

EU statement at the Trade Policy Review of Cabo Verde, 6 and 8/10/15

Statement by EU Deputy Permanent Representative, Detlev Brauns

I would first like to welcome the Delegation of Cabo Verde, led by S.E. Mme Leonesa Maria do Nascimento Lima Fortes, Minister of Tourism, Investment and Entrepreneurship. My appreciation is extended to the Secretariat for their comprehensive report and to the Discussant, H.E. Mr. Daniel Blockert (Sweden) for getting us started today with his remarks for this first review of Cabo Verde.

Mr. Chairman, Cabo Verde is an African success story, an example of democracy, stability and good governance.

Despite the lack of natural resources and its vulnerabilities as a small island state, Cabo Verde graduated from LDC to lower middle-income country status in January 2008. The EU acknowledges the steady progress made towards the achievement of its remaining Millennium Development Goals and commends Cabo Verde for having translated its remarkable economic growth into improved social conditions, allowing Cabo Verde to reduce poverty from 37% in 2000 to 25% in 2010.

Despite these positive aspects, the EU notes that the country still faces many challenges mainly due to its economic dependence on tourism (27% of GDP), low competitiveness that requires economic reforms as well as the need to control its public debt (98% of GDP) and its fiscal deficit (7,75%).

In this respect, the EU appreciates the recent creation of a National Trade Council as a permanent structure for formulating and coordinating the Trade Policy of Cabo Verde. The EU encourages Cabo Verde to take actions to diversify its economy and to improve its analytical capacity in the international trade arena, as suggested by the 2013 Diagnostic Trade Integration Study.



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The EU congratulates Cabo Verde's efforts for the recent implementation of the Single Investor Window, establishing a single point of contact between investors and public administration.

Furthermore, the EU commends Cabo Verde for its efforts towards the acceptance of the Trade Facilitation Agreement and, in particular, the setting up of a Trade Facilitation Committee. The EU encourages the Government to notify its category A commitments and to complete the internal process necessary for the ratification of the Agreement as soon as possible. The EU remains ready to respond to Cabo Verde's needs for technical assistance for the implementation of the Trade Facilitation Agreement and calls on Cabo Verde to make its category C commitments known to facilitate the programming.

A word, Mr. Chairman, on our bilateral relationship. The EU has an excellent cooperation with Cabo Verde solidly based not only on the Cotonou Agreement but also in a comprehensive Special Partnership. The EU is by far Cabo Verde's main trading partner, with share of over 70% of its imports and 83% of its exports. Portugal and Spain are Cabo Verde's most important trading partners in goods. Over 60% of Cabo Verde's exports are fishery products and 25% of textiles and clothing. The EU would like also to note the country's interest in trade in services as illustrated by their impressive commitments upon joining the WTO in July 2008.

The EU continues to be the biggest direct donor for development aid in Cabo Verde. In the 11th European Development Fund, covering the period 2014-2020, an envelope of €55 Million has been proposed for Cabo Verde aiming mainly at growth promotion and poverty alleviation.

Mr Chairman, the EU does not have specific concerns to raise here. We have submitted a handful of questions and we are particularly interested in receiving information on the latest state of play for the implementation of the ECOWAS Common External Tariff.

However, we would like to make a general remark. In EU's view, while Cabo Verde is demonstrating sound improvements as regards the development of the legal foundations of its trade policy, more could be done with respect to the practical implementation of its existing legislation.

The EU remains committed to support the country's efforts to face socioeconomic challenges and is confident that this first review will help Cabo Verde in assessing its own policies so as to ensure that they are most favourable for attaining its economic objectives while respecting its international commitments in this forum.

On behalf of the EU, I wish Cabo Verde delegation all the success during its Trade Policy Review.