Business in Costa Rica

The Midwest Aerospace Small Business Industry Day The Future Is Now
May 2018
Evolution of the Economy

1970: Only 20% forest cover. Exports: Coffee & Bananas

Environmental services; ie Carbon Market

1980: Tourism, sustainability

English, computers in education, Diverse exports

1994: Intel opened operations in Costa Rica

2018: 1/5 Fortune 100 companies with operations in CR
Costa Rica in numbers

4.89M
TOTAL POPULATION

2.3M
LABOR FORCE

1.7M
15-34 YEARS OLD POPULATION

7.36% GDP
EDUCATION

9.9% GDP
HEALTHCARE

NO ARMY
SINCE 1949

5% EARTH’S
BIODIVERSITY
International Economy

Markets with preferential access

United States
Canada
European Union
EFTA (European Free Trade Association)
China
Singapore
Central America
Dominican Republic
Panama
Colombia
Peru
Chile
Mexico
Connectivity

**Flying to Costa Rica**

2,114,865 yearly passengers traveling by air. That’s 5,794 a day!

+1000 international flights, leaving and entering the country weekly.

2 international airports, with the highest standards in the region

5 hours flight time to New York City. That’s shorter than JFK - LAX!

Utilities infrastructure **overview**

Almost 100% of electricity is generated from clean, renewable sources.

3 redundant fiber optic submarine cable connections.

+82,000 employees working in industrial parks and business centers.

+30 industrial parks and business centers around the territory.

Source: CINDE
Future Thinking: The present

#1
COUNTRY OF
LATIN AMERICA
SOURCE: WEF 2015-2016

- EDUCATIONAL SYSTEM
- INNOVATION
- UNIVERSITY-INDUSTRY COLLABORATION IN R&D
High Tech Industry:

“Costa Rica is leader in production process sophistication in Latin America ...”

**2x HIGHER EMPLOYMENT**
The employment in this sector is 2 times higher than in 2000.

**2x MORE COMPANIES**
The number of companies in this sector is 2x higher than in 2000, from 30 to 52.

**+40 PRODUCTIVITY INCREASE**
Average output per employee increased from $103k in 2000 to $256k in 2012 (+40)

**HIGH TECH PRODUCTS**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>1996</td>
<td>4%</td>
</tr>
<tr>
<td>NOW</td>
<td>43%</td>
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High Tech exports represented 4% of manufactured products exports in 1996, nowadays it represents 43%.

**KNOWLEDGE INTENSIVE INDUSTRIAL EXPORTS**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
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<tr>
<td>1994</td>
<td>25%</td>
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<tr>
<td>2015</td>
<td>35.2%</td>
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Knowledge intensive industrial exports represented 35.2% of total exports in 2015 up from 25% in 1994.
Aerospace Cluster

- Exporting to the world
  Over 400 different products exported to +60 countries

- Specialized Exports
  In 2015, exports of electric and electronics products represented 12% of total industrial products exports

- Global Value Chain Exports
  27.1% of total exports of goods in 2015 were linked to Global Value Chains

- Aerospace is booming
  +1,000 employees working in the Aerospace industry, with over 400 holding technical level functions

- Aerospace Exports
  Aeronautical/Aerospace total exports reached more than $27 million in 2015

- Automotive Exports
  Automotive total exports amounted to more than $189 million in 2015

Founded in 2014.

30 companies

1/3 with AS9100

1500 Jobs

10% interannual growth
Industry Overview

Capabilities
- ISO 9001:2008
- NADCAP
- Vertical & Horizontal machining centers
- CNC multifunctional turning centers
- 4 & 5 axel
- High tolerance
- EDMS
- CATIA Design

Services
- Distribution Services
- Customer Service
- Inventory Management
- Finance & Accounting
- Distribution of Raw Materials and Products

Processes
- Heat Treatment
- Die Casting
- Anodizing
- Stamping
- Plating
- Electro Plating
- Electro Polishing
- Powder Coating
- E-Coating

Manufacturing & Assembly
- Components
- Exotic Alloys (aluminium, lead, stainless steel, bronze, copper)
- Exotic Materials (Inconel, monel, nitronics)
- Finished Parts
- Medical Devices
- Electronic Assembly

Design, Engineering & R&D
- Equipment Testing
- Software Testing
- Software Development
- Product Design & Development
- Prototype Testing
Other Clusters

• Services: #1 service exporter in Latam. WEF 2017

• Light Manufacturing

• Food Industry

• Cluster with Academia involved:

• Advanced Manufacturing: engineering, product design and R&D for electronics and aerospace, new microchip tech design.

• Life Sciences: Medtech/Nanotech. Second exporter on medical devices in Latam.
Consulate General of Costa Rica in Chicago

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