



OECD GLOBAL FORUM ON
INTERNATIONAL INVESTMENT

*NEW HORIZONS AND POLICY CHALLENGES FOR FOREIGN
DIRECT INVESTMENT IN THE 21ST CENTURY*

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**KEY DRIVERS FOR INVESTING IN COSTA-RICA
THE INTEL CASE**

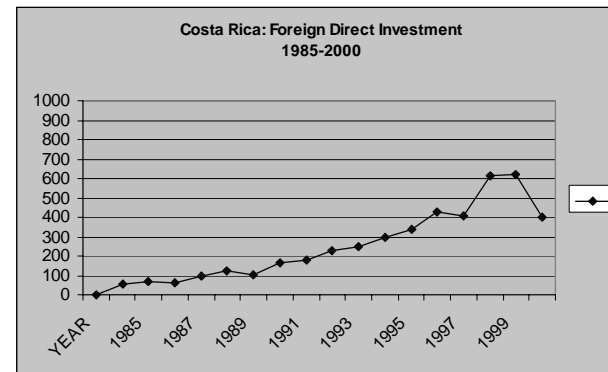
*Anabel Gonzalez
Director, Investment Board (CINDE)*

KEY DRIVERS FOR INVESTING IN COSTA RICA: THE INTEL CASE

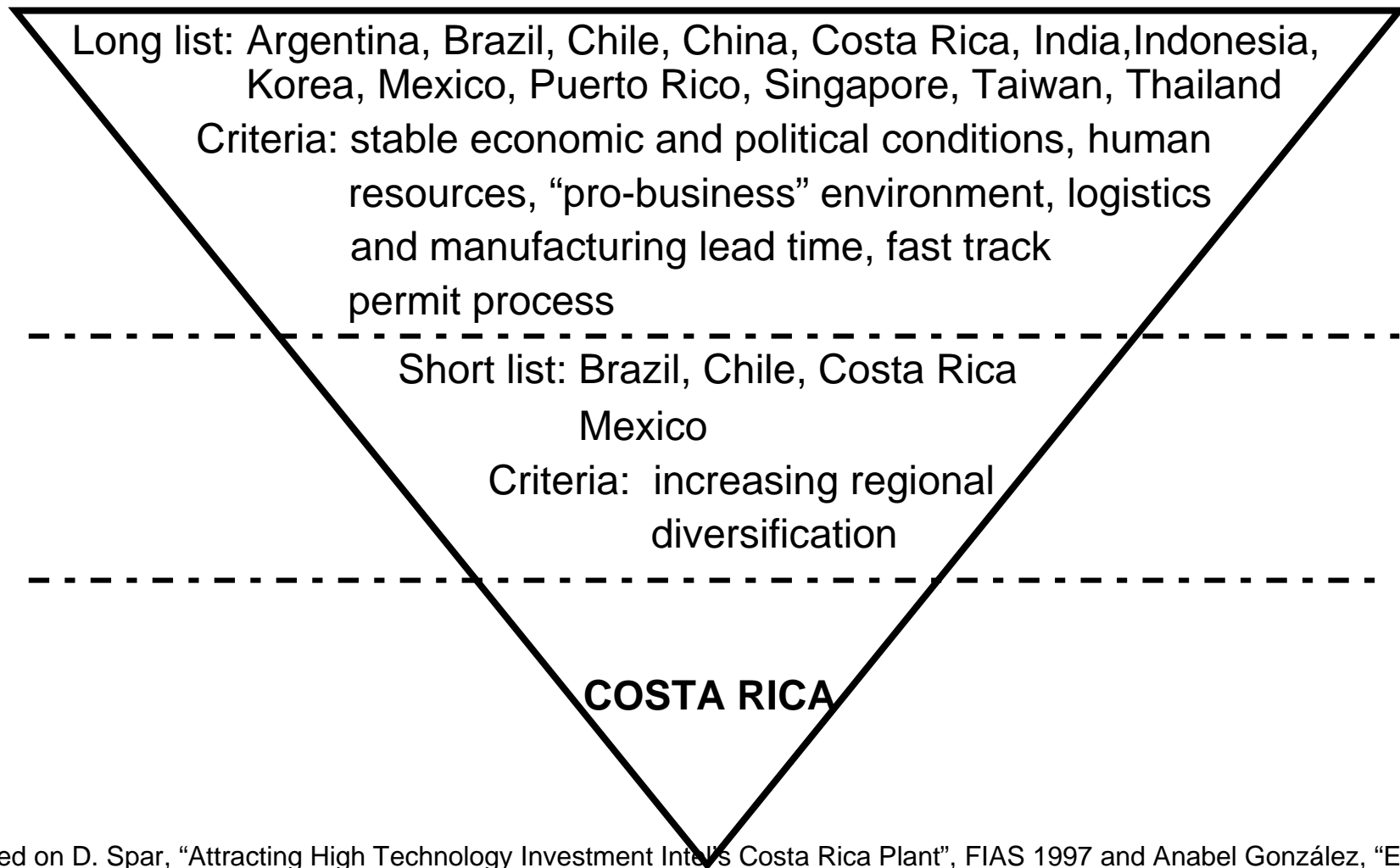
Anabel González

COSTA RICA

- ⇒ Location: Central America, between Nicaragua and Panama, bordering the Caribbean Sea and Pacific Ocean
- ⇒ Area: 51,100 sq km (19,652 sq ml)
- ⇒ Population: 3.59 m.
- ⇒ GDP: \$15,040 m.
- ⇒ GDP per capita: \$4,190
- ⇒ Exports: \$6,146 m (microprocessors 33%, apparel 14%, bananas 10%, coffee 5%)
- ⇒ Imports: \$6,480 m
- ⇒ $(M+X)/GDP$: 83.9%
- ⇒ FDI: \$401 m



INTEL: Site selection process ⁽¹⁾



(1) Based on D. Spar, “Attracting High Technology Investment Into the Costa Rica Plant”, FIAS 1997 and Anabel González, “El Mecanismo Establecido para Agilizar la Aprobación y el Cumplimiento de los Trámites y Procedimientos Seguidos en el Establecimiento de Intel en Costa Rica”, INCAE-CLACDS 1997.

Why Costa Rica?

⇒ COUNTRY FACTORS:

- Political and social stability
- Economic openness and liberalization
- Focused development in electronic sectors
- Receptive investment environment

⇒ “NEGOTIATING TACTICS”:

- Unified response
- Extensive personal involvement from the top
- Speed
- Refusal to engage in “extraordinary” measures
- Opinion management

⇒ SPECIFIC CONCESSIONS:

- Financial incentives
- Infrastructure
- Education

INTEL in Costa Rica today

- ⇒ Major exporter
- ⇒ 2000+ employees (35 expats)
- ⇒ 300 local suppliers
- ⇒ Several processes and products (Pentium 4)
- ⇒ Software development
- ⇒ Investment in Costa Rica software company
- ⇒ In good company ... (43 MNEs in the electronic sector and still counting!)

PROMOTING INVESTMENT INTO COSTA RICA

- ⇒ Investment promotion continues as aggressive as ever...
(CINDE + strategic partners: Government, MNEs in Costa Rica, universities and others)
- ⇒ Key investment drivers to Costa Rica:
 - Political and social stability
 - Economic openness and liberalization
 - Receptive investment environment
 - PEOPLE, PEOPLE, PEOPLE!
 - Improving infrastructure
 - Strategic location
 - A “yes” attitude: proactive solution providers
- ⇒ Success stories after Intel: Procter & Gamble, Abbott Laboratories, Western Union, Sykes, McGhan Medical, Narda, Teradyne and many more ...

THANK YOU