

Risk assessment of Costa Rica

The Global Competitiveness Index (GCI) 2012-2013 ranked Costa Rica at 57 of 144 countries. As a part of the country ranked as Efficiency-driven tends to improve their results, Costa Rica gains four places from 2011-2012 report and came back near the result of 56 in the 2010-2011 GCI.

Among the three categories weighted for each country, Costa Rica obtains the following ranks:

- **Basic requirement**, with a weighting of 40%, ranked 67 remained stable;
- **Efficiency Enhancers**, with a weighting of 50%, ranked 60 remained stable;
- **Innovation and Sophistication Factors**, with a weighting of 10%, ranked 35 remained stable.

In order to improve the competitiveness, Costa Rica implemented a lower budget deficit and decreased the government debt. As a result, it improved the macroeconomic condition of this country.

The report indicated that the areas of greatest weaknesses lie within the Efficiency enhancers with:

- **The financial market**, development which was ranked 101 among the 144 with a decline of 8 percentage point;
- **The Market size**, ranked 81 improving by 2 percentage point.

The best rankings in the Innovation and sophistication category with:

- **The business sophistication**, ranked 34 and 35 the previous year;
- **The innovation**, ranked 38 and 35 the previous year.

Despite the high level of criminality (ranked 108), the most problematic factors enhanced by the GCI were an inefficient government bureaucracy and an inadequate supply of infrastructure. This is caused by a perception of Wastefulness of government spending (ranked 105), a falling trust in politicians (ranked 64), a high delay to start a business (ranked 130), a high number of procedure (122th) and a low transport infrastructure (ranked 116).

However, Costa Rica can provide the best strength of investor protection among the others Latin America and the Caribbean countries, have the highest innovation potentials in the region thanks to his high-quality educational system (ranked 21) and dispose of a well-functioning public institutions (55th). As a result of the educational system, there is a high availability of qualified manpower (27th), a capacity to innovate and use available technology (39th) and a very high technology transfer (5th).

Highlights

Why doing business in Costa Rica?

- Well-functioning institutions
- Best social environment among Latin America and the Caribbean countries
- Best industrialized country of Latin America and the Caribbean countries with a prevalence of foreign ownership.
- Diversified commercials exchange ruled by strict economic policies

Kind of possible business ruptures

- Natural catastrophe
- Energetically dependent
- Small size of market
- Crimes and insecurity caused by drugs and traffics

