



COSTA RICA

Capital: San José

Population (2011):
Costa Rica: 4.57 million
Virginia: 8 million

Government Type: Democratic Republic

Chief of State: President Laura Miranda

Languages (Official):
Spanish

Official Currency:
Costa Rican Colon (CRC)
1 US Dollar = 496.2 CRC
(www.oanda.com) (May 2011)

Land Size: 31,752 Square Miles
(Slightly smaller than West Virginia)

(CIA)



(Map of Costa Rica. CIA)

DID YOU KNOW?

- Exports from the United States to Costa Rica increased 10% in 2010 and were valued at \$5.2 billion. The fastest growing product group was civilian aircraft engines and parts. (WTA)
- The Central American Free Trade Agreement (CAFTA-DR) eliminates most import tariffs and other trade barriers between the United States and Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. In 2010, U.S. exports to the CAFTA-DR countries totaled \$24 billion, making the region the United States' third largest trading partner in Latin America, following Mexico and Brazil. (USTR and U.S. Dept. of Commerce)
- The United States is Costa Rica's leading trade partner, accounting for 32% of Costa Rica's exports and 45% of its imports. (CIA)
- The "medical tourism" industry generates high revenues for Costa Rica and strong demand for medical equipment. The United States exported over \$333 million in medical/surgical instruments to Costa Rica in 2010, a 24% increase over 2009. (WTA)
- Construction was one of the most dynamic sectors of the Costa Rican economy during the past decade, with growth attributed primarily to the boom in infrastructure and resort development along the Pacific Coast. The industry is slowly rebounding from the negative impact of the global recession at the end of the decade. (U.S. Dept. of Commerce)
- Costa Rica has attracted important investments from companies like Intel Corporation, which employs 3,200 people at a fabrication plant in Heredia. Much of the chips manufactured at this facility use American inputs, with the United States selling over \$645 million in integrated circuits to Costa Rica in 2010. (WTA and U.S. Dept. of Commerce)



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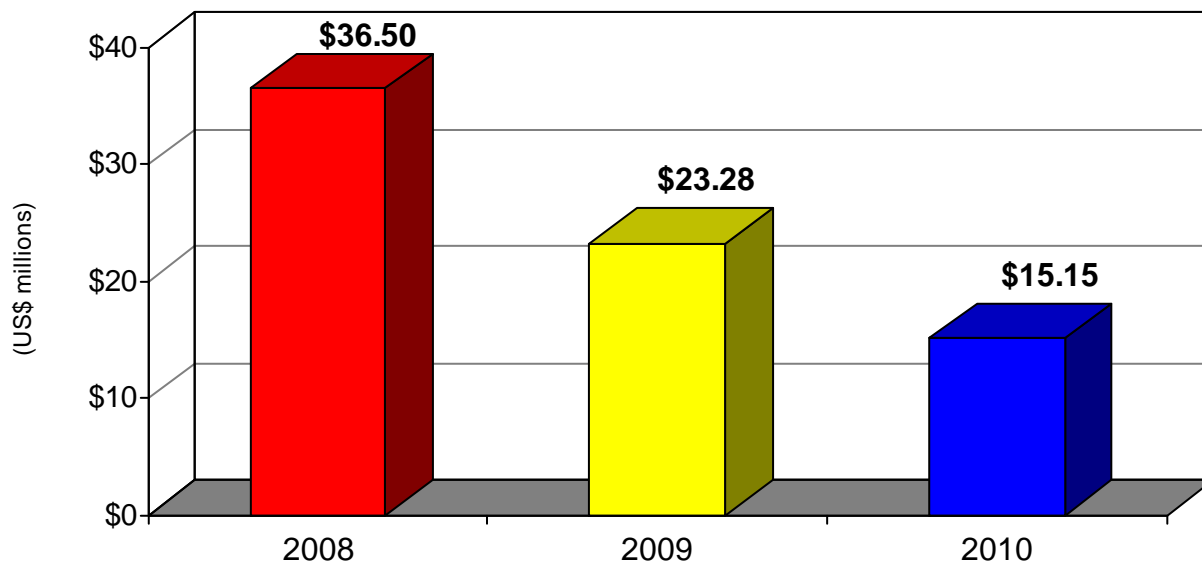
ECONOMIC OUTLOOK

Costa Rica has weathered the global financial crisis well, seeing a minor contraction in economic activity of .7% in 2009, but resuming economic expansion in 2010. The country's export base continues to revolve around agricultural commodities like bananas, coffee, sugar and beef. Services like tourism are playing an increasing larger role in attracting foreign currency, especially eco-tourism due to rainforest parks and abundant wildlife. Intel's manufacturing plant in Costa Rica has broadened the country's export base to include high tech and high value-added goods like microchips.

Costa Rica stands out from its Central American neighbors by its political stability, relatively high education levels and literacy rates, and the highest level of foreign direct investment (FDI) in the region. The CAFTA-DR agreement will likely lead to increased FDI in key sectors of the economy, including insurance and telecommunications, which were recently opened to private investors.

The global economic recovery will bolster Costa Rica's export sector and contribute to a positive medium-term outlook for the country. The International Monetary Fund (IMF) estimates economic growth for Costa Rica in 2010 was 4.2%, and projects continued growth of 4.3% in 2011.

VIRGINIA EXPORTS TO COSTA RICA



(Source for Graph: World Trade Atlas)



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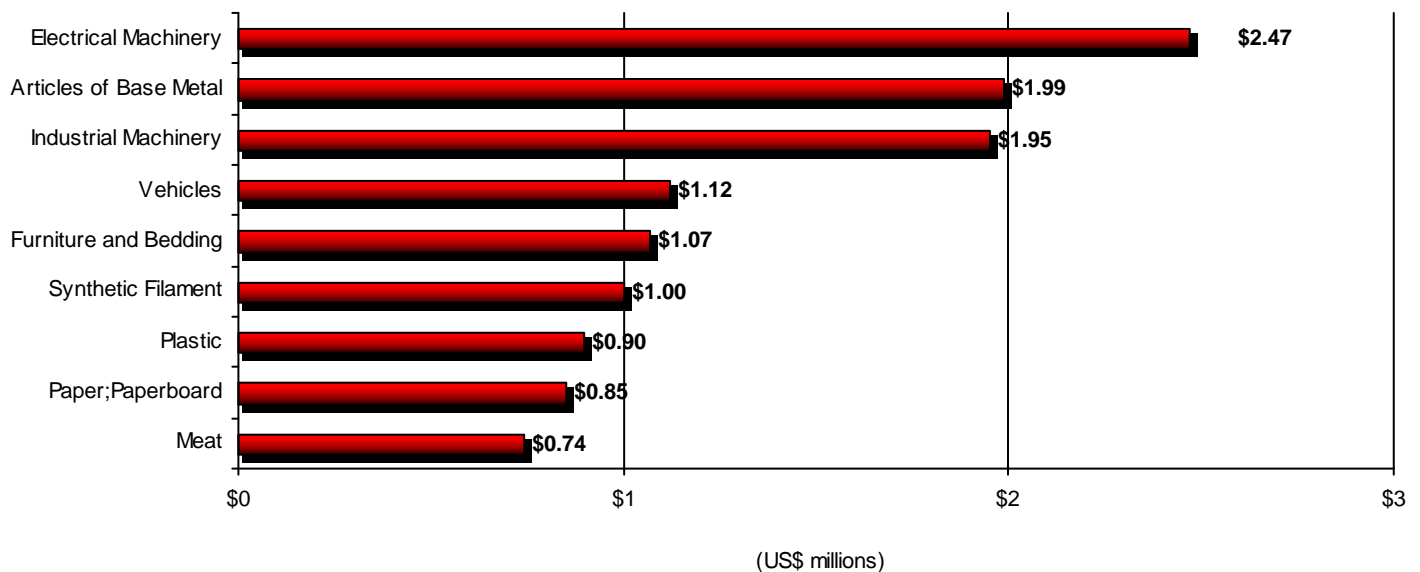
VIRGINIA EXPORTS TO COSTA RICA

The United States exports a broad mix of products to Costa Rica, with top export groups being petroleum, integrated circuits, medical/surgical instruments, paper, corn, computers and computer components, and communications equipment. Although U.S. exports to Costa Rica via Virginia declined over the past several years, overall U.S. exports to Costa Rica grew in 2010 and appear to be recovering from the downturn caused by the global recession.

Costa Rica's tourism industry generates demand for a wide variety of imports, from construction materials, hotel furnishings, to transportation vehicles. The eco-tourism sector makes significant purchases of aircraft like small planes and helicopters, and parts for maintenance of these aircraft, as well as linens and furniture for tourist resorts. Virginia's fastest growing exports to Costa Rica in 2010 were furniture and bedding, electrical switching apparatus, and compressors. The United States' fastest growing exports to Costa Rica in 2010 were civilian aircraft, engines, and parts; passenger motors; plastics; optic/medial instruments; yachts and ships; and perfumery and cosmetic products.

Costa Rica continues to become a popular retirement destination for Americans, which will create demand for healthcare services, surgery and medical equipment, housing, and construction.

VIRGINIA'S TOP EXPORTS TO COSTA RICA



(Source for Text and Graph: World Trade Atlas)



COSTA RICA

VEDP TRADE EVENTS

Group Market Visit to Costa Rica: October 3-5, 2011

For more information contact Michael Howley, International Trade Manager, (703) 506-1030, mhowley@yesvirginia.org.

Other Services: The VEDP offers a number of export-related services to Virginia businesses, including independent market visits and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters. For more information, please visit our website: www.exportvirginia.org.

ADDITIONAL RESOURCES

- Embassy of Costa Rica in Washington D.C.: <http://www.costarica-embassy.org/>
- U.S. Embassy in Costa Rica: <http://usembassy.or.cr/>
- Costa Rica-American Chamber of Commerce: <http://www.amcham.co.cr>

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