



essential
**COSTA
RICA**

CINDE
COSTA RICAN INVESTMENT PROMOTION AGENCY

INVESTING IN COSTA RICA

5 THINGS YOU SHOULD KNOW

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Costa Rica by the Numbers



Time Zone	GMT-6
Population	4.9 million
Labor Force	2.3 million
Adult literacy rate	97.8%
Unemployment rate	7.8%
Inflation rate	0.77%
Exports of goods	US\$9.9 billion
Exports of services	US\$8.3 billion
GDP	US\$57.4 billion
GDP per capita PPP	US\$16,142

5 THINGS YOU SHOULD KNOW

1.

Almost 300 high-tech companies, 24% of Fortune 100 companies have established successful operations... and are still growing

2.

Multinational companies are able to leverage specialization: COSTA RICA is the #1 exporter of high-value added services and #1 in production process sophistication in Latin America.

3.

COSTA RICA offers an increasing productivity, that allows companies to grow with the right talent

4.

COSTA RICA has a privileged location, ideal for reaching the Americas... and the World.

5.

COSTA RICA boasts stability, innovation and the most competitive tax incentives in the region to reach true Return on Investment (ROI)

1.

Almost 300 high-tech companies, 24% of Fortune 100 companies have established SUCCESSFUL operations... and are STILL GROWING



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World-renowned companies EXPANDING in Costa Rica



Asian companies are present & thriving in Costa Rica



BRIDGESTONE **Panasonic**

FUJITSU **Firestone**

MicroPort **FEILO SYLVANIA**

TradeStation®  **MicroVention®**
TERUMO



Photo: Microvention-Terumo Costa Rica

During the last decade our country has seen a consistent growth in foreign direct investment...

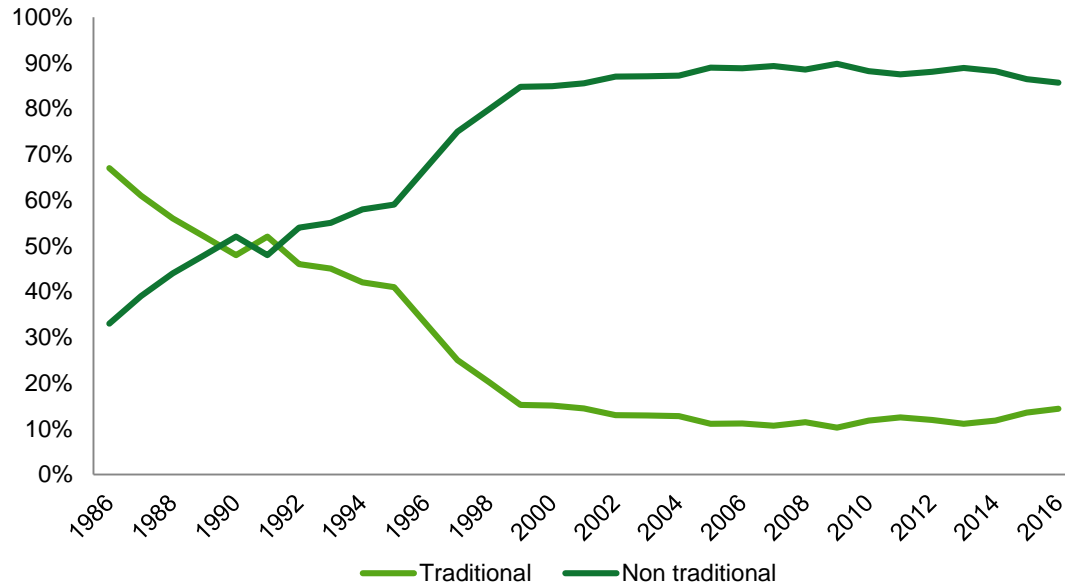
- FDI inflows have grown an average of **5.0%** every year since 2006.
- In 2016, FDI represented **4.8%** of GDP and FDI per capita reached **US\$565**. Costa Rica ranks among the top countries in Latin America in both indexes.
- FDI inflows have financed **82.0%** of the current account deficit in the last decade.

Costa Rica: Total FDI



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

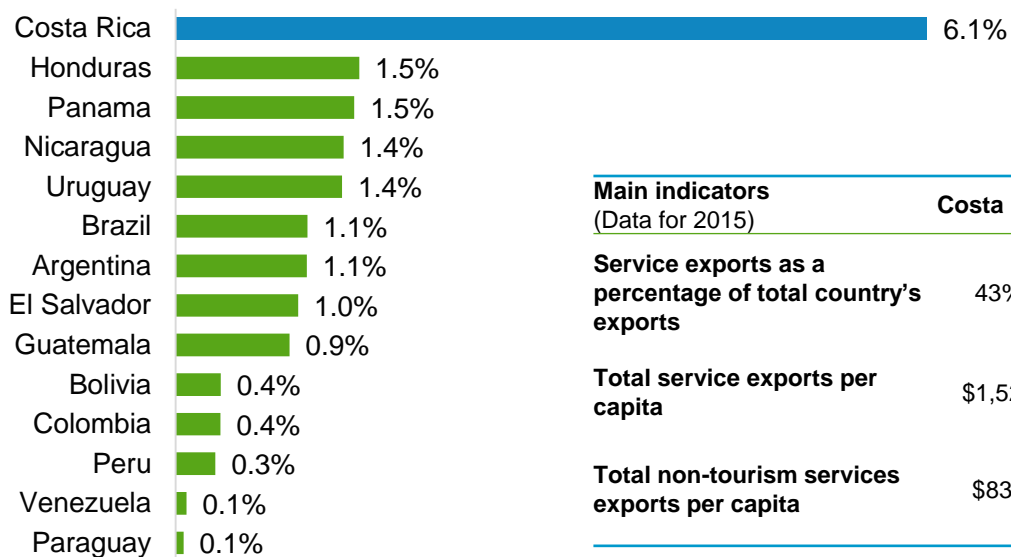
Costa Rica: traditional vs. non-traditional goods exports
1986 – 2016
(% of total exports)



- **Medical Devices** was the **#1** industrial export good of Costa Rica in 2016
- Costa Rica exports **4,302** different products to **150** destination countries
- The relative share of exports of traditional goods has fallen significantly, representing 67.0% in 1986 to 14.4% in 2016

Costa Rica leads value-added service exports in the Latin American region

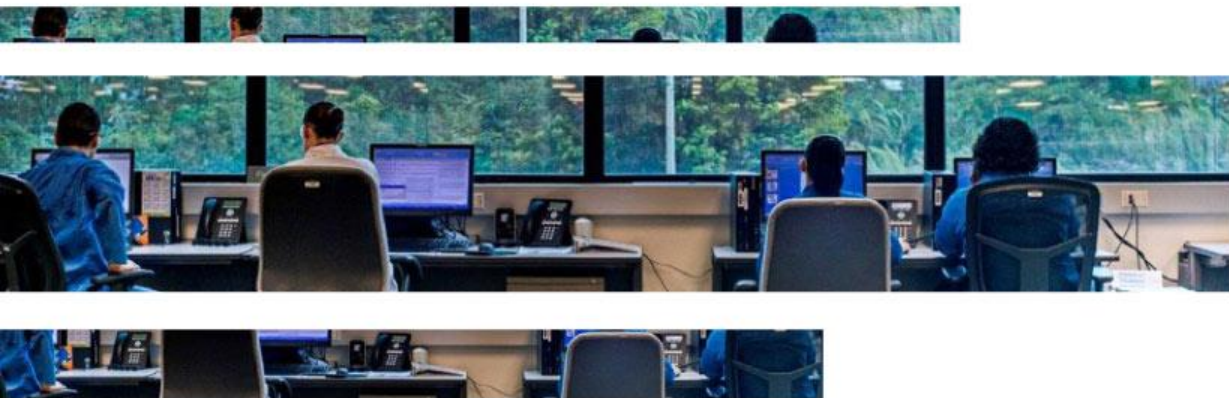
Exports of Telecommunications, computer, information, and other services as % of GDP - 2015



Main indicators (Data for 2015)	Costa Rica	Honduras	Uruguay	Brazil	Argentina	Colombia	Peru
Service exports as a percentage of total country's exports	43%	24%	27%	15%	20%	17%	16%
Total service exports per capita	\$1,522	\$317	\$879	\$165	\$322	\$150	\$195
Total non-tourism services exports per capita	\$835	\$240	\$359	\$137	\$220	\$62	\$91

2.

Multinational companies are able to leverage specialization: COSTA RICA is the #1 exporter of high-value added services and #1 in production process sophistication in Latin America.



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A Multi-functional site for knowledge intensive services

Contact Centers

- Collections/legal collections
- Consecutive Interpretation
- Video remote interpreting
- **Customer Service/Care (via phone, e-mail and chat)**
- **IT Support (Tier 1-4)**
- Sales/B2B sales
- Billing
- Supply chain support

Shared Services

Financial processes

- **Accounts Payable/Billing & Billing Adjustments**
- **Accounts Receivable, Invoicing, & Collections**
- Auditing
- Cash Application
- Cost Accounting
- Financial Reports
- Fixed Assets
- **General Ledger**
- **Order-to-Cash**
- **Purchase-to-Pay**
- **Record-to-Report**
- Revenue Cycle
- Tax Filing and Analysis
- Treasury

Human Resources:

- Ex-pat Relocation & Training
- **Payroll**
- Regional Recruitment
- Talent Management
- Travel & Entertainment
- **Benefits and compensations**

Global Procurement:

- **Procurement-to-Pay**
- Bidding
- **Purchasing**
- Transportation planning and execution
- Suppliers
- Inventory allocation and management
- Planning
- Forecasting/Seasonality
- Materials management and planning
- **Customer order tracking** (credit hold, order processing, claims)

Processes Reengineering :

- **Business Analysis**
- Compliance & Fraud Control
- **Research and Data Analysis**
- Business Presentation Design
- Portfolio Analysis, Investment Research
- Training

Back Office

BPO:

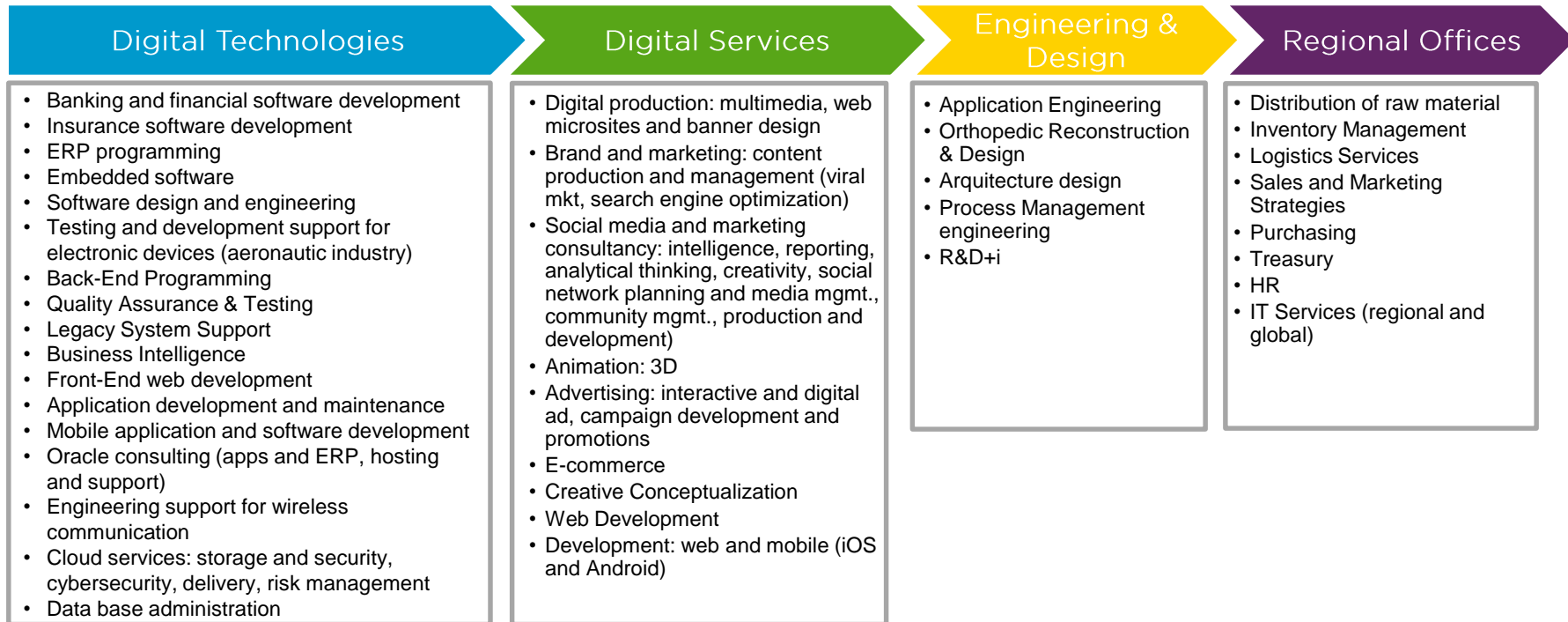
- Finance & accounting
- Data center operations
- IT operations (IT helpdesk, IT Security Administration, IT Application Maintenance)
- Network design
- Supply chain
- HRO: Payroll, Benefit and compensation mgmt., retirement assistance and corporate travel
- Facilities services

Financial KPO

Back office support:

- Presentation design, business knowledge analysis, learning services
- Report editing
- Health industry support
- Data Mining/processing
- Logistics processes (auditing freight, international freight payment transactions)

A Multi-functional site for knowledge intensive services



Advanced Manufacturing



Telecommunications

GNFT	2011
L3 Communications	2001
Panduit	1994
Promitel	2012



Electric Assemblies

Eaton	1963
General Cable Corp	1971
Havells Sylvania	1966



Semiconductors

Triquint / Qorvo	1996
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Electronic Components

Bourns / Trimpot	1979
Controles de Corriente	1997
Electrotechnik	2009
Huber+Suhner	2008
RDF Sensors Group	2006
Samtec	2006
Smiths Interconnect	1997



Engineering and Repair

Ingram Micro	2012
Teradyne	2000



Engineering, Design and Software

Altanova	2008
Avionyx	2005
Emerson	2008
Intel EDC	2011
Intel Megalab	2014
Intel R&D	2015
National Instruments	2010
Twin Engines	2006



Contract Manufacturers

Camtronics	1992
ClamCleat	2012
General Microcircuits	2010
Micro Technologies	1999
Tico Electronics	1995
Zollner Electronics	2013



Clean Tech

EcoPlastic Solutions	2014
Valu Shred	2012
Windpipe Corporation	2012



Distribution

Future Electronics	2014
Q-Source	2000
VWR	2013
ZN Fundiciones	2016



Consumer Electronics

Matthews International	2015
Noxtak	2015
Panasonic	1966
Saco International	1995
Vitec / CPP	1986



Metalwork

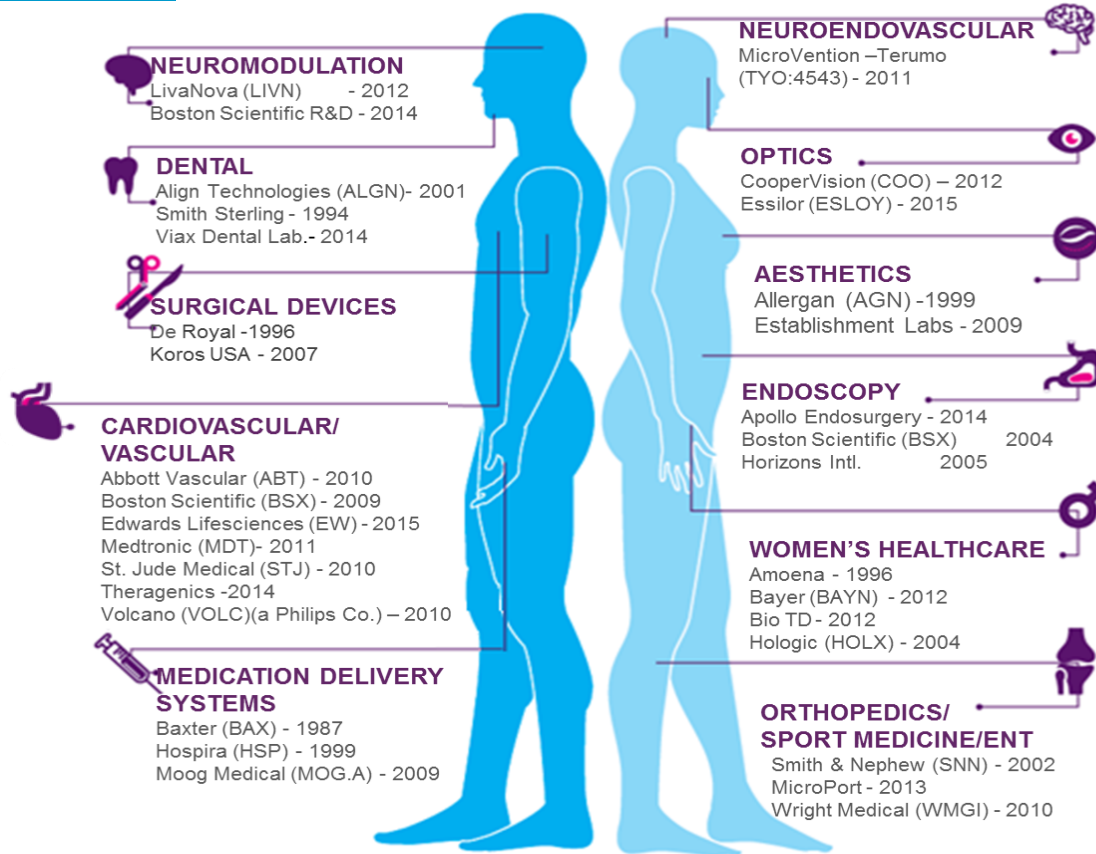
Daniels Manufacturing	1992
Indian Global Manufacturing	2014
Oberg Industries	2002
Okay Industries	2012
Olympic Machining	1996
Refameca	2012
Techspray (ITW)	1986
UTITEC Inc.	2005



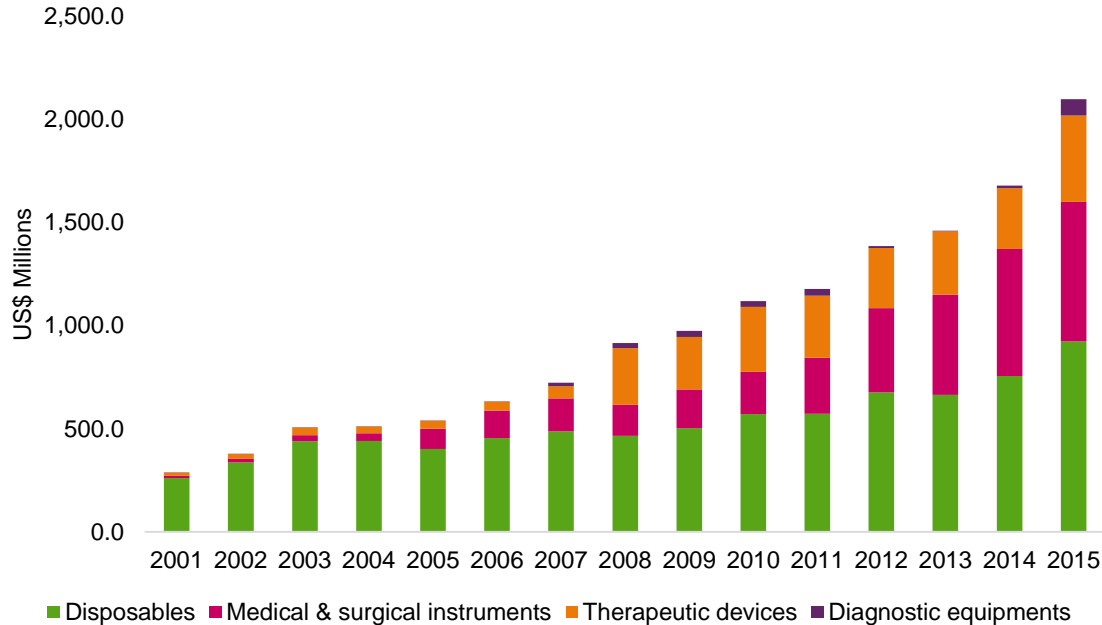
Automotive

AGM	1995
Bridgestone	1967
Daewoo Bus	1995
Deshler Automotive Products	2008
Firestone Industrial Products	2009
Hutchings Automotive Products	2004
Innovative Components	2005
Proquinal	2004

Medical Devices



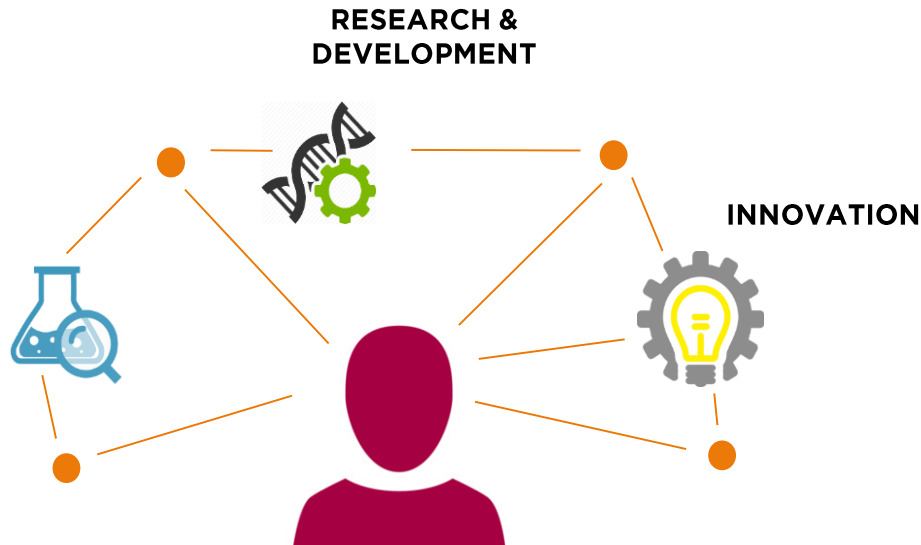
Medical Devices have increased 3x since 2007



- Medical Devices **was the #1 industrial export good** of Costa Rica in 2015, accounting for **4% of the total GDP**
- Costa Rica is the **2nd largest exporter of medical devices in Latin America** and **7th importer** to the USA market
- Presence of **5 global cardiovascular leaders**
- FTZ MD exports **have grown an average 6% annually** since 2004
- **North America is the #1 export destination** (72.8%) followed by Europe (19.3%) and other regions including Asia (6.5%)
- **14 FTAs** signed comprising trade with 57 commercial partners

MedTech Innovation is in our DNA

Over 15% percent of MedTech companies in Costa Rica are engaged in R&D: sustaining engineering, development and related processes to support local operations and programs with R&D corporate.



Main performed activities:

- Concept design
- Prototyping
- 3D Prototypes
- Design for manufacturability (DFM)
- Embedded software development
- Modeling & Simulation
- Process development
- On-market R&D support
- Product testing, verification & validation
- Protocol validation & verification
- Regulatory submission and documentation
- Sustaining engineering and R&D
- Tool making

SUPPLIERS BY SERVICES AND PRODUCTS



CONTRACT MANUFACTURING SERVICES >

8 Contract Manufacturers providing from concept and design to manufacturing, assembly, packaging and supply chain and sterilization management.



ELECTRONIC MANUFACTURING SERVICES >

+19 Vendors offer from component manufacturing including harnesses, sensors, passive & active components, connectors and cables, switches to full manufacturing services of PB Board assembly, electro-mechanical assembly and other electronic like technologies.



ELECTRONICS

+23 Tool Shoops making precision components, device & instrument subassemblies for Orthopedic, Spine, Cardiovascular and other applications using CNC turning and milling, Swiss machining, EDM, laser welding, marking and cutting, grinding, stamping, heat treatment, mold fabrication, repairs, etc.



STERILIZATION >

Steris and Sterigenics offering E-Beam & EO services, biological indicators test and distribution.



MOLDING >

7 Suppliers capable of providing plastic and silicone molding, insert molding, over molding, sheeting, among other services in a clean room environment.



EXTRUSION

3 Vendors offering medical grade tubing such as single lumen, multi lumen, shrink tubing, braided reinforced and profiles in both silicone and plastic.



MANDRELS AND WIRES >

4 Strategic Suppliers offer profile and surface grinding, deburring, coiling, coil winding, wire forming, electro polishing, machining, among other services.



SPECIAL COATINGS >

3 Providers of PTFE, Parylene, Electrodeposition and other types of coating required by the industry.



PACKAGING SOLUTIONS & PRINTED MATERIALS

+12 Vendors
Services include: corrugated boxes, pouches, plastic bags, trays, folding cartons, coil dispensers, labels, IFUs, inserts, etc.



SPECIAL FINISHINGS >

+11 Vendors offering electro polishing, plating, coating, texturing, anodizing, passivation, heat treatment, laser marking, grinding.



CLEAN ROOM SERVICES & SUPPLIES >

18 Vendors
Services include: consumables, certified laundry, janitorial & cleaning, chemicals, equipment, among others.



SUPPORTING SERVICES

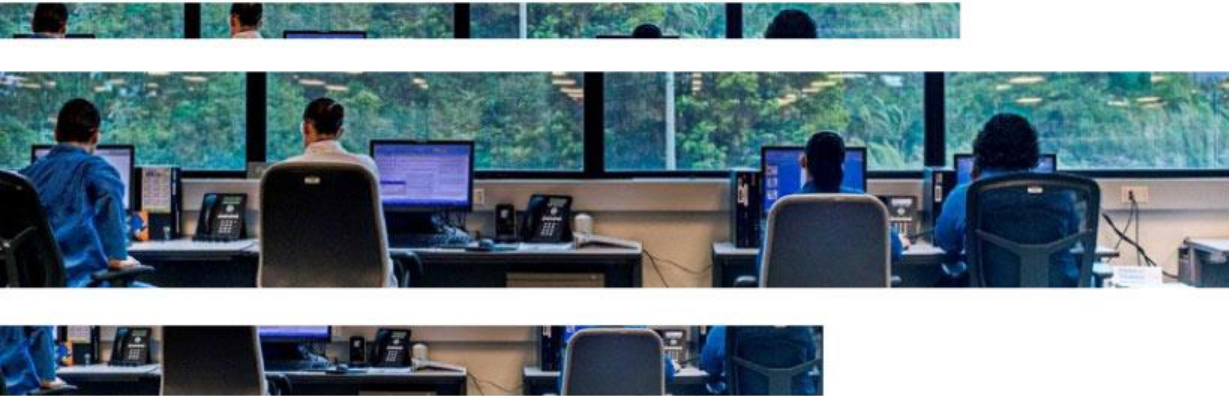
+12 Providers offering gauging & calibration, microbiology tests, validation tests, process validation, etc.



And a strong international supplier base for MedTech & High-Tech Manufacturing Companies

3.

Increasing productivity that allows companies to grow with the right talent



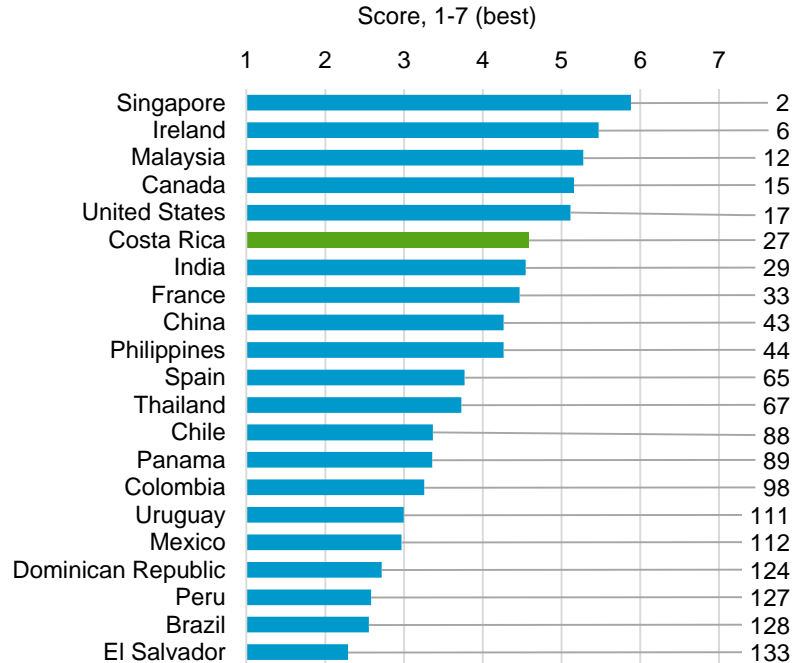
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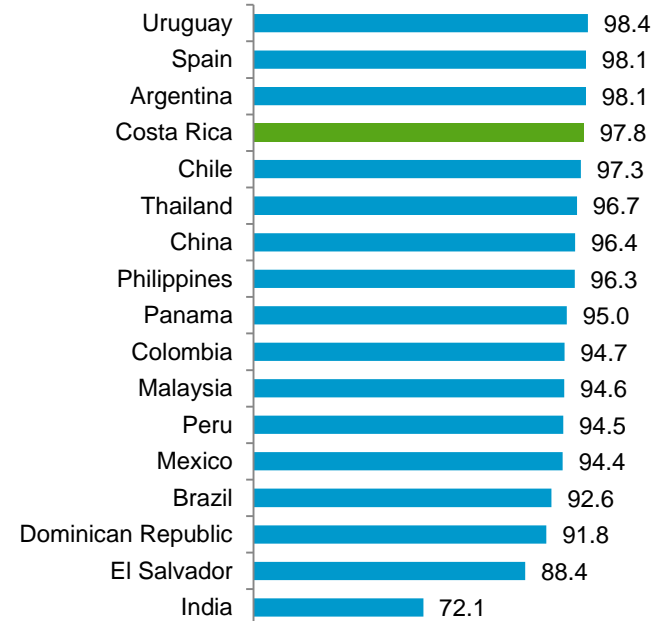
Our education system is #1 in Latin America
27th in the world above France, India, China, and
Philippines among others



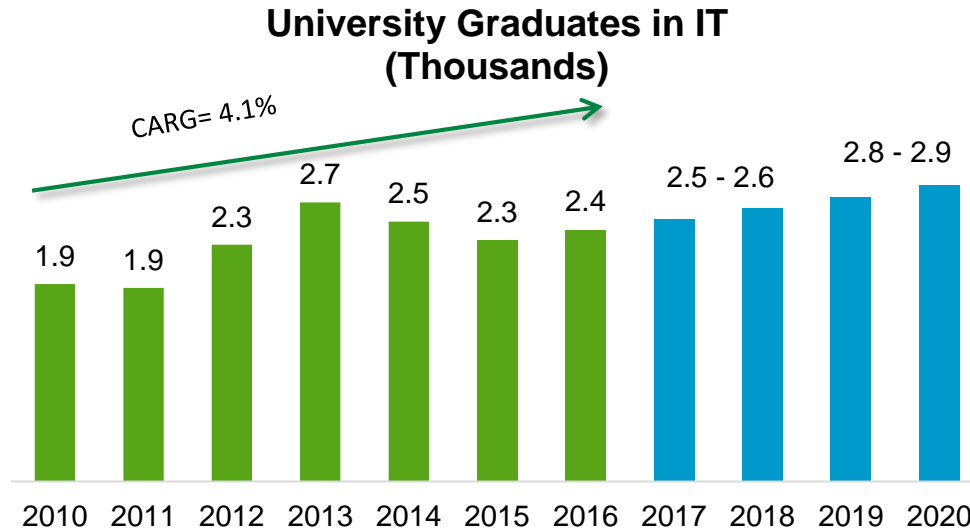
Quality of the education system World Ranking



Adult Literacy Rate (% ages 15 and older)



University graduates in Software and Informatics



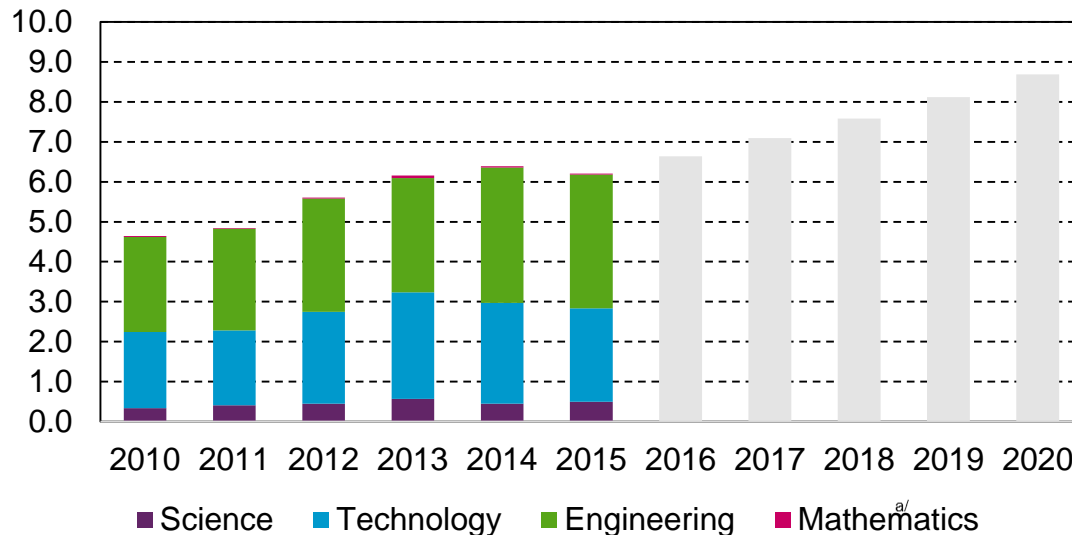
Some major programs such as:

- Applied Mathematics
- Computer Informatics
- Software Development
- Software Engineering

The number has grown at an annual rate of 4.1%

University graduates in STEM related majors & Top quality in Math & Science

STEM graduates



6.0%: growth rate of STEM graduates since 2010

#1 in Quality of math and science education (WEF 2016-17)

The best results between pay and productivity in Latam

MEDTECH SECTOR AVERAGE OUTPUT PER EMPLOYEE

↑ A GROWTH OF
45%
SINCE 1999



1999: US\$76K



2016: US\$117K

SERVICES SECTOR AVERAGE OUTPUT PER EMPLOYEE

↑ A GROWTH OF
97%
SINCE 2005

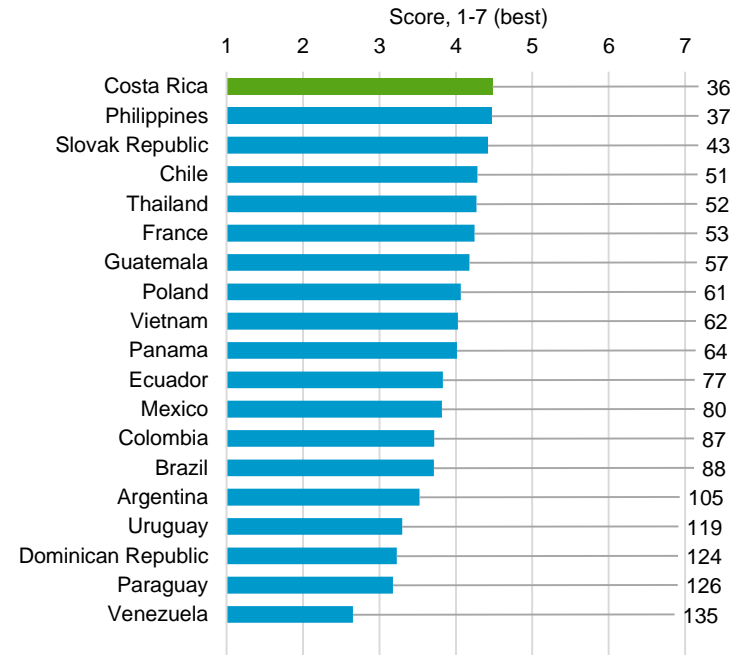


2005: US\$35K



2016: US\$69

Pay and productivity World Ranking



**Third in Latin America
and 27th worldwide in
talent retention**

(WEF, 2016-17)

**English proficiency in
Latin America**

Second in TOEFL

(ETS, 2016)

**Impressive 546%
increase in university
graduates** between
1993 and 2015

(CINDE, 2016)

**Costa Rica: country
with a young
workforce.**

36% of the population
is between 15 to 35
years old

(INEC, 2016)

THE RIGHT CONDITIONS

Qualified human resources

**1st in availability of
research & training
services**

**2nd in Engineers and
Scientists in Latin
America**

(WEF, 2016-17)

Costa Rica is
considered a country
with a high **human
development
worldwide**

(United Nations, 2015)

**2nd in Quality of
scientific research
institutions in Latin
America**

(WEF, 2016-17)

Costa Rica
**is second in the
social progress** index
in Latin America
(Social Progress
Imperative, Social
Progress Index 2016)

**1st in Innovation
in Latin America**
(WEF, 2016-17)

4.

An ideal location to reach the Americas... and the World.



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Costa Rica

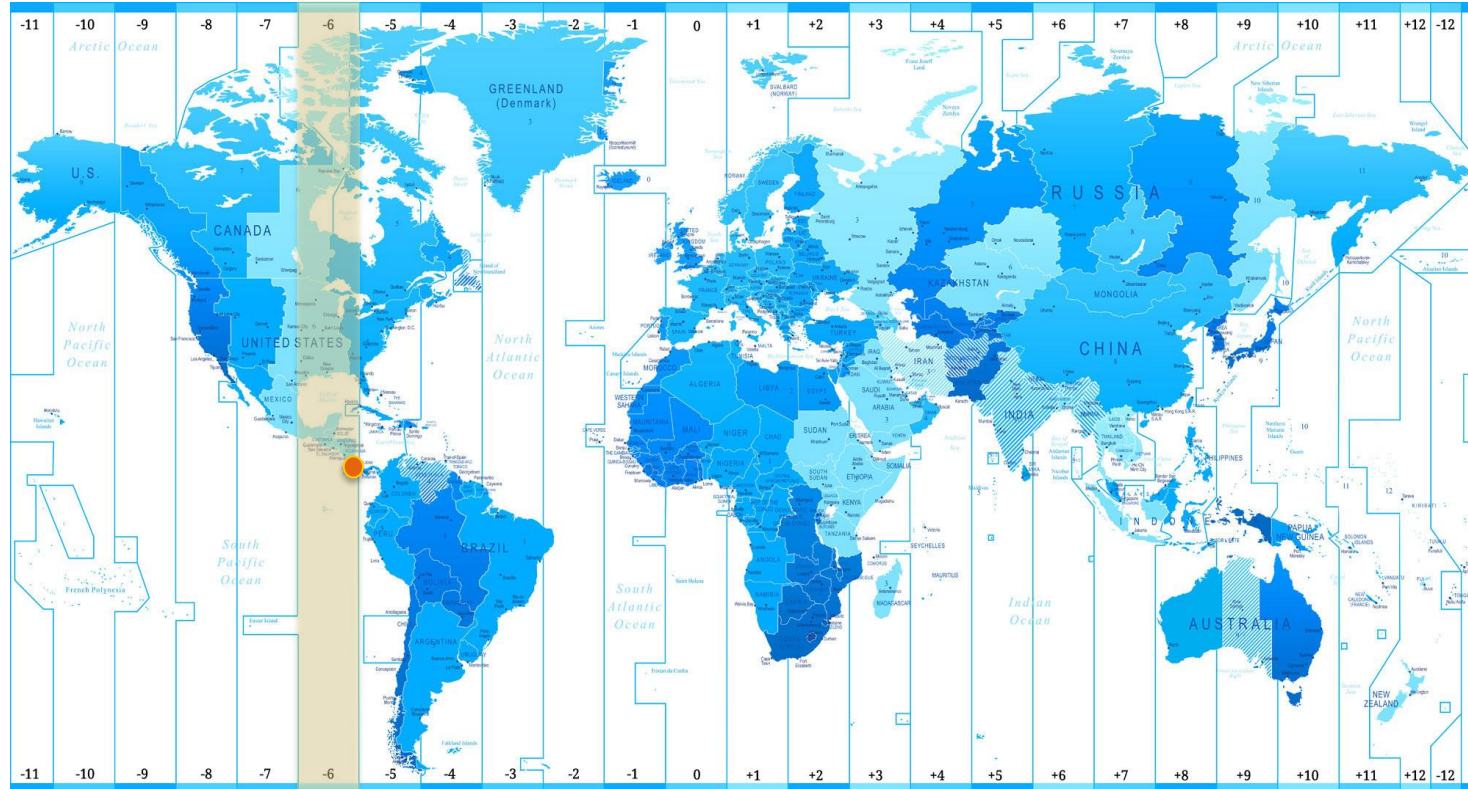
A top access point to the Americas and the world

Same time zone as USA

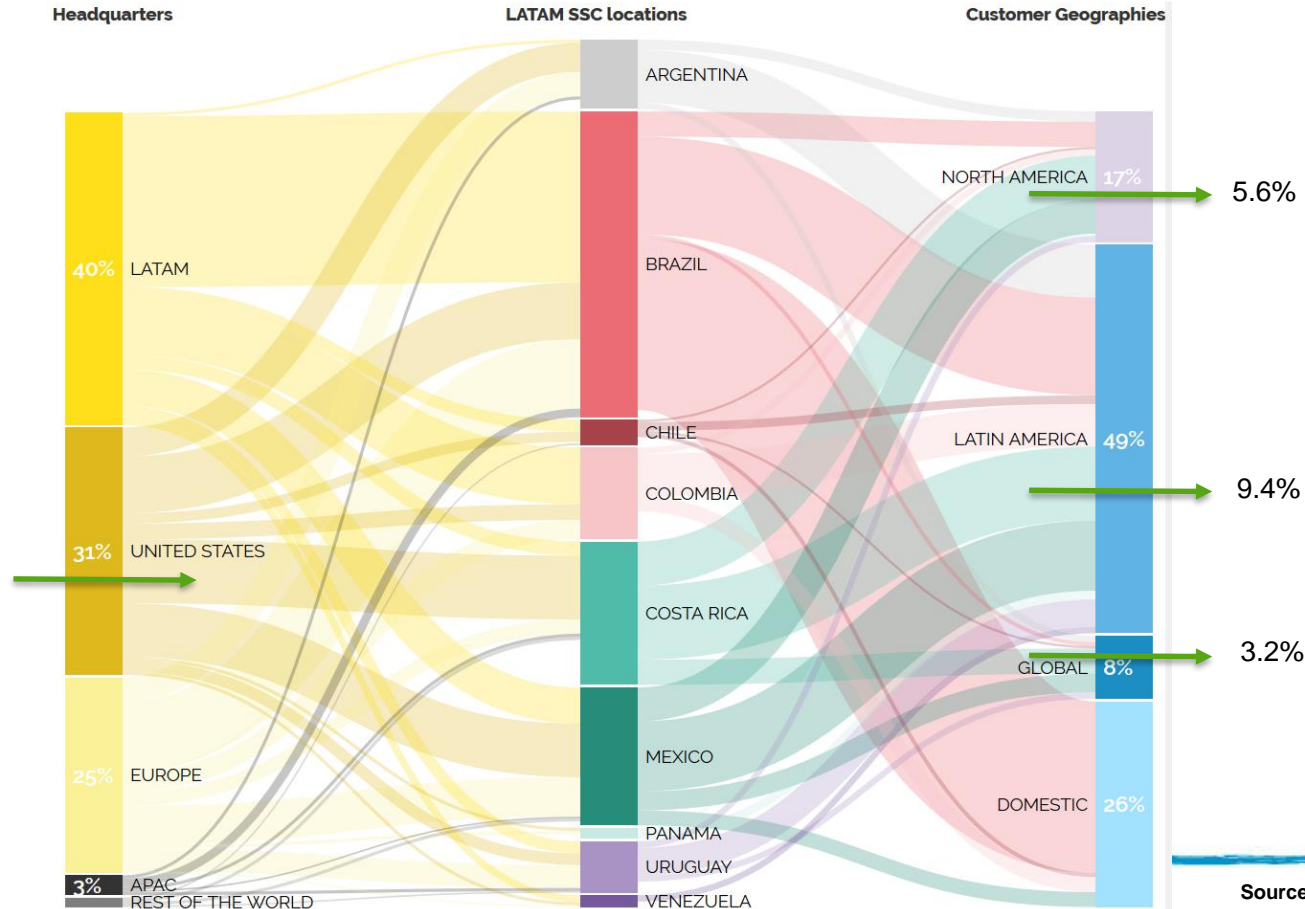
Travel from CR to USA in less time than it takes to make a flight from NY to CA: more than 1,130 weekly flights worldwide.

Ports in the Pacific & Atlantic:

- Easily reach the West or Eastern seabards in the US or the EU.
- Quickly access Latin America's main markets.



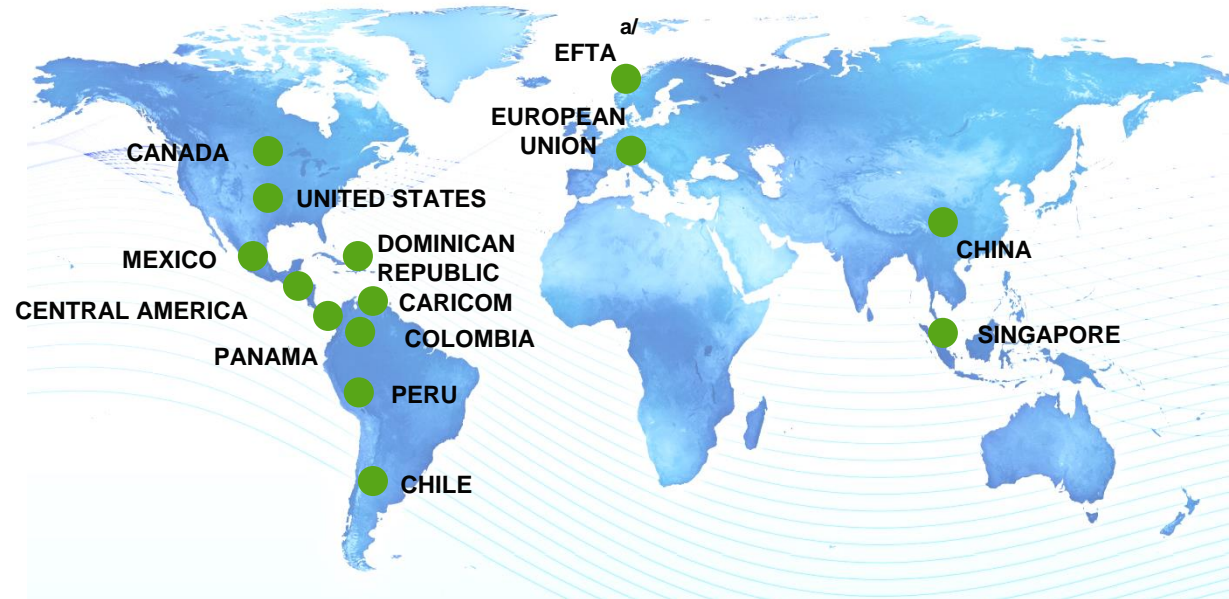
An experienced partner for value-added services in Latin America



- Costa Rica is the regional leader in services deliver to:
 - North America
 - Latin America
 - Global
- Same time zone as USA
- Travel from CR to USA in less time than it takes to make a flight from NY to CA: more than 1,130 weekly flights worldwide.

Your company will have exceptional access to the world's greatest markets

- Market access: **2.5 billion people** and **66%** of worldwide GDP
- **93.4%** of exports of goods covered by signed FTAs which provide access to 57 trade partners
- Investment Promotion and Protection Agreements with **14** countries
- Costa Rica ranks 2nd among Latin American countries in the Enabling Trade Index. World Economic Forum, 2014



● Preferential access

5.

Stability, innovation and a proven international competitiveness provide the right climate for success



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The right conditions: Stability

A record **120 years** of solid democracy, economic and political stability, and **no army** since 1948, allows Costa Rica to direct resources where it **matters** most:



7.36%
GDP
EDUCATION



9.9% GDP
HEALTHCARE

The result:
A winning formula for business development.



The most competitive tax incentives in the region to reach true Return on Investment (ROI)

Service Projects & Manufacturing Projects*



In all cases, multiple additional **8-year renewal** periods may be granted if **significant reinvestment** is made.

***NOTE:** Manufacturing companies with an investment that exceeds US\$10 million and 100 employees, established under the Free Trade Zone Regime. For smaller manufacturing operations, companies will pay a preferential 6% income tax rate for 8 years and 15% for another 4-year period (statutory income tax 30%).

The most competitive tax incentives in the region to reach true Return on Investment (ROI)

All Investment Sectors*

<h1>0 %</h1> <p>taxes on</p>	No Expiration Period	10 Year Period*
	<ul style="list-style-type: none"> Custom duties on imports/exports Withholding tax on royalties, fees Interest income Sales tax on local purchases of goods/service Stamp duty 	<ul style="list-style-type: none"> Property Transfer Taxes

Investment in depreciable fixed assets (land is not included). Company must comply with an investment plan to be accomplished between 1 and 8 years; which could be reached at any time during the 8 year period. Upon completion, PROCOMER will verify the \$10MM investment in fixed assets according to its value in books for the current fiscal year. Additionally, once the company has complied with the investment plan, the company must maintain the fixed assets which were part of the plan. Substitution of the fixed assets is permitted only if the new depreciable assets have the same value in books as the fixed asset to be replaced when the investment plan was completed.

Costa Rica:

Your strategic partner for knowledge-intensive services & High-Tech manufacturing



1st Country for future FDI in Central America and the Caribbean

Financial Times: FDI Intelligence, 2015-2016



1st Outsourcing City in Latin America (San Jose)

Top 100 Outsourcing Destinations 2016, Tholons



The top choice among Latin America countries for establishing a Global Business Services Center

The Hackett Group, 2013



San Jose is the best hub for Life Sciences, Electronics Manufacturing, Business and Financial Services; and Information and Technology in Latin America

The World's Most Competitive Cities 2015, Conway



Top seven City for future FDI in Latin America (Heredia)

Financial Times: FDI Intelligence, 2015-2016



Costa Rica is among the top 5 Global Best to Invest countries in Latin America

The Global Best to Invest, Site Selection Magazine 2016.

CINDE: Costa Rican Investment Promotion Agency

- Private, non-profit, non-political organization, founded in 1982
- All services are provided free of charge.
- Declared of public interest by the Costa Rican Government in 1984
- Active promotion of foreign investment, local support, and post-establishment services
- Extensive experience in strategic sectors such as Life Sciences, Advanced Manufacturing, Services, Clean Technologies-Renewable Energy, Food Industry, Light Manufacturing and other projects.
- CINDE **ranks 1st** in Investment Promotion Agencies in Latin America & Caribbean (Global Best to Invest Report, Site Selection Magazine 2016)





Learn more
about investing
in Costa Rica

www.cinde.org

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