

**Excerpt: 2004 Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act  
Prepared by the Office of the United States Trade Representative**

[http://www.ustr.gov/assets/Trade\\_Agreements/Bilateral/Southern\\_Africa\\_FTA/asset\\_upload\\_file666\\_3453.pdf?ht](http://www.ustr.gov/assets/Trade_Agreements/Bilateral/Southern_Africa_FTA/asset_upload_file666_3453.pdf?ht)

## **CAPE VERDE**

**Status:** AGOA eligible, including for textiles and apparel.

**AGOA Trade and Investment:** Cape Verde's 2003 exports under AGOA and its GSP provisions were valued at \$2.5 million, representing 44 percent of total exports to the United States. Several joint ventures between Cape Verdean and Portuguese investors have begun to export apparel and shoes to the United States under AGOA.

**Market Economy/Economic Reform/Barriers to U.S. Trade:** Private ownership and participation have become dominant in every sector, including infrastructure and utilities. In 2002 and 2003 the government liquidated two large public enterprises: the public urban transportation company and the food import and distribution company. Other privatizations are scheduled over the next few years. The government lifted price controls for petroleum products in 2002 and liberalized its external tariff regime in 2003. It also passed a new central bank law that strengthened the central bank's autonomy and supervisory function. Under a new World Bank-funded Growth and Competitiveness Project, the government seeks to broaden the base of private participation in Cape Verde's economic growth and enhance private sector competitiveness, as well as further develop its financial sector.

**Rule of Law/Political Pluralism/Anti-Corruption:** The Constitution provides for the rule of law, and the right to due process, a fair trial, and equal protection under the law. The judiciary generally operates independently. However, the right to an expeditious trial is constrained by an overburdened and understaffed judicial system. Corruption is not a major problem.

**Poverty Reduction:** The government has an IMF/World Bank Poverty Reduction and Growth Facility, covering the period of January 2002 to December 2004, which supports structural adjustment policies and economic measures. Cape Verde's strategic approach to reducing poverty includes the renewal of economic growth with equity; the linkage between poverty reduction strategies and macroeconomic and sectoral policies; and the improvement in the productive capacities of the poor, by focusing on the need to improve micro- finance policy and provide training.

**Labor/Child Labor/Human Rights:** The Constitution recognizes international core labor standards. Workers are free to form and join unions without government authorization or restriction. Union members have the right to strike, and the government generally respects this right. Forced labor is prohibited, and anti- union discrimination by employers is against the law. With the development of tourism, there is growing concern over juvenile prostitution in some parts of the country. Child labor is a problem in the

informal sector. Cape Verde ratified the ILO Convention 182 on the worst forms of child labor in October 2001. The Constitution provides for freedom of speech, press, assembly, and religion, and the government of Cape Verde generally respects the rights of its citizens.