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ACCINDE
COSTA RICAN INVESTMENT PROMOTION AGENCY



**Costa Rica:
The ideal destination for
investment in Latin America**



Agenda:

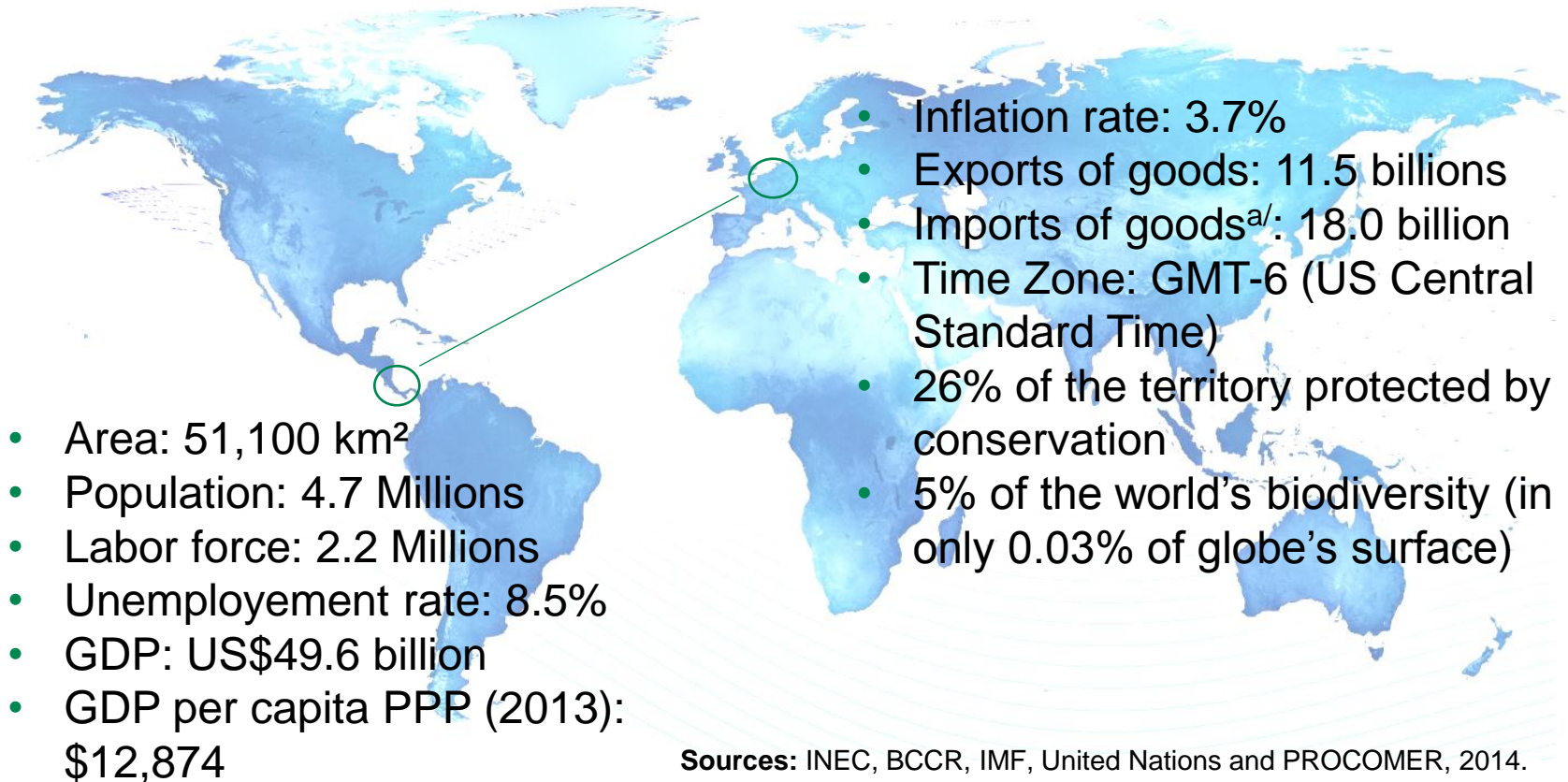
- General facts about Costa Rica
 - Costa Rica: an example of competitiveness in Latin America
 - Costa Rica: the ideal destination for investment in Latin America
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General facts about *Costa Rica*

General facts about Costa Rica



Sources: INEC, BCCR, IMF, United Nations and PROCOMER, 2014.

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Costa Rica: an example of

competitiveness in *Latin America*

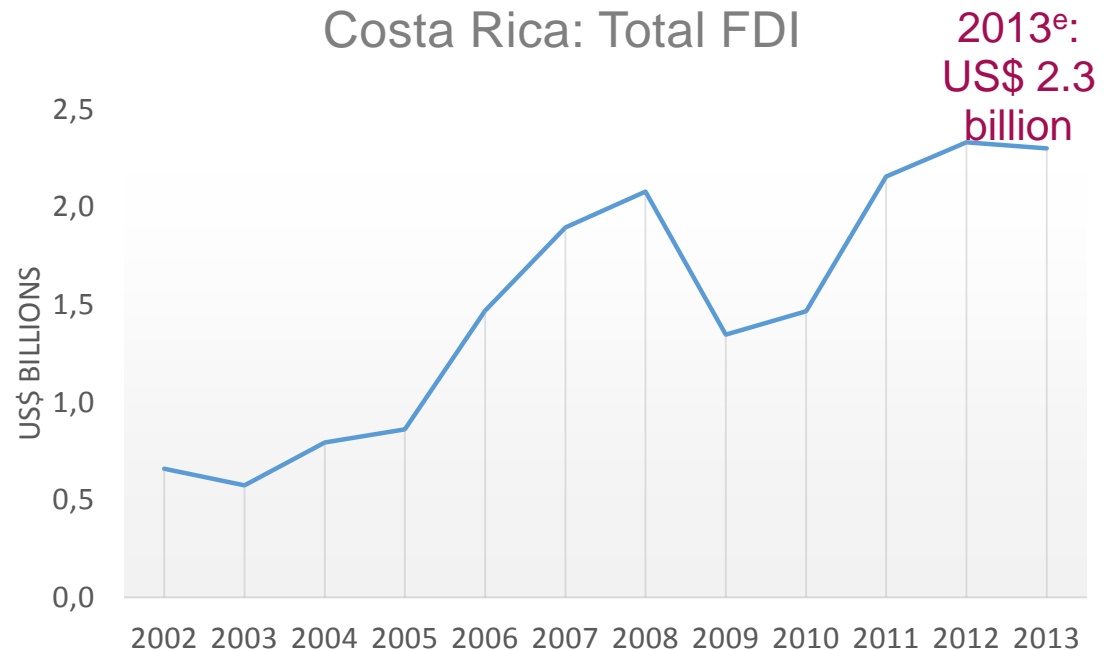
Costa Rica is a competitive country:

- **First high technology exporter of Latin America**
- **4th high technology exporter in the world**
- **The best educational system** in Latin America
- **The safest country of Latin America**
- Ranks **1st in Latin America in innovation**
- **1st Outsourcing City of Latin America (San Jose)**
- **1st Country for future FDI in Central America and the Caribbean**



Consistent growth in foreign direct investment

- FDI inflows have grown an average of **13.3%** every year since 2002.
- In 2013, FDI represented **4.6%** of GDP and FDI per capita reached **US\$488**. Costa Rica ranks among the top countries in Latin America in both indexes.
- **More than 250 high-tech multinational companies** have established operations in Costa Rica.

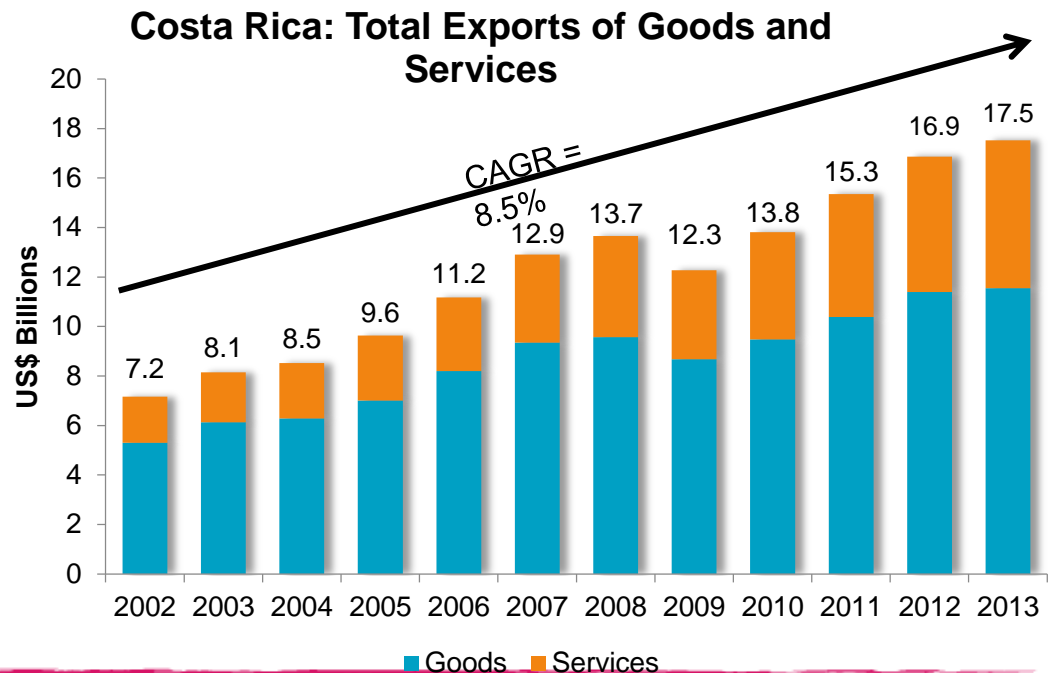


Source: CINDE based on data from BCCR, 2014

Note: Estimated by BCCR

Costa Rica has also experienced a consistent growth in its exports of goods and services

- Exports of goods and services have grown at an average annual rate of **8.5%** since 2002:
 - Exports of goods: **7.3%**
 - Exports of services: **11.1%**
- In 2013, exports and imports of goods and services represented **75.5%** of GDP



Diversification of exports

Costa Rica exports 4,457 different products to 155 destination countries.

Approximately 38% of the Costa Rica's total exports are related to global value chains.

Top exported products in 2013

- Electronics components for microprocessors (20.6%)
- Precision and medical equipment (13.5%) ^{a/}
- Banana (7.2%)
- Pineapple (7.1%)
- Other food preparations (3.0%)
- Gold coffee (2.6%)
- Electric cables (2.4%)
- Electrical components (1.6%)
- Juices and concentrates of fruits (1.6%)
- Tires (1.5%)

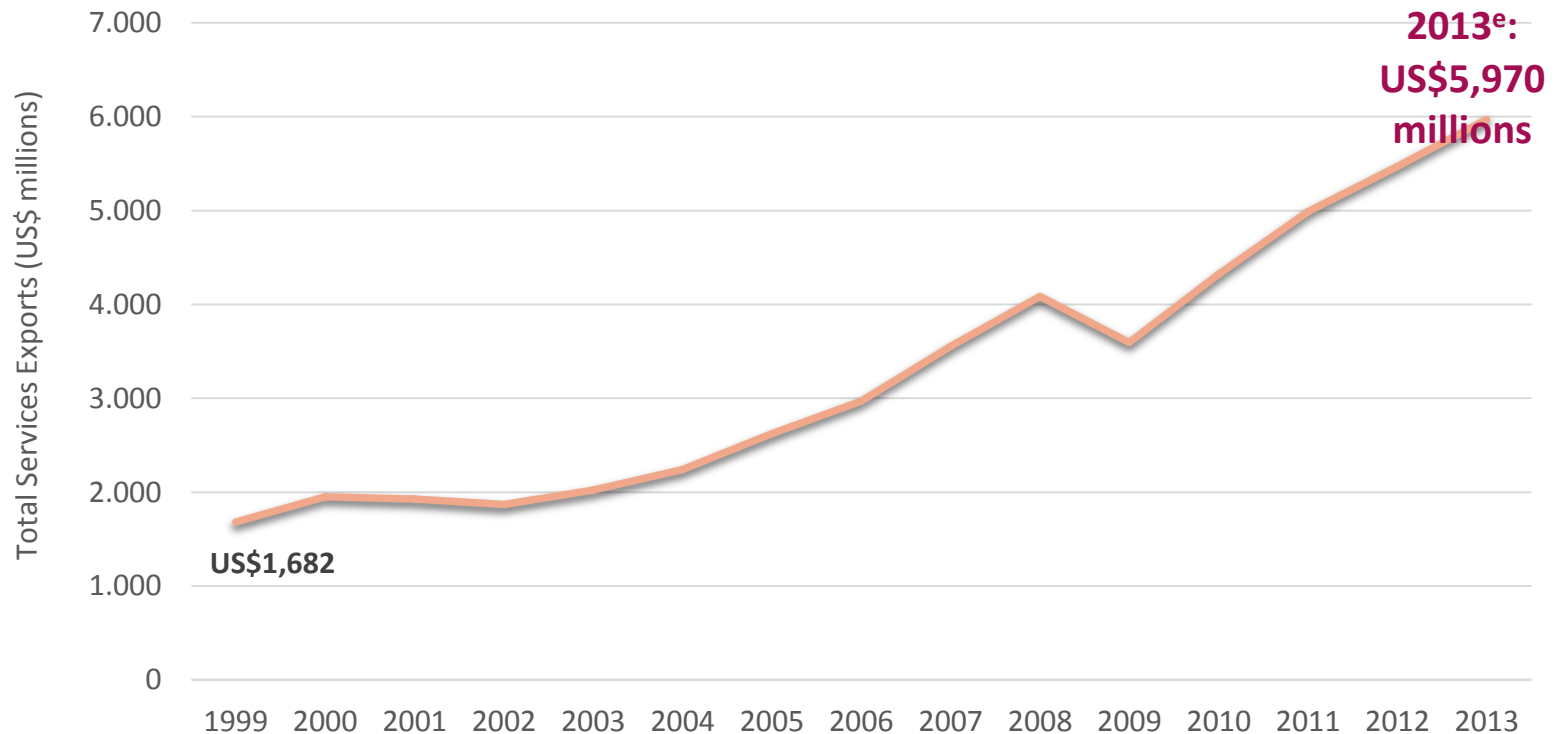
Main destinations in 2013

- United States (37.4%)
- European Union (17.6%)
- Asia (14.4%)
- Central America (13.8%)

Source: Procomer, 2014.

Note: a/ This sector comprises IV sets, medical prosthesis and other medical devices.

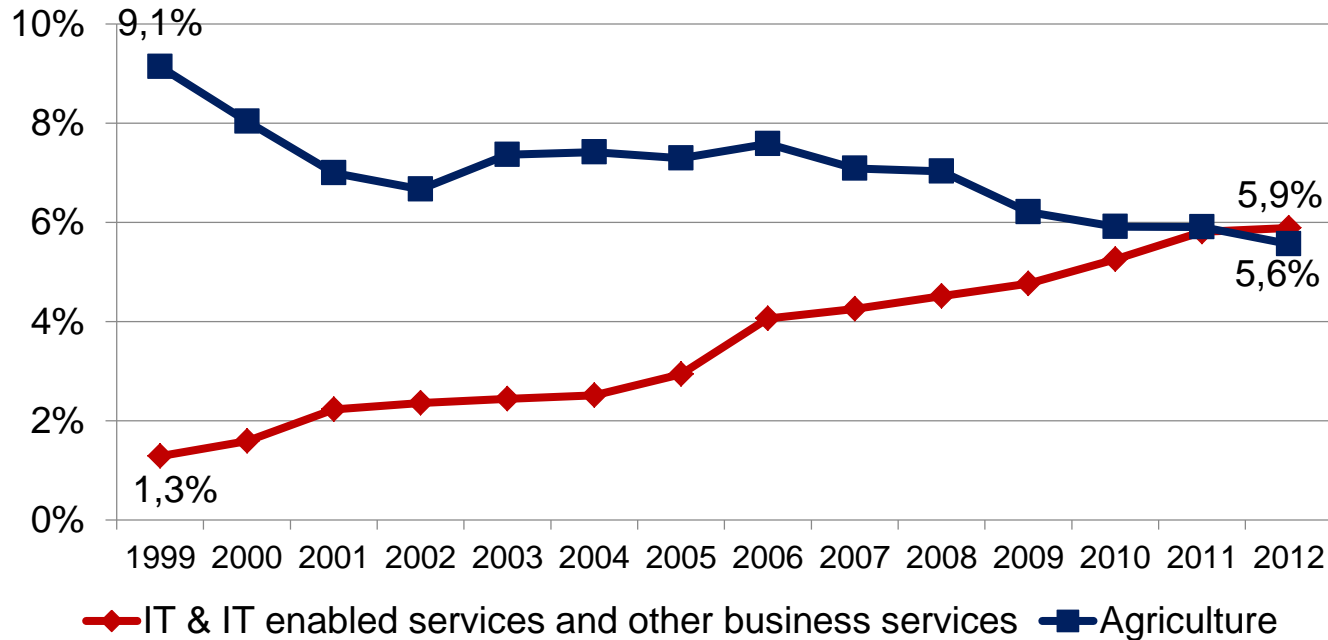
Services Sector exports have grown threefold since 1999



CAGR stands for compound annual growth rate

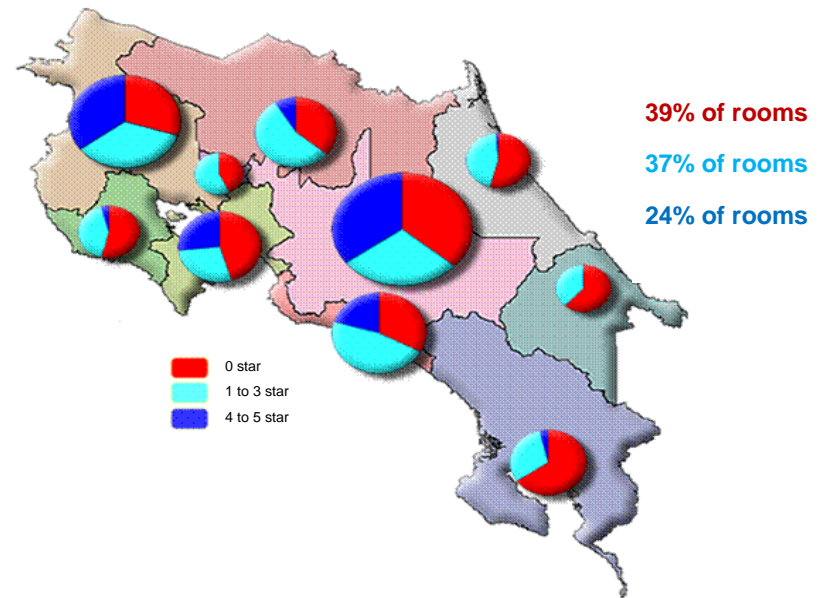
Source: CINDE based on data from BCCR
e Estimated by BCCR

From Agriculture to an Industry and Services-based economy: IT & IT enabled services, and other business services represent 5.9% of the GDP



A great tourism destination...

- 12% of the international visitors came from Europe
- 18% of the European visitors came from Germany and 14% from France
- Costa Rica offers cultural and natural attractions that appeal to the European tourist
- More than 22,043 rooms in the country with ICT touristic declaration
- Average expenditure: US\$1,252.2 ^{a/}



Source: Costa Rica Tourist Board (ICT) Data up to October 2013

Note: ^{a/}Data for tourist arrivals by air in 2012

...And an important agroindustrial exporter

- 1st fresh pineapple exporter in the world
- 3rd banana exporter in the world
- 3rd largest cassava exporter in the world
- 3rd largest exporter of canned heart of palm in the world
- 3rd largest supplier for the European Union of fresh melons, watermelons and papaya.

Costa Rica: the ideal destination for
investment in *Latin America*



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Costa Rica's value proposition:

- Proven Track Record
- Qualified Work Force
- Strategic Location
- Excellent Business Climate
- Quality Infrastructure
- Quality of Life

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Let's talk about success stories

- *Over 250 high-tech multinational companies* are already taking advantage of the benefits that Costa Rica offers.
 - Costa Rica is a world class location specially for high-technology multinational companies in the areas of:
 - Advanced Manufacturing,
 - Clean Technologies,
 - Life Sciences,
 - Services,
 - And more: regional distribution centers, infrastructure projects, tourism and agribusiness.
-

Let's talk about success stories: *advanced manufacturing*

- 48 companies established in Costa Rica.
- 17,164 direct employees.

Sub sectors:

- Electronics (electronics assemblies, telecommunications, semiconductors, electronic components, consumer electronics)
- Automotive
- Aerospace
- Clean Technologies





Let's talk about success stories: *Life Sciences*

- 57 companies established in Costa Rica.
- 17,285 direct employees.

Sub sectors:

- **Medical Devices** (Cardiovascular, Medical delivery, Surgical, Aesthetics, Endoscopy, Sterilization, Dental, Neuroendovascular, Neuromodulation, Optics, Orthopedics, Women's Helathcare, Suppliers, Contract Manufacturers)
- **Bio Technology**





Let's talk about success stories: *Services*

- **142 companies** established in Costa Rica.
- **46,465 direct employees.**
- The service sector in Costa Rica has experienced an incredible dynamism and growth in the past decade, serving the **Americas, Europe, Asia, and Oceania.**



Sub sectors:

- Shared Services & Back Office
- Entertainment & Media
- Digital Technologies
- Design & Engineering
- Contact Centers
- Regional Centers



German companies in Costa Rica have operations in different areas

- Regional Headquarters
- Logistic Services
- Service Operations
- Power Generation
- Sales Offices
- Food Products

Company	Activity
BASF	Chemical products
Bauer Compressors	Builds high pressure systems
Bayer	Pharmaceuticals
Beiersdorf	Personal care products
Bosch	Automotive and industrial technology
DHL	Worldwide logistic services
G. Rau	Life Sciences supplier
Hamburg Süd	Shipping services
Hapag-Lloyd	Shipping services
Heidelberg	Manufacturer of printing presses for envelopes and paper
Henkel	Adhesive products
Juwi	Renewable Energy Projects
Ristic	Shrimp processing facility
Schenker	Logistics
Siemens	Healthcare, energy and industrial manufacturing
Sunset Solar	Distribution of solar products
Zoetis	Shared Services
Zollner Electronics	Advanced Manufacturing

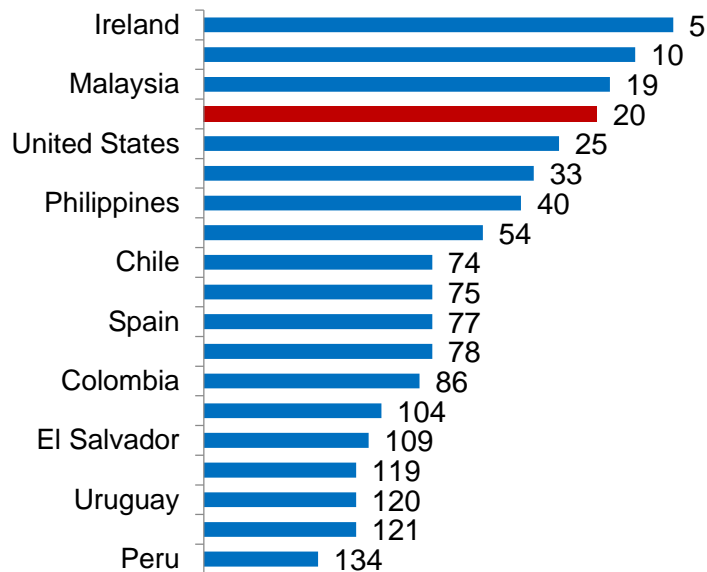
Costa Rica's value proposition:

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Our people make the difference

Quality of the Educational System Rank



- Education is free and mandatory since 1870
- In Latin America, Costa Rica is the country with the **best educational system** (WEF, 2013 - 2014)
- **7.1 % of GDP** invested in education
- **Adult literacy rate of 96.2%**
- **Highest English Proficiency in Latin America:** First in TOIEC and second in TOEFL (ETS, 2012)
- On average **99% of the employees in multinational companies are local**

Costa Rica's value proposition:

- Proven Track Record
- Qualified Work Force
- **Strategic Location**
- Excellent Business Climate
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Costa Rica has become an important nearshore location for U.S. companies and a strategic offshore location for European companies...

- **147 daily flights** connect Costa Rica to the rest of the world.
- **SJO is the 4th best airport in Latin America & the Caribbean**

ASQ Top Performers 2012



Juan Santamaria Intl. Airport (SJO):
123 daily flights in February, 2014

Daniel Oduber Intl. Airport (LIR):
24 daily flights in February, 2014

Costa Rica is successfully integrated into the international economy

- Market access: **2.5** billion people and **66%** of worldwide GDP
- **86%** of exports of goods covered by FTAs
- Investment Promotion and Protection Agreements with **14** countries



● Preferential access

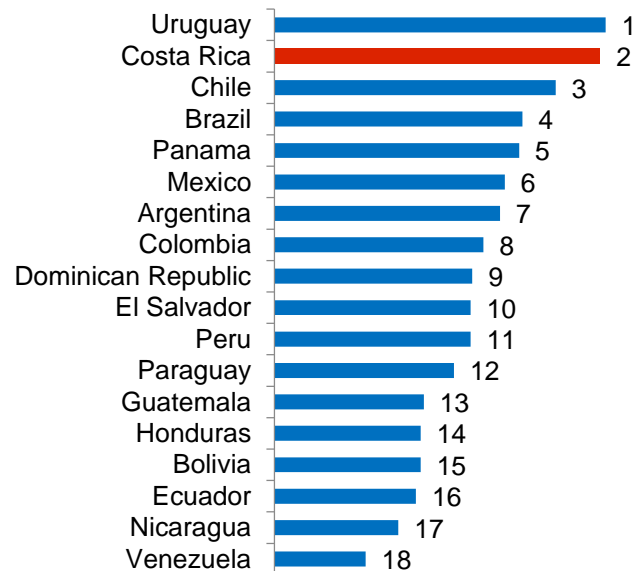
Note: ^{a/}: European Free Trade Association

Costa Rica's value proposition:

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- Qualified Work Force
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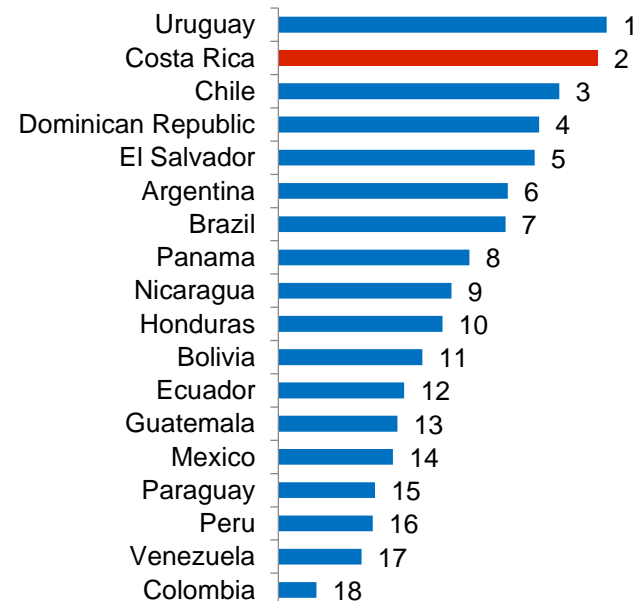
Costa Rica: an example of peace and democracy

Democracy Index Latin American Ranking



Source: The Economist Democracy Index 2012

Political Stability Latin American Ranking



Source: World Bank. The Worldwide Governance Indicators 2013

- Over **120 years of democracy** and **66 years without army**
- Strong rule of law and institutional framework

Investment Incentives

- **Fiscal incentives** under Free Trade Zone Regime for high tech manufacturing and services companies
- Several **industrial parks and business** centers located around the country
- Special investment **incentives** in **tourism sector** for the hotel industry



Costa Rica's value proposition:

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Costa Rica offers a solid utilities infrastructure

- **Electricity**
 - More than 90% of electricity is generated from renewable sources (hydroelectric, geothermal, biomass, and wind)
 - Redundancy, reliability and cost are guaranteed
 - **Connectivity**
 - Redundant fiber optic submarine cables (Maya, Arcos, and Pacific Global Crossing).
 - Satellite and terrestrial microwave network in place to meet demand in fixed, mobile, and internet services.
-

Improving Costa Rica's infrastructure is a key area of focus



- ❑ New container terminal to be built by APM Terminals –a Netherlands company. US \$1 billion investment. Expected to be operational in approximately 3 years
- ❑ Caldera Grain Terminal (Colombian Group Buenaventura) Investment US\$ 35MM. Started in 2012



- ❑ **Expansion and modernization of two international airports**

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We have worked towards the development of our country

- Costa Rica has a **high human development**
- **Life expectancy at birth of 79.4 years**
- Costa Rica invests **10.9%** of GDP in universal **health**
- San Jose ranks **fourth in quality of life** in Latin America (EIU, 2013)





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Thank you!