

Sector briefing

Life science opportunities in Costa Rica

Why Costa Rica?

Extreme Makeover

From coffee and bananas to heart-valves; Costa Rica's plan to diversify its economy was very successful. In just 25 years it has become the favourite destination in Latin America for manufacturing some of the World's most complex and advanced medical devices. Costa Rica is the World's fourth largest hi-tech exporter and the first in Latin America.

The medical industry employs more than 10,000 people and has more than 31 companies including world leaders such as St Jude Medical, Boston Scientific, Hospira, Baxter, Abbot Vascular, and others. Costa Rica's 95% literacy rate and highly skilled workforce keeps attracting FDI. The Costa Rican government has set a goal to capture US\$ 9 billion in FDI during the period 2010-2014. In 2009, exports of medical products generated more than \$1.34 billion and accounted for 15.5% the of the country's total exports.

Universal Healthcare System

According to the Global Health Council a history of commitment to health and social reform has yielded Costa Rica the best health outcomes of any country in Latin America. With one of the world's most successful "universal" health care systems, 100% of the population is

given equal comprehensive public health insurance with equal access to services. The country's medical system is considered by the United Nations to be one of the Top 20 in the world. Life expectancy is 77.2 years and child mortality rate is just 9,72/1000 births.

The Life Sciences sector offers a wide variety of opportunities for UK companies, including FDI, large public tenders, private hospitals and healthcare tourism.



***Costa Rica is the World's 4th largest Hi-Tech exporter
Life Sciences Opportunities for UK companies include FDI, large public tenders, private hospitals and healthcare tourism***

Opportunities

Medical devices Manufacturing

Costa Rica is the number three recipient of foreign direct investment per capita, ranking above countries like Mexico and Brazil. It is home to more than 200 leading companies in the services sector, medical devices and advanced manufacturing sector.

UK manufacturers of medical devices who wish to maximise costs should seriously consider the possibility of investing in Costa Rica. The government's ambitious goal of capturing US \$9 billion during the period 2010-2014 will create a favourable business environment and British companies could benefit from the attractive incentives for investors.

The Medical Devices Sector began its development in Costa Rica in 1987, when Baxter Healthcare decided to establish a manufacturing operation in country. Since then several world leaders in the life sciences sector have followed their example. The last two medical companies established in the market are St. Jude Medical and Abbot Vascular. In the next five years St. Jude Medical - world leader in the manufacture of heart valves - plans to spend about \$670 million on infrastructure, capital and manpower in Costa Rica, creating close to 2,000 new jobs and opening a medical training centre.

The country's political stability provides a safe business environment, and there are already 31 medical companies taking advantage of its high-quality low-cost manufacturing facilities.

Opportunities in the public health sector

Costa Rica has 33 hospitals, 41 regional clinics, and 615 primary-care centres located throughout the country. Total expenditure by the Costa Rican Social Security Authority from 2007 to 2009 was US \$1.5 billion including purchases of pharmaceuticals, medical equipment, hospital construction and administration.

Over the next four years, the Costa Rican Social Security Authority is planning to invest a further \$970 million in infrastructure and medical equipment.

An estimated \$470 million will be directed towards the construction of several new facilities in rural areas, the modernisation of some hospitals and the construction of 150

primary-care centres. The remaining funds will be invested in strengthening the national oncology network and the acquisition of medical equipment such as scanners, endoscopes, X-ray and ultrasound equipment and diagnostic imaging.

Another estimated \$500 million will be requested from external financing sources and will be invested in seven major projects:

- a hospitalisation and diagnostic imaging building for Hospital Calderon Guardia, (\$120 million), expected to be completed by 2016,
- a new building for surgeries and another one for emergencies for Hospital San Juan de Dios (currently in feasibility studies, planned to start the construction in 2012),
- three new hospitals (\$150 million), and
- the update of the financial system, as well as the logistics -including the creation of electronic filing- and more human resources to carry out these projects (\$75 million).

Private hospitals

Two of the four US accredited hospitals in the capital city of San José will open up new centres in the province of Guanacaste; a tourism hotspot. CIMA hospital will invest US \$17 million in a new hospital building and Clinica Biblica Hospital will build a new centre valued at \$28 million. Another hospital, Clinica Catolica, has announced that it will also open up a centre in Guanacaste but has not disclosed the estimated cost.

Medical tourism and retirement centres

High quality hospitals and surgery centres, qualified staff, excellent recovery hotels, political stability, and many other factors have contributed to Costa Rica's fast becoming a favourite Medical Tourism destination worldwide. Besides saving patients between 40 and 80% in the cost of medical treatments they take the opportunity to explore many of the ecological attractions of the country. Costa Rica has 4 US-accredited hospitals. Also, the health reform in the United States is boosting the number of foreign visits in the country.

The government recently announced an initiative to promote the establishment of retirement communities to attract foreign retirees. The government intends to develop other activities such as advanced research centres, high-value recreational activities, theme parks and promote the pharmaceutical industry.

A Spanish real estate developer has already signed a credit for \$330 million to begin construction of La Roca project on Costa Rica's Pacific coast. The whole project is expected to cost around \$632 million. In the next few years an average of 10,000 retired people retirees will choose Costa Rica as their new home spending around US \$340 million per year in country.

Business opportunities aimed specifically at UK companies are added daily to the UKTI website. These leads are sourced by our staff overseas in British Embassies, High Commissions and Consulates, across all sectors and in over 100 markets.

More about opportunities in Costa Rica

Get in touch with the UKTI contacts listed at the end of this report to find out more about the local market.

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[Search for business opportunities](#) on the UKTI website, or [register to receive regular updates](#).

Events

Most Costa Rican companies in the healthcare sector attend the largest international trade fairs, such as MEDICA, HOSPITALAR and MEDTEC. Any UK company participating in these or any other trade fairs might want to take this opportunity to invite Costa Rican companies to visit their stand.

This year Costa Rica was home to the first Latin American [Global Medicine Congress](#). There were over 400 participants, 75 exhibition stands and more than 750 business meetings were held.

For details of events related to this market, [search on](#) the UKTI website or [register to receive regular updates](#). New export events are added daily.

UKTI's [Tradeshow Access Programme \(TAP\)](#) provides grant support for eligible Small & Medium Sized Enterprises (SMEs) to attend trade shows overseas.

The UKTI website also has [general information about Costa Rica](#), including an overview of its economy and business culture.

UKTI contacts

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Next steps - how UKTI can help

British companies wishing to develop their business in the Costa Rican market are advised to undertake as much market research and planning as possible in the UK. UKTI's team in Costa Rica, with its wide local knowledge and experience, can provide a range of services to British-based companies wishing to grow their business in global markets.

This can include:

- providing market information, validated lists of agents/distributors, key market players or potential customers,
- establishing whether potential contacts are interested in working with you,
- arranging appointments, or
- organising seminars or other events for you to meet contacts and promote your company.

This work is available via our [Overseas Market Introduction Service \(OMIS\)](#), a chargeable service which assists British-based companies wishing to enter or expand their business in overseas markets.

To find out more about commissioning this work, or accessing other UKTI services and specialist advice, [contact your local UKTI office](#).