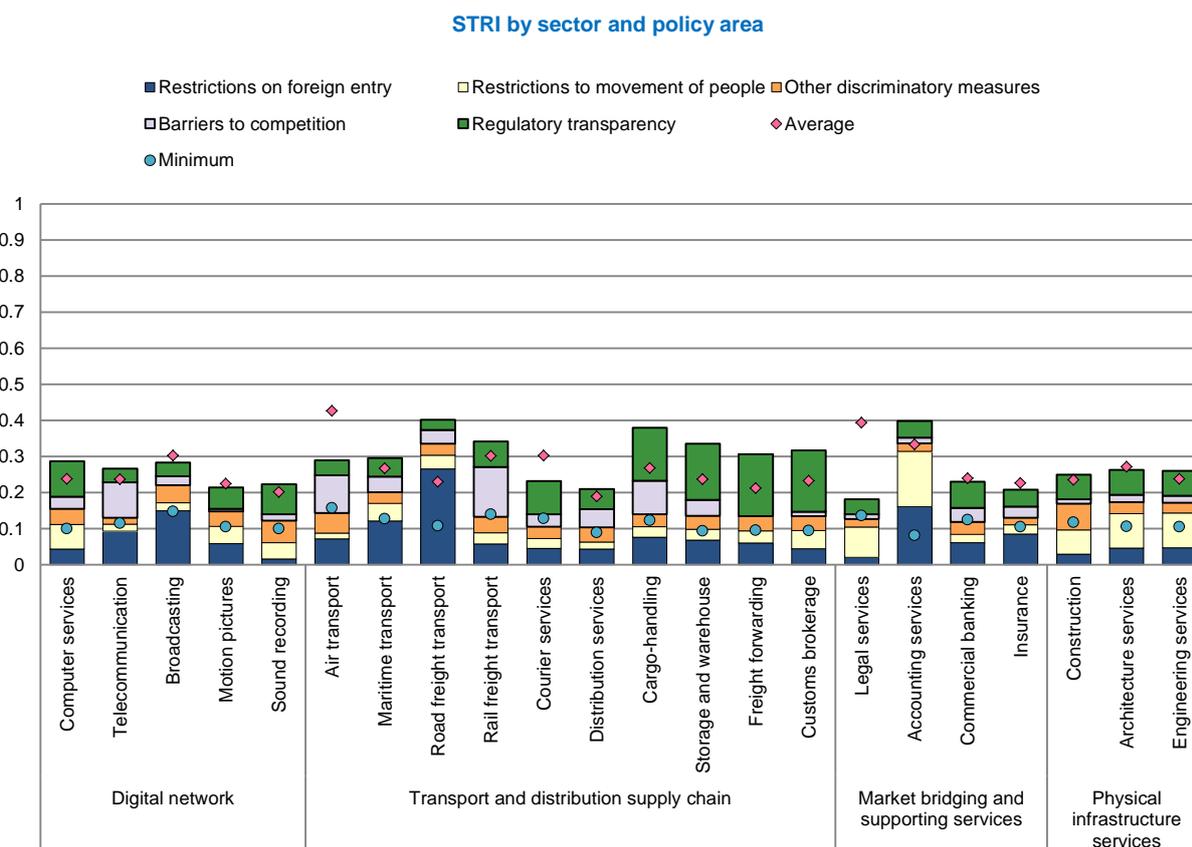


OECD Services Trade Restrictiveness Index (STRI): Costa Rica

Costa Rica exported services worth USD 8 billion and its services import value was USD 3 billion in 2016. The largest services exporting and importing sector is other commercial 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 44 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 35 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Lithuania, 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 below the average STRI score in eight out of 22 sectors. This reflects in large part the general regulations that apply across all sectors of the economy and sector-specific rules. Costa Rica applies labour market tests for workers seeking to provide services in the country on a temporary basis as independent services suppliers. This category as well as intra-corporate transferees and contractual services suppliers may stay in the country for up 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 on the basis of 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 subject to sector-specific regulation, but foreign lawyers are subject to residency requirements and have to undertake a local examination to obtain the licence to practice domestic law. There are also some limitations to fees setting and comparative advertisement is not permitted. Costa Rica does not impose foreign equity restrictions on airline companies; 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 the lease of foreign aircrafts (wet and dry lease) is only permitted subject to prior authorisation. 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 contribute to the score.

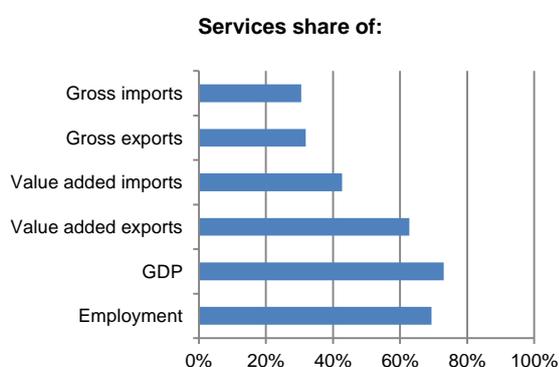
The sectors with the relatively highest STRI scores

Road freight transport, 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 for domestic road freight traffic are only granted to nationals or enterprises established locally, majority-owned and managed by Costa Ricans. Lastly, Costa Rica requires the filing of freight tariffs with transport authorities, and does not grant multiple entry visas for truck drivers. In logistic services, new authorizations for cargo-handling and storage and warehousing services are granted through concessions conditional on economic needs. No regulation is in place to avoid cross-subsidisation in cargo-handling activities. Finally, there are limitations on working hours for storage and warehousing, and 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.

Efficient services sectors matter



Services account for around 70% of GDP in Costa Rica and employ more than two-third of the country's workforce. Services account for 32% 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