

## Market Overview

Costa Rica has achieved the highest level of economic development in Central America; however, due to its population size (4.8 million) the country relies on foreign investment and access to international markets in order to continue developing. Its economy is dominated by tourism, and agriculture is the second largest employment sector; it employs 11.4% of the economically active population. In spite of this, Costa Rica imports large quantities of fresh and processed foods. Moreover, the country relies on imports for the majority of its staple foods. In 2014, U.S. agricultural exports to Costa Rica totaled \$610 million USD; bulk products (\$295 million USD) and consumer-oriented products (\$224.9 million USD) were the two main categories.

Costa Rica is an attractive market for high-value consumer products from the U.S. The CAFTA-DR Free Trade Agreement has liberalized trade, and as a result U.S. exports have grown considerably. This treaty is responsible for eliminating tariffs on virtually all agricultural products within a maximum of 15 years. Aside from the benefits of the CAFTA-DR, most of the individuals involved in international business dealings are bilingual. Tourism is a big component of the Costa Rican GDP, totaling about 12.1% in 2013. Tourists often prefer foods and beverages that are not domestic; therefore, their tastes' further the demand of food imports. These are some of the food items and categories with the best prospects: yogurt, bakery & confectionary products, snacks & chips, meat & meat products, breakfast cereals, wine, beer, and pet food.

## Opportunities and Advantages

- U.S. food products are competitive in terms of price and quality.
- Retailers are interested in carrying more U.S. products, including private label goods.
- Consumers trust the quality of U.S. food products and follow U.S. market trends.
- The urban population enjoys a high disposable income (approximately 10,400 USD per capita in 2015)

## Market Challenges

- Navigation through some of Costa Rica's import procedures can be difficult for those inexperienced with the process.
- Many U.S. products (especially regional brands) are still unknown or unappealing to importers and retailers.
- The free trade agreements with China, Colombia, Peru and the EU will increase competition from those exporters

## SUSTA Sponsored Events in Costa Rica:

Costa Rica Inbound Trade Mission

- [http://gain.fas.usda.gov/Recent%20GAIN%20Publications/San%20Jose\\_Costa%20Rica\\_12-3-2015.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/San%20Jose_Costa%20Rica_12-3-2015.pdf)
- Euromonitor, Passport Site-Country Profile: Costa Rica

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