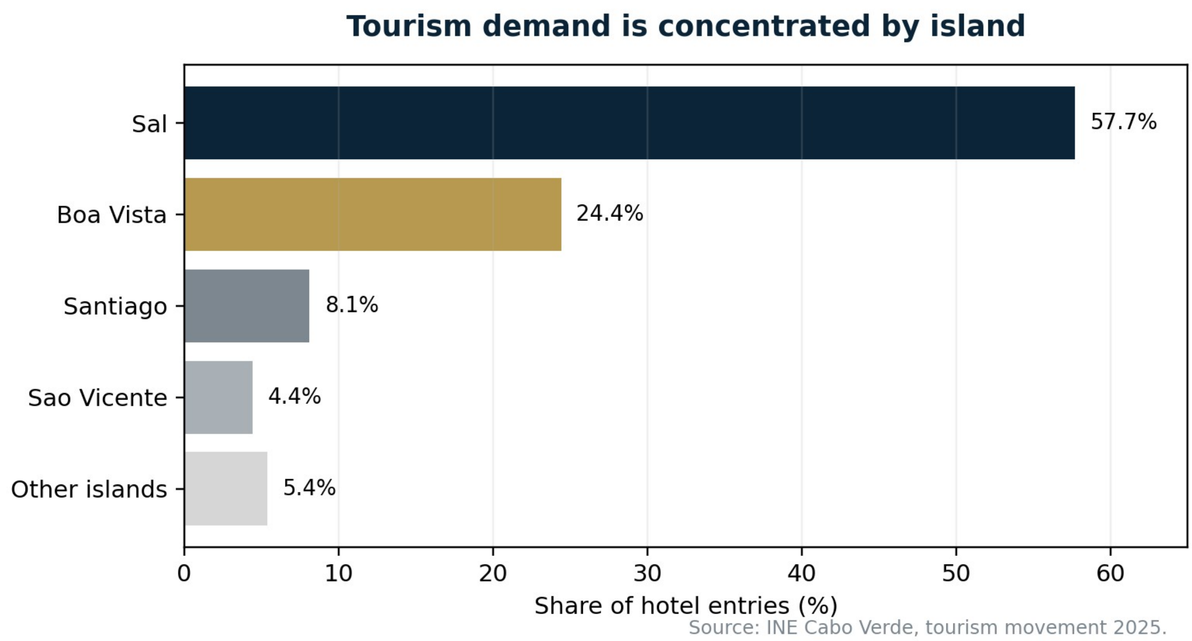

Figure 3. Share of hotel entries by island, 2025. The chart highlights the importance of island-level underwriting. Source: INE Cabo Verde. [3]

Cabo Verde's tourism market is concentrated by geography, source market and product type. Sal and Boa Vista dominate the resort market, while Santiago and Sao Vicente have different demand profiles, including administration, business, culture, events, urban hospitality and gateway functions.

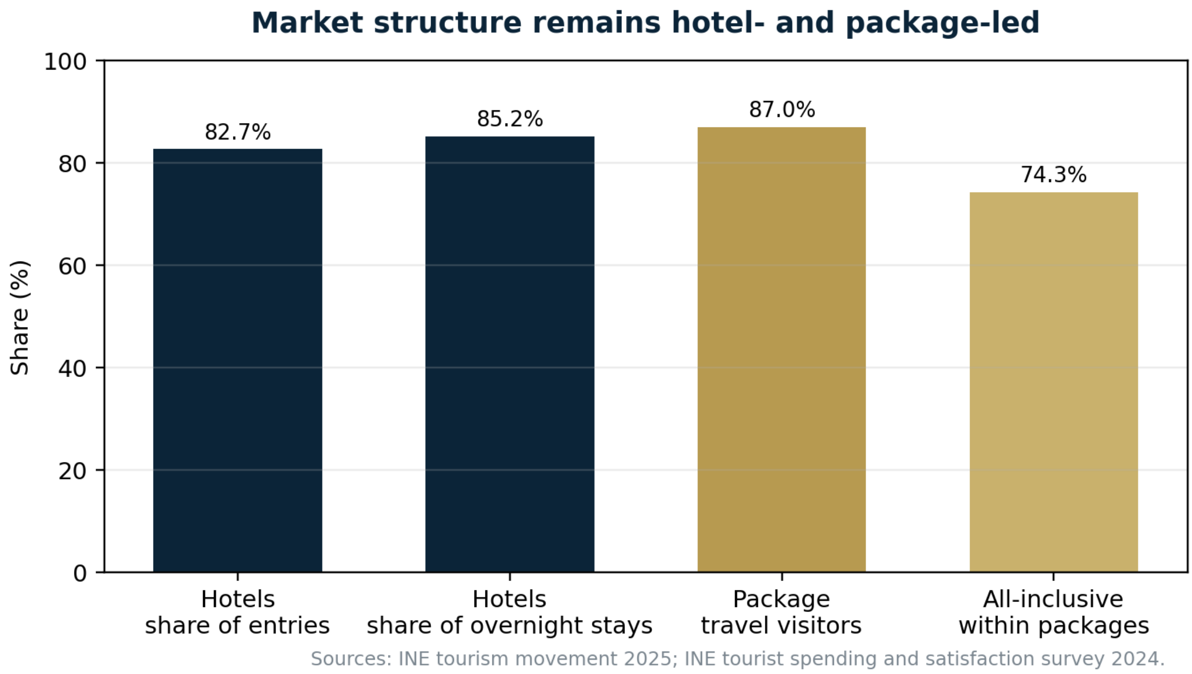

Figure 4. Demand structure indicators. Hotels remain the dominant accommodation format, while package travel and all-inclusive models strongly shape the market. Sources: INE tourism movement 2025 and tourist spending survey 2024. [3][4]

4. Real Estate and Development Opportunities

Cabo Verde's real estate and development opportunity should be understood through hospitality and infrastructure, not through generic land speculation. The most plausible opportunities are in resort hospitality, branded hotels, serviced apartments, apart-hotels, mixed-use coastal projects, selected urban hospitality in Praia and Mindelo, and support assets linked to port, airport and mobility infrastructure.

Sal and Boa Vista remain the clearest resort markets. They benefit from existing tourism flows, established airlift and recognizable leisure positioning. Development opportunities here are likely to focus on resort upgrades, branded hospitality, serviced concepts and selective mixed-use propositions.

Santiago and Sao Vicente have a different profile. Praia functions as the administrative and business centre, while Mindelo has cultural, maritime and urban-hospitality potential. Sao Vicente may be especially relevant where port activity, culture, marina-related services, business travel and higher-quality urban accommodation intersect.

> *In Cabo Verde, a good location is not only coastal. A good location is one where demand, infrastructure and execution capacity arrive at the same time.*

Segment	Plausibility	What must be tested
Resort upgrades	High on core islands	Airlift, occupancy, operator interest and utility capacity.
Branded hospitality	Selective but attractive	Brand fit, demand profile and management structure.
Serviced apartments / apart-hotels	Medium to high	Length of stay, booking channels and pricing position.
Mixed-use coastal assets	Selective	Land title, phasing, absorption and infrastructure.
Urban hospitality	Selective in Praia/Mindelo	Business demand, events, port and airport connectivity.
Speculative land banking	Low	High risk without infrastructure and clear exit.

5. Infrastructure, Connectivity and Regional Growth

Infrastructure is the bridge between Cabo Verde as a tourism destination and Cabo Verde as a broader Atlantic investment market. Airport modernization, port rehabilitation, urban connectivity, energy transition and digital infrastructure are not secondary themes. They are enabling conditions for private investment.

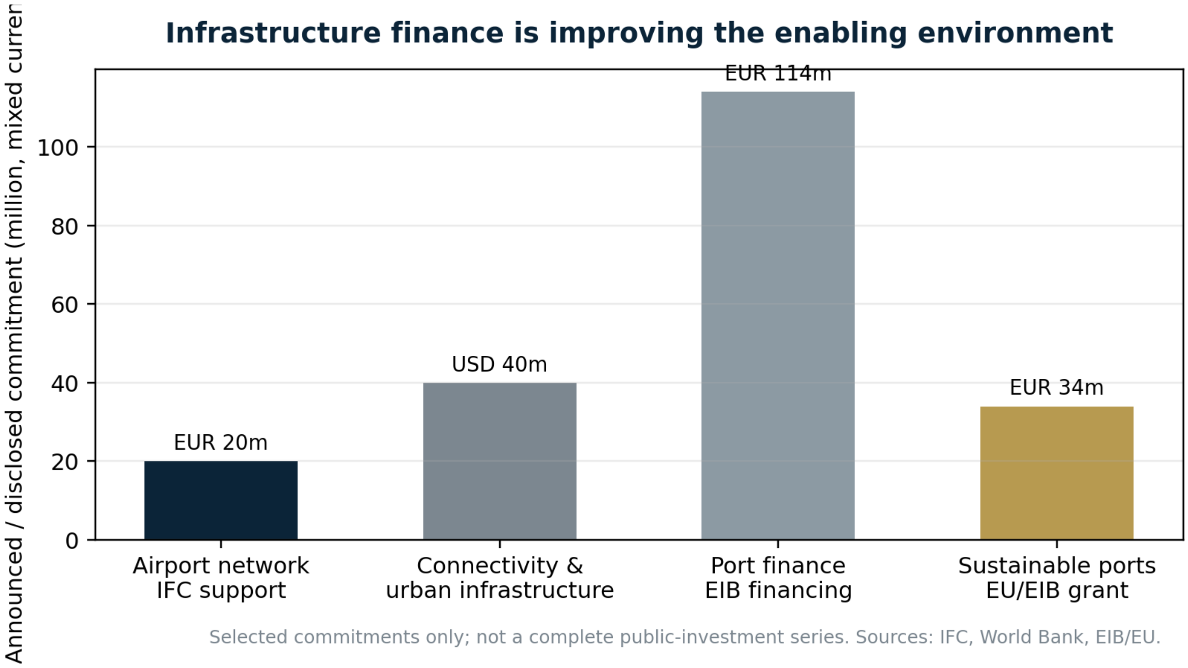

Figure 5. Selected multilateral finance linked to connectivity and infrastructure. Amounts are selected announced or disclosed commitments and not a complete public-investment series. Sources: IFC, World Bank and EIB/EU. [6][7][8]

The airport network is particularly important. IFC has described a second development phase for seven airports operated under a long-term concession structure. Port infrastructure is another key element: the EU and EIB have committed support for sustainable port infrastructure, including rehabilitation and expansion of key ports and related maritime assets. [6][7]

The interpretation should remain disciplined. Infrastructure finance improves market investability, but it does not guarantee project-level returns. Timing, procurement quality, maintenance, operating capacity and local implementation will determine whether infrastructure investment translates into bankable private opportunities.

6. Investment Climate and Foreign Capital

Cabo Verde has a relatively open investment climate. The formal framework is designed to attract foreign capital, and Cabo Verde TradeInvest provides an investor-facing interface for guidance, permits and incentives. This is positive, but it should not be confused with automatic ease of execution.

BCV FDI source dimension	What it shows	Why it matters for investors
Time series	FDI development over time, currently available in BCV source tables to Q3 2025.	Shows whether capital deployment is accelerating, normalizing or concentrated in specific periods.
Origin country	Country from which foreign capital is recorded.	Identifies which international investor groups and jurisdictions are already active.
Destination island	Island where foreign capital is deployed.	More useful than national totals because Cabo Verde is an archipelago with very different island-level markets.
Sector	Activity or sector receiving foreign direct investment.	Connects capital flows to tourism, real estate, energy, transport and services.

Figure 6. FDI analysis framework. The numeric FDI heatmap should be generated from BCV Excel tables before transaction-level use; this publication shows the source dimensions that make such analysis possible. [9]

For transaction-level work, Banco de Cabo Verde data should be used to build a detailed FDI view by island, sector and origin country. National totals may show the direction of capital flows, but in an archipelago the location and sector of capital deployment matter as much as the amount of capital. [9]

7. Monetary Stability and Currency Anchor

For European investors, the euro peg is one of the most relevant macro features of Cabo Verde. It does not eliminate country risk, but it helps align revenues, financing assumptions and investor reporting in a more familiar currency environment.

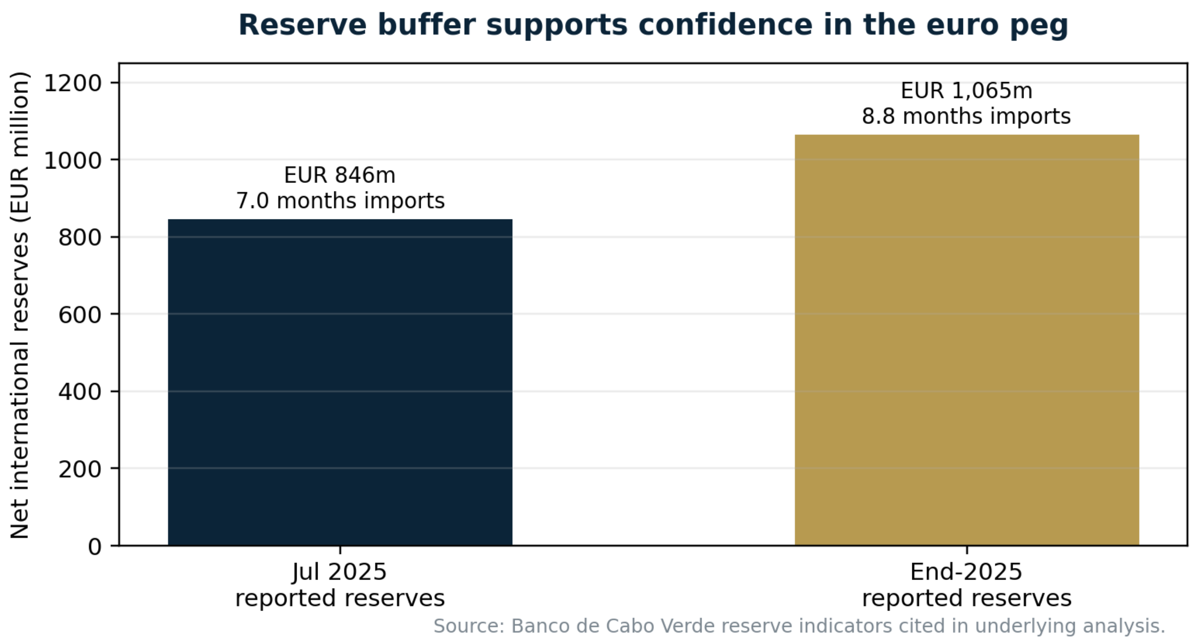

Figure 7. Reserve buffer and import cover. Values reflect reported BCV reserve indicators for 2025 and should be read as stability indicators, not as guarantees of future currency conditions. [5]

Reserve coverage is therefore a practical indicator for confidence in the regime. It should be monitored alongside tourism receipts, current account performance, fiscal discipline and the health of state-owned enterprises.

8. Risks, Constraints and Execution Challenges

A credible investment outlook must be explicit about risk. Cabo Verde is investable because it is relatively stable, tourism-led and institutionally readable. But those same features also create vulnerabilities.

Risk area	Why it matters	Mitigation approach
Tourism concentration	Demand is uneven by island and source market.	Underwrite by island, segment and channel.
Water and energy	Hospitality assets are utility-intensive.	Test capacity early; integrate resilience.
Land and permitting	Timing and title affect bankability.	Use local legal diligence and milestones.
Public debt / SOEs	Can affect macro stability.	Use conservative leverage and phasing.
Climate exposure	Affects infrastructure and insurance.	Include adaptation and resilience costs.
Execution capacity	Local delivery determines outcomes.	Select partners carefully; monitor governance.

The central risk is not that Cabo Verde lacks opportunity. The central risk is mistaking national growth for project-level bankability.

9. Three- to Five-Year Outlook

The medium-term outlook for Cabo Verde is cautiously positive. Tourism is expected to remain the primary growth engine, but growth rates are likely to normalize from the exceptional rebound years. The most attractive opportunities are likely to be selective rather than broad-based.

Scenario	Tourism demand	Real estate / hospitality	Infrastructure	Main downside risk
Base case	Continued growth at a normalizing pace.	Selective expansion on core islands.	Funded projects progress gradually.	Debt, SOEs and external demand.
Upside case	Faster route growth and higher spending.	Broader branded and mixed-use activity.	Better inter-island connectivity.	Utility pressure and capacity constraints.
Downside case	Cooling or temporary decline.	Greenfield delays and higher capex risk.	Project delays or reprioritization.	Climate, source-market weakness and fiscal pressure.

In the base case, tourism demand continues to grow but at a more moderate pace. Sal and Boa Vista remain the dominant leisure markets, while Praia and Sao Vicente develop more selective urban, business, cultural and maritime-related propositions. Infrastructure upgrades progress, but not without delays.

In the upside case, air connectivity improves faster than expected, European demand remains resilient, and infrastructure projects are delivered efficiently. In the downside case, weaker source-market demand, infrastructure delays, water or energy constraints, fiscal pressure or climate shocks require lower leverage, smaller phases and stronger downside protections.

10. Implications for Investors and Strategic Partners

Cabo Verde is most suitable for investors who are comfortable with selective exposure, staged execution and local partnership. The market is less suitable for investors seeking passive exposure to broad land appreciation without a clear operating thesis.

Investor / partner type	Potential fit in Cabo Verde	NUSA Atlantic Partners relevance
European family offices	Selective hospitality, serviced apartments, phased development.	Sourcing, screening and governance discipline.
Developers	Mixed-use coastal or urban assets.	Local access and feasibility coordination.
Hotel operators	Brand entry, management contracts and conversions.	Connecting owners, developers and capital.
Infrastructure-linked investors	Assets linked to ports, airports, energy or mobility.	Translating public pipeline into private opportunities.
Local strategic partners	Land, permits, relationships and execution.	Bridging local execution and European capital standards.

NUSA Atlantic Partners is positioned to operate where capital, opportunity and local execution need to be brought together with discipline. The value proposition is not to promote every opportunity, but to identify credible opportunities, assess early-stage feasibility, connect the right partners and support the structuring of investable propositions.

Conclusion

Cabo Verde is becoming a serious Atlantic investment market. It is not a mass market, and it is not a risk-free safe haven. It is a small, open, tourism-driven island economy with political continuity, a euro-linked currency, strong post-pandemic tourism recovery and a visible infrastructure investment cycle.

The investment opportunity is therefore selective. The strongest cases will be found where tourism demand, infrastructure readiness, local execution capacity and disciplined capital structuring come together. Projects that rely only on broad market growth or speculative land appreciation are likely to be more vulnerable.

For NUSA Atlantic Partners, this creates a clear and credible position: a connector between European capital and Atlantic opportunities, focused not on volume, but on quality, alignment and execution.

Disclaimer

This white paper is provided for general information and strategic discussion purposes only. It does not constitute financial, legal, tax, investment or other professional advice, and should not be relied upon as the basis for making investment decisions. Investors and strategic partners should conduct their own due diligence and obtain independent professional advice before entering into any transaction.

Sources

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[2] World Bank, Cabo Verde Economic Update 2025.
[3] INE Cabo Verde, Estatisticas do Turismo - Movimentacao de Hospedes 2025.
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[6] IFC, CV Airports II project disclosure.
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[8] World Bank, Improving Connectivity and Urban Infrastructure in Cabo Verde.
[9] Banco de Cabo Verde, Balance of Payments / FDI statistical tables.
[10] Cabo Verde TradeInvest and international investment-climate statements.

Data note

The charts in this publication use public values extracted from the underlying white paper materials and official source references. Where a series is derived, limited or requires transaction-level extraction, the chart caption states this explicitly. The FDI figure is intentionally presented as an analysis framework rather than a numeric FDI chart, because the exact BCV Excel values should be extracted and checked before use in regulated fundraising or transaction-specific materials.