

COSTA RICA

A HANDBOOK
OF FACTS
FOR PERSONS
CONSIDERING
INVESTMENTS

COSTA RICA

**A HANDBOOK OF FACTS FOR PERSONS
CONSIDERING INVESTMENTS**

**Prepared by
CENTRO DE COOPERACION TECNICA INDUSTRIAL
(Industrial Development Center)**

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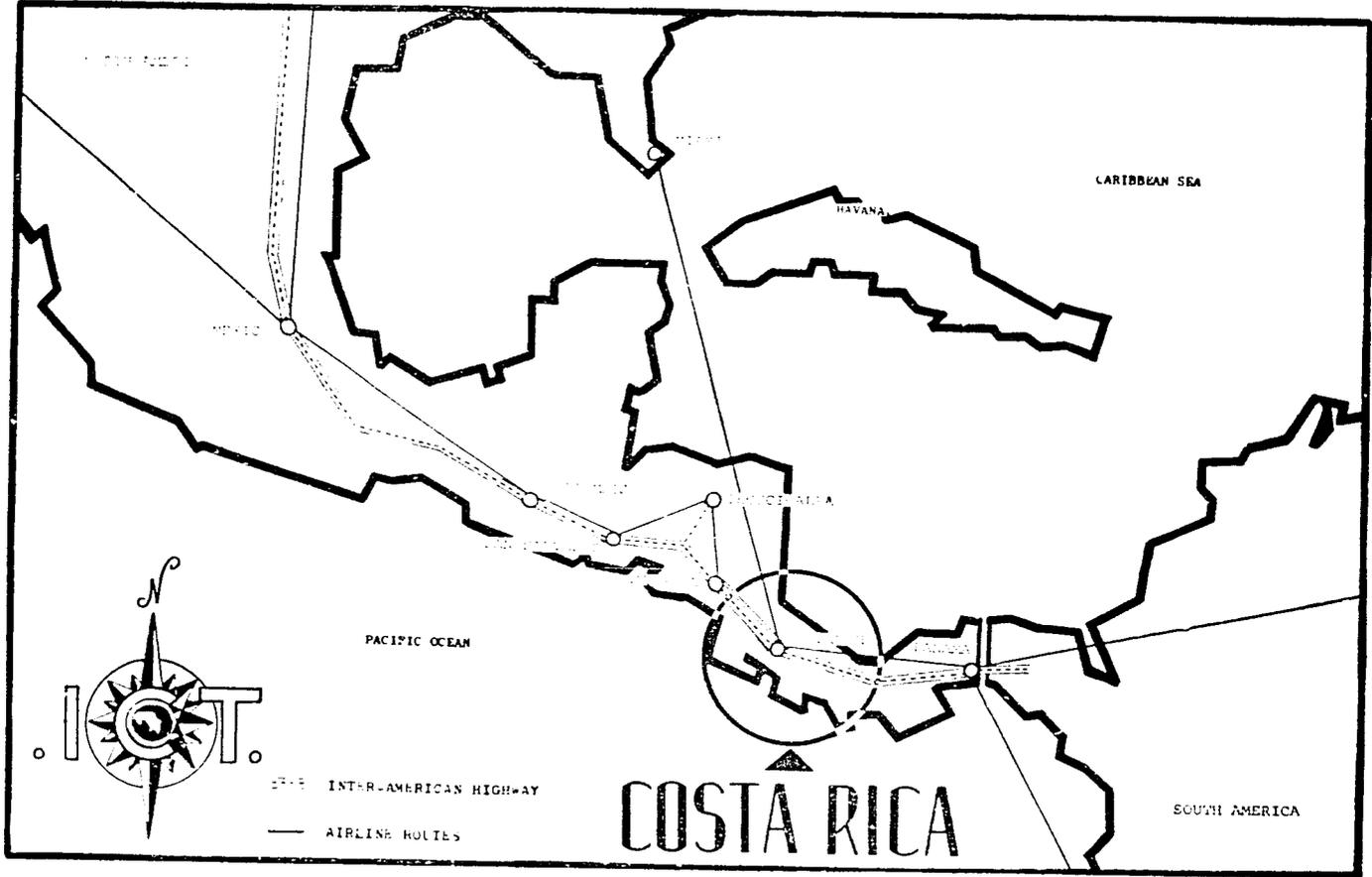


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FOREWORD

"Costa Rica: A Handbook of Facts for Persons Considering Investments" is issued to provide in convenient form basic information for investors as well as foreign traders interested in Costa Rica.

It attempts to give a summarized view of Costa Rica and its economy, some of the various investment opportunities that exist in the country, the nature of the Central American Common Market, and the general climate for foreign investment. The information furnished is not intended to serve as a substitute for the legal, financial, and business investigations which must be carried out before definite action is taken by the businessman. It is hoped, however, that this publication, used as a reference book, will be helpful in such investigations. A short directory of typical industrial and business firms existing in Costa Rica is included as a separate section and appears in the back pages of the handbook. The printing of this handbook was made possible in part by the contributions and support given by the firms which appear listed in the directory.

The preparation and publishing of this study is the result of the united effort of the Ministry of Industries, the Costa Rica Industrial Development Center, the United States Agency for International Development, the Costa Rica Tourism Institute, and the National Printing Office.

The study was written and edited by Frank Thomas Gallardo, Industrial Information Advisor of the Costa Rica Industrial Development Center on occasion of President Kennedy's visit to Costa Rica in March 1963 to convene with the Central American presidents. The publication was later revised and enlarged to serve as an information guide for persons inquiring about Costa Rica at the Chicago International Trade Fair as also at the numerous Costa Rican consulates in the United States and other countries. Special interest in publishing this handbook was expressed by Arnoldo Morales, Administrative Advisor of the Costa Rica Industrial Development Center; Claudio Alpizar and Francisco Terán, President and Executive Secretary respectively of the Chamber of Industries; and Ricardo Castro Cañas, Manager of the Costa Rica Tourism Institute.

The following persons reviewed the manuscript and offered their valuable suggestions: Hernán Garrón, Minister of Industries; James Maish, Commercial Attaché of the United States Embassy; Robert Fullmer, Acting Industry Officer of the USAID Mission to Costa Rica; Carlos Yglesias W., Director of the Ministry of Industries and of the Costa Rica Industrial Development Center; Joseph Pincus, Program Officer of the USAID Mission to Costa Rica; Lois Faisón, Vice-President of Publicidad y Mercadeo Ltda.; Alberto Gólcher, Assistant Director of the Costa Rica Industrial Development Center; and Guido Fernández, Executive Secretary of the National Association for Economic Development, all of San José.

German Espinoza, Administrative Officer of the Ministry of Industries; Carlos Sáenz, Dagoberto Rojas and Elba Webb of the Industrial Development Center; Roberto Carranza, Hiram Sotela and the Board of Directors of the Costa Rica Tourism Institute; Manuel Montero A., Abel Castillo S., and the personnel of the National Printing Office were also very helpful in the publishing of this handbook.

WHAT TO DO TO START A BUSINESS IN COSTA RICA

This booklet is designed to give you a summary of location factors in Costa Rica and to provide you with brief information about the country. Determining whether these factors would be favorable in your case requires individual analysis and study.

The Industrial Promotion Department and the Industrial Development Center of the Ministry of Industries will provide prompt research and will facilitate first-hand investigations on which to base your own decision. The Ministry may counsel for or against a given project in Costa Rica and will try to guide the prospective investor so that his investment will be most profitable for him and Costa Rica. This service is provided free by the Costa Rican Government.

The Ministry of Industries can arrange initial contacts for manufacturers. It handles inquiries and is staffed by officials who will visit or arrange interviews on request at the Ministry or elsewhere in Costa Rica, counsel on plant location and follow through as desired.

First-hand investigation in Costa Rica is encouraged and assisted. The prospective manufacturer can visit operating plants throughout the country and talk to factory executives and workers as well as local businessmen. The Ministry of Industries is prepared to help arrange appointments with public officials concerning tax exemptions, filing requests for obtaining the benefits granted by the Industrial Development Law, and related matters. Many manufacturers from the United States and Europe combine such visits with pleasure trips.

The Agency for International Development of the United States Government has prepared a collection of "Industry Fact Sheets" which presents, in capsule form, a summary profile of a number of industries. These fact sheets can be consulted in the Industrial Development Center in San José.

Each fact sheet is designed to provide minimal data required to convey a general picture of the economic and technical factors that must be kept in mind in considering the feasibility of particular small factories. If reference to the fact sheets and other sources of information develops a definite intent to establish a facility in a specific industry, a detailed feasibility study should be carried out locally, drawing upon expert technical and financial advice.

The Ministry of Industries, located in downtown San José in the 4th floor of Steinvorth Building (next to the Pan American Airways Office) will help individual manufacturers to obtain all the necessary information they will require to establish a plant in Costa Rica.

Although 100 per cent foreign investments are entirely legal and generally accepted in the country, the trend in recent years in Costa Rica has been for the establishment of joint ventures.

In brief, the steps which you as a prospective investor should take when considering an industry in Costa Rica are:

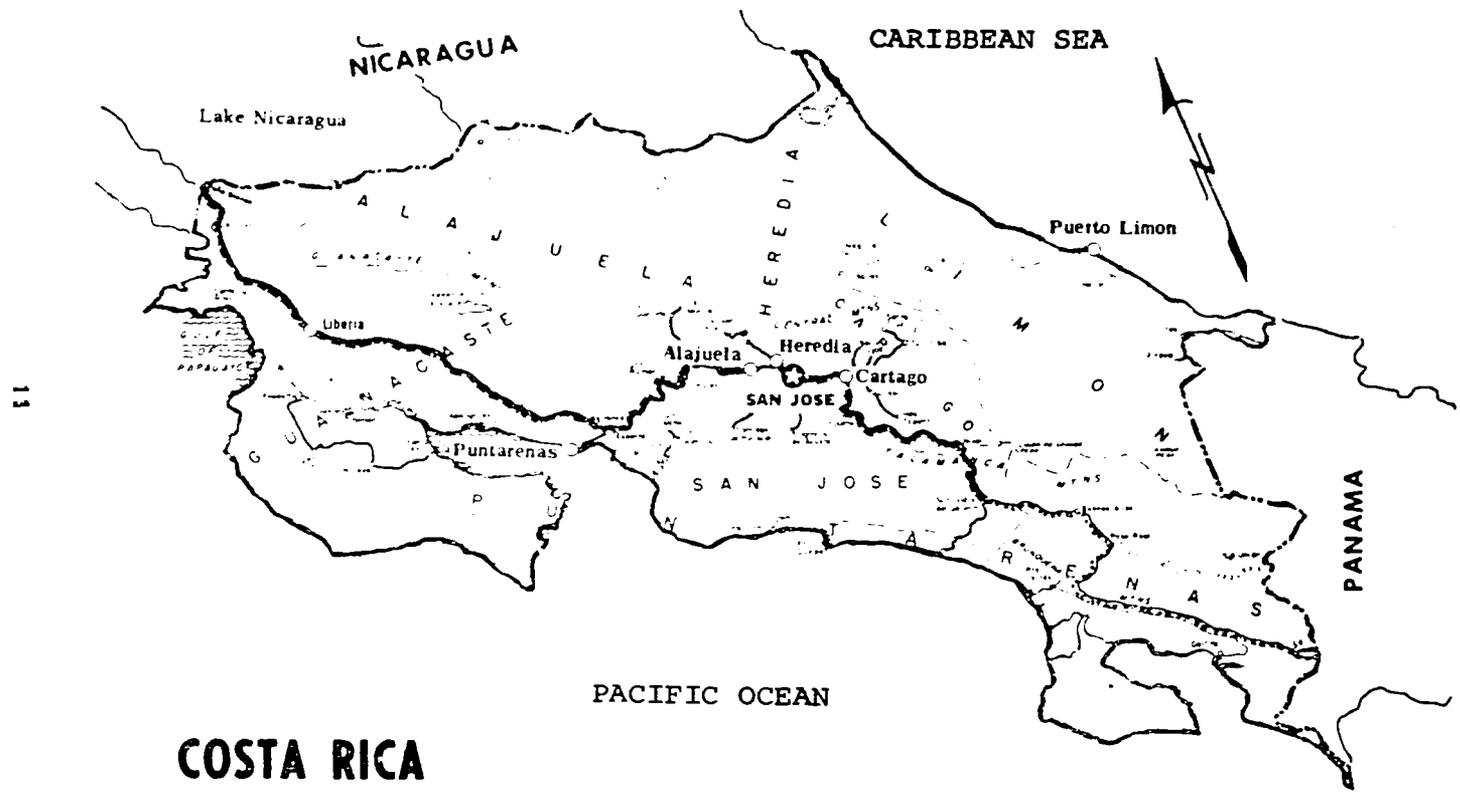
1. Write the Ministry of Industries in San José.
2. Request special research concerning your case.
3. Visit Costa Rica for first-hand information.
4. Apply for benefits of the Industrial Development Law, if you are planning to establish an industrial enterprise.
5. Select a site.

Geography of Costa Rica

Costa Rica, the second smallest country in Central America next to El Salvador, is bounded by Nicaragua on the north and Panama on the south. Its longer axis runs generally northwest-southeast. About 19,700 square miles in area, it is about as large as the states of Vermont and New Hampshire combined. Its length is 288 miles and its width, at the broadest point between the Pacific Ocean and Caribbean, is about 170 miles. Its Pacific coastline is about 630 miles and 130 miles on the Caribbean. The three major harbors of the country are Puntarenas and Golfito on the Pacific side and Puerto Limón on the Caribbean.

Costa Rica is located in the tropics, but is unusual in the fact that only the lowland, or port areas, are truly tropical in nature. The central portion, the Central Valley, is a valley some 60 miles in length and 30 miles in width with altitudes ranging from 3,000 to 6,000 feet. It enjoys an average temperature of about 68°F., and a year-round climate that is much like May and early June weather in the Middle Atlantic states of the United States. The sun, however, is tropical, making a perfect combination of bright, hot sun and cool, comfortable air. Thus swimming and other outdoor sports are enjoyed by the Costa Ricans year-round.

Outside the Central Valley are a number of mountain ranges that moderate the climate of other areas, with individual peaks that rise to heights of 11,000 and 12,000 feet. The lower levels, on both coasts, are warm with average annual temperatures of about 86°F., at sea level.



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Costa Rica is fortunate in having abundant rainfall over most of its area. On the Central Valley the average annual precipitation is about 78 inches, on the Atlantic slopes 100 inches, and on the Pacific coast about 70 inches. Rainfall is distributed evenly throughout the year on the Atlantic side. In the Central Valley, and on the Pacific side, there is a dry season from December through March or April. In some areas of the provinces of Guanacaste and Puntarenas this may extend into June.

The country is well supplied with rivers, but only a few are navigable. Those on the Atlantic slope have an adequate flow throughout the year, but many of those on the Pacific side are greatly reduced during the dry season.

Population

Costa Rica is composed of the following 7 provinces: San José, Cartago, Alajuela, Heredia, Guanacaste, Puntarenas, and Limón. The city of San José is the capital and its metropolitan area had on September 30, 1962, a population of 267,689. Costa Rica as a whole had on the same date a population of 1,283,331 inhabitants.

Costa Rica is unique among the countries of Central America in racial composition. Most of the people are of white, Western European stock; the estimated Indian population is roughly 3,000; Negroes number about 25,000, ninety-five per cent of them living in the Puerto Limón area where they were brought from Jamaica 80 years ago to build the railroad that connects that port with San José.

Costa Rica's population increase has come almost totally from domestic growth, very little from immigration. The country has a tremendous per capita increase in population, a galloping 4% per year, the highest in all of Latin America and one of the highest in the world.

The Charm of Costa Rica

When in 1951 the Twentieth Century Fund of New York made a survey of Costa Rica, they described the country as follows:

"The charm of this beautiful republic cannot be conveyed by a mere catalogue of its virtues, though these are impressive enough. The people are highly literate. The country is orderly. It has a relatively low incidence of crime, there is no capital punishment. Extremes of wealth and poverty are less marked than in most of Latin America. One person out of every ten in the labor force is a proprietor of a farm or business.

"The richness of the soils, the lush green verdure, the eternal spring of the upland climate, the cleanliness of the towns and the care bestowed on even the most modest of homes, outwardly symbolize the graciousness and friendliness of the people. Strangers are received with a directness and simplicity that is the hallmark of self-respect. Grace and ease are deeply rooted in the culture."

The budget for education constitutes almost 20 per cent of all the funds that the government spends in any given fiscal year. Costa Rica used to be noted for having more teachers than policemen; now, with the accelerated public works program being undertaken, the country has more schools than policemen.

Costa Rica Is A Very Stable Country

Costa Rica is attractive to foreign industry as well as very promising to local enterprises for many reasons, but the chief one, from the point of view of industrialists and other businessmen, is the stability to be found in the country. Costa Rica is politically, economically, and socially stable to an extent not approached by any other country in Latin America.

Costa Rica Is Stable Politically

Politically, Costa Rica is democratic in the broadest sense of the word. There is complete freedom of speech, universal suffrage, and free education for all. These freedoms are dear to all the "Ticos", and they will fight to preserve them even though they are the most peaceful people imaginable.

Costa Rica has had a relatively stable life and since 1889 has shown a progressive trend toward genuinely democratic standards. Under the Costa Rican Constitution the regular succession of presidents occurs every four years with re-election barred for eight years. Under the law, all eligible voters **must** vote.

Election day is a very gay affair, voters put flags on their cars and go up and down the towns and cities tooting their horns. During the day, voters observe the fine spectacle which looks more like a Fourth of July celebration in the United States than a presidential election. After the constituents vote, they return home to wait for the results. When the results are in, they are accepted and the people start looking forward to the next election. Such is Costa Rica, the country which today is considered by many to be the most democratic in all of Latin America.

The government is typical of the Costa Rican tradition. Individual liberty is respected. Matters of public interest are discussed freely in the Legislative Assembly and in the press. The management of the public treasury is the concern of all citizens and they express themselves with true knowledge of their rights. The President conceives of his duties as those of a servant of the people. The Legislative Assembly is a vigilant body whose independence and prerogatives are highly respected.

Costa Rica Is Stable Economically

Costa Rica is a country of capitalists, both big and little. The proportion of citizens who own land in this country is higher than in any other country of Latin America. Quite naturally this makes for economic stability. There is no confiscation of business enterprises. In limited cases when some confiscation of land is necessary to permit the construction of a highway, adequate compensation is made.

Visitors to Costa Rica have compared it with Switzerland because of its democracy, beautiful natural scenery, and its traditions of personal freedom and sacredness of private property.

VALUE OF INDUSTRIAL PRODUCTION BY MOST IMPORTANT ACTIVITIES

1953-1957 in Thousands of Colones
(More recent statistics on industry not yet available)

	1953	1954	1955	1956	1957
Food Products	131,655	133,586	141,181	164,740	174,225
Beverages	25,694	28,499	31,047	31,074	33,704
Tobacco & Cigars	15,489	16,910	17,144	17,633	17,989
Textiles	3,196	19,165	15,724	18,634	21,398
Shoes & Clothing	50,608	51,195	51,326	49,731	54,052
Wood and Furniture	32,331	38,155	61,906	62,695	63,103
Food Cans & Accessories	23,713	30,044	30,111	29,349	28,036
Paper and Paper Products	2,226	2,571	2,762	2,865	2,785
Printing, Publications & Related Products	14,537	12,118	17,391	18,729	18,526
Leather & Leather Products	9,636	9,914	10,323	11,065	11,217
Rubber & Rubber Products	1,725	2,063	2,902	3,463	4,218
Chemical, Minerals & Products	17,725	23,525	26,793	32,033	33,333
Chemical, Minerals & Other Non-Metals	6,129	7,121	7,644	9,011	7,800
Metals, Electrical & Mechanical Products	2,956	4,341	5,401	5,676	5,887
Construction of Transportation Vehicles	7,017	5,359	5,501	7,372	8,642
Other Manufactured Products	3,419	3,181	3,242	3,294	3,532
TOTAL	373,122	405,251	430,323	463,039	493,947

SOURCE: "The Economic Development of Costa Rica, No. 2. A Study of the Industrial Sector", University of Costa Rica, 1959.

Costa Rica Is Very Stable Socially

Socially, Costa Rica is stable just because it is flexible and allows for instability if such a condition is desired. This means that there are no fixed or immovable classes, either economic or social.

There is no seething ferment to change the form of government or the social structure. As in every democracy, the majority is highly critical of the administration in power at any time and of the officials who manage the government's finances. But the **form** of government and society existing is the one that is preferred by the great majority. There are no downtrodden masses in Costa Rica.

Under the Constitution of the country a foreigner has rights under the law equal to those of a Costa Rican. Even more important, the history of the country shows adherence to that law in spirit as well as in the letter. There are no restrictions to legitimate profits and no restrictions on exchange of money or on export of profits. The exchange rate is free. There are laws and a strict labor code to prevent exploitation, but the code is fair and just, and the record of the courts contains extremely few instances of prejudice to either side in the application of the labor code or other laws.

Uncle Sam's Best Friend

On Sunday, December 8, 1941, when the Japanese bombarded Pearl Harbor, the Legislative Assembly of Costa Rica declared war on the Axis that same afternoon.

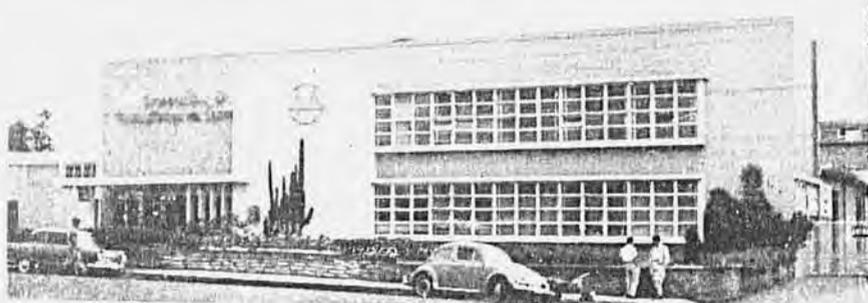
In 1961, when Fidel Castro resumed his executions of prisoners, Costa Rica quickly broke diplomatic relations with Cuba. During the Cuban crisis in October of 1962, the Costa Rican Government offered its airports, port facilities, and all possible support to President Kennedy.

United States citizens are well-liked and are generally considered by Costa Ricans to be good partners in business. Today there are about 3,000 United States citizens permanently living in Costa Rica, many of whom are retired. Some have established profitable business enterprises of their own. Others are permanently employed with United States firms operating in the country.

Some of the American businessmen who have established profitable businesses in Costa Rica are Richard C. Johnson, producer of vegetable oil products; Hector McLean, owner of a tropical restaurant; Alexander Treleaven, owner of the largest poultry raising enterprise in Costa Rica; Clyde J. Surgi, manager of a large ice cream making business; Jack Harris, manager of a collapsible aluminium tube manufacturing plant; and several others who are leading happy, healthful lives operating their own enterprises in agriculture and industry.

Costa Rica's Economy

Agriculture is Costa Rica's major economic activity, employing more than half of the country's working population. Coffee, bananas, and cacao accounted for 85.4% of the total exports of Costa Rica in 1962. Cattle and lumber are increasing in importance as export items. Industrialization is receiving special emphasis from the government. In 1962 the Ministry of Industries signed 60 new industry contracts with interested parties. Through April 1963 there were 16 more new industries signed totalling \$1.5 million. From 1952 to 1962 the national banking system granted 1014 loans for importing capital goods.



The Milk Producer's Cooperative (Dos Pinos) assures a steady market for all milk produced by its several hundred members. Milk and other dairy products are of excellent quality in Costa Rica. Pure-bred dairy cattle are frequently exported to other Latin American countries.

During 1962, Costa Rica's imports were valued at \$ 113,529,819 (provisional figure) and exports were \$ 85,233,778 (also provisional). Costa Rica's best trading partner was the United States. The United States, Western Germany, and Japan accounted for 46.3%, 11.5%, and 6.6%, respectively, of Costa Rica's imports. Intra-Central American trade increased during 1962 and Costa Rica became a good market for goods from El Salvador, Panamá, and Nicaragua with whom it had unfavorable trade balances. Because of Costa Rica's higher per capita income, other Central American countries are finding that it offers an excellent market for their products. By the same token, this higher buying power of Costa Ricans is encouraging foreign industrialists to locate in Costa Rica and thus take greater advantage of this attractive consumer market.

Despite trade deficits, Costa Rica's gold and foreign exchange reserves were \$ 46.2 million on December 31, 1962. During 1962 the reserves were increased. This was accomplished by the capital inflow from bank loans, tourist receipts, expenditures by the Pan American and ILO (World Labor) organizations in such new industries

going up as the fertilizer plant near Puntarenas and the cement plant near Cartago. Savings deposits in the country's commercial banks amounted to \$13.7 million in October 1962. Regular checking accounts in the commercial banks amounted to \$40 million.

A good example of the structure and requirements of the Costa Rican economy is shown by some of the country's imports. The following were the main categories of products imported during 1962:

1) Industrial and Construction Machinery, non-electric, 2) Transportation Equipment including Passenger Cars, Buses and Trucks, 3) Chemical Products, 4) Gasoline and Petroleum Products, 5) Textiles and Clothing, 6) Metal Semi-Manufactures, 7) Pharmaceuticals, 8) Food Products, 9) Wheat, Wheat Flour and other Grains and Flour, 10) Paper, Cardboard, and Paper Products, 11) Electrical Machinery, Apparatus and Equipment, 12) Tractors and other Agricultural Machinery, 13) Vegetable Oils and Animal Fats, 14) Tools, Domestic Utensils, Locks, Wire Products, and other Hardware, 15) Fertilizers, and 16) Office Equipment.

The Banking System of Costa Rica

Costa Rica has a nationalized banking system. The exception is one so called commercial bank which cannot receive deposits and whose lending activity is limited by the size of its own capital and a small rediscount quota at the Central Bank.

The volume of bank credit on a per capita basis is the highest among the Central American countries and more than 50 per cent of its money supply consists of demand deposits. Also, savings deposits are much greater than those of the other Central American countries.

The system consists of the Central Bank, four Government-owned commercial banks, and the above-mentioned private commercial bank. The Banco Nacional de Costa Rica is the most important commercial bank in the system. The other banks are Banco de Costa Rica, Banco Anglo-Costarricense, the Banco de Crédito Agrícola de Cartago, and the Banco Lyon. These banks offer the customary services to industry, commerce, and agriculture. They have correspondent arrangements and good connections with several important U. S. banks. The National Insurance Institute, a government monopoly, was established in 1924 and is the only one empowered by law to extend insurance in Costa Rica.

Bank accounts are confidential and banks may furnish information concerning them only at the request and written authorization of the owner, or by court order from a competent authority. Excepted from this prohibition are officials of the Auditor General of Banks, but bank accounts may **not** be inspected by the fiscal authorities.

Recent emphasis has been given to loans to industry and the Banco de Costa Rica, particularly, has established a specialized industrial loan department. Although most of the industrial loans are granted for the purchase of manufacturing equipment, the Central Bank has authorized some funds for working capital loans. In May 1963, plans were being prepared for establishing an industrial development bank.

THE CENTRAL AMERICAN COMMON MARKET

Its Nature and Objectives *

The Central American economic integration program, which is to be completed by mid-1965 and which is already well along in its establishment, is intended to accelerate the economic development of the participating countries: Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica.

The Common Market allows the benefits of economies of scale and of comparative advantage to become more fully operative in the region.

Of five countries have adhered to the General Treaty and Costa Rica will become a full-fledged member as soon as it has deposited its instruments of ratification with the Organization of Central American States (ODECA). At such time, virtually all of the commodities identified in the Central American Customs Nomenclature (NAUCA) will be traded without import restrictions within the area, leaving only certain specifically designated items subject to gradual reductions in duties or quotas until the Common Market becomes fully established.

The participating five countries have adopted a common external tariff and are about to adopt a uniform industrial development law. Studies are going forward in connection with the establishment of a price stabilization and grain storage program for the region. The principal transportation arteries serving the Common Market have been identified and priorities will be given to constructing necessary links in these networks. In short, the Central American economic integration program covers not only tariffs and trade, but the whole gamut of social and economic fields whose growth is linked with the economic development of the member countries. The major problems that have to be surmounted are to assure that all members will benefit from the program and that freedom of competition will be allowed so that the presumed benefits of economic integration will be made available to the consumer.

SOURCE: "The Latin American Common Market", by Joseph Pincus, Program Officer, USAID Mission to Costa Rica, January, 1963.

Benefits To Be Derived from the Common Market

Whether the five countries (plus Panama, if it should eventually join the Common Market) can succeed in achieving a more rapid rate of growth by the Common Market route depends to some extent on how well integration is managed and what other policies are adopted to help it. However, underlying this move, there are three basic assumptions of the benefits that can be gained from economic integration. They are:

1. The Central American market is large enough to support many industries that now cannot be supported by small individual markets.
2. The opportunities afforded by the larger market will attract foreign capital, thus adding to the small capital resources available within the area.
3. The Common Market will enable the diversification of the economy of the area to expand production where demand can grow more rapidly and to reduce exposure to fluctuations in the price of export commodities. Thus resources directed into industry are expected to produce greater net value to the economy than if the same resources were plowed back into the traditional agricultural enterprises based on export markets.

Costa Rica's Comparative Advantage

With the entry of Costa Rica into the Central American Common Market in 1962, many manufacturers have decided to base their production operations in Costa Rica to supply the regional market. The five countries which constitute the Common Market are Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica.

The combined population of the area in 1959 was more than 11 million.

Following are other statistics of the area:

	Area Km ²	Population (1961)	Inhabitants per Km ²	Per Capita Income (1959) USS	Kms. Paved Roads (1959)	Kms. Surfaced Roads (1959)
Guatemala	108,839	3,864,000	35.5	178	1,079	4,817
El Salvador	21,146	2,399,000	113.3	208	903	2,997
Honduras	112,081	1,663,000	14.8	197	102	2,336
Nicaragua	130,900	1,309,000	10.2	190	348	1,117
Costa Rica	50,300	1,261,000	25.0	353	945	1,559
Total for Central America	443,266	10,696,000	24.1			
Education	—	1,000,000	10.0			
Life	—	10,000,000	10.0			

Source: *Central American Common Market*, Vol. 1, No. 1, 1961, pp. 1-10.

As can be seen in the above statistics, Costa Rica has the highest per capita income in Central America. Although Costa Rica has less population than the other countries, many manufacturers have decided to locate in Costa Rica because of the higher buying power (on a per capita basis) of its farm and city population and the greater stability of its democratic government.

In regard to the other Central American countries, Costa Rica has two factors which influence industrial production: the lowest electric power rates and the highest literacy rate resulting in a higher rate of productivity.

Agencies that Are Working toward Greater Economic Integration

Several agencies are working earnestly to assist the region achieve full economic integration. They are ODECA, CEPAL, ROCAIP, FECAICA, CSUCA, ESAPAC, ICAITI, INCAP, SIECA, and BOAIE.

ODECA (Organization of Central American States), headquartered in San Salvador, is concerned with the cultural, educational and economic development of the area. Its efforts have been directed mainly at trying to promote a greater understanding of Central America by Central Americans.

CEPAL (Economic Commission for Latin America), an agency of the United Nations headquartered in Mexico City, has among one of its functions the making of special regional studies of Central America. It has shown special interest in development of industry, energy resources, transportation, and the economic integration of the area. One of its staff members was previously Director of Economy of Costa Rica.

ROCAIP (Regional Office for Central America and Panamá) is an office of the Agency for International Development of the United States Government. It is headquartered in Guatemala and its basic functions are to plan, coordinate and execute United States-financed development programs on a regional basis.

FECAICA (Federation of Central American Chambers of Industries) is concerned with keeping the Chambers of Industries of the Central American countries informed on what each other is doing.

CSUCA (Superior Council of Central American Universities) is an agency designed to unify the universities of the several Central American countries. By developing specialized facilities in each country, it makes the maximum use of available resources for higher education.

ESAPAC (Public Administration School for Central America) is organized by the United Nations and is headquartered in Costa Rica. It is concerned with training administrators and top echelon

personnel in public offices of each of the five Central American countries. It has a large library in San José and publishes occasional publications on public administration; it also conducts seminars and short training courses for government officials.

ICAITI (Central American Institute for Industrial Research and Technology), an organization established in Guatemala under the financial support of the Central American republics, is concerned primarily with the industrial development of the region.

INCAP (Nutrition Institute for Central America and Panamá), headquartered in Guatemala, is concerned with analyzing and developing food products in the area so that the people may be better off nutritionally.

SIECA (Permanent Secretariat for the General Treaty of Central American Economic Integration) was established in Guatemala in September 1961 to: 1) Study ways of eliminating customs duties and establishing common ones among member countries, and 2) Eliminate the obstacles that are impeding the free movement of persons within the area.

BCAIF (Central American Bank for Economic Integration), with headquarters in Honduras, is concerned with the granting of loans to projects which are conducive to the economic integration of the area. It does not grant loans below \$25,000.

Under the economic integration program, the Bank has several vital functions to perform. It will make investments in the following types of activities:

1. Infrastructure projects that will complete existing regional systems or will develop complementary transportation facilities among the member countries.
2. Long-term investments in industries of a regional matter or of interest to the Central American market, which are designed to increase intraregional trade or to increase Central American exports to third countries.
3. Specialized crop and livestock production in order to improve, expand or replace existing operations with a view to satisfying regional demand from regional output.
4. Projects for financing enterprises that need to expand their operations, modernize their production methods or change the structure of their products so that by achieving greater efficiency within the regional Common Market, free commercial interchange within the area will be facilitated.
5. Projects for financing services necessary to the functioning of the Common Market.
6. Other useful projects tending to create economic complementarity among the member countries and to increase the Central American commercial interchange.

New Trade Associations Formed

During 1961 and 1962, textile mills, travel agencies, advertising agencies, pharmacists, and Chambers of Industries, formed associations in Central America, other groups are planning to do the same. Governments of the 5 countries are working toward unifications of tax incentives and customs schedules. Commodity lists have been drawn up and contain the products whose import charges are to be equalized immediately. Many of these products are not yet produced in Central America and few enter into intra-regional trade. Controversial products have been reserved for special treatment. Import duties will be gradually equalized during a 5 years period so that by 1968 all of the natural or manufactured products of member countries are to enjoy immediate free trade status.

Investment Opportunities in Food Processing

Costa Rica produces many exotic fruits which, according to a United States food processing specialist, would find a market in the United States if prepared in the form of purees and concentrates for use by bakeries, candy producers, and makers of ice cream and jellies. The concentrates and purees can be exported in number 10 cans. Some of the fruits which can be worked are guava, tamarind, naranjilla, pineapples, papaya, mango, guanábana, nance, acerola, carambola, cas, and others.

The Ministry of Industries indicates the existence of excellent opportunities in the dehydration of such vegetables as onions, garlic, bean, asparagus, and others for export or for local consumption. Making of dehydrated soup also offers expansion possibilities.

No baby foods are currently produced in Costa Rica despite the fact that the country has been a consistent importer of these items and consumption is increasing with the rapid population growth.

Processing of pineapple for shipping to the United States and European markets in canned form offers another investment opportunity if enough land is given over to the commercial cultivation of this fruit. Costa Rican pineapples are noted for their size and quality, and although the fresh fruit is being exported to the United States by plane, no canning on a large scale has been undertaken.

The food field is the largest industry in Costa Rica and the production of new and better products at reasonable prices for the fast-growing population offers a good area for investment. A specific opportunity is the production of breakfast cereals.

Investment Opportunities in Forestry and Wood Products

The forests of Costa Rica are mainly of the broadleaved species and cover about three-fourths of the territory of the country. If wisely utilized and conserved, the country's forests will remain a permanent foundation for numerous industries that will add, in constantly increasing measure, to the wealth of the country.

The timber resources of Costa Rica present all the difficulties typical of mixed rain forests in tropical areas. The greatest difficulty is the transportation problem, but this is being solved gradually. Although most of the sawmills in the country are producing lumber mainly for the local construction and furniture market, some firms, especially joint ventures in which United States citizens are participating, are exporting sawn lumber to the United States and Puerto Rico. Cedar and Cativo (in the form of corewood), are the main species being exported. Wyerhaeuser has established a plant and installed dry kiln facilities in Puerto Limón to produce core stock for export.

There is one plywood plant operating at present in Costa Rica. A trade association of loggers and forest products producers was formed in 1963.

Among the investment opportunities to be found in developing the forest resources of Costa Rica are: establishment of logging operations, export of lumber, manufacture of fine furniture, supply of furniture parts, tool handles, trophy bases, and other wood products to the United States. The Costa Rican wood prices, which range from \$100 to \$120 per thousand board feet f.o.b. Puerto Limón, compare favorably with existing market prices in the United States. United States lumbermen in Costa Rica indicate it is possible to compete in the United States market with hardwood producers of North and South Carolina. There are many beautiful woods not presently exported that should find ready acceptance in the United States.

Forestry legislation of Costa Rica is considered one of the most progressive in Central America. It embodies strict measures to prevent soil erosion, create forest reserves, and prevent forest fires. Replantings must be made and trees growing within 200 feet of streams or rivers may not be cut.

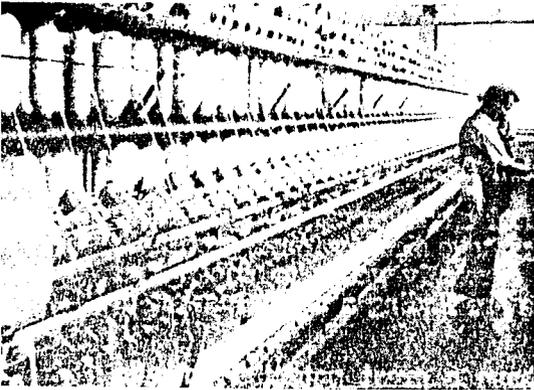
Investment Opportunities in Metalworking

In 1962 several manufacturing firms were established in Costa Rica to produce metal products such as paper clips, barbed wire wire fencing, iron rods for reinforcing concrete, water heaters, zippers, kitchen utensils, and others. Kenneth A. Prescher of Tampa, Florida, established near the city of Cartago a subsidiary of the Westomatic Manufacturing Company of Tampa. Westomatic water heaters and pressure tanks for domestic and industrial uses were successful from the start in the Costa Rican market.

Although there is a tin can manufacturing plant in the country, reports prepared early in 1963 by a United States packaging expert indicate there is an opportunity to establish facilities to produce aluminum foil containers for food and other products.

Opportunities appear to exist for making the following metal products: water meters, metal furniture, some types of hardware, electric appliances for the home, and others which can be determined by further research.

For several years it has been pointed out by local economists that there is an opportunity to start assembly operations of such products as typewriters, home and industrial sewing machines, stereo sets, and other high value products which can be marketed locally and in other Latin American countries, particularly the other Central American republics.



Spinning mill capacity has increased in Costa Rica in recent years. Many of the spinning, weaving, and knitting mills are on the going modernization programs.



Shoe factories in Costa Rica use leather produced in the country. This factory is located near the city of Alajuela.

Investment Opportunities in the Textile Industry

In 1961, imports of cotton and synthetic yarns, cotton cloth, piece goods, knitted wear, and apparel into Costa Rica amounted to \$100 million. The country imported more than \$2 million of cotton cloth. Much clothing was imported mainly from the United States, and a large part came in the form of women's undergarments and dresses. Large quantities of children's apparel were also imported.

The large gap that exists between the small local production of textiles and clothing and the large imports, indicates that the textile industry appears to have an excellent growth potential in Costa Rica.

In 1962, the country still was importing much nylon yarn and almost all of the knitting mills were working with imported yarn. Large amounts of blankets, bedspreads, towels, sheets, pillowcases, tablecloths, and rugs are currently being imported.

Considering that labor costs in the clothing field in Costa Rica are 75% less than in Puerto Rico, United States firms that establish themselves in Costa Rica to manufacture clothing for export to the United States would be able to compete with Puerto Rico even though they must pay the import duty into the United States.

Although Guatemala and El Salvador currently import sweaters and other knitted goods from Costa Rica, the real market for the Costa Rican textile and apparel industry is not abroad but in Costa Rica itself.

A Spanish-language textile journal which goes regularly to 5000 managers and higher echelon technical personnel in the leading textile mills and larger garment plants in Latin America, except Cuba, is printed in Costa Rica and co-published with an important United States publishing company.

Investment Opportunities in Selected Agricultural Crops

Among the range of agricultural crops grown in Costa Rica, cotton, pineapples, garlic, asparagus, have already found profitable export markets. Some cotton is currently going to Japan and some selected fruits and vegetables are finding a ready market in Miami and New York.

Cotton growing appears to have a great potential both to satisfy the partial needs of the local textile industry as well as for export mainly to Japan, which now imports large quantities of cotton fiber from the other Central American countries. Guanacaste Province, because of its longer dry season, is Costa Rica's natural cotton country.

In 1962, considerable amounts of fresh pineapples, garlic, asparagus, and sweet peppers were flown from Costa Rica to Miami. A larger market exists in the United States for Costa Rican fruits and vegetables and production has not been able to meet the continued demand. There is a large demand for guava paste and many shipments have been made to Miami. LACSA airline flies cargo to Miami at a low rate of \$0.07 per pound if the cargo is more than 1100 lbs.

Captain Hope, a United States citizen living in the city of Cartago, has built a very profitable business growing petunias and other flowers and exporting the seeds to the United States market. He also grows orchids and other exotic flowers and exports celery to food-deficient El Salvador. His entire crop of

petunia seeds is purchased by only one company in the United States. Agricultural technicians believe considerably more flowers and grass seeds could be grown successfully in Costa Rica for the United States and other markets.

Consumption of locally processed vegetable oil products has increased so rapidly in Costa Rica in recent years that the three firms making these products are finding it very difficult to obtain vegetable oil from domestic sources. One of the firms finds it necessary to import some of its oil requirements from Africa. United Fruit Company, which already has several thousands of acres of African oil palm in the Quepos area, has expanded its acreage but still cannot supply local oil needs. Farmers are being encouraged to grow the oil palm and the Ministry of Agriculture will give technical assistance to firms interested in producing this crop.



The land in Costa Rica is fertile and in many areas is appropriate for growing crops with modern agricultural machinery. Cotton and rice have increased in acreage in recent years and cotton, particularly is finding expanding markets in Japan.

The Inter-American Institute of Agricultural Sciences, located in the city of Turrialba 45 miles from San José, is a specialized agency operating under the Organization of American States. The Institute has won for itself worldwide prestige as a center of tropical research and training of agricultural technicians. The

Institute conducts research on utilization of coffee waste, livestock breeding, improvement of crop production, soil conservation, and on engineering problems as irrigation, rural housing, farm electrification and power machinery. Library facilities of the Institute are the best in Latin America and the public has access to them.

Investment Opportunities in Tourism

Tourism offers plenty of room for development in Costa Rica and opportunities appear to exist for establishing various types of services and facilities for both domestic and foreign tourists.

During 1962, a total of 48,834 tourists entered the country and spent an estimated \$7.6 million. The Costa Rican Tourism Institute reports there was an increase of travelers entering the country from 1961 to 1962 and believes the trend will continue.

Now that there is road connection with the other Central American countries, Nicaraguans particularly as also Salvadorans and Guatemalans are driving down to San José. Already Panamanians are driving by car to Costa Rica and the number will increase now that the bridges are completed and the Interamerican Highway is fully serviceable and continuous from the United States to the Panama Canal. Most of the tourists from the United States go to Costa Rica by plane and in 1962, according to Pan American Airways, 28,183 tourists entered the country by plane. Now that there is regular jet service to and from Costa Rica, tourism from the United States is increasing.

To encourage the development of tourist facilities, the Costa Rican Government grants duty exemptions up to \$22,650 on construction materials that must be imported for building or improving such facilities if the materials are not produced in the country. A 3% tax to be used by the Costa Rican Tourism Institute must be paid by hotels, boarding houses, and similar establishments catering to tourists.

Some specific investment opportunities are:

- a) Establish motels and drive-in restaurants well located in special areas along the Interamerican Highway.
- b) Construct resort facilities in the better mountain areas, possibly south of Cartago where thick stands of oak trees still exist. Some of these resorts can offer riding horses, tennis courts, swimming pools, archery games, and other means of diversion.
- c) Costa Rica has many beautiful ocean beaches which still have not been exploited for tourism.
- d) Develop recreational fishing along some of the rivers in the Central Valley.

Other numerous opportunities can be pinpointed for development upon further research.

Investment Opportunities in Chemicals and Allied Products

The chemical industry of Costa Rica manufactures paints, plastics, soap, candles, matches, some fertilizers, and insecticides. Early in 1963 two large plants were being constructed, a cement plant and a fertilizer plant. Plans are being made to establish an oil refinery at Puerto Limón. When both the petroleum refinery and the fertilizer plant start operating, there will be available chemical by-products which can be utilized to establish other small chemical industries.

Sulphuric acid is not yet being produced in Costa Rica though it soon will be produced. A progressive chemical company, Kativo, S. A., which was started 12 years ago as a one man paint mixing operation by a United States citizen, is today the largest paint producer in Costa Rica. It has diversified into plastic sheeting for roofing, detergents, and manufactures a complete line of paints and detergents for export to other Latin American countries.

A heavy chemical industry is not presently considered feasible for Costa Rica but additional opportunities exist in the basic processes. There is unused salt in the Pacific area near Puntarenas which could serve as the basis for caustic soda and chlorine. There are about 30 pharmaceutical laboratories, one of which is owned and operated by the Sterling Drug Company. All import ingredients for mixing and packaging. A pesticide factory jointly owned by United States and Costa Rican interests has an investment of approximately \$400,000. This plant mixes imported chemicals with a local diluent.

Local interests operate a very successful fertilizer mixing plant. Opportunities exist for producing more medicinals, cosmetics, and plastic products. In plastics, there is an opportunity for making packaging materials and containers. The industrial use of plastic materials is growing in Costa Rica.

Numar, a successful vegetable oil processing plant which was started and is operated by a United States citizen, makes its own hydrogen and does its own hydrogenation. The demand for cooking oil is growing rapidly and the existing three plants are all undergoing expansions in their production facilities.

There are reputed to be large workable deposits of kaolin (China clay), bauxite, low-grade iron ore, silica, limestone, and diatomaceous earth. Presently, mining is not important in the economy of the country. A little gold is mined and the Gulf Oil Company is conducting exploration for petroleum in the Talamanca Mountains. During World War II Costa Rica exported manganese which still occurs in scattered deposits in Guanacaste Province.

Investment Opportunities in the Cattle Business

Excellent opportunities exist in the cattle business in Costa Rica. This activity has been a recent fast comer in the country's economy and is expected to become a major dollar earner in the future. While cattle exports were only 7,071 head in 1954, in 1962 the figure went up to 41,000 head. The United States and Perú



Exports of beef from Costa Rica have increased rapidly in recent years. This field appears to hold a bright future in the country's economy.

constitute Costa Rica's two chief cattle markets. Curacao and Venezuela have also regularly bought Costa Rican cattle but on a smaller scale. Exports to the United States are in the form of chilled or frozen beef while those going to Perú are mainly on the hoof. Authorities believe there will continue to be a large demand for Costa Rican cattle and beef in these markets.

In Costa Rica steers are grazed on the ranch until they reach 2½ years, then they are fattened on special pastures for about a year before going to the slaughterhouse. Present market prices for cattle are about \$70 a head, on the hoof; about 22 cents a pound dressed out.

A recent special report published by Latin American Reports Inc., of New Orleans, describes the cattle country of Costa Rica as follows:

"North from Puntarenas, through Liberia to the Nicaraguan border, one drives along the Pan American Highway through some of the finest cattle ranges anywhere. Mixed Brahman cattle graze contentedly in belly-deep grass that covers the low, rolling hills and valleys alike. Numerous streams make their way through these meadows from the mountains to the sea. Tractor-trailers loaded with cattle for slaughter roll along the highways. The capital city of Guanacaste, Liberia, is located in the heart of the cattle country. Any Texan should feel right at home there."

Although Guanacaste Province is the traditional cattle growing area of Costa Rica, the vast Atlantic Lowland, which includes parts of both Heredia and Limón provinces, is very well suited for cattle raising. Pastures are green the year-round and land is still available at low cost.

The Ministry of Agriculture and Livestock offers a low-cost artificial insemination service to cattlemen. This Ministry offers technical assistance to cattlemen, has several veterinarians on call permanently, and carries a registry of cattle brands currently in use in the country. There are several commercial cattle breeders with offices in San José. The great interest shown in livestock raising in recent years has resulted in the setting up of several firms to make feed, among which are Purina and Gibbons of the United States. Formulas and proteins in concentrated form are imported and mixing is done in Costa Rica. Most of the feed is used in dairy cattle and poultry. No feed is given beef cattle as all are entirely grass fed.

In 1962, Henderson Portion Pak Inc. of Coral Gables, Florida, put up a plant in Costa Rica to slaughter cattle, pack and pre-cook meat before shipment to the United States.

Investment Opportunities in Fisheries

The fishing industry in Costa Rica is gaining importance and exports of shrimp and canned tuna have increased in recent years. Fishing operations are located largely in and around the ports of Puntarenas and Limón. The spiny lobster fishery is the most profitable fishery activity of the Limón area and practically the only commercial fishery except for a small amount of red snapper and mackerel. Exports of lobster for the year 1959-60 were over 29,707 lbs. and for the year 1960-61 exports totaled 4,809,562 lbs. The bulk of the sales were for approximately \$1.40 per lb. CIF Miami, but decreased for the 1962-63 catch season.

In the middle of 1962, Japanese red snapper, cut into fillets, were selling on the New York wholesale market for \$0.50 per lb. The Japanese product is reported not as good in quality as the

Limón red snapper. This fish can be purchased in bulk from the fishermen at Limón, when available, for \$0.24 per lb. A local exporter states that he has a market in Miami for an unlimited supply of red snapper, heads on, gutted, at \$0.50 per lb. fresh, chilled, or frozen. Local export taxes amount to 3%. About 9% loss occurs during freezing, storage and shipment. In addition, brokerage charges and handling must be accounted for, allowing possibly \$0.10 per lb. profit.

Air and ocean transportation are available at low cost for transport of fresh and refrigerated marine products from Limón to Tampa or Miami. By surface, one refrigerated cargo vessel leaves Limón every 15 days. It specializes in small lot shipments from 100 lbs. and up. The voyage from Limón to Tampa requires about 4½ days, with refrigerated cargo carried at \$60 per ton, or about 4½ cents per lb. By air, LACSA will carry fresh or frozen sea food at \$0.07 per pound when the entire plane is chartered. The planes fly high so that the frozen products remain frozen in the cargo space. The flying time from Limón to Miami in DC-6 cargo planes is 4½ hours approximately.

Several firms in both Limón and Puntarenas have established their own freezing facilities to handle their catch. The National Production Council has a large freezing plant at Puntarenas and markets frozen fish at its San José cold-storage plant.

Some investment opportunities which could be developed in fisheries are tuna canning, planting of oyster beds in selected areas along the Pacific Coast, salting and smoking fish for local consumption, and export of shrimps, frozen fish, lobsters to the United States market.

INDUSTRIAL DEVELOPMENT LAW OF COSTA RICA AND THE FISCAL INCENTIVES AGREEMENT OF CENTRAL AMERICAN COUNTRIES

Incentives to industrial enterprises, including duty and tax exemptions, through December 1962 have been granted under the terms of a Costa Rican law of September 3, 1959. However, in a subsequent public instrument which in early 1963 was being discussed by the Central American countries for later approval, it was formally proposed that incentives contained in individual industrial development laws of each of the countries be uniformed for the entire region.

Under the Costa Rican Industrial Development Law, industries are classified as "new" and "established". New industries are defined as those which propose to manufacture or assemble commodities not produced in this country, or, if produced, supply less than 10 percent of national consumption. Customs and other benefits are granted according to classification.

Benefits Granted by the Present Industrial Development Law

The Costa Rican Government may grant to industrial plants classified as new industries the following benefits:

- 1) Customs exemption of 99 per cent on the importation of motors, machinery, tools, equipment and accessories needed to manufacture products in the industrial plant benefiting from this law, as well as laboratory instruments necessary for research, manufacture, and quality control of such products;
- 2) Customs exemption of 99 per cent on the importation of fuel and lubricants, except gasoline, necessary to produce energy or for any other purposes indispensable to the production of the industrial plant. This exemption will also cover industries already established, in highly qualified cases and in the judgement of the Minister of Economy and Finance. The customs exemption referred to in this clause can be granted for the generation of electricity only in a case where such energy cannot be adequately provided by established services. Customs exemption will not be given on the importation of fuels and lubricants for transport equipment;
- 3) Customs exemption of 99 per cent on the importation of raw materials, semi-manufactured products, or materials that enter into the composition or the process of manufacture of the product;
- 4) Customs exemption of 99 per cent on the importation of packing and containers which the finished product requires;
- 5) Customs exemption from land taxes for five years. Likewise, municipal taxes on the industrial installations can be waived if the municipality in the place where they are located gives prior approval.
- 6) Exemption of 100 per cent from Central Government taxes on the invested capital and on the profits during the first half of the period which may be granted for the enjoyment of the other benefits granted by the law; 50 per cent exemption (from the same Government taxes) during the second half of the period which may be granted for the enjoyment of the other benefits granted by this law. With respect to municipal taxes on the invested capital, concessions will be subject to the conditions set forth in the last paragraph of the previous clause;

- 7) Exemption from payment of export duties on articles produced by the industrial plant benefiting from this law, where necessary to make the product competitive in the foreign market; and
- 8) Exemption from the amount that corresponds, under the Income Tax schedule, to that part of the profits that the enterprise reinvests in improvements, either in the industry itself or in housing for its workers, and which is duly proved before the Direct Tax Administration (Tributación Directa).

The use of domestic raw materials or domestic semi-manufactured products will be a factor of prime importance in the getting of the benefits referred above.

Regulations Governing the Industrial Development Law

A series of regulations govern the mechanisms entailed in requesting the benefits to be granted by the Industrial Development Law.

All matters taken up with Costa Rica Government offices in connection with the application of the Law must be submitted on stamped paper, two copies being on regular writing paper, original and copies being signed by the applicant. It is required that on commencing the negotiations the interested party shall submit the following: a certificate which identifies him if he is a Costa Rican citizen or a permit of residence in the case of a foreigner residing in the country. In the case of a foreigner in transit, a passport or an equivalent document is sufficient to establish his identity.

In making the application to establish an industry, all measurements contained in the application or plans describing the industry must be given in the metric system.

Requests for information relating to the application of the Industrial Development Law and requests for the granting of the benefits of the law should be submitted either to the Ministry of Industries or to the Ministry of the Treasury.

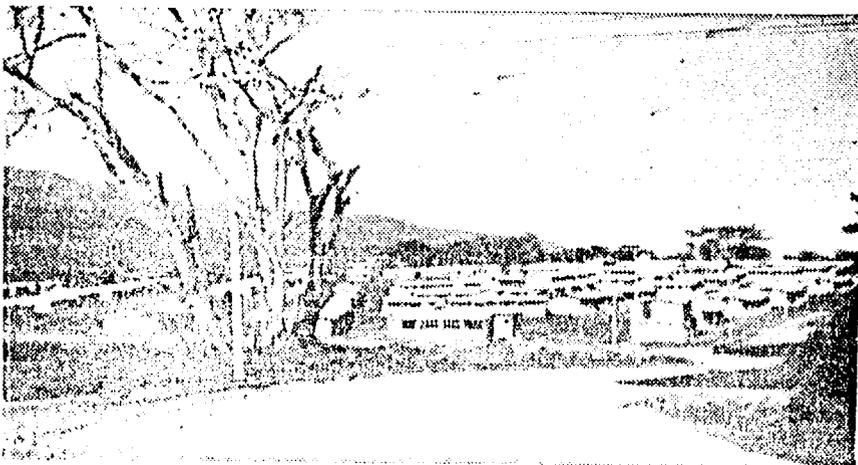
A free mimeographed copy of the Regulations in the English language is available from the Ministry of Industries in San José.

Fiscal Incentives Agreement of Central American Countries

Once ratified by the Costa Rican Legislative Assembly and the Congress of each of the other Central American countries, the Fiscal Incentives Agreement of Central American countries will supersede the individual industrial development laws of each of the countries.

Among some of the fiscal incentives included in this agreement are:

- 1) Total or partial exemption of customs duties and other duties including consular charges for a) Machinery and equipment; b) Raw materials, partially processed products, and packaging materials and containers; c) Fuel except gasoline, which will be employed in the industrial process to be undertaken.
- 2) Exemptions of income tax for firms and owners of the firms that can qualify.



These low cost houses were built by the National Housing Institute (INVU). Construction of homes provides a good investment opportunity in Costa Rica.

Further information on the equalization of fiscal incentives proposed for the Central American area taken as a whole can be obtained by writing directly to the Ministry of Industries.

TAXATION

Individual and Corporate Income Tax

In Costa Rica there is no distinction between income tax for individuals and for corporations. Both pay the same rates. This tax must be paid by all physical or juridical persons domiciled in Costa Rica on income derived within the country. Persons not domiciled therein must pay the tax on any income from property, business or enterprises located or landed in Costa Rica.

The tax also applies to income obtained by de facto companies, to the proceeds of an estate as long as it remains undivided, and property administered by a trustee or guardian, even if the property is being held for some person not yet born or for any other purpose.

The tax is imposed on net income; that is, the difference between gross income and the deductions permitted by law. Gross income comprises the aggregate of all profits, gains and revenues, whether or not in the form of money.

Income

The net income derived by enterprises and businesses is determined by deducting the following items from the gross income:

- a) All expenditures necessary to produce such income, paid or incurred during the year for which the tax is levied, including wages, salaries and other remuneration for personal services, taxes and premiums for insurance against fire or other risks. A detailed declaration of wages and other expenses paid must be submitted.
- b) Interest paid on funds borrowed during the year and invested in the business or enterprise, shown in a detailed declaration.
- c) Losses incurred during the year, unless covered by insurance or other means of indemnity, provided the deduction is permissible.
- d) Debts which are manifestly uncollectable, as verified by the Tax Administration Office.
- e) A reasonable amortization to compensate for the depreciation or destruction of machinery and other movable property used in the business. This deduction is determined by the tax authorities.
- f) Amounts paid as a bonus or share in profits granted to employees, subject to approval and correction by the tax authorities.
- g) Remunerations or salaries paid to members of board of directors, councils, or other deductive agencies located abroad; and less or other remuneration paid for technical, financial, or other advice, fees for use of patents, rights, trademarks, privileges, franchises, royalties, etc., paid to persons or entities located abroad. The person paying these amounts must withhold 20 per cent, which is to be paid to the Tax Administration or Treasury within fifteen days.

- h) In the case of mines, deposits of petroleum and gas, other natural deposits, and stands of forests, a deduction for depletion may be made, not exceeding five per cent of the net income for the taxable year if approved by the authorities.
- i) Gifts, duly proved, made during the tax year to the Government, its autonomous and semi-autonomous institutions, municipal corporations, the University of Costa Rica, Social Welfare Boards, Boards of Education, educational institutions of the Government, the Costa Rican Red Cross, and other institutions or foundations engaged in welfare, scientific or cultural work, sports committees officially appointed by the General Sports Administration in rural areas. The Tax Administration Office has full authority to appraise and examine these gifts.
- j) An amortization of 20 per cent for each fiscal period, for five consecutive years, on the value of new housing constructed by employers for their workers, provided such housing is granted free of charge and meets the minimum requirements of the National Housing Institute. Evidence must be submitted as to the value of such housing.
- k) An amortization of 20 per cent for each fiscal period, for five consecutive years, on the value of all works constructed by employers for the improvement of social, health and cultural conditions of their workers, such as sanitation, repairs of housing sewers, electrical installation, clubs, libraries, etc., provided they have an appraisal value and are free to workers.
- l) An amount equal to 50 per cent of net profits of the preceding period of investment in capital goods for the use of agricultural or industrial enterprise. The Tax Administration Office shall determine those cases in which this deduction may be made, which in no case may exceed 100,000 colones (S15,000). This deduction shall be considered in determining the amortization allowed under paragraph (c) above.
- m) Whenever an exclusively agricultural or industrial enterprise shows a loss during a fiscal period, the Tax Administration Office will permit a deduction of 20 per cent of the loss during the five subsequent periods showing a profit. Determination of the amount of loss is made by the Tax Administration.

In order to deduct expenses incurred but not paid during the tax year, it must be shown that they were necessary to produce the income and they must be kept in a special account

No deduction of expenses is allowed if the same amount was deducted in a previous tax period.

In addition to the aforementioned deductions, **the taxpayer, as a physical person**, is entitled to the following deductions:

Deductions:

- a) Amounts paid under some legal requirements, including installments regularly required for the pension funds established by special law.
- b) A personal deduction of 5,000 colones (\$ 755).
- c) Premiums on life insurance of the taxpayer or his dependents, up to a total of 5,000 colones (\$ 755) annually provided the insurance agency is the National Insurance Institute of Costa Rica.
- d) If married, 2,000 colones (\$ 302). Spouses residing together may deduct only 2,000 colones (\$ 302) between the two. If they have separate incomes, the deduction may be made by either one or divided between them. If the spouses reside separately, the deduction may be made only by the party who supports the other spouse.
- e) A deduction of 1,500 colones (\$ 226) for each child and 1,000 colones (\$ 150) for each dependent of the head of the family when not classified as a child. A dependent is defined as any person, not a taxpayer, receiving during the tax period more than half of his support from the taxpayer.

Some other minor deductions are permitted. If one person receives income from several sources, the tax is imposed on the total net income.

Income Tax Rates

After the net income subject to tax has been determined, the tax is levied as follows:

On the first 3,000 colones (\$ 452) of taxable income the rate is 1 per cent annually.

If the net income is higher, the tax is collected in accordance with the rates of the table given below, at the rate shown for each specific excess:

On Income More Than	Not More Than	Annual Per cent	On Excess Over	Total
000	3,000	1	..	30
3,000	5,000	2	40	70
5,000	7,000	3	60	130
7,000	9,000	4	80	210
9,000	11,000	5	100	310
11,000	14,000	6	180	490
14,000	17,000	7	210	700
17,000	20,000	8	240	940
20,000	23,000	9	270	1,210
23,000	26,000	10	300	1,510
26,000	30,000	11	440	1,950
30,000	35,000	12	600	2,550
35,000	40,000	13	650	3,200
40,000	45,000	14	700	3,900
45,000	50,000	15	750	4,650
50,000	57,000	16	1,120	5,770
57,000	65,000	17	1,350	7,130
65,000	75,000	18	1,800	8,930
75,000	85,000	19	1,900	10,830
85,000	95,000	20	2,000	12,830
95,000	105,000	21	2,100	14,930
105,000	120,000	22	3,300	18,230
120,000	135,000	23	3,450	21,680
135,000	155,000	24	4,800	26,480
155,000	175,000	25	5,000	31,480
175,000	200,000	26	6,500	37,980
200,000	250,000	27	13,500	51,480
250,000	350,000	28	28,000	79,480
350,000	500,000	29	43,500	122,980
500,000		30		

Example: Income tax payable for 3,500 colones is figured as follows:

On income not more than 3,000 colones	30 colones
plus: On excess over 3,000 colones (500 colones times 2%)	10 colones
Total sum payable	40 colones

Tax returns are due within five months after the close of the fiscal year.

The fiscal year is normally the calendar year ending the thirtieth day of the month of September.

The tax law does not provide that the submission of the individual income tax should be certified by a registered accountant or notary. However, for a business enterprise or corporation, the income tax statement must be certified by a CPA or other duly registered accountant.

Statements To Be Submitted

The following supporting statements are indispensable to be submitted with the income tax forms:

- a) Trial balance and adjustment for profit and loss statement.
- b) Profit and loss statement for the fiscal year to which the income tax form pertains.
- c) Post-closing balance.
- d) Detail of general expenses.
- e) Detailed accounts or analysis of the following expense items: salaries, depreciation or amortization and interest paid.

Accounting Records Necessary

All taxpayers in business enterprises and those who earn professionally (except salary or wages), are required to keep accounting records in books legally authorized by the Tax Administration Office. The law provides that taxpayers may follow any generally accepted accounting method. All records on authorized books should be kept by a professional bookkeeper, accountant, or cost accountant.

Property Tax

The property tax is imposed on the market value of the land including all fixed and permanent building and installation and regular crops thereon. It also covers the value of all machinery and other equipment which are regarded as part of a building because they are necessary in the operation of the business in which they are used, even though they may be readily separated from the building.

The tax is levied annually and is figured on the basis of an assessment of the property, according to the following scale:

Assessed Valuation			
From	10,001 colones to	250,000 colones	0.075% payable quarterly
"	250,001 " "	500,000 "	0.1375% " "
"	500,001 " "	3,000,000 "	0.02% " "
"	3,000,000 or over		1.05% " "

Municipal License Taxes

When a factory or a business is going to start operations, it must obtain from the municipality which governs the area in which such operation is located, a license. The rates are very low in all Costa Rica. In the metropolitan area of San José rates range from 10 colones (\$1.50) to 500 colones (\$75) quarterly and these are the highest that exist in the whole country. In towns very close to San José but which are not located within the metropolitan area, the rates are even lower than those for San José.

Miscellaneous Taxes

There are some miscellaneous taxes such as the gift tax and the inheritance tax, but rates are low. The only sales tax existing are taxes on cigarettes, beer, soft drinks, matches and carbonated waters, and foreign wines and liquors. These taxes are paid by the firms that produce the products and are included in the sales price.

Union or Organizational Structure and United States Taxes

Generally, the entire income of citizens of the United States, and of non-resident, and domestic corporations, wherever they are located, are United States Income Tax. While Costa Rica and the United States have no general convention to avoid double taxation, and neither country provide credits or deductions for taxes paid to foreign governments and income exemptions.

Provisions of the Internal Revenue Code by which a United States investor can avoid double taxation are: (A) a United States subsidiary corporation, (B) a United States subsidiary corporation qualifying as a foreign corporation, (C) a branch of a United States subsidiary corporation, (D) a foreign subsidiary corporation, (E) a foreign subsidiary investor, as partnership or sole proprietorship.

Advice on form of organization to set up should be sought from American lawyers in Costa Rica. The Ministry of Industries can also be contacted for locating good bilingual lawyers who can help you choose the form of organization best suited to your needs.

Costa Rica's Labor Force

Generally, Costa Rican cities have a substantial labor surplus, offering an excellent selection of workers for the new manufacturer. The 1958 census figure in industrial establishments surveyed in 1958, industrial census figure available, consisted of 32,071 men and women. During the past four years, and since the enactment of the Industrial Development Law in September 1959, the number of persons gainfully employed in industry has increased substantially.

The 1958 census indicated that 88.7% of the people employed in Costa Rica were men. Gradually, as more farm girls migrate to urban centers, and as more housewives enter the work force to supplement the family income, the percentage is very likely to change. Most clothing manufacturers in the country employ woman operators. In industries where much hand work is required, women workers predominate.



Good managers and lower echelon personnel plus labor are readily available in Costa Rica. Here local industrialists attend a seminar on top management techniques.

The new management men in the country will find that Costa Rica's labor force is plentiful and hard to find if properly instructed. They will find that the labor force is well educated and naturally obedient.

Assistance in Labor Recruitment

New industries can recruit labor through the Ministry of Labor of the Costa Rican Government. This Ministry maintains a file of several thousand applicants for industrial jobs. It can assist in screening one lot of potential workers for approval of the manufacturer.

The Ministry also will assist in importing technical personnel available only in foreign countries and will furnish information on prevailing wages and labor available in particular areas. Manufacturers can find managerial applicants by placing ads in the local newspapers. Costa Rican professional engineers, agronomists, economists, administrators, and business managers are in great demand in Costa Rica and abroad. Many have been going to work under long term contracts in Venezuela, Colombia, Peru, and the rest of the Central American republics. During 1962, twenty five agronomists from the Ministry of Agriculture resigned their jobs to accept positions of higher pay and greater responsibility in private enterprise and mainly in Venezuela. This large demand for Costa Rican professional personnel speaks well of the caliber of the men to be found in the country.

Labor Productivity

In general, Costa Rican labor achieves very satisfactory levels in both quality and quantity per man hour and, after an adequate training period, according to American firms now operating in Costa Rica, productivity is comparable to the U. S. This is especially true in operations requiring high manual dexterity.



All types of rope are produced in Costa Rica. These rolls were manufactured from cabuya fiber grown in the highland area south of the city of Cartago.

Labor and Labor Laws

Costa Rica's scattered labor laws were codified and amplified in 1943 and were then examined to see that they were in harmony with Catholic social doctrine expressed in papal encyclicals.

One provision in the labor code is that equal pay prevails for equal work for Costa Ricans and for foreigners. Another provision allots a quota of foreigners to businesses. Costa Ricans must make up at least 90 per cent of all workers and receive not less than 85 per cent of the total annual salary and wage fund. Exceptions are made for directors, managers, and top technical and supervisory personnel, so long as such personnel does not comprise more than half of the labor force.

Minimum wage provisions are probably the feature of greatest interest. A national commission fixes the minimum wages by industry, occupation and geographic area. The commission consists of nine members; three represent employers, three organized workers and three the government. Members are named by the President of Costa Rica after nominations are made by various employer and labor groups. The Minimum Wage Office of the Labor Department serves as secretariat for the commission, collects data on wages, salaries, cost of living and the economic circumstances of the businesses concerned. Tentative decisions are published and discussed at public hearings before being submitted to the Ministry of Labor for promulgation. The rates set then apply for two years.

The wages may be fixed by day or by piece.

Labor Costs

The following are selected occupational wages now in effect in Costa Rica:

	Per Day US\$	Per Month US\$
APPAREL INDUSTRY		
Cutter	1.81	
Finisher	1.75	
Presser	1.75	
Sewer	1.75	
Mechanic	1.75-1.85	
CHEMICAL INDUSTRY		
Pharmacist		211.48
General Help	1.82-2.11	
Mixer	1.69	
Compressor	1.69	
ELECTRICAL PRODUCTS AND MACHINERY		
Mechanic - First Class	3.02	
Assembler, Machinist, Electrician	2.72	
Press Operator	2.50	
General	1.36-1.99	

	Per Day US\$	Per Month US\$
PLASTIC INDUSTRY		
General Machine Operators	1.51	
Other Workers	1.21	
LEATHER AND LEATHER PRODUCTS		
Machine Operators	1.99	
Cutter, Embasser	1.90	
Other workers	1.15-1.51	
TEXTILE INDUSTRY		
Knitter - Presser - Finisher	1.45-2.00	
Electrician - Machinist	1.82	
Other workers	1.15	
OFFICE (Average Per Month)		
Typist		75.00
Payroll Clerk		90.50
Secretary		120.85
Bi-lingual Secretary		185.00
Clerk - General Office		60.00
Bookkeeper		150.00
AGRICULTURE		
General Labor	1.24-1.81	
Mine Workers: Operators	2.30-2.60	
Labor	1.81	
FOOD PROCESSING		
Can Factory	1.33-1.90	
Food Packing: Operators	2.18	
Helpers	1.51	
Vegetable Oil Plant	1.51-1.81	
SERVICES		
Service Station - General	1.75	
Hotels, Restaurants, Clubs, Etc.	1.09-1.74	
General Services	1.33	

Working Conditions Required

The Labor Code stipulates that the regular working day can not be more than 8 hours daily, 6 hours nightly, or 48 hours per week. However, in jobs which are not unhealthy or dangerous, a working day of 10 hours will be permitted as long as the total number of hours worked during the week is not more than 48. Labor and management are given the liberty to decide for themselves the time of day or night at which work should start and end.

Business Hours

The following are opening and closing times for various activities:

Government Offices:	7-11 a.m. 1-5 p.m.
Stores & Private Offices	7 ½ to 11 ½ a.m. 1-6 p.m.
Industry:	7-11 a.m. 1-5 p.m. 7 ½-11 ½ a.m.

Vacations and Holidays

Every worker has the right to have an annual paid vacation of a minimum of two weeks for every 50 weeks of continuous work, at the service of the same employer.

The Labor Code stipulates that besides all Sundays of the year, the following are considered holidays:

January 1, March 19 (Day of San José), Holy Thursday and Good Friday, April 11 (Day of Juan Santamaria), May 1 (Labor Day), Corpus Christi, June 29 (St. Peter's Day), August 2 (Virgin of Los Angeles, Patron Saint of Costa Rica), August 15 (The Assumption and Mother's Day), September 15 (Independence Day), October 12, December 8 (Immaculate Conception), and December 25.

Social Security

Three major programs comprise Costa Rica's social security system: workmen's compensation; health and maternity insurance; and old-age, invalidity and survivors insurances and pension programs. Workman's compensation is handled through the National Insurance Institute; the other programs come under the jurisdiction of the Social Security Administration. The latter institution obtains its income from a joint three-way contribution by the workman, the employer, and the Government.

Workmen's Compensation

Employers in manufacturing and construction are liable for injury or death and must carry insurance with the Institute. Employers in commerce and many other fields must assume the same liabilities but need not carry insurance against them.

Agricultural enterprises using power machinery are covered by the law. Insurance rates vary with the risk experience of each industry.

Health and Maternity Insurance

Maternity and health insurance is limited to workers earning not more than 1,000 colones (\$150) per month. The employer contributes 3% and the worker another 3% of his salary or wage. The Social Security Administration operates its own hospitals, clinics and dispensaries in the more populated areas of the country.

Old-Age, Invalidity and Death Insurance

The newest of the social security programs, which previously covered only salaried employees of public and private business, now includes wage earners in the metropolitan area of San José. Contributions are paid in equal parts by both the employee and the employer. Up to a salary of 2,000 colones (\$300), the employee and the employer each contribute 2½% and on the salaries above \$300, 1% is paid on the surplus by the employee and 1½% of the employer.

Health and Maternity plus Family Protection

This type of insurance gives protection to the workman's family in addition to himself. It is limited to certain areas of the country. Contributions are 4% of earnings paid by the worker and 5% by the employer.

UTILITIES

Electric Power

The Compañía Nacional de Fuerza y Luz, S. A., an associate of American & Foreign Power Co., and the Instituto Costarricense de Electricidad (ICE), a government-owned utility, jointly serve most of Costa Rica's needs of electric power.

Both entities deliver for industrial and other uses electric power of the following characteristics:

- 1 Single phase 120-240 volts, 60 cycles, for residential and commercial service
- 2 Three phase service to industrial customers at 240 volts.
- 3 Larger industrial customers can be served at the distribution line voltages of 4,160 or 13,200.



The La Garita Hydroelectric Plant has a generation capacity of 30,000 kw. Other plants are being constructed to keep up with Costa Rica's fast growing use of electricity.

Cost of Power

The average annual residential kilowatt hour consumption in Costa Rica per customer is higher than in all of the other countries of Central America including Panamá. In 1957 it was even higher than in the United States, and still is among the highest in the world.

Cost of electric power is low in Costa Rica because the areas that are being served are those where most of the population is concentrated. Also, abundant water resources where the hydroelectric plants have been constructed are near the consumption centers, therefore, costs of distribution are low.

Rates of electric power have been fixed by the Servicio Nacional de Electricidad, a government agency, for the Compañía Nacional de Fuerza y Luz.

For one electric meter for measuring lighting and power, as long as the lighting does not exceed 10 per cent of the total connected load, the rates are as follows:

1. 0.03666 per KWH for the sum of the KWH consumed during the month, figured as follows:
 - (a) 60 KWH for each horsepower or fraction (or the first 3 horsepower that are contracted for,

- b) 50 KWH for each horsepower or fraction for the next 12 horsepower contracted for.
 - c) 45 KWH for each horsepower or fraction for the excess horsepower contracted for.
2. \$0.0174 per KWH for the next 750 KWH consumed during the month.
 3. \$0.0109 per KWH for the excess of KWH consumed during the month.

In addition to the above, there is a thermal factor surcharge which ranges from 7% to 8% approximately.

Minimum Monthly Cost

Up to 3 horsepower \$1.48 per KWH or fraction; from 4 to 15 horsepower \$1.236 per KWH or fraction; from 16 to 25 horsepower \$1.108 per KWH or fraction; from 26 onward \$0.089 per KWH or fraction.

For installations which are larger than 3 KWH, the minimum charges specified herein will be increased at the rate of \$0.247 per horsepower in cases where the Compañía de Fuerza y Luz provides the transformers.

The minimum monthly total cost for this type of service will never be less than \$1.48.

For charging this rate, up to 5 light bulbs of 50 watts each will not be taken into account.

Electric power services of 5 horsepower will be served with single phase current, except in those cases in which the clients pay the cost of the installation necessary to provide three phase current.

When there are several motors, the minimum monthly charge will be charged by adding up the output of all those motors and applying to that sum the minimum which would correspond to it as if it were only one motor.

For the clients who have the major part of the services in motors and a lesser part in heating, all the connected load will be reduced to horsepower for the application of the rate.

Besides the rates given here, the power company has other rates which are a fixed cost.

For loads of 100 KW or more there exists an optional rate on the basis of maximum demand.

The Costa Rican Government is placing special emphasis on the production of electric power and in 1963 finished the construction of the Río Macho hydroelectric plant, which can generate 30,000 KW. The ICE has plans for constructing another plant at Cachi, and others in the Reventazón River area which when completed will generate 120,000 KW.

Water

The new manufacturer will find that in any municipality in which he locates his plant he will find that regular water services are available. In case a particular firm needs extra large quantities of water, it can contract the services of any of the 4 well-drilling companies that have offices in San José. These charge the following rates for drilling artesian wells: \$5 per foot in the San José metropolitan area, \$6 per foot a little beyond the metropolitan area, and \$8.65 in outlying areas of the country.

Sewage Disposal

Sewer connections generally are available in the larger cities, but where large volumes of industrial wastes are a by-product, the Ministry of Public Health and SNAA (Servicio Nacional de Aeneductos y Alcantarillado), a semi-autonomous organization, will help you select a plant site where disposal will not be a problem.

At the present time Costa Rica has no general or comprehensive water pollution control law and likewise no air pollution control law. Air pollution is not now a problem in the country. Under existing laws the responsibility for controlling water pollution is divided between the Ministry of Public Health and SNAA.

The Ministry of Public Health has the legal responsibility for establishing the minimum standards of quality for drinking water supplies. In addition, all industries must obtain from the Ministry of Public Health permits for location, construction and operation before they can build new plants or improve existing ones. Under this authority the Ministry can establish waste treatment or disposal requirements for such industrial projects.

INTERNATIONAL TRANSPORTATION

Ocean Freight Service between Costa Rica and Foreign Countries

Regular and frequent scheduled sailings are maintained by the following shipping companies giving service to and from the U. S., Europe, Mexico, and Latin American ports:

Shipping companies serving Costa Rica: United Fruit Company, Linea Mercante Gran Colombiana, Compañía Colombiana de Navegación, Nippon Yusen Kaisha, Harland and Wolff, American Lloyd, French Line, Horn of Africa Line, Puerta Central Interamericana, State Marine, and the Costa Rican Line, Ximeneziana de Navegación, South American Line, Linea Hamburg and Rio Janeiro. The following are also shipping companies representing Costa Rican interests in foreign freight, some also have passengers:

Ports of call are Puerto Limón on the Caribbean and Puntarenas on the Pacific. There is weekly service to and from New York and New Orleans to and from Puerto Limón. There is also good freight service to and from Europe. Callings from Europe are mainly at Puerto Limón. Japanese vessels do not have fixed schedules of arrival in Costa Rica but an average of 5 ships monthly arrived during 1962 in Puntarenas. Japanese ships arriving in Costa Rica usually come by way of Los Angeles or San Francisco, hugging the Central American coast, and then proceeding from Puntarenas to Perú and Chile where they return to Japan. Grace Line Co. ships frequently stop at Puntarenas on their way north to Los Angeles and San Francisco. On their way south they touch Panama, Perú, and Chile.

Industrialists and other exporters are free to move their cargo to and from any country on any ship desired. There is no restriction as to nationality of vessel to be used.

Air Freight Service between Costa Rica, United States, and other Latin American Countries

There is very good air service between Costa Rica and the United States with three main airlines—Pan American, Taca, and Lacsa (a Costa Rican airline)—providing regular flights between Costa Rica and the main southern entry points into the United States. These lines carry both passengers and cargo. The main points of entry into the United States from Costa Rica are Miami, New Orleans, Houston, and Los Angeles. KLM, BOAC, Air France, SABENA and Lufthansa have sales offices in Costa Rica. Planes are boarded in Panama for flight to Europe.

TYPICAL AIR CARGO BETWEEN COSTA RICA AND UNITED STATES
(MAY, 1963)

Rate per lb.									
Less Than 100 lbs.			Over 100 lbs.			More Than 1100 lbs.			
Lacsa \$	PAA \$	Taca \$	Lacsa \$	PAA \$	Taca \$	Lacsa \$	PAA \$	Taca \$	
0.33	11		0.10	10		0.07	07		
	35	35		23	23		21	0.21	
	34			35			30		
	35			23			21		
				35			30		
				36			33		
	41			41			41		
				39			31		
			0.24	24	24	0.20	20	20	
			0.03	03		0.03	03		

(Source: TACA, S.A.)

Air Service between Costa Rica and Foreign Countries

The three airlines listed above link Costa Rica with the following areas giving direct passenger and cargo service: Panamá, Nicaragua, Honduras, El Salvador, México, and the United States. Most other countries can be reached with one-plane connections at any of the major gateways such as Miami and Panamá served directly from Costa Rica.

El Coco International Airport, located approximately 13 miles from the center of San José and near the town of Alajuela, is used mainly for international flights. It accommodates the latest jet planes flown into the country by Pan American Airways.

INTERNAL TRANSPORTATION

Air Transportation

Lacsa and other smaller local airline companies provide daily, low-cost cargo and passenger services to the main outlying towns of Costa Rica. No point within the country is further than one hour's flying time from San José.

Railway Transportation

Two railroads connect the main seaports with San José: One is the Northern Railway Company, a British owned firm, that runs from Puerto Limón on the Caribbean to San José. The other, which is the Ferrocarril Eléctrico al Pacífico, is owned and operated by the Costa Rican Government and connects San José with the Pacific port of Puntarenas. In the southern part of the country, railway freight and passenger service is provided by the Compañía Bananera de Costa Rica, a subsidiary of United Fruit Company. Rates on each railroad vary according to types of merchandise to be carried, amount of cargo, and distance. They can be obtained from the San José office of each of the three railroads.

Land Transportation

A good road system unites all the cities of the Central Valley and there is a highway to the port of Puntarenas. No road exists to Puerto Limón but plans are being made to construct this highway in the near future. The Pan American Highway runs the length of the country from northwest to southeast. Truck transportation is currently the most common method of moving goods from Costa Rica to the other Central American countries.

The following companies carry passengers and parcel-post packages to other Central American countries: Ecuara, Sireca, and Encomiendas Chiricanas.

Ecatra has large buses leaving Managua southbound and San José northbound daily at 5 a.m. One way trip is \$6.12. Round trip is \$11.66. Buses are scheduled Monday through Friday. Packages up to 10 lbs. pay \$0.50 for the package. Those weighing more than 10 lbs. pay \$0.05 per lb.

Sireca uses Volkswagen minibuses which leave San José for Managua every Monday and Thursday at 11 p.m. Cost of fare from San José to Managua is \$6.80 one way, \$12.12 round trip; San José to Tegucigalpa, \$18 one way and \$32 round trip; San José to San Salvador, \$20 one way and \$36 round trip; San José



Costa Rica exports honey to Western Germany. This apiary in Guanacaste Province produces entirely for export.

to Guatemala, \$25 one way and \$46 round trip. Sireca, also conducts a small freight service. Parcel post rates on small packages pay from San José to Managua \$0.76 for the package; to Tegucigalpa \$1.51; to San Salvador \$2.27; and to Guatemala \$3.02. For cargo weighing more than 100 lbs. rates are as follows: San José to Managua \$0.075 per lb; to Tegucigalpa \$0.09 per lb; to San Salvador \$0.12 per lb; to Guatemala \$0.15 per lb.

Encomiendas Chiricanas is a third bus passenger service. This line goes south as far as David, Panamá. It leaves San José every Friday at 6 a.m. Departures from David northbound to San José are on Tuesday at 6 a.m. One way is \$10 and round trip is \$18.

The following three trucking companies carry only heavy freight:

Soyfe (Solís y Fernández) charges on a weight basis from San José to Managua \$1.00 per 100 cwt; to Tegucigalpa \$1.50 per cwt; to San Salvador \$1.50 per cwt; to Guatemala \$2.00 per cwt. Freight rates on a volume basis from San José northbound are as follows; to Managua \$0.375 per cubic foot; to Tegucigalpa and San Salvador \$0.50 per cu. ft.; to Guatemala \$0.75 per cu. ft.

Seico, a second trucking company, charges similar rates as Soyfe. A third firm, Coordinated Caribbean Transport Company, carries freight from Matías de Galvez on the Caribbean coast of Guatemala to San José. Vans are ferried from Miami to Matías de Galvez and thence to San José. Northbound refrigerated trucks are used to transport beef, shrimp, and fish.

As road conditions improve and intra-Central American trade increases, it is to be expected that other passenger and freight services will be established in the area.

Availability of Factory Buildings

Usually a new manufacturer in Costa Rica must start by building his own plant in the area selected by him. Around the metropolitan area of San José three areas are attracting industries as factory location sites. They are: La Uruca, El Zapote, and the area south of the city.

Also, one industrial park has been recently established near El Alto de Ochomogo and another is being planned at the city of Alajuela.

The Industrial Park at Ochomogo, established by the Mid-America Development Company, owned and operated by 4 United States citizens, has a 75 acre tract of land for development, on a phase basis. The property is located on the newly paved Pan American Highway between the cities of San José and Cartago and is adjacent to the Northern Railway. At an elevation of 5,100 feet above sea level the year-round temperature is a delightful average of 70 degrees. The park offers sites for sale with the industrialist providing the construction needed in accord with the management's plan for the park. Regulations are permissive rather than restrictive; power and water are available in ample supply.

Factory buildings constructed to the specification of the occupant are offered on a lease-purchase basis.

The National Housing Institute, through its City Planning Department, has taken a special interest in zoning and is planning a new industrial park to be established by the Costa Rican Government.

Cost of land in Costa Rica is high and becoming higher as pressure of the population increases. However, on the outskirts of San José and the larger cities, good plant sites are still available at reasonable prices. Land can be leased easily.

Good civil engineers, architects, and professional builders are readily available in Costa Rica and these can be contacted through the telephone directory or by visiting the Ministry of Industries.

Advertising Services and Media

Manufacturers and other businessmen who establish themselves in Costa Rica will find that most of the general advertising agency services are available. There are four well staffed and equipped advertising agencies and 4 lesser ones. The four larger ones are capable of planning and executing campaigns in all available media, producing advertisements, preparing reports concerning the competition, and maintaining contact with distributors or agents for coordination with other marketing activities. The four agencies also plan and execute public relations projects and conduct marketing research for their clients. The four smaller agencies can produce art work and copywriting, but, in general, their services are limited and their business consists mainly in placing advertisements supplied by clients.

Media are well developed in Costa Rica and can give the manufacturer good coverage of the market. In 1963 there were 40 commercial radio broadcasting stations and an estimated 250,000 receivers were in use in the country. Small transistor receivers from Japan are being imported in growing quantities and many of these are finding their way into isolated farm communities, thus, many prospective buyers of low-cost consumer goods can now be reached in rural areas.

Television is gaining in importance as a medium. There are currently two stations, Channel 7 and Channel 9. Both channels carry good programs mostly produced in the United States with Spanish sound added and the former channel has installed a repeater station to reach Guanacaste Province. In April 1963 there were an estimated 16,000 television sets in use in Costa Rica. Movie slides in local moving picture houses are used by many businessmen to promote the sale of their goods.

Newspapers constitute a significant medium for advertisers in Costa Rica and it is estimated that most firms which do any advertising assign at least 50 per cent of their advertising budgets to this medium. There are 6 daily newspapers, the following 4 being the principal ones: La Nación, La Prensa Libre, El Diario de Costa Rica, and La República. The largest is La Nación, a tabloid, which has an audited circulation of 40,000. Aggregate circulation of the 6 dailies is about 100,000. Rates per column inch range from \$0.60 to \$1.10, depending on the newspaper. Rates for the other media are available from the media themselves or the advertising agencies.

Outdoor advertising is not too well developed although some firms use this medium effectively. There are no firms that specialize in compiling mailing lists, but some trade and other types of directories are available for firms that are interested in using direct mail.

Living Conditions in Costa Rica

Executive personnel going to Costa Rica are able to find comfortable, attractive housing at costs comparable to those in the United States. In the residential suburbs of San José, good unfurnished houses, large furnished houses, and excellent apartments rent from \$ 125 to \$ 250 per month. In smaller cities and town, houses are not as luxurious as in San José and rents are lower than in the capital city. Most executives arriving in Costa Rica will locate in the San José area.

Average costs for home-use electricity run from \$ 5 to \$ 20 per month depending on size of the house and amount of current used. Telephone service is less than \$ 2 per month.

San José has several modern supermarkets, hardware and appliance stores, clothing and speciality shops, fashionable beauty parlors, dependable laundries and dry cleaners. Shops in Costa Rica carry a wide variety of merchandise in well-known United States brands, as well as local products. Prices on food products from the United States, particularly canned foods, are high. But locally canned products are low in cost. Development of local slaughter houses, dairy herds and foods processing plants are helping to bring down prices on foodstuffs. During the season fresh fruits can be bought at practically give-away prices. During the off season, prices tend to go up.

San José and the larger urban areas have pure city water supply and a modern sewerage system. Milk is pasteurized and other high food and drug standards are observed.

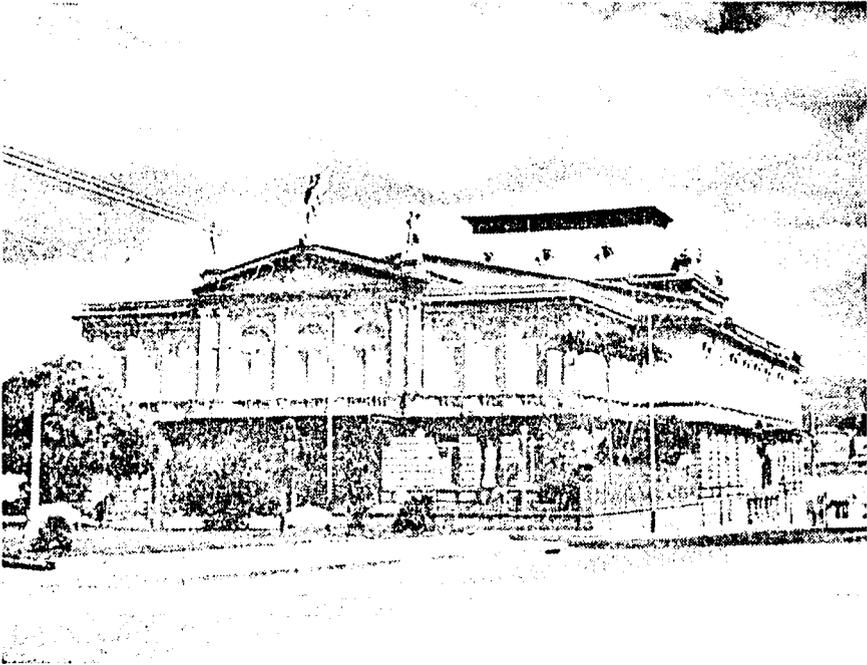
The Central Valley's year-round sunshine, modern sanitary conditions and advanced medical services make it one of the most healthful places in the Western Hemisphere. San José and its greater metropolitan area is at an altitude of 3,800 to 4,000 feet. At this height the climate is temperate and similar to coastal Southern California in the late spring. December to April is known as the "dry" season whereas the balance of the year is characterized by heavy tropical rainfall confined normally to the afternoon and early evening period.

There are excellent clinics and good hospitals in San José. Capable general practitioners, specialists, and surgeons, many of whom are United States trained, are available as are dentists, oculists, and optometrists.

The official language of the country is Spanish. Many of the people in industry, commerce, government, and the professions speak English fluently. English is taught as a second language in Costa Rica's public schools. Many secretarial schools offer English. The Costa Rica-United States Cultural Center has an average of 1,500 students who take English language classes. Free English lessons are given daily by television. It is estimated that a minimum of 100,000 Costa Ricans can read English and 75,000 of these can speak it too.

There are several accredited private schools for English speaking children, ranging from kindergarten through high school. Most are sectarian but will enroll students of other faiths. Tuitions in private schools generally are lower than in the United States. The University of Costa Rica is the most modern and best equipped university in Central America. It offers degrees in medicine, economics, business administration, law, various types of engineering, and the liberal arts and physical and social sciences.

Culture is keeping step with the advance in industrialization. Music and opera lovers can attend the frequent presentations of the San José Symphony Orchestra and Italian opera companies.



The famed National Theater has been the site of many an international conference. Here President Kennedy met with the Central American presidents. The theater was built by the contributions of independent coffee growers. It is Costa Rica's main cultural center.

On occasions, theater groups from the United States offer presentations in San José's famed National Theater. Ballet schools are flourishing throughout the country. There are movie houses in the key cities with the latest Hollywood and foreign films.

For recreation and sports, there are good beaches on the Pacific Coast, especially at Puntarenas, which is Costa Rica's summer resort. Skin-diving, game fishing, hunting, tennis, golf, horseback riding are some of the activities commonly engaged in by United States executives in Costa Rica.

Drinking water is good in Costa Rica. The Costa Rican National Water and Sewerage Authority, the entity entrusted with responsibility of planning, constructing, and operating water and sewerage facilities in the country, has as its main concern the delivery of potable water and treatment and disposal of rain and sewage waters.

San José offers the amenities of a large United States town yet offers the quietness and tranquility of a small town in the United States. The air has not been polluted by industrialization. Streets and parks are clean. Although use of motor vehicles is very widespread, traffic jams have not begun to occur in San José. Policemen are very well-mannered. People are glad to help the visitor or new resident.

Democracy, genuine democracy, the characteristic that makes living in Costa Rica most enjoyable, is ever-present. Some people regard Costa Rica as the most democratic country in Latin America. This particular quality, plus the various market opportunities which it presents, are making Costa Rica very attractive to United States and European businessmen who are looking for a good country in which to locate in Latin America, particularly from which to supply the growing Central American Common Market.

American Firms, Subsidiaries and Affiliates in Costa Rica

U. S. firms have been showing increasing interest in investing in Costa Rica. Following is a list of some firms in which American companies or individuals have a substantial direct capital investment in the form of stock, as the sole owner, or as a partner in the enterprise. No attempt has been made to include foreign firms operating under a contract, license or commission basis, where no actual U. S. capital is involved, and in which U. S. firms participate solely on a royalty or profit-sharing basis.

The list is not all inclusive and non-commercial enterprises and institutions such as churches, missions, schools, and hospitals, financed or operated by U. S. charitable or religious organizations have also been omitted.

These are the U. S. firms, subsidiaries and affiliates in Costa Rica:

Compañía Nacional de Fuerza y Luz, S. A. Apartado XXVI San José, Costa Rica	(Supplies electric power & light)	Subsidiary of American and Foreign Power Co., 2 Rector St., New York, N. Y.
Cia. Bananera de Costa Rica Apartado CM San José, Costa Rica	(Grower & exporter of bananas and cacao)	Subsidiary of United Fruit Company, 1 Federal Street Boston, Mass.
Cia. Radiográfica Internacional de Costa Rica Apartado 54 San José, Costa Rica	(Radiotelegraph & radiotelephone communications)	Subsidiary of Tropical Radio & Telegraph Company 321 St. Charles Avenue New Orleans, La.
Standard Fruit Company Puerto Limón, Costa Rica	(Exporter of bananas)	Main Office: Standard Fruit & Steamship Co. 944 St. Charles, New Orleans, La.
Cia. Petrolera California Calle 11 y av. 1ª San José, Costa Rica	(Importer & distributor of petroleum products.)	Subsidiary of Standard Oil Co. of California, 225 Bush St. San Francisco, Calif.
Grace & Co. Central America Apartado 1076 San José, Costa Rica	(Importers & distributors of general machinery and many other lines)	Subsidiary of W. R. Grace & Co., Hanover Square, New York City, N. Y.
Cia. Burroughs de Centro America S. A. Apartado 2337 San José, Costa Rica	(Sale & service of adding & calculating machines)	Subsidiary of Burroughs Corp. 6071 2nd Blvd Detroit, Mich.
Esso Standard Oil, S. A. Ltd Apartado XXIII San José, Costa Rica	(Importer & distributor of petroleum products)	Standard Oil Company (New Jersey) 30 Rockefeller Plaza New York 20, N. Y.
Texaco Caribbean, Inc Apartado 1304 San José, Costa Rica	(Importer & distributor of petroleum products)	Texaco Inc. 135 East 42nd Street New York 17, New York.
Pan American World Airways Inc Apartado 1436 San José, Costa Rica	(Air transportation Company)	(Main Offices: Pan American World Airways Inc., Latin American Div. P. O. Box 817 Miami 43, Florida.)
Industrias Alimenticias S. A. (NUMAR) Apartado 3657 San José, Costa Rica	(Manufacturers of oleo-margarine and other edible fats and oils)	Majority of stock is held by American resident in Costa Rica and the U.S.

Republic Tobacco Company Apartado 896 San José, Costa Rica	(Manufacturers and distributors of tobacco products. Also importers & distributors of same)	Subsidiary of British American Tobacco Co. 1600 West IIIll Street Louisville, Kentucky
Weyerhaeuser de Costa Rica Apartado 54 Limón, Costa Rica	(Manufacturer & exporter of veneer)	Owned by American residents in the U.S. and Costa Rica
Pan American Standard Brands, Inc. Apartado 1465 San José, Costa Rica	(Importers & distributors of yeast, baking powder, & gelatine)	Parent company: Standard Brands, Inc., International Division, 626 Madison Ave. New York 22, N. Y.
Alumunium Co. of America (ALCOA) Avenida del Cementerio San José, Costa Rica	(Exploration for bauxite)	Main Office: 1208 Alcoa Bldg. Pittsburgh, Pa.
Sears Roebuck, S. A. Apartado 3024 San José, Costa Rica	(Department Store)	Subsidiary of Sears Roebuck & Co., 925 So. Noman Avenue Chicago, Illinois.
Recauchadora F. B. Goodrich La Uruca, San José Costa Rica	(Tire recapping and rethreading plant)	Subsidiary of F. B. Goodrich Corporation, Akron, Ohio
Gulf Costa Rica Co., S. A. Apartado 1712 San José, Costa Rica	(Importers and distributors of petroleum products)	Subsidiary of Gulf Oil Corporation, 2900 Gulf Bldg., Pittsburgh, Pa.
Osa Productos Forestales, S. A. Apartado 2570 San José, Costa Rica	(Exploitation of timber stands)	A Gonyea Pritzken enterprise
Industria de Plásticos Nacionale Apartado 5123 San José, Costa Rica	(Mfrs. of Polystyrene goods)	Subsidiary of Polymer International Corp. 140 East 38th Street New York, N. Y.
Sterling Products International, S. A. Apartado 1 San José, Costa Rica	(Mfr. of medicinals and toiletries)	Subsidiary of Sterling Drug Co., Inc. 145 Broadway, New York City
Mead Johnson Int. Ltd. Apartado 3937 San José, Costa Rica	(Mfr. of nutritional and pharmaceutical products)	Subsidiary of Mead Johnson & Co. 2404 Penn. Evansville, Indiana
Colgate Palmolive (Costa Rica) S. A. Apartado C San José, Costa Rica	(Mfr. of toilet preparations)	Subsidiary of Colgate Palmolive Co. 302 Park Avenue New York, N. Y.
IBM de Costa Rica, S. A. Apartado 1071 San José, Costa Rica	(Lease of business machines)	Subsidiary of International Business Machines World Trade Corporation 59 Madison Avenue New York, N. Y.

Mid America Development Co. Apartado VII San José, Costa Rica	(Industrial Developers, Parque Industrial de Ochoyogo)	Owned by Americans residents of Costa Rica
Westomatic Ltda. Apartado 4141 San José, Costa Rica	(Electric water heaters & tanks)	Owned by Americans residents of US & Costa Rica.
McCann Erickson Centro-americanaa Calle 4, Avenida 4 San José, Costa Rica	(Advertising Agency)	McCann Erickson New York, N. Y.

Manhattan shirts and Mennen products are being produced under license in Costa Rica. Other products which, it is reported, will also be produced in Costa Rica under licensing arrangements are Remington cartridges, Bestform brassieres, Breck shampoo, Revlon cosmetic products, McGregor clothes and others. Firestone Tire Company is planning to set up in Costa Rica a large plant to manufacture tires for the entire Central America area. Other United States firms are developing their plans to set up manufacturing facilities in Costa Rica and thus retain the market which they have through the years established for their brand products in this market.

PUBLICATIONS ABOUT COSTA RICA

1. Publications obtainable from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.
 - a) "Investment in Central America Basic Information for United States Businessmen", 1957. \$1.50.
 - b) "Basic Data on the Economy of Costa Rica", 10 cents.
 - c) "Industrial Encouragement Law of Costa Rica", 1963.
 - d) "Pharmaceutical Regulations of Costa Rica", 10 cents.
 - e) "Licensing and Exchange Controls... Costa Rica", 10 cents.
 - f) "Investment in Costa Rica", 10 cents.
 - g) "Basic Data on the Economy of Costa Rica", 10 cents.
 - h) "Import Tariff System of Costa Rica", 10 cents.
2. Publications available from the Ministry of Industries, Apartado 5001, San José, Costa Rica.
 - a) "Regulations Governing Law N° 2426 (Industrial Development Law)".
 - b) "Mineral Map of Costa Rica".
 - c) "Geologic Map of Costa Rica".
 - d) "Estudio sobre las Posibilidades de Inversión en Costa Rica", by Mario Romero and Roberto Sasso, April 1961, Spanish.
 - e) Reports prepared by U. S. technicians under contract with the Agency for International Development in the following fields: food processing, textile industry, metalworking industry, fisheries, leather tanning industry, food distribution, meat industry, marketing, and lumber industry.
 - f) "Industrial Directory of Costa Rica" (lists names and addresses of manufacturers and products made, to be published during 1963).
3. "Costa Rica A Lucrative Foreign Investment Center for United States Companies", by Walter H. Diamond, Editor, Foreign Tax and Trade Briefs, c/o Matthew Bender & Co., Inc., 205 East 42nd St. New York 17, N. Y.
4. "Report on Costa Rica", pages 4-25, Latin American Report Magazine, Vol. IV, N° 5, published by Latin American Reports Inc., International Trade Mart, New Orleans 16, Louisiana. Single copy price 50 cents.

5. "Comments on Tax and other Considerations Affecting Foreign Business Enterprises in the Republic of Costa Rica", September 1962, prepared by Juan A. Cotera and Juan P. Malvido, OPTEL, Apartado 206, San José, Costa Rica.
6. Publications obtainable from the Pan American Union, Washington 6, D. C.
 - a) "Statement of the Law in Costa Rica in Matters Affecting Business" \$5.
 - b) "Costa Rica" (American Republic Series Nº 6 published 1960, 25 cents).
 - c) "Motoring in Central America and Panamá", 1961.
7. Series of colored brochures, lists of hotels, steamship line agencies serving Costa Rica, real estate agents, travel agencies, railroad schedules and passenger rates, and other information. Instituto Costarricense de Turismo, Apartado 777, San José, Costa Rica.
8. "Carta Economica" (weekly 2 page newsletter in Spanish), Banco Central, San José, Costa Rica.
9. "Adventure in Costa Rica", Dixie Publishers, Tallahassee, Florida, 1959. \$ 4. (A United States tourist stays in Costa Rica three months and describes his interesting observations of the country).
10. Topographic maps of Costa Rica available from the Instituto Geográfico, Ministerio de Obras Públicas, San José, Costa Rica. Also available from the Institute are published geologic studies prepared by that agency.
11. "Guide to the Central American Common Market", Banco Centroamericano de Integración Económica, Tegucigalpa Honduras, 1963. Contains much information about Costa Rica.



The laboratory of the Ministry of Industries analyzes indigenous raw materials and their products. Private industry is constantly requesting its services.

organization empowered by law to promote the industrial develop-
What the Ministry of Industries Can Do for You

The Ministry of Industries is the Costa Rican Government
ment of the country and to help increase the productivity of
existing industrial enterprises in the country.

Even before you arrive in Costa Rica, the well-qualified staff
of the Ministry of Industries can start to assist you in evaluating
specific investment opportunities in Costa Rica. Your letters
requesting additional information on how to establish yourself in
Costa Rica will be promptly answered by the Ministry.

This office will show you how to submit a request soliciting
that specific incentives be granted to the new plant you propose
to establish. It will also help you:

- a) Find additional sources of information which will help you
make a complete market research for the products you
intend to manufacture.
- b) Put you in contact with lawyers, accountants, engineers,
or other professionals who can offer you the services you
specifically request.
- c) Make arrangements for bank services.
- d) Become acquainted with local sales representatives of firms
which can supply materials you will need in your plant.
- e) Make the necessary arrangements with local trucking and
shipping companies for transportation and delivery of ma-
chinery, equipment and materials.
- f) Obtain public utility services such as water, light, telephone,
etc., for your factory.
- g) Help you recruit necessary labor.
- h) Solve every initial problems that might otherwise cause delay
before your plant started.

The Ministry of Industries has a well-equipped laboratory
in which you can make product studies and experiments on certain local raw
materials which your plant will utilize.

The Ministry also has several specialists, several economic
analysts, a professional engineer, an accountant, and
other personnel who know the local business
conditions and are prepared to help you get os-
tensibly started.

For more information on the Ministry
of Industries, write to the Ministry
of Industries, P.O. Box 1000, San José,
Costa Rica. The Ministry of Industries
will be glad to provide you with a
copy of the "Manual for Investors in
Costa Rica" and the "Law of Incentives
to Industrial Development".

With a technical library containing more than 5,000 books and other pieces of literature in English and Spanish on industry and management, the Ministry offers businessmen a place where they can do their own research and study.

Through its Industrial Development Center, the Ministry of Industries offers frequent seminars on management, marketing, and other subjects of interest to industrialists. It also gives short courses on work simplification and other subjects which enable labor and management to increase productivity of their plant.

Two industrial advisors employed by the Agency for International Development are on call full-time in the Industrial Development Center to advise prospective investors.

For further information required on specific industrial projects to be established or investments to be made in Costa Rica, write to

Ministerio de Industrias
Apartado 5001
San José, Costa Rica.

For a personal visit the address is: 4th Floor, Edificio Steinvorth, San José, Costa Rica. The telephones are 6936, 6937, or 5835, Extension 44.

Good **CLIMATE**



means

COSTA RICA

CENTRAL AMERICA

DIRECTORY OF INDUSTRIAL AND BUSINESS FIRMS

(The following firms contributed in the publishing of this handbook)

ADVERTISING MEDIA

Advertising Agencies:

Alberto H. Garnier Ltda.
P.O. Box 823
San José, Costa Rica

McCann Erickson Centroamericana Ltda.
P.O. Box 4505
San José, Costa Rica

Publicentro Ltda.
P.O. Box 2930
San José, Costa Rica

Publicidad Norte Ltda.
P.O. Box 3957
San José, Costa Rica

Publicitaria Moderna S. A.
P.O. Box 3062
San José, Costa Rica

Newspapers

La Nación S. A. (Morning-Daily)
P. O. Box 2046
San José, Costa Rica

La Prensa Libre (Evening-Daily)
P. O. Box 1533
San José, Costa Rica

Radio and Television Stations

La Voz de la Victor (Radio Station)

P.O. Box 3611
San José, Costa Rica

Televisora de Costa Rica Ltda. (Canal 7 TV)

P.O. Box 3876
San José, Costa Rica

Tic Tac Televisión (Canal 9 TV)

P.O. Box 4666
San José, Costa Rica

AGENCIES

Agencias Unidas S. A.

P.O. Box 1324
San José, Costa Rica
(Representative of foreign manufacturers)

Importadora Técnica Industrial Ltda.

P.O. Box 3836
San José, Costa Rica
(Representative of foreign manufacturers)

Servicios Técnicos S. A.

P.O. Box 4366
San José, Costa Rica

AIR LINES

LACSA (Lineas Aéreas Costarricenses S. A.)

National & International
P.O. Box 1531
San José, Costa Rica

ASSOCIATIONS & ORGANIZATIONS

A.I.D. (Agency for International Development)

c/o U.S.A. Embassy
San José, Costa Rica

A.N.F.E. (Asociación Nacional de Fomento Económico)

P.O. Box 3577
San José, Costa Rica

Cámara de Industrias de Costa Rica

P.O. Box III
San José, Costa Rica

Centro de Cooperación Técnica Industrial

P.O. Box 5001
San José, Costa Rica

Instituto Costarricense de Turismo (ICT)
P.O. Box 777
San José, Costa Rica

Ministerio de Industrias
P.O. Box 5001
San José, Costa Rica

BANANA GROWERS AND EXPORTERS

Cia. Bananera de Costa Rica
P.O. Box "CH"
San José, Costa Rica

BEVERAGES (ALCOHOLIC)

Fábrica Nacional de Licores
P.O. Box 5014
San José, Costa Rica

BUILDING & CONSTRUCTION MATERIALS

Industrias Concreto Herrera Ltda.
P.O. Box 1153
San José, Costa Rica
(Cement blocks, pipes, slabs, etc.)

Maderas Nacionales S. A. (Lumber)
P.O. Box 1930
San José, Costa Rica

Plywood Costarricense S. A.
P.O. Box 2007 (Plywood, veneer)
San José, Costa Rica

Servicios Técnicos S. A.
P.O. Box 4366
San José, Costa Rica
(General construction and aluminium materials)

Traversa Ltda.
P.O. Box 3613 (Metal structural materials)
San José, Costa Rica

CERAMICS

Industria Cerámica Costarricense Ltda.
P.O. Box 4120 (Sanitary ware and lamps)
San José, Costa Rica

COFFEE GROWERS AND EXPORTERS

Agencias Unidas S. A.
P.O. Box 1324
San José, Costa Rica

Café Presto
P.O. Box 4488
San José, Costa Rica

Manuel Ortuño e hijos
P.O. Box 247
San José, Costa Rica

Sánchez Cortés e hijos
P.O. Box "E"
Heredia, Costa Rica

COMMUNICATIONS

Cia. Radiográfica Internacional de Costa Rica
P.O. Box 54
San José, Costa Rica

(International cable service)

CONSULTANTS — MANAGEMENT — MARKETING — FINANCIAL — LICENSING

Asesores Económicos y Financieros
e o Ciudad Universitaria
San Pedro de Montes de Oca
Costa Rica

International Association (Developers)
P.O. Box 2166
San José, Costa Rica

Latin American Business Publications Co. Ltd.
P.O. Box 2988
San José, Costa Rica

(Technical translations; preparation, production, distribution
of Spanish language industrial marketing literature)

CUSTOMS BROKERS

Felipe J. Alvarado y Cia. Sucs., S. A.
P.O. Box 474.
San José, Costa Rica

(Shippers and consignees of merchandise)

DRY CLEANERS

Lavandería Sixaola S. A.
Cs. 7/9 Av. 2
San José, Costa Rica

ELECTRIC REPAIR SHOPS

Fernando Herrera Murillo
200 Vs. Oeste del Teatro Líbano
San José, Costa Rica

(Generators, motors, regulators, starters)

FABRICS

Fábrica de Tejidos Los Leones S. A.
P.O. Box 1303 (Bedspreads)
San José, Costa Rica

Impas de Centro América Ltda.
P.O. Box 3784 (Trimmings)
San José, Costa Rica

Jorge Solergibert Mercadé
P.O. Box 4171 (Trimmings)
San José, Costa Rica

Sanou & Pazos Ltda.
P.O. Box 2209 (Mattresses)
San José, Costa Rica

FIBERS

S.A.I. San Cristóbal Ltda.
P.O. Box 1957
San José, Costa Rica

(Cabuya products, rope, coffee bags)

FOODS AND FOOD PRODUCTS

Alpre S. A.
P.O. Box 3601 (Canned fruits & vegetables)
San José, Costa Rica

Costa Rica Cocoa Products Co. Ltda.
P.O. Box 1724 (Powdered chocolate, candy bars)
San José, Costa Rica

Fegara Ltda.
P.O. Box 4040 (Soups, crackers, macaroni)
San José, Costa Rica

Industrias Alimenticias S. A.
P.O. Box 3657 (Cooking oils, margarine, mayonnaise)
San José, Costa Rica

Industrias Lizano Ltda.
P.O. Box 104 (Pickles, sauces, dressings, etc.)
Alajuela, Costa Rica

Productos Alimenticios Nacionales S. A.
P.O. Box 4079
San José, Costa Rica

Productos Galeón (Tropical fruits
Bowman Ltda. banana chips, snack foods)
P.O. Box 4141
San José, Costa Rica

FOOD STORE

Almacén La Garantía
José Peña L., Ltda.
P.O. Box 83
San José, Costa Rica

FURNITURE & PARTS

Dania Manufacturing Co.
P.O. Box 2166 (Wooden salad bowls & tableware)
San José, Costa Rica

Fábrica de Billares Aguilar Hnos.
P.O. Box 46 (Pool & billiard tables)
Alajuela, Costa Rica

Fábrica de Pisos Ltda.
P.O. Box 333 (Parquet floors)
San José, Costa Rica

Imar Ltda. (Wood furniture & parts)
Barrio Sagrado Corazón de Jesús
San José, Costa Rica

Materiales Pre-Fabricados S. A.
P.O. Box 3439 (Cardboard boxes)
San José, Costa Rica

Rosago Ltda.
P.O. Box 1911 (Metal, office)
San José, Costa Rica

Urgellés & Penón
P.O. Box 79 (Wood, home & office)
San José, Costa Rica

HOTELS

Gran Hotel Costa Rica
P.O. Box 527
San José, Costa Rica

Hotel Europa
P.O. Box 72
San José, Costa Rica

Hotelería Nacional Ltda.
Hotel Balmoral
P.O. Box 3344
San José, Costa Rica

Hotel Royal Dutch
P.O. Box 4258
San José, Costa Rica

INVESTMENT BROKERS — CONSULTANTS

FINSA (Financiera Nacional S. A.)
P.O. Box 4488
San José, Costa Rica

Latin American Development Enterprises S. A.
P.O. Box 4627
San José, Costa Rica

LEATHER GOODS

Talabartería La Mexicana
P.O. Box 1831
San José, Costa Rica

LIGHTING — FIXTURES — LAMPS & ACCESSORIES

Trabajos Electrotécnicos Ltda.
P.O. Box 327
San José, Costa Rica

MEN'S & WOMEN'S CLOTHING

Dada Hnos. Ltda.
P.O. Box 1673 (Men's socks)
San José, Costa Rica

Industrias Barzuna Hnos. Ltda.
P.O. Box 1262 (Shirts, jackets, shorts)
San José, Costa Rica

METAL CONTAINERS

Canco S. A.
P.O. Box 4535 (Tin-cans)
San José, Costa Rica

Envases Comerciales S. A.
P.O. Box 1592 (Aluminum collapsible tubes)
San José, Costa Rica

METAL PLATES

Costa Rica Metal Plates Ltda.
P.O. Box 655
San José, Costa Rica
(Signs, letters, emblems)

OFFICE EQUIPMENT

I.B.M. de Costa Rica
P.O. Box 1071
San José, Costa Rica

OIL, PETROLEUM, GASOLINE

Esso Standard Oil S. A. Ltda.
P.O. Box XXIII
San José, Costa Rica

Shell of Costa Rica S. A.
P.O. Box "F"
San José, Costa Rica

Texaco Caribbean Inc.
P.O. Box 1304
San José, Costa Rica

PAINTINGS & WORKS OF ART

Taller de Arte Apel
P.O. Box 1184
San José, Costa Rica
(Hand paintings)

PAINTS — VARNISHES — LACQUERS

Kativo S. A.
P.O. Box 4178
San José, Costa Rica

PAPER PRODUCTS

Convertidora Nacional de Papel Ltda.
P.O. Box 2000
San José, Costa Rica
(Paper bags)

PHARMACEUTICAL PRODUCTS

Laboratorios Ancla
P.O. Box 3434
San José, Costa Rica

Laboratorios Químicos Industriales S. A.
P.O. Box 3674
San José, Costa Rica
(Manufacturers of human & veterinary products)

Sterling Products International S. A.
P.O. Box "L"
San José, Costa Rica
(Drugs-hair preparations)

PHONOGRAPH RECORDS

Indica Ltda.
P.O. Box 1615
San José, Costa Rica
(Musart, Warner Bros, Capitol, C.B.S., Columbia,
local recordings)

PRINTERS & LITHOGRAPHERS

Casa Gráfica Ltda.
P.O. Box 15
San José, Costa Rica

Imprenta Nacional
P.O. Box 5024
San José, Costa Rica
(Government publications)

Latin American Business Publications Co. Ltd.
P. O. Box 2988
San José, Costa Rica
(Publishers' services; preparation, production, distribution
of Spanish language industrial marketing literature)

PUBLIC UTILITIES

Cia. Nacional de Fuerza y Luz S. A.
P.O. Box XXVI
San José, Costa Rica
(Light & electric power)

RETAIL STORES

Bedout & Arango Ltda.
P.O. Box 1856 (Home appliances & furniture)
San José, Costa Rica

Panatra Ltda.
P.O. Box 2018 (Home appliances & furniture)
San José, Costa Rica

SAW MILLS

Aserradero Sequeira Ltda.
P.O. Box 47 (Sawn lumber)
Heredia, Costa Rica

Pacific Lumber Co. S. A.
P.O. Box 1930 (Lumber construction materials)
San José, Costa Rica

SHIPPING LINES

Agencias Unidas
P.O. Box 1324
San José, Costa Rica

Tica Line
P.O. Box 405
San José, Costa Rica

New York Office: 24 State Street
(Express non-stop service - New York - Limón - New York)

SOAPS — DETERGENTS — CLEANERS — ETC.

Colgate - Palmolive of Costa Rica S. A.
P.O. Box "G"
San José, Costa Rica

Industrias Punto Rojo
P.O. Box 160
Alajuela, Costa Rica

SPORTING GOODS

Almacén y Tienda Carlos Luis
P.O. Box 1950
San José, Costa Rica

**ADDITIONAL LIST OF FIRMS THAT CONTRIBUTED
TO PUBLISH THIS HANDBOOK**

ASSOCIATIONS & ORGANIZATIONS

Cámara de Comercio de Costa Rica
P.O. Box 1114
San José, Costa Rica

Departamento de Promoción Industrial
Ministerio de Industrias
P.O. Box 5001
San José, Costa Rica

BREWERIES

Cerveceria Ortega
P.O. Box 847
San José, Costa Rica

Florida Ice and Farm Co.
P.O. Box XXI
San José, Costa Rica

FERTILIZERS

Fertilizantes de Centro América, S. A. (FERTICA)
P.O. Box 5128
San José, Costa Rica

Abonos Agro, S. A.
P.O. Box 2007
San José, Costa Rica

OIL, PETROLEUM, GASOLINE

Gulf Costa Rica Co., S. A.
P.O. Box 1712
San José, Costa Rica

PHARMACEUTICAL PRODUCTS

Laboratorios Luz, S. A.
P.O. Box 1246
San José, Costa Rica

PLASTICS

Industrias Plásticas Nacionales, Ltda.
P.O. Box 5123
San José, Costa Rica

RETAIL STORES:

Almacén Antonio Gazel, S. A.
P.O. Box 1546
San José, Costa Rica

(Fabrics)

TRANSPORTATION

Transportes Aeropuerto, Ltda.
P.O. Box 4393
San José, Costa Rica

(Trucking Service)

WORKSHOP EQUIPMENT

Miller Hermanos Sociedad Comercial, Ltda.
P.O. Box 2890
San José, Costa Rica