

**Statement by
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Presentation of the Investment Policy Review of Cabo Verde**

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AS PREPARED FOR DELIVERY

H.E. Mr. Fernando Elisio Freire, Minister of State, of Parliamentary Affairs and the Presidency of the Council of Ministers and Minister of Sports, Cabo Verde

H.E. Ms. Maria de Jesus Veiga Miranda, Ambassador, Permanent Representative of Cabo Verde to the United Nations Office in Geneva

H.E. Mr. Luis Teixeira, Special Advisor to the Prime Minister, Cabo Verde

Ms. Ana Barber, President of Cabo Verde TradeInvest

Excellencies,

Distinguished delegates,

Ladies and gentlemen,

It is a pleasure to welcome you to the presentation of the Investment Policy Review (IPR) of Cabo Verde. As with all our technical assistance programmes, the IPR was initiated at the request of the Government. At the outset, therefore, I wish to express my gratitude to the Office of the Prime Minister and the Ministry of Finance for their cooperation and the assistance given to our team in finalising the review, and for their future engagement with UNCTAD for the implementation of the review's recommendations. I would also like to thank Cabo Verde TradeInvest for all their support during the fact-finding missions to Cabo Verde in 2017 and for the organization of three national workshops in April 2018 to discuss the findings and recommendations of the IPR with stakeholders across the country.

Ladies and gentlemen,

Foreign direct investment (FDI) to Africa fell by over a fifth last year, with the larger commodity exporting countries faring the worst. This trend has continued into 2018, with FDI inflows to the continent falling by a further 3 per cent in the first half of this year, as reported by UNCTAD's recent *Global Investment Trends Monitor*. This decline is a concern for all African economies that need investment to help finance their sustainable development. On top of that, the dynamics of investment and international production are undergoing seismic changes. International production is shifting gradually from tangible cross-border production networks to intangible value chains. The inability of many developing countries to capture value from new intangible modes of international production reduces their room to upgrade to higher value-added activities.

This is no less so for Cabo Verde, which graduated from least developed country (LDC) status in 2007 but was immediately hit by the fallout from the global financial crisis the following year. Since then, it has struggled to offset the loss of overseas development assistance (ODA) and of trade preferences. In this context, FDI and non-equity modes of investment, particularly in the tourism sector, but also in fisheries and other types of light industries, have provided a lifeline to the economy.

The Government of Cabo Verde is engaged in serious efforts to accelerate economic development by leveraging FDI and reforming the business climate for further private sector development. This includes making better use of the country's renowned ITC infrastructure to introduce innovative eGovernment solutions that streamline business operations.

Towards this end, UNCTAD's research and technical cooperation on investment and enterprise development supports member States to design

and implement effective investment policies that can help their adaptation to the demands of the rapidly evolving global economy. The IPR of Cabo Verde can help the Government facilitate reform, institutional change and capacity building. The report analyses the legal and regulatory framework for investment and contains a strategic analysis on how to diversify FDI attraction by adopting a more pro-active approach to investment policy and investment promotion.

At the request of the Government, the report also provides strategic advice on how to utilize FDI in the tourism sector as a leverage for sustainable development. Tourism, an intangible, services export, offers significant opportunities for job creation and value upgrading – partly because of the country’s locational strengths. But the sector also offers unexploited opportunities for SME development in higher value niches, such as heritage and wildlife tourism, and for building links between local producers and larger hotel chains. The expansion of the tourism sector into new segments beyond the all-inclusive model can potentially directly benefit poor and vulnerable groups, as well as women – as UNCTAD already highlighted in its study on Cabo Verde in 2011.

I believe that while the recommendations of this IPR pertain to the specific context of Cabo Verde, there are lessons for everyone. We hope that the IPR presentation, as well as the scheduled interactions with the private sector and other experts, will provide insights for all member States. We therefore encourage you to ask questions and share your experiences.

In closing, I reiterate my gratitude to the Government of Cabo Verde for their collaboration with us to prepare this report. I also express my appreciation to other authorities and agencies in the country, the UNDP office in Praia, as well as the private sector and civil society representatives,

who assisted UNCTAD in the review process. Finally, I would like to acknowledge the support of both the Government of Cabo Verde and the Government of Sweden, which financed the IPR.

Thank you.