



**INVESTMENTMENTS IN  
COSTA RICA  
THINGS  
YOU SHOULD KNOW**



**COSTA RICA CHAMBER  
OF COMMERCE USA**

1.

250 **HIGH-TECH COMPANIES**, 21% of Fortune 100 companies have established **SUCCESSFUL** operations... and are **STILL GROWING**



*essential*  
**COSTA  
RICA**

**CINDE**  
COSTA RICAN INVESTMENT PROMOTION AGENCY



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OF COMMERCE USA**

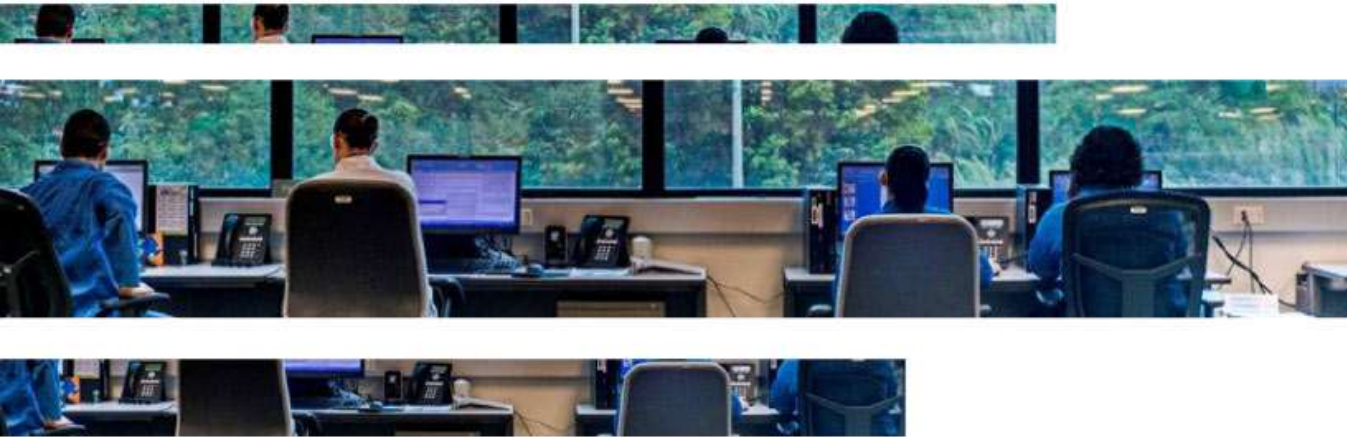
## **MED-TECH MANUFACTURING**

THE EMERGENCE OF COSTA RICA AS A LEADING DESTINATION FOR MED-TECH MANUFACTURING INVESTMENTS INDICATES THE POSITIVE ECONOMIC IMPACT THAT CAN BE ACHIEVED FROM INVESTMENTS IN INFRASTRUCTURE AND LEGAL FRAMEWORK.

2.

## COSTA RICA OFFERS MANY COMPLEX SERVICES IN:

- \* ACCOUNTING \* BACK OFFICE \* ENGINEERING & DESIGN
- \* HUMAN RESOURCES \* CALL CENTERS \* DIGITAL TECHNOLOGY & ANIMATION



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- \* SUPPLY CHAIN MANAGEMENT \* REGIONAL CENTERS
- \* SOFTWARE DEVELOPMENT \* PROCESS REENGINEERING



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Global call centers of excellence serving the world in **more than 10**  
**different languages**



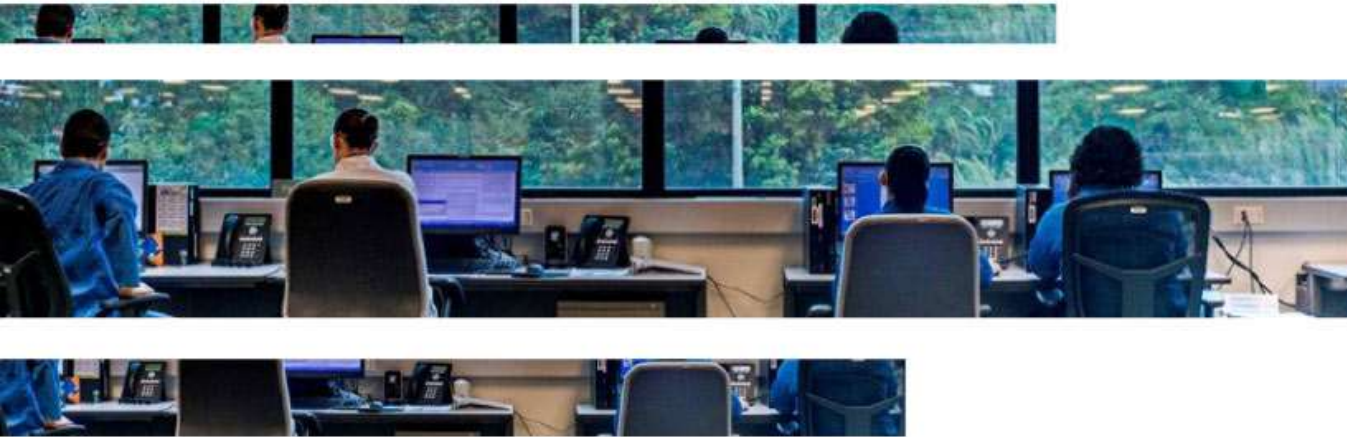
End-to-end centers offering  
services 24x7x365 in  
English, Spanish,  
Portuguese, French,  
German, Italian, Malay,  
Japanese, Dutch, Polish,  
Czech, Finnish, Mandarin



3.

The **BEST EDUCATIONAL SYSTEM** in Latin America, reinforced by expertise, and productivity, leading to excellence and innovation

Capability to allow companies to grow with the **right talent**



### CRADLE OF HUMAN TALENT

The nation enjoys an impressive educational system ranked as number 1 in Latin America, by the World Economic Forum.

The young Bilingual workforce also showcases a strong command in languages ranking number 1

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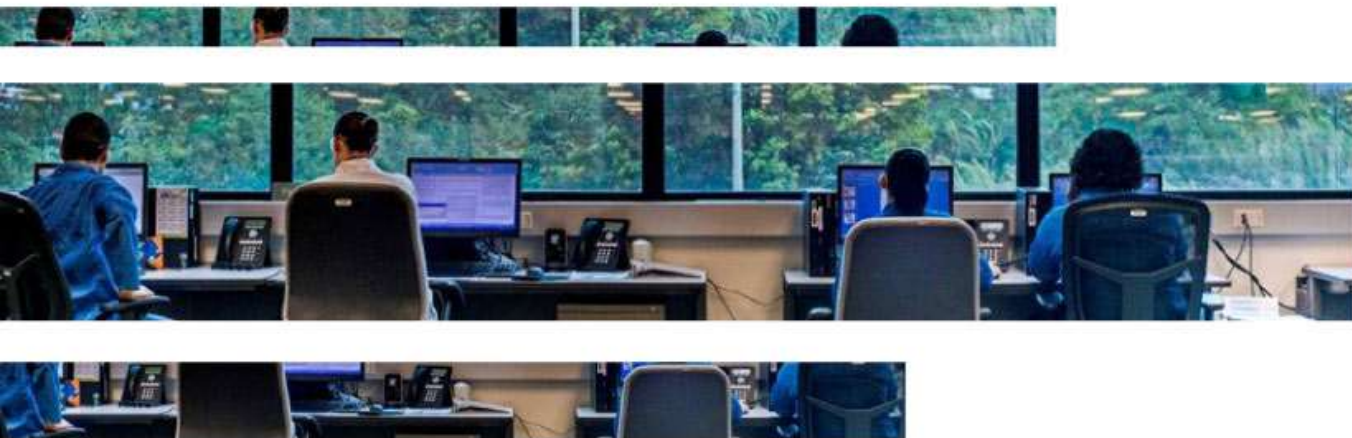
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4.

**FOREIGN DIRECT INVESTMENTS** in the past years, Costa Rica has transformed to become a global hub for “**Foreign Direct Investment**” with inflows growing an average of 13% annually since 2000 and the country’s “**Gross Domestic Product**” per capita has grown 83% since 2000, one of the highest growth rate in Latin America



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## **PRIVILEGED LOCATION**

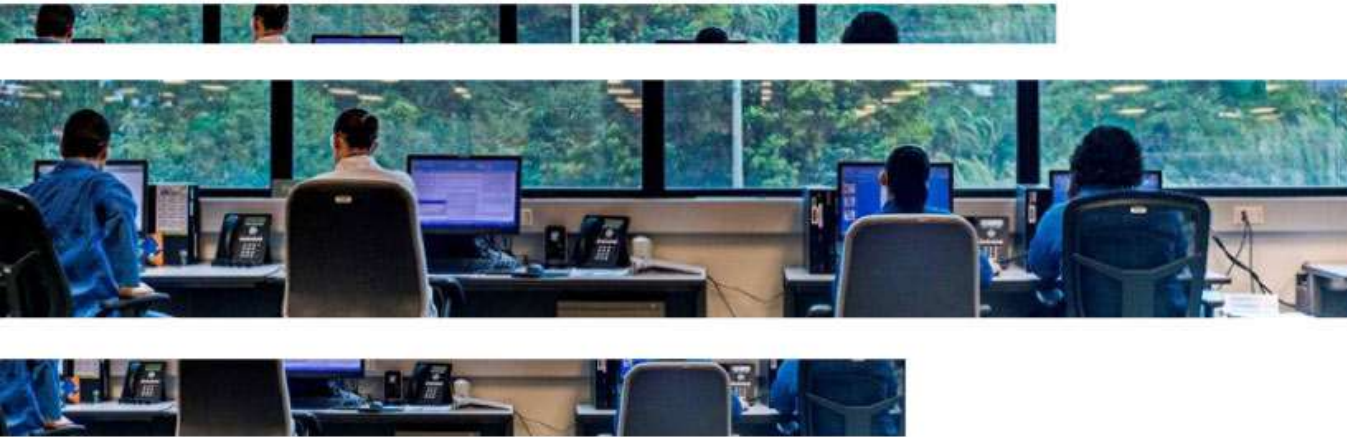
Costa Rica also provides a key access point to over two thirds of the world’s Gross Domestic Product, with maritime access from the Pacific and Caribbean coast to quickly reach either the USA, South America or EU markets.

5.

## SUSTAINABLE DEVELOPMENT TOWARDS QUALITY

Costa Rica stands as a leader in sustainable, responsible and high-quality production.

**It is the only tropical nation in the world to successfully reverse deforestation and the world's first to set a goal to become carbon neutral.**



### QUALITY INFRASTRUCTURE

More than 90% of Costa Rica electricity is generated from renewable sources (Hydroelectric, geothermal, biomass and wind)

Offering competitive rates and several industrial parks providing the required redundancy for operations.

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6.

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



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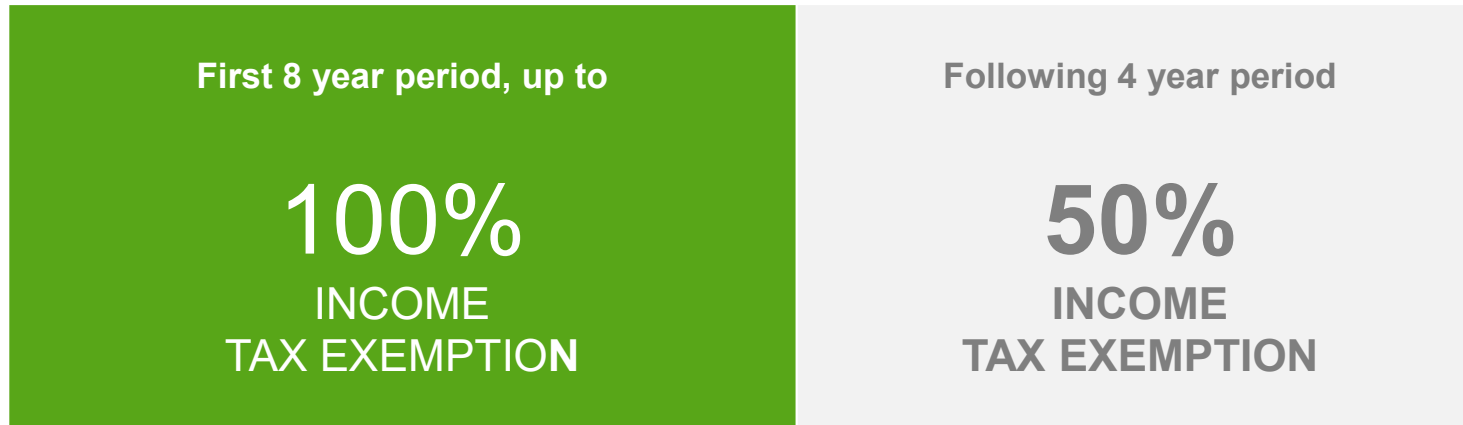
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## The right conditions: Tax Incentives

### Service Projects & Manufacturing Projects\*



In all cases, multiple additional **8-year renewals** 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 right conditions: Tax Incentives

### All Investment Sectors\*

<b>100%</b> Tax Exemption	No Expiration Period	10 Year Period*
	<ul style="list-style-type: none"><li>• Custom duties on imports/exports</li><li>• Withholding tax on royalties, fees, dividends</li><li>• Interest income</li><li>• Sales tax on local purchases of goods/service</li><li>• Stamp duty</li></ul>	<ul style="list-style-type: none"><li>• Property Taxes</li><li>• Property Transfer Taxes</li><li>• Municipal patent license (Operating License)</li></ul>

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.

# 7.

## THE RIGHT CONDITIONS Excellent Business climate



⇒ **Costa Rica is first in Innovation and Business Sophistication** in Latin America  
(GCR 2014-2015, WEF)

⇒ **Government cooperation:** Schemes with **Infosys**, **Amba Research** (Achieve More), **IBM**

⇒ **Safest country** in Latin America (LATAM Chronicle, 2014).  
Second most **politically stable country** in Latin America (World Bank, 2013)

⇒ **Tax incentives offered by the Free Trade Zone Regime** translate in an average **cost-savings of US\$2,000 per employee per year**  
(CINDE, 2014)

⇒ **Immigration Procedures** Streamlined immigration applications and visa granting, and no limitation on number of foreigners working in companies

⇒ **Employer – Employee environment** 1<sup>st</sup> in Latin America in Cooperation in labor-employer relations  
(GCR 2014-2015, WEF)

⇒ **Solid Utilities Infrastructure:** 100% redundancy through three fiber optic submarine cables

⇒ **Strategic location:** close proximity to the USA, with **720 weekly flights worldwide**

# Great Potential



## 4<sup>th</sup> Largest economy in Latin America



The World Bank Group revealed the results of the “Doing Business 2018 report;

Costa Rica obtained the 61<sup>st</sup> position in the ranking that qualifies 190 countries.



## Best Business Climate in Latin America and the Caribbean

Costa Rica applied two major reforms that improve it’s business climate, which were

- \* to facilitate the registration of properties
- \* and to protect minority investors.



## Reform to protect investments improves Business Climate

**Law 9392** ( Minority Investor protection law) and the **Executive Decree No. 440406** are aimed at increasing transparency and shareholder rights in corporate governance issues, conflicts of interest and allows authorities to have greater access to corporate information in legal proceedings.



## 1<sup>st</sup> Outsourcing City of Latin America (San Jose)

Top 100 Outsourcing Destinations 2015, Tholons



## Costa Rica is among the top 10 Global Best to Invest countries

Site Selection Magazine 2013.



## Ranking of Costa Rica in Commercial issues among 190 countries

Easy to set up a business 127

Number of days to obtain construction permits 70

Access to obtain credit 12

International trade 73



**By the World Bank**  
**Costa Rica is a success story in terms**  
**of growth and Development**

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Considered a country with medium income, Costa Rica experienced a surprising economic growth, sustained in the last 25 years.

**THANK YOU!**

***INFORMATION BY:  
CINDE & PROCOMER***