

# INVESTING IN COSTA RICA

## LIFE SCIENCES SECTOR

Invest with **purpose**

Visit **cinde.org**

# COSTA RICA

## A BREATHING LAB FOR MEDTECH SOLUTIONS



### **Access to most important markets:**

58 trade partners,  
granting access to  
the world's greatest  
markets

### **2nd largest exporter of MD in LATAM**

(PROCOMER, 2019)

### **High productivity: #2 in pay to productivity in Latin America**

(WEF, 2018)

### **2<sup>nd</sup> most politically stable country in Latin America**

(World Bank, 2018)

### **#1 in Human Capital in Latin America**

(WEF, GCR 2019)

### **Tax incentives in FTZ Regime:**

Among the most  
comprehensive tax  
incentive systems in  
LATAM

Invest with **purpose**



# Discover how **CINDE** the #1 investment promotion agency in the world can help you venture in Costa Rica






















- **Private, non-profit, non-political organization** focused on the attraction of foreign direct investment .
- **+35 years actively promoting foreign direct investment**, providing local support, advisory and post-establishment services.
- As a non-profit organization **all our services are free** for the companies.
- **Extensive experience in strategic sectors** such as Corporate Services, Digital Technology, **Life Sciences**, Manufacturing, Clean Technologies, Food Industry, and more...

An adventure of a lifetime...

Invest with **purpose**

# CINDE'S SERVICES

- Assistance during the [site selection](#) process
- Meeting the investors' [information needs](#): coordinate meetings with government organizations, universities, and key service providers
- [Specialized support](#) geared to new operational expansion projects or promoting product diversification
- CINDE's [service providers directory](#): list of key providers such as attorneys, accountants, industrial and office parks, environmental advisers, banks, among others

 <b>Corporate Law (+15 lawyers)</b> 9 providers	 <b>Corporate Law (-15 lawyers)</b> 7 providers	 <b>Tax &amp; Accounting Advisers</b> 5 providers	 <b>Recruitment, Payroll &amp; HR</b> 11 providers
 <b>Telecom</b> 2 providers	 <b>Immigration Law</b> 1 provider	 <b>Labor Law</b> 2 providers	 <b>Banks</b> 3 providers
 <b>Consulting Services</b> 2 providers	 <b>Logistics</b> 5 providers	 <b>Environmental Validation &amp; Regulation</b> 2 providers	 <b>Energy Efficiency &amp; Industrial Recycling</b> 2 providers
 <b>Relocation &amp; Housing</b> 2 providers	 <b>Cafeteria Admin</b> 1 provider	 <b>Construction, Architecture &amp; Design</b> 9 providers	 <b>Office Furniture</b> 1 provider
 <b>Industrial Gases &amp; Industrial Suppliers</b> 3 providers	 <b>Facilities Services</b> 7 providers	 <b>Project Management</b> 5 providers	

1

MORE THAN **300 HIGH-TECH COMPANIES**, 24% OF FORTUNE 100 COMPANIES HAVE ESTABLISHED **SUCCESSFUL OPERATIONS... AND ARE STILL GROWING**

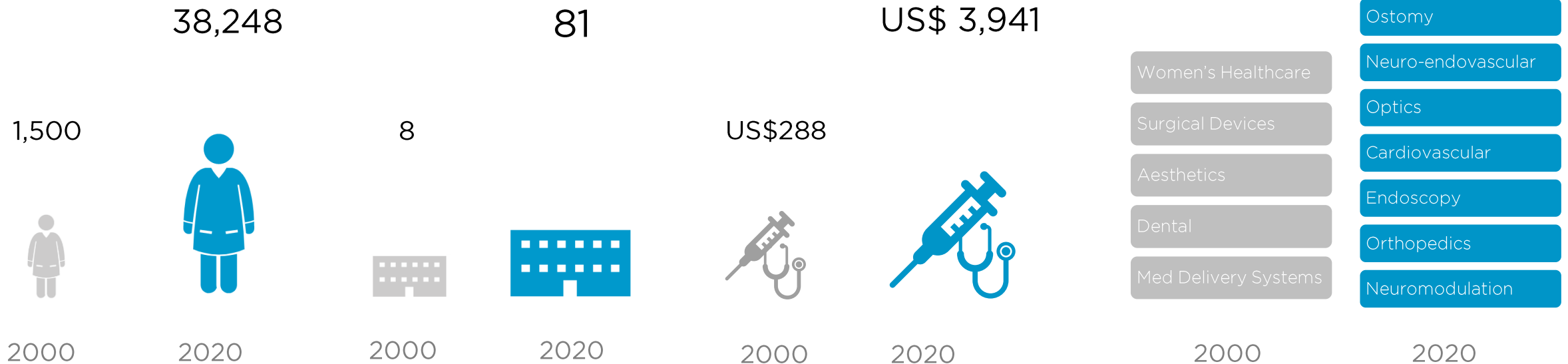
INVEST

**WITH PURPOSE**



# EVOLUTION OF THE MEDTECH SECTOR

LIFE SCIENCES SUBSECTORS HAVE GROWN FROM 5 TO 14 IN 20 YRS



# INCREASED PRODUCTIVITY IN THE MEDTECH SECTOR

## MEDTECH SECTOR AVERAGE OUTPUT PER EMPLOYEE

**A GROWTH OF  
35%  
SINCE 1999**



1999: **US\$76K**



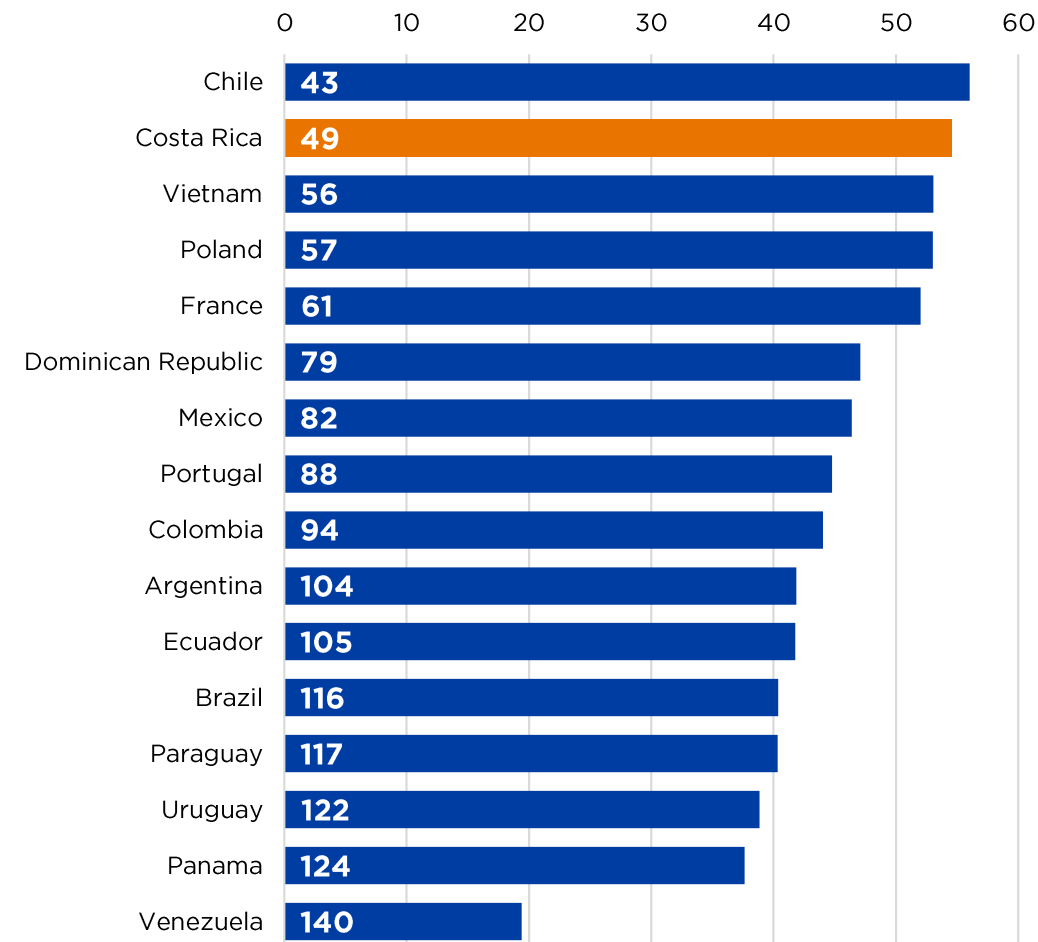
2020: **US\$103K**

Source: CINDE and PROCOMER; data for companies attracted by CINDE

- **Attrition rate:**
  - Unwanted Turnover rate for Medical Device Companies: 18% in 2019 (latest available)
  - Best in class (is the company with lowest undesired turnover rate) was 1.3%.
  - Decreasing trend is expected for 2019: 17.8% of unwanted turnover

Source: CINDE, 2020. Data comes from survey conducted in by PwC

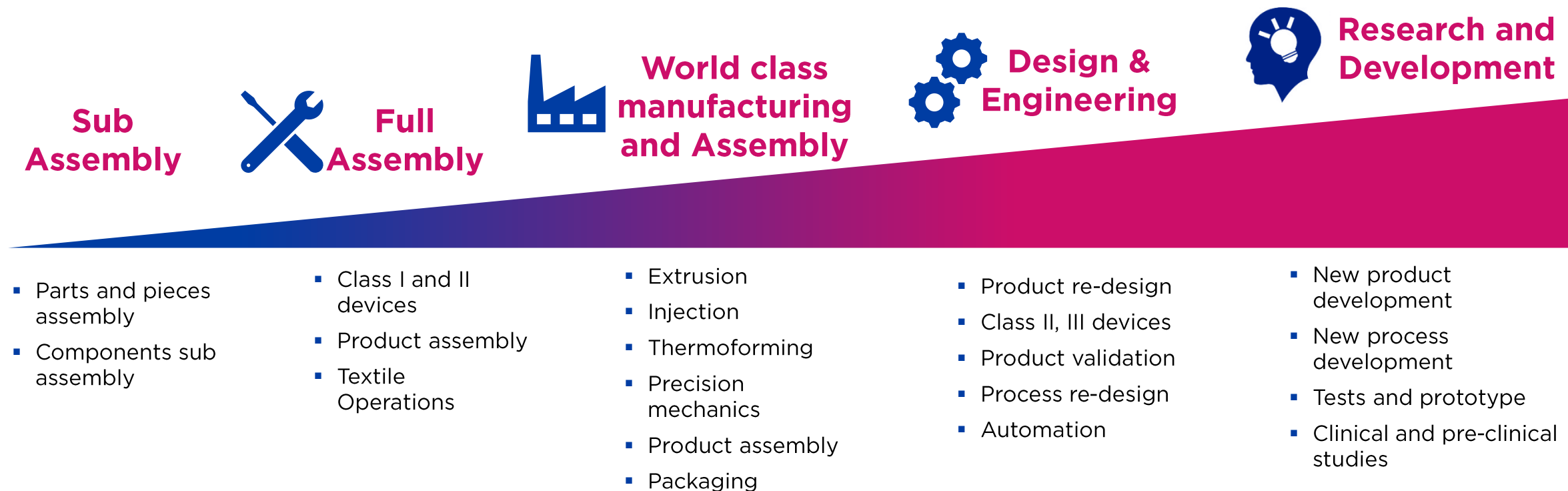
## Pay and Productivity Score (0-100)



Source: GCR, World Economic Forum, 2019



# COSTA RICA'S **TECHNICAL CAPABILITIES** HAVE ALLOWED COMPANIES TO IMPLEMENT INCREASINGLY **COMPLEX PROCESSES**



Costa Rica hosts a robust ecosystem for next-wave life sciences with **+80 MEDTECH OEMs** and suppliers.

**MEDICAL DEVICES** are the #1 industrial export good of Costa Rica





# Home to 24% of the Fortune 100's



## DENTAL

Align Technology (ALGN) - 2001  
Byte - 2020  
Smith Sterling (a Glidewell Labs Co.) - 1994  
Viax Dental Lab. - 2014  
SmileDirect Club - 2016  
Implant Concierge - 2018



## CARDIOVASCULAR / VASCULAR

Abbott Vascular (ABT) - 2010  
Boston Scientific (BSX) - 2009  
Cardinal Health (CAH) - 2011  
Edwards Lifesciences (EW) - 2015  
Theragenics (TGX) - 2014  
Philips Healthtech - 2010



## OSTOMY

Coloplast (COLOB) - 2018



## MEDICATION DELIVERY SYSTEM

Baxter (BAX) - 1987  
ICU Medical (ICUI) - 1999  
Moog Medical (MOG.A) - 2009



## RADIOLOGY

Bayer (BAYN) - 2012



## SURGICAL DEVICES

De Royal - 1996

## NEUROENDOVASCULAR / NEUROMODULATION

Boston Scientific R&D - 2014  
MicroVent - Terumo  
(TYO:4543) - 2011  
Cirtec Medical - 2020

## OPTICS

CooperVision (COO) - 2012  
Essilor (ESLOY) - 2015

## RESPIRATORY

Philips Healthtech - 2010

## AESTHETICS

Allergan (AGN) - 1999  
Establishment Labs - 2009

## ENDOSCOPY

Apollo Endosurgery - 2014  
Boston Scientific (BSX) - 2004  
Horizons Intl. - 2005

## WOMEN'S HEALTHCARE

Hologic (HOLX) - 2004  
CooperMedical - 2016

## ORTOPEDICS/SPORTS MEDICINE/ENT

Smith & Nephew (SNN) - 2002  
MicroPort - 2013  
Wright Medical (WMGI) - 2010  
Medtronic - 2011



## MEDTECH SECTOR AVERAGE OUTPUT PER EMPLOYEE



1999: US\$76K      2020: US\$103K

**A GROWTH OF  
61% SINCE  
1999**

Source: CINDE and PROCOMER; data for companies attracted by CINDE

# LIFE SCIENCES



## Contract Manufacturers

Advant Medical	2018
TE Connectivity (TE Medical Co.)	2013
Biomerics CRI	2013
Itek	2016
Confluent Medical	2010
Precision Concepts Medical	1991
SMC Ltd	2011
TEGRA Medical	2010
Viant Medical	2004



## Sterilization

Sterigenics	2010
Steris	2008



## Others

Proquinal	2004
-----------	------



## Suppliers

Applied Medical Precision	2012	Oberg Industries	2002
ATL Technology	2013	Okay Industries	2012
Biomerics-NLE	2020	Pharma-Bio Serv	2016
CASS	2014	PolyOne	2012
Creganna Medical (a TE Connectivity Co.)	2008	Precision Coating	2015
CRx Lifesciences (Enhanced Compliance)	2018	Prent	2012
G.Rau	2012	Resonetics	2015
Freudenberg Medical	2011	Sachs	2015
International Precision Molds	2006	Specialty Coating Systems	2006
Spectrum Plastics Group	2001	Tekni-plex / Natvar	2012
Merrill's Packaging	2010	ThermoFisher Scientific	2011
Micro Technologies	1999	UTITEC Medical	2005
NACS	2020	Visional Technology	2019
National Building Maintenance	2013	VWR	2014
Nelipak	2005		
Heraeus Medical components	2016		

2

LEADING THE **RIGHT PATH**  
FOR COMPANIES TO GROW  
IN THE COUNTRY AND  
CREATING **THE RIGHT**  
**ENVIRONMENT** FOR  
**MEDTECH PROJECTS**

INVEST

**WITH PURPOSE**



# Free Trade Zone Regime Incentives

Service Projects & Manufacturing Projects can be granted **0%\* corporate income tax**

First 8-year period, as low as

**0%**

INCOME TAX

Following 4-year period

**15%**

INCOME TAX

In all cases, multiple **additional 8-year renewal periods** may be granted if significant reinvestment is made.

**+** permanent incentives:

**100%**

**exemption on:**

- custom duties on imports/exports
- withholding tax on royalties, fees
- interest income
- sales tax on local purchases of goods/service
- stamp duty

\*NOTE: Manufacturing companies with an investment that exceeds US\$10 million and 100 employees, established under the Free Trade Zone Regime Law (N° 7210, Law N° 8794, and in its Bylaws). For smaller manufacturing operations, companies will pay a preferential 6% income tax rate for 8 years and 15% for another 4-year period (statutory income tax 30%). The income tax exception applies for the activity approved in the executive agreement





# Tax Incentives outside greater metropolitan area

## Large projects \*

First 12-year period	Following 6-year period
0%	15%
TOTAL INCOME TAX EXEMPTION	50% INCOME TAX EXEMPTION

**Additional 12-year renewals** periods may be granted if significant reinvestment is made.

Note: Preference for large manufacturing projects whose investment exceeds US\$10 million and 100 employees and for mid-scale projects (US\$100,000 investment, that must belong to a strategic sector). Small scale projects (US\$100,00 investment) will be exempted the first 6 years period, with a preferential tax of 5% the second 6 years period and 15% the following 6 year period.

Statutory income tax: 30%

# WORLD-CLASS INDUSTRIAL PARKS



## \*GUANACASTE\*

- \*Liberia: Solarium\* (0.9 miles to LIR Airport)
- \*Carrillo: El Viejo Free Trade Zone\* (20 miles to LIR Airport)

## ALAJUELA

- BES Free Zone (4.3 miles to SJO Airport)
- Coyoil (5 miles to SJO Airport)
- Green Park (4.3 miles to SJO Airport)
- \*Grecia: CR Green Valley\* (13.6 miles to SJO Airport)
- \*Grecia: Parque Activa\* (14.8 miles to SJO Airport)
- \*San Carlos: Parque Muelle\* (60.6 miles to SJO Airport)
- \*Orotina: La Ceiba\* (15.6 miles to Caldera Port)

## \*PUNTARENAS\*

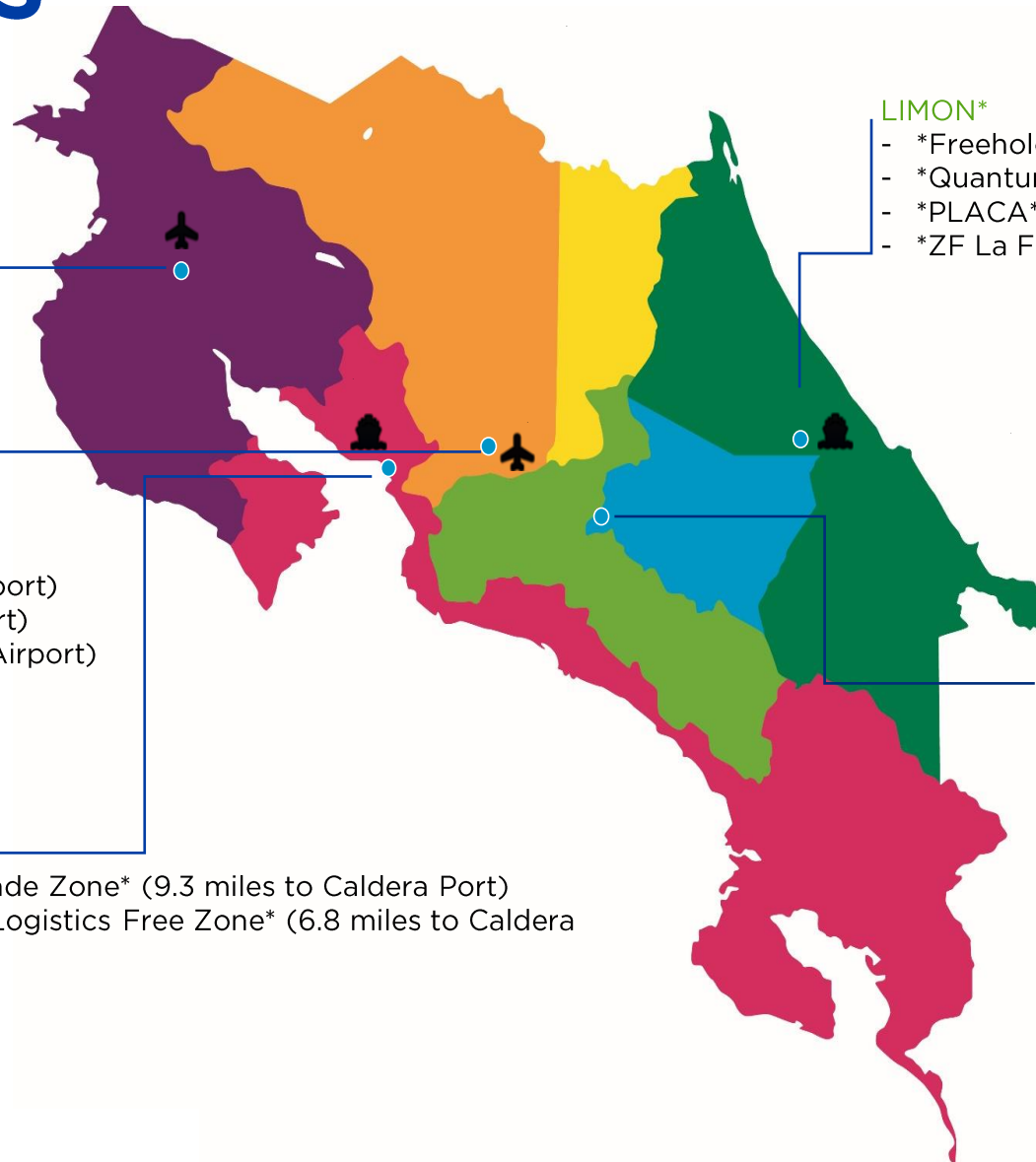
- \*Puntarenas Free Trade Zone\* (9.3 miles to Caldera Port)
- \*El Roble Industrial/Logistics Free Zone\* (6.8 miles to Caldera Port)

## LIMON\*

- \*Freehold Free Zone\* (30.3 miles to Moín Port)
- \*Quantum Free Zone\* (6.9 miles to Moín Port)
- \*PLACA\* (5 miles to Moín Port)
- \*ZF La Francia\* (34.8 miles to Moín Port)

## CARTAGO

- La Lima Free Zone & Corporate Center (25.5 miles to SJO Airport)



\*Industrial parks outside the GMA\*

# TOP ACCESS POINT TO THE **AMERICAS AND THE WORLD**

**Costa Rica**

**Same time zone as USA**

Travel from CR to USA in less time than it takes to make a flight from NY to California

Ports in the Pacific & Atlantic

Serves as a bridge, connecting to other Latin American markets

An ideal gateway for regional and global services



# GREAT CONNECTIVITY TO NORTH AMERICA

## Direct flights to USA & Canada

### From SJO – San Jose

Fort Lauderdale	4 daily
Houston	4 daily
Miami	3 daily
Orlando	2 daily
Atlanta	2 daily
Newark	2 daily
Toronto	1+ daily
Los Angeles	1+ daily
JFK	1+ daily
Dallas	1 daily
Phoenix	1 daily
Chicago	1 daily
Montreal	6 weekly
Charlotte	6 weekly
Vancouver	2 weekly
Baltimore	2 weekly
Washington	1 weekly

### From LIR - Guanacaste

Houston	3 daily
Atlanta	2 daily
Miami	2 daily
Newark	2 daily
Toronto	1+ daily
Los Angeles	1+ daily
Minneapolis	1+ daily
JFK	6 weekly
Montreal	5 weekly
Dallas	5 weekly
Calgary	4 weekly
Boston	2 weekly
Baltimore	2 weekly
Denver	2 weekly
Chicago	2 weekly
Vancouver	1 weekly
Charlotte	1 weekly

✓ SJO is the 2<sup>nd</sup> best International Airport in Central America and the Caribbean (World Airport Award, 2019)

✓ LIR is one of the top Airports (under 2 million PAX) in Latin America and the Caribbean (ASQ Awards, ACI 2019)

**Juan Santamaria Intl. Airport (SJO):**  
**434 flights weekly**

**Daniel Oduber Intl. Airport (LIR):**  
**131 flights weekly**

Source: National Institute of Tourism.

Note: refers to outbound flights, scheduled by Airlines and subject to changes. As of February 2020, data before any impact due to Covid-19.



3

## SUCCESS STORIES

LEARN FROM YOUR  
PEERS WHY COSTA RICA  
IS THE **RIGHT LOCATION**  
FOR YOUR COMPANY

INVEST

**WITH PURPOSE**



“Costa Rica has proven to be a compelling, **performance-driven** location for Boston Scientific. Key drivers for our success at two major sites in Costa Rica include highly committed, **multi-disciplined local talent; cross-divisional engagement; growth into R&D, process development and lab competencies**”.

**Boston  
Scientific**

Randy Schiestl

VP OF GLOBAL TECHNOLOGY  
BOSTON SCIENTIFIC



## SUCCESS STORY:

# Exponential growth & sophistication

**Boston  
Scientific**

Boston Scientific manufactures minimally invasive devices in the areas of Endoscopy, Urology and Pelvic Health, Peripheral Intervention, Electrophysiology, Interventional Cardiology and Neuromodulation.

**2004**

Establishment of 1<sup>st</sup> site in Global Park, Heredia. Manufacturing of endoscopy devices.

Current operations in Global Park: Manufacturing of Class II and III devices for Interventional Cardiology, Electrophysiology and Peripheral Intervention clinical needs.

**2009**

Establishment of 2<sup>nd</sup> site in ProPark, Alajuela

Current operations in ProPark: Minimally invasive devices in the areas of Endoscopy, Urology and Pelvic Health, Peripheral Intervention, Electrophysiology, Interventional Cardiology and Neuromodulation.

**2014**

Establishment of R&D facility: R&D and innovation on neuro-endovascular applications

- First LEED certified company in LATAM
- Shingo Institute Bronze Medallion recipient

**2018**

Direct Commercial Operation in Costa Rica as a compromise to increase availability of latest technologies in the country

**+4,500**

employees

**32.1M**

medical devices each year

**+250**

engineers in R&D, sustaining engineering and innovation in neuroendovascular applications



## SUCCESS STORY:

# Designing patient-centered solutions



From its site in Costa Rica, MicroPort Orthopedic's designs surgical fixtures for surgery guides, tailored to each patient's needs, used in knee and hip replacements.

**2010**

The Mechanical Engineering faculty at the University of Costa Rica served as a testing lab

**2010**

The company established R&D operations in the country, as Wright Medical

**2014**

Wright Medical was acquired (its lower extremities division) by MicroPort

**2019**

Inauguration of the company's Shared Services Center in the country. Services: Accounting and Finance, Purchasing, Customer Service, Human Resources, IT, Compliance and Quality

**+80**  
employees

- In Costa Rica, CAT-scans and MRI scans are received, revised processed, aligned and converted into a 3D model.
- The implant is virtually set in the model testing possibilities to find the best match; and a cutting guide is then designed for the doctor to execute upon.
- The unique, patient-specific guide is created and sent to be 3D printed at MicroPort Orthopedics' manufacturing facility in the US.





## SUCCESS STORY:

# Vertical Integration



ICU Medical has one of the largest medical devices operations in Costa Rica. The company manufactures medication delivery systems, infusion sets and smart infusion pumps

### 1999

Establishment of a manufacturing site in Global Park, Heredia, for components of IV sets

### 2021

After several expansions ICU Medical consolidated 12 manufacturing plants in one single site, becoming on the countries main exporters of Medication Delivery Systems.

- Increased complexity and complete vertical integration model includes molding, automation and final assembly.
- Centralized regional functions in R&D, Supply Chain, Finance, Quality, and Human Resources.
- CR operation is vertically integrated with 10 cleanrooms, 63 molding presses (plastic and silicon molding), 5 extruders, automation and tool shop.
- In 2020, the company established an in-house sterilization system

**+63000**

Square meters facility

**+2600**

employees

**10**

Cleanrooms



# Let's plug & play your business in Costa Rica



**Customized approach**



**Business analysis**



**Development of proposal and knowledge transfer**



**Agile advisory services**

## INVESTMENT ADVISORY SERVICES:

**Specialized investment advisory and support for greenfield projects as well as reinvestments (expansion, diversification, and sophistication) opportunities:**

- Installation process roadmap.
- Investor “hand-holding” through the entire permit process, assistance expediting permits, including immigration, FTZ Regime, etc.
- Linkages with service providers.
- Delivery of reliable, detailed, and up-to-date information.
- Facilitate and of collaborate to move forward with a work agenda of common interests.

# CONTACT US



**CAROLINA SANCHEZ,  
LEAD LIFE SCIENCES**

[csanchez@cinde.org](mailto:csanchez@cinde.org)



**IRENE PACHECO,  
SPECIALIST LIFE SCIENCES**

[ipacheco@cinde.org](mailto:ipacheco@cinde.org)



Let's talk  
about your  
business  
opportunities  
in Costa Rica

Invest with **purpose**

*To download the contact, read the QR code with your cellphone's app*