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SNAPSHOT

Surging São Tomé

Waiting for Oil in the Gulf of Guinea

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A two-island nation in the Gulf of Guinea, São Tomé and Príncipe is Africa's second-smallest population of 187,000. It is a peaceful Creole society without ethnic, religious, or linguistic cle and Príncipe is an impoverished country -- as of 2011, it possessed the world's third smallest n its GDP per capita was just \$1,473.

São Tomé and Príncipe generates some income, primarily from cocoa production and tourism, dependent on foreign aid. (Neighboring oil-rich countries and Western donors finance about 90 national budget, which is \$150 million for 2013.) Since 1997, when the Environmental Remed Corporation, a small U.S.-based (and currently Nigerian-owned) company, was awarded the co oil exploration contract, hopes have been high that the country would become a major oil prod years, however, that hope has not been fulfilled. Nevertheless, in anticipation of increases in oi *Insider* forecasts São Tomé and Príncipe as the world's fastest-growing economy over the next optimism is unwarranted: there is no guarantee that the country will produce even one drop of

After transitioning from single-party socialist rule to multiparty democracy in 1991, São Tomé marked by continuous instability, resulting in 17 different governments in 22 years. The volati socioeconomic development in a country already plagued by weak institutions. Clientelism, re

corruption permeate politics. The prominent local lawyer Filinto Costa Alegre has suggested that viaturas, vivendas, and viagens (cars, villas, and traveling) -- make up the political elite's ideal

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