

# TOURISM: CAPE VERDE

**A**s stated, tourism generates 11% of Cape Verde's GDP and has been identified as one of the two priority sectors of the economy. The main focus for tourism is European markets, attracted and facilitated by:

#### Natural resources

Year round climate, beaches, diversity of scenery and limited development.

#### Activities

Good standard diving, deep sea fishing and windsurfing

#### Accessibility

With a four to six hour flight from Western European markets and a time difference of one to three hours.

#### Culture

Cape Verde has a strong culture reflecting its history.

#### Stability

Cape Verde is politically and economically stable.

#### Local People

Friendly, educated and have good language skills.

International tourism to Cape Verde has developed relatively recently. There was limited tourism prior to independence in 1975. From the 1970s until the end of apartheid in the 1990s, South African Airways used Sal Island as a refuelling stop on flights to and from Europe and the Americas, with aircrew accommodated on a full board basis in a specially developed hotel (Hotel Morabeza) at Santa Maria. Since then tourism activity has increased, but is still at a relatively low level. Foreign tourist arrivals at accommodation establishments have grown from 58,000 in 1998 to 199,000 in 2005. There are also excursionists (day trip visitors) to Santiago (Praia) and Sao Vicente (Mindelo) from cruise ship visits on West African itineraries.

**T**he Cape Verde Islands, with their natural unspoilt beauty, diverse cultures and miles of white sandy beaches offers an idyllic escape, and just five and a half hours from London, a paradise waiting to be discovered. An archipelago of 10 islands, Cape Verde is located 500 kms to the west coast of Senegal, West Africa. The islands benefit from a tropical climate, with average temperatures between 22°C and 28°C, which coupled with the warm inviting waters of the Atlantic Ocean make this a real alternative to the Caribbean

and an exciting investment opportunity. Colonized by the Portuguese in the 15<sup>th</sup> Century, the islands have since gained independence and a democratic government that is striving to develop the economy by way of tourism, making this an ideal time to invest in what is tipped to be one of the world's top tourist destinations.



Cape Verde is experiencing growth in tourism and a shortage of high quality residential and hotel properties to fulfill the demand. Hotel demand on Sal has been driven by the international airport and the island's development as Cape Verde's main beach-based tourism destination. High occupancy rates in 2006 allowed hotels to charge more for the rooms. The hotel sector stands to gain further in 2007.

Foreign arrivals and nights recorded at tourist accommodation units in Cape Verde from 2000 to 2005 are given in the following table. Although recorded arrivals have increased in each year except 2001, recorded tourist nights have fluctuated and decreased from 2003. The average length of stay in 2005 was 4.3 nights, reflecting the impact of business related tourism and leisure tourists on multi-island tours. The opening of the Riu Club Hotel Funana at Santa Maria (Sal Island) was too late to make a significant impact on the statistics.

	Arrivals	Nights
2000	145,075	684,733
2001	162,095	805,924
2002	152,924	693,658
2003	178,373	902,973
2004	184,738	865,125
2005	199,114	858,091

Incoming tourism is dominated by Italy, Portugal and Germany, which together accounted for 78% of foreign tourist nights. Nights by foreign residents in tourist accommodation in 2005 is given in the following table.

Country	Foreign Resident Nights	
	000s	% of Total
Italy	326.6	38.2
Portugal	235.8	27.6
Germany	104.4	12.2
France	47.2	5.5
Spain	29.1	3.4
Benelux	25.5	3.0
South Africa	10.8	1.3
UK	8.0	1.0
Switzerland	7.6	0.9
USA	7.1	0.8
Foreign Residents of Cape Verde	3.9	0.5
Austria	3.5	0.4
Other	44.7	5.2
<b>Total</b>	<b>854.2</b>	<b>100.0</b>

The following table shows the variation of nights in tourist accommodation establishments by month in 2005. Demand peaked in August, November and December, with the lowest demand in May, June and October.

Seasonality	
Month	% of Tourist Nights
January	9.1
February	7.9
March	8.7
April	7.2
May	5.7
June	6.9
July	7.7
August	10.7
September	7.6
October	7.0
November	10.7
December	10.8
<b>Total</b>	<b>100.0</b>

The following table shows the dispersion of recorded foreign arrivals at tourist accommodation establishments throughout the islands. The dominance of Sal reflects its more developed accommodation supply. Santiago reflects the role of Praia as the capital city and Sao Vicente its role as the cultural centre of Cape Verde.

Destinations	
Island	% of Arrivals
Sal	77.4
Santiago	11.9
Sao Vicente	7.3
Santo Antao	2.7
Boa Vista	1.7
Fogo	1.3
Sao Nicolau	0.4
Maio	0.2
Brava	0.1
Total	100.0

87% of recorded foreign tourist nights were spent in hotels in 2005. Approximately 5% of nights were in residences and the remainder in boarding houses, lodgings, hotel apartments and villages.

Incoming tourism to Cape Verde has grown from a very low base in recent years. Business related tourism has been predominantly centered on Praia (Santiago Island), with Santa Maria (Sal Island) the predominant leisure tourism destination. The expansion of leisure related tourism has been predominantly supply-driven. This has been illustrated by the opening, in October 2005, of the first phase (500 rooms) of the Riu Club Hotel Funana, which is reported to have led to increased charter flights from Western Europe and significantly increased incoming tourism that will be reflected in the 2006 statistics.

There has been significant investment in tourism related infrastructure, with the upgrading of the international airport on Sal, the inauguration of Praia International Airport and the imminent inauguration of

the international airports on Boa Vista and Sao Vicente. These developments, together with increases in tourist accommodation, are expected to lead to further development of tourism to Cape Verde.

The Government is encouraging tourism development through incentives, but does not have adequate funding for tourism promotion, which is being carried out by the private sector. An assessment of Cape Verde's tourism sector was carried out in 2004 under a French aid funded project. This project identified the water sports and nature and trekking as having strong market potential, in addition to conventional beach based tourism.

It is understood that the 2004 assessment is being used as a basis for a ten year tourism development strategy. This strategy, which is being formulated, is expected to include the objective of diversifying the tourism product to reflect the strengths of Cape Verde and encourage higher spending tourists.

## Air Access

Cape Verde has scheduled international air access from Europe (Amsterdam, Bergamo, Lisbon, Milan, Munich, Paris, Porto and Rome), the Canary Islands (Las Palmas), Brasil (Fortaleza), Angola (Luanda), Guinea Bissau (Bissau), Senegal (Dakar), Sao Tome and the USA (Boston). There is an "open skies" policy with Portugal, the USA and ECOWAS countries.

Bilateral agreements are in place with Algeria, Angola, Brasil, Cuba, Italy, France, Germany, Holland, Romania, Russia, Spain, Switzerland, United Kingdom and Zambia. There are domestic air services to the main inhabited islands. Amilcar Cabral International Airport on Sal was Cape Verde's only international airport until October 2005, when Praia International Airport opened to international flights.



Analysis of the number of passengers on international (scheduled, charter and transit) and domestic flights in 2004 is given the following table. It can be seen that 52% of passengers were on domestic flights between the islands. Of passengers on international flights, the vast majority (67%) were arrivals and departures on scheduled flights, 31% were transit passengers and 2% were on charter flights.

As stated, Cape Verde is investing in upgrading and expanding its airport capacity to enable increased air

services to follow. The success of developing additional capacity on existing routes and attracting new routes will, to a large extent, be demand led as new tourist accommodation capacity is realized.

Livingston and Hapagfly have added an additional weekly flight from Germany, and Astraeus started charter flights in November 2006 from London Gatwick and Manchester. TACV is also reported to be considering new routes. Some international scheduled airlines have expressed interest in services to Praia, but nothing has been decided. Future forecasts of air traffic to 2009 are summarized in the following table. It can be seen that by far the largest percentage growth is expected to come from passengers on international charter flights, with the largest growth in passengers carried on scheduled international flights.

Flights	Passengers in 2004		% Increase 2004 - 2009
	2004	2009	
International Scheduled	484	582	20
International Transit	220	235	7
International Charter	16	45	181
Total International	720	862	20
Domestic	775	821	6
Total	1495	1683	13