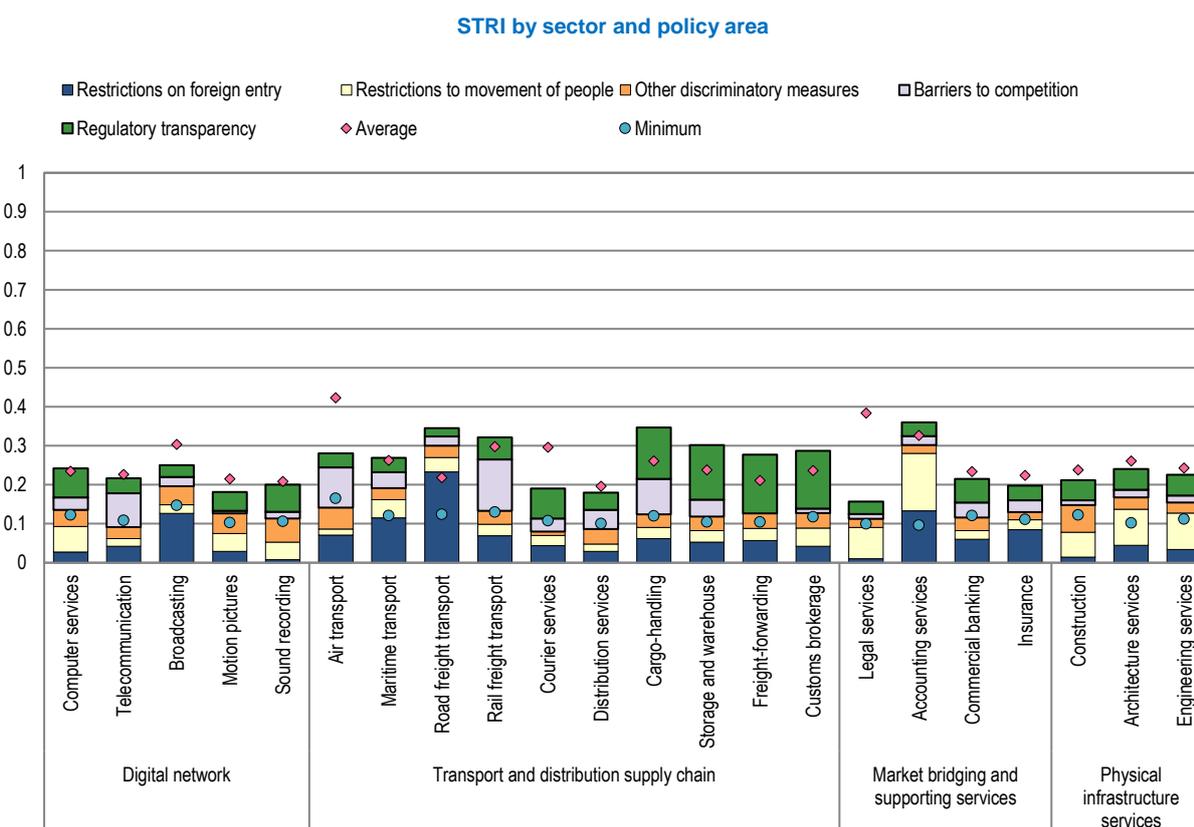


OECD Services Trade Restrictiveness Index (STRI): Costa Rica

Costa Rica exported services worth USD 9 billion and its services import value was USD 4 billion in 2017. The largest services exporting and importing sector is other business services. Services account for about 43% of inward foreign direct investment flows in Costa Rica in 2015.

Costa Rica's score on the STRI in the 22 sectors is shown below, along with the average and the lowest score among the 45 countries included in the STRI database for each sector.



Note: The STRI indices take values between zero and one, one being the most restrictive. They are calculated on the basis of the STRI regulatory database which contains information on regulation for the 36 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Malaysia, Russia and South Africa. The STRI database records measures on a Most Favoured Nations basis. Preferential trade agreements are not taken into account. Air transport and road freight cover only commercial establishment (with accompanying movement of people).

Horizontal policy measures

Costa Rica has a lower score on the STRI than the average in 13 out of 22 sectors. This reflects in large part cross-cutting regulation applying to all sectors and sector-specific rules. Costa Rica maintains some limitations to movement of people, through labour market tests for independent suppliers seeking to provide services on a temporary basis to the country, and by limiting the duration of stay of all services providers (intra-corporate transferees, contractual and independent services suppliers) to 12 months on their first entry permit. Foreign acquisition and use of land or real estate in the coastal and frontier areas are limited and there is an explicit preference for local suppliers, particularly local SMEs, in public procurement. Moreover, foreign suppliers can only participate in international tenders based on reciprocity.

The sectors with the relatively lowest STRI scores

Legal services, air transport, and courier and postal services are the three sectors with the lowest STRI score relative to the average across all countries. The provision of legal services for international law is not regulated, but foreign lawyers are subject to residency requirements and have to undertake a local examination to obtain a licence to practice domestic law. There are also some limitations to fees setting and comparative advertisement is not permitted. In air transport services, Costa Rica is one of the few countries that does not impose foreign equity restrictions on airline companies offering services to, from and within the country. However, licenses are subject to quotas and economic needs tests, and the allocation of landing and take-off slots does not follow competitive best practices. Multiple entry visas for crew are not available and a prior authorisation is required to lease of foreign aircrafts (wet and dry lease). In courier and postal services, the absence of an independent regulator for postal services and the lack of legal separation between the regulator and the state-owned designated postal operator, *Correos de Costa Rica S.A.*, contribute to the score in this sector.

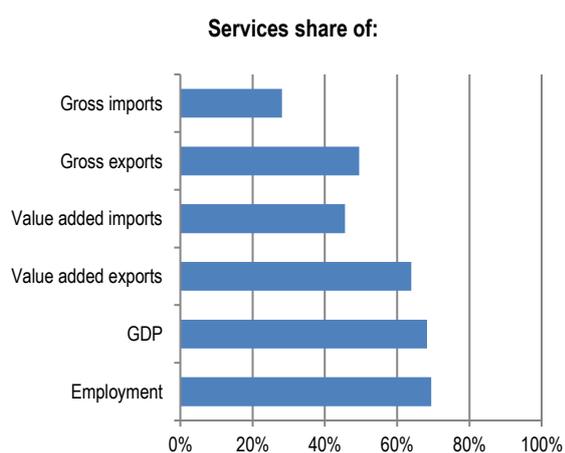
The sectors with the relatively highest STRI scores

Road freight transport, logistics freight-forwarding and cargo-handling services are the three sectors with the highest STRI score relative to the average across all countries. Foreign investment in road freight transport companies is limited to 49% of equity shares, and permits to provide domestic road freight transport are only granted to nationals or enterprises established locally, majority-owned and managed by Costa Ricans. Freight tariffs also need to be registered with transport authorities. In logistic services, new authorizations for cargo-handling services are granted conditional on economic needs and while separation of accounts is required, no regulation is in place to avoid cross-subsidisation of competitive activities. Freight forwarding by land is limited by the nationality requirement on the provision of freight transport services within the country and by the lack of adoption of international standards on transport of packages.

Recent policy changes

In 2017, Costa Rica ratified the United Nations Convention on Contracts for the International Sale of Goods, which aligned national contract rules for cross-border transaction to internationally standardised rules. In 2015, the *Ley de Garantías Mobiliarias* introduced a Securities system that facilitates the constitution, publicity and execution of warranties, which contributed to liberalise further the banking sector.

Efficient services sectors matter



Services account for around 70% of GDP in Costa Rica and employ the same share of the country's workforce. Services account for 50% of gross exports, and more than 60% in value added terms, highlighting how Costa Rica's exports of goods also rely intensively on services inputs. The information and communication technology revolution opens new opportunities for inclusive growth in a services economy like Costa Rica. Innovation and adoption of technology relies on access to knowledge and to the networks, people, goods and services that carry the knowledge around the world. In this context, Costa Rica could benefit from more open markets for services trade through the temporary movement of natural persons.

More information

- » Access all of the country notes, sector notes and interactive STRI tools on the OECD website at <http://oe.cd/stri>
- » Read more about services trade policies and their impacts in this publication: [Services Trade Policies and the Global Economy](#)
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org