

COSTA RICA MARKET SURVEY FINDINGS



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Research Officer

Date: 6th March, 2018

WHY COSTA RICA?

COSTA RICA'S ECONOMIC OVERVIEW

GDP PER CAPITA (USD)	\$17,200 (2017 est.)
GDP GROWTH	3.8%.
POPULATION	4,930,258 (July 2017 est.)
GDP BY SECTOR	Agriculture: 5.5% Industry: 21% Services: 73.5% (2017 est.)
UNEMPLOYMENT	8.1% (2017 est.)
POPULATION BELOW POVERTY LINE	21.7% (2014 est.)
INFLATION	1.7% (2017 est.)
LABOUR FORCE	2.2 million (2017 est.)
EXCHANGE RATE	1US\$ = 560¢

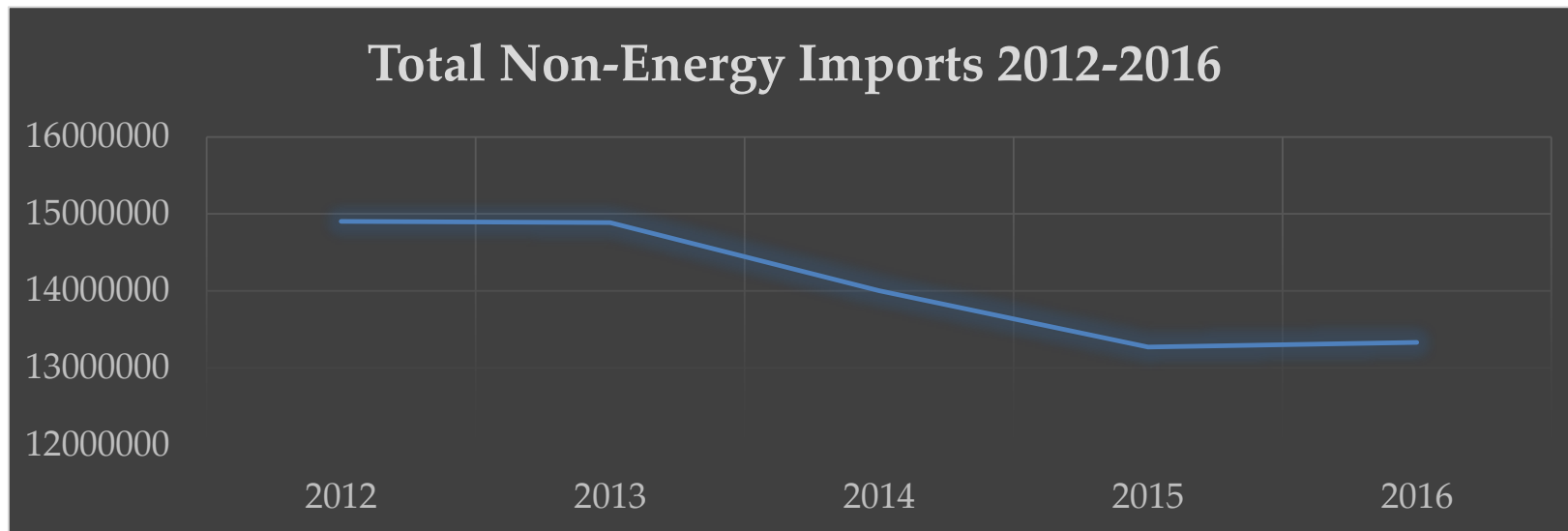
TRADING ENVIRONMENT

COSTA RICA'S TRADE AGREEMENTS

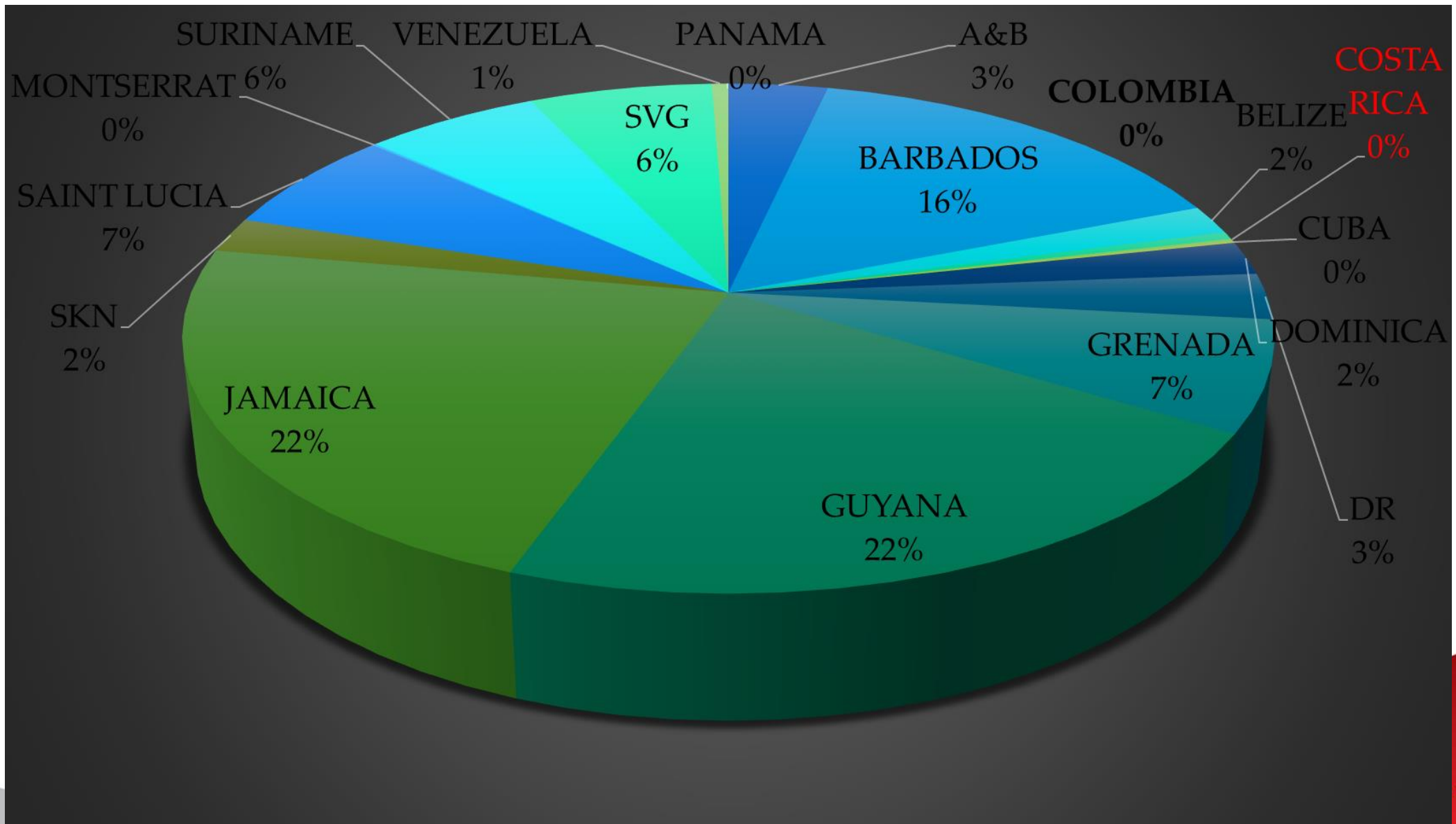
- Costa Rica has the 2nd most Trade Agreements in Central America
- 14 Trade Agreements
 - Colombia
 - Canada
 - Chile
 - CAFTA-DR
 - Panama
 - Peru
 - AACUE (Central America/ EU)-
 - Central América
 - CARICOM**
 - China
 - Mexico
 - Dominican Republic
 - AELC(European Free Trade)
 - Singapore
- Treaties in Process
 - **Korea and Central America**
 - Pacific Alliance (Chile, Peru, Mexico and Colombia)
 - Agreement on Trade and Environment Goods (EGA)
 - Agreement on Trade in Services (TiSA)

TRADING ENVIRONMENT-OVERVIEW

- In the 2017 Ease of Doing Business Rankings Costa Rica ranked 61st
- Costa Rica's total non-energy imports for 2016 valued US\$ 13,331,896,000
- Costa Rica's total non-energy imports experienced **declining growth** of approximately **10.55%** in 2016 when compared to 2012



T&T's NON-ENERGY EXPORTS TO COSTA RICA



UNIVERSAL FOODS LIMITED



PRODUCT REGISTRATION PROCESS

THINGS TO NOTE

- ✓ The product registration process can be done through the following means:
 - ✓ Distributor
 - ✓ Lawyer (set up a shell company)
 - ✓ Using a Product Registration company (US\$200 –US\$250)
- ✓ It is recommended that the manufacturer owns the product registration certificate
- ✓ If the manufacturer is the owner they can assign the registration number to many distributors as they like
- ✓ If the distributor is the owner and you want to change distributor, the new distributor will have to re-register the products
- ✓ Documents must be notarized by a lawyer
- ✓ Legal documents must be apostilled by the embassy
- ✓ It is easier to have documents translated in CR because if it is done in T&T it will have to be apostilled by the embassy
- ✓ The product registration process is online and after a person enters the information online they have 3 days to visit the MOH to verify the documents
- ✓ Any number of products can be registered at a time

THINGS TO NOTE

- ✓ Adding additional flavours/ scents to an existing products line is at NO ADDITIONAL COST
- ✓ Artificial flavours and products with the same chemical base requires ONLY ONE PRODUCT REGISTRATION
- ✓ If the nature of the product changes for example “light” or “sugar free” then a new registration must be done
- ✓ For products that state “light” or “low sodium”, the products must meet CR requirements for these claims
- ✓ If a company places false information on the label they can lose their product registration number
- ✓ If a problem arises in CR with the products the entire lot must be removed but there is no penalty that a company will face
- ✓ When the registration expires you must re-register with all documents. However, if you would like to maintain the same number you must begin the process approximately 1 month before the expiration date.
- ✓ Products that are not registered with MOH or MOA will not be allowed entry into CR

FOOD AND BEVERAGE

- ✓ Cost of product registration = \$100
- ✓ Time taken to register products = 22 working days
- ✓ Registration is valid for 5 years
- ✓ Exporters must have a distributor to be able to begin the process
- ✓ Documents Required
 - ✓ Free Sale Certificate (apostille)
 - ✓ Original Label
 - ✓ Translations if issued in a language other than Spanish
 - ✓ Complementary label
 - ✓ Current warehouse or storage permit
- ✓ Further information

www.registrello.go.cr → Normativa → Legislacion Sanitaria
→ Alimentos → Decreto34490-S

HOUSEHOLD CHEMICALS

- ✓ Cost of product registration = \$50
- ✓ Time taken to register products = 15 working days
- ✓ Registration is valid for 5 years
- ✓ Exporters must have a distributor to be able to begin the process
- ✓ Documents Required
 - ✓ Attach Material Safety Data Sheet MSDS (Spanish)
 - ✓ Qualitative formula
 - ✓ Label

- ✓ Further information

www.registrello.go.cr → Trámites → Registro de productos de
interés sanitaria → Productos para la higiene

PRODUCTS THAT DO NOT REQUIRE A SANITARY REGISTRATION NUMBER

- Paper products (napkins, hand towels, tissue paper)
- Construction materials
- Food boxes (must have something stating it is safe for food use)

PICTURE OF PRODUCT REGISTRATION CERTIFICATE

13

REPÚBLICA DE COSTA RICA
MINISTERIO DE SALUD



CERTIFICADO DE REGISTRO DE PRODUCTO QUÍMICO
NÚMERO DE REGISTRO: Q-18-00533

DIRECCIÓN DE REGULACIÓN DE PRODUCTOS DE INTERÉS SANITARIO

CERTIFICA:

Que ha sido aprobado el registro del producto químico abajo descrito por haber cumplido con los requisitos legales y reglamentos aplicables.

CITGO TRANSGARD CVT FLUID

Nombre común:	FLUIDO DE TRANSMISIÓN AUTOMÁTICA		
Marca:	CITGO		
Solicitante:	LAGOMAR SHIPPING SOCIEDAD ANONIMA		
Representante Legal:	RANDY BADILLA AGUILAR		
Titular y País:	LAGOMAR SHIPPING SOCIEDAD ANONIMA, Costa Rica		
Clasificación de Riesgo:	Clase de peligro	Categoría	Sub categoría
	Misceláneos		
Fabricante(s) y País(es):	CITGO Petroleum Corporation		Estados Unidos de América
Clase(s) y Sub Clase(s) de Riesgo:	9 Misceláneos		
Autoridad sanitaria:	ILEANA HERRERA GALLEGOS		

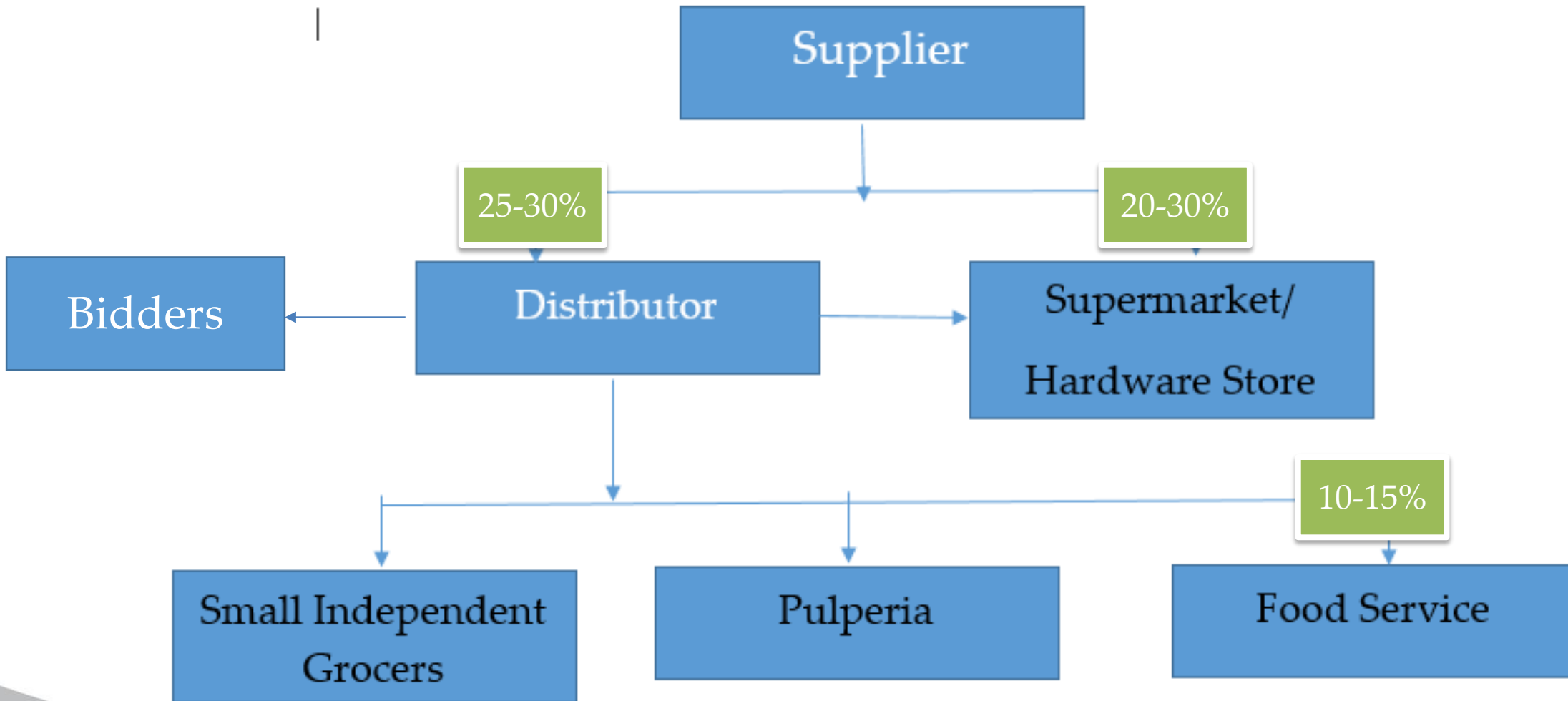
Fecha de Aprobación: 29/01/2018 **Fecha de Vencimiento:** No posee fecha de vencimiento

Este certificado puede ser validado en www.registrelo.go.cr

rTT
UNIDAD ANO TOBAGO

RETAIL LANDSCAPE

DISTRIBUTION CHANNEL



RETAILERS AND OUTLETS

RETAILER NAME	OUTLETS
WALMART	Pali (Wholesale Discount) -149
	Mas X Menos (Supermarket)- 26
	Maxi Pali (Wholesale Discount) - 18
	Walmart (Super Store)- 7
Gessa	Perimercado (Supermarket) - 19
	Jumbo (Supermarket) - 6
	Super Compro (Wholesale Discount) -32
	Turribasicos (Supermarket) -3
	Saretto – 1
Automercado	21
Megasuper	82
Pricesmart	5

GROCERY RETAILERS IN COSTA RICA

Approximately:

- 50-60% of total products are imported
- 30% of all imports are from the U.S.



- There is no cost for placing products on supermarket shelves
- Supermarkets usually ask for a 30-60 days credit (Walmart 90)



Important characteristics for suppliers:

- Price
- Minimum quantity (private label and branded products)
- Quality
- Consolidation (Automercado)



Walmart

- Products are added every 4 months after modular planning is complete
- Private label is very important for their " Great Value" Line





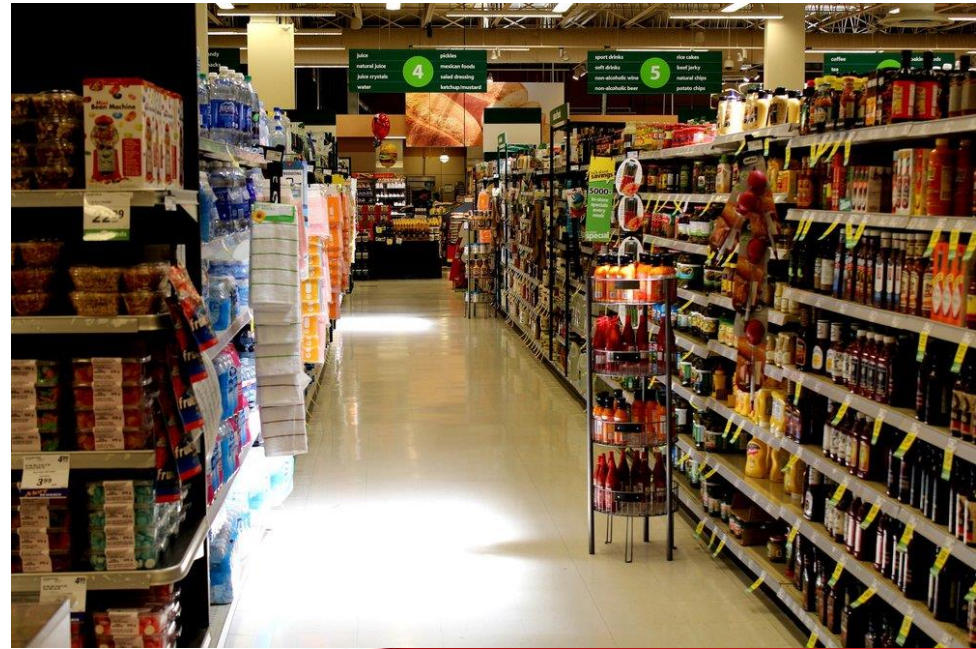
Mas X Menos



Maxi Pali



Pali



Megasper



Auto mercado



Peri mercado

PULPERIA

- Estimates are that there are over 13,000 traditional grocery stores in Costa Rica
- Visited up to 4 times a day (Middle income supplement biweekly grocery purchases with visits to pulperia
- There are three key distinguishing features of the Costa Rican, and Latin American pulperia:
 - food items are sold in small packages, or the smallest unit packaged by manufacturers
 - food items are in limited quantity;
 - an easy line-of-credit (no application, no credit cards required) to loyal clients is readily available.



RETAILERS AND OUTLETS

RETAILER NAME	OUTLETS
Abono Agros	El Lagar- 15
	Colono- 51
	Las Gravilias- 5
EPA	5 – Costa Rica
	2- Guatemala
	2- El Salvador
	16- Venezuela

HARDWARE RETAILERS IN COSTA RICA

- The USA and China are the main suppliers of construction products (55-60% imported)
- There is no cost for placing products on hardware store shelves
- 30-90 days credit (China payment in advance)
- Margins can be very wide 30-50%
- Flyers and products displays
- Important characteristics for suppliers:
 - Price
 - Quality (China has good quality)
 - Presentation (EPA due to their clientele)
- Some locally manufactured construction products include:
 - Paints (Sur and Lanko)
 - PVC pipes and fittings (Amenco, Durman)
 - Electrical cables
 - Industrial gas
- Some distributors prefer to buy products from specialized local stores

EL LAGAR
TODO EN UN MISMO LUGAR





DISTRIBUTORS

- YES, there is a distributor law in Costa Rica (Law 6209)
- Credit terms = 60 to 90 days
- Consolidation is important
- Exclusive distributorship
- Shelf Life usually =>1 year
- Important characteristics for suppliers:
 - Price
 - Credit
 - Quality
 - Consolidation
- Distributors have the options to deliver to every supermarket/ hardware branch or use the client's distribution centre for a cost of 3 ½ - 8%
- All distributors indicated they will do the product registration but the exporter will pay the fees
- Distributors are seeking differentiated products (if products are similar to local the expect much higher margins)

ADVERTISING AND PROMOTION

- In-market Support (varies widely)
- Social media advertising as opposed to traditional advertising
- TAP Flyers and offer booklets
- Product Display (hardware stores)
- Sampling for food and beverage products in supermarkets
- Discounts (Megasuper 20% discount on all items every month)
- ~~Banded items~~

MARKET ENTRY REQUIRMENTS

Packaging and Labelling Requirements

- Labels can be printed in Spanish or English although Spanish is preferred
- Stickers/ tags are accepted in Costa Rica for product labels not in Spanish.
- The regulation for tags are governed by *decreto ejecutivo N° 3720 Reglamento Técnico : Resolución N° 280-2012 (COMIECO-LXII): Reglamento técnico centroamericano RTCA 67.01.07:10 Etiquetado general de los alimentos previamente envasados (Preenvasados)*
- Claims cannot be made on labels unless they are proven by the MOH

Packaging and Labelling Requirements

The tag should include the following:

- Name of the product
- List of ingredients
- Net content and drained weight must be declared as follows
 - in volume, for liquid foods;
 - in weight, for solid foods;
 - in weight or volume, for semi-solid or viscous foods.
- Sanitary registration number
- Name and address of the manufacturer
- Country of origin
- Batch identification
- Marking the expiration date and instructions for conservation
- Instruction for use
- Quantitative labelling of the products



CEBOLLA EN POLVO
 Contenido Neto 78.5 g
 Consumir Antes De:
 01 OCTUBRE 2022
 LOTE: 164321
 Hecho en: Estados Unidos de América
 Registro Sanitario Viente A-1452-13
 Distribuido Por: DIFO S.A.
 La Rivera de Buén, Heredia, Costa Rica
 Tel. 2522-8000



even more reasons
 to love it.

Macarrones con queso sabor original 7,25 oz (206 g)

El sabor que te encanta. sin sabores artificiales, sin preservantes artificiales, sin colorantes artificiales.

Ingredientes: macarrones enriquecidos (harina de trigo, harina de trigo duro, niacina, sulfato ferroso [hierro], mononitrato de tiamina [vitamina B1], riboflavina [vitamina B2], ácido fólico); mezcla de salsa de queso (suero grasoso lácteo, concentrado de proteína láctea, sal, fosfatos de sodio, contiene menos de 2% de ácido cítrico, ácido láctico, fosfato de sodio, fosfato de calcio), con paprika, curcuma y achiote adicionados para color, enzimas, cultivos para queso). CONTIENE TRIGO Y LECHE.

Información nutricional. Tamaño de la porción: 1/3 paquete, aprox. 1 taza (70 g). Porción por envase: aprox. 3. Cantidad porción. Calorías 250-350*. Calorías de la grasa 90-100*. Grasa total 3 g** (5%-20%* VD), Grasa sat. 1,5 g (8%-23%* VD), Grasa trans 0 g, Colesterol 10 mg (3%-3%* VD), Sodio 570 mg (24%-30%* VD), Carbohidratos 27 g (16%-16%* VD), Fibra dietética 2 g (8%-8%* VD), Azúcares 6 g, Proteína 5 g, Vitamina A (0%-15%* VD), Vitamina C (0%-0%* VD), Calcio (10%-10%* VD), Hierro (10%-10%* VD). *Valor del producto preparado. **Cantidad en la caja. Margarina con 0g de grasas Trans y 2% de leche descremada en la preparación contiene 13g de grasa total (4,5g grasa sat., 0g grasas Trans), 720mg sodio, 10g carbohidratos totales (2g fibra dietética, 7g azúcares), y 10g de proteína. Porcentaje del valor diario (VD) está basado en una dieta de 8378 kJ (2000 cal).

Sus valores diarios pueden ser más altos o bajos dependiendo de su necesidad calórica.

	Calorías	2000	2600
Grasa total	menos de	65 g	80 g
Grasa sat.	menos de	20 g	25 g
Colesterol	menos de	300 mg	300 mg
Sodio	menos de	2400 mg	2400 mg
Potasio		3600 mg	3600 mg
Carb. totales		300 g	300 g
Fibra dietética		25 g	30 g

Consumir antes de 29/06/2018 Número de lote: 171206

Fabricado por Kraft Foods Group, INC. Northfield, IL 60093-2753 USA. Distribuido en Costa Rica por Alimentos Heinz de C.R. S.A. Tel. 2549-98-00. E-mail: sabores@kraftheinzcompany.com. Registro M.S. A-6719-13.

PREPARACIÓN CLÁSICA: 6 tazas de agua, 4 cdas de margarina o mantequilla, 1 1/4 taza de leche.
INSTRUCCIONES PARA COCINAR: 1) Hervir el agua en una olla mediana, adicionar los macarrones agitando. Cocinar por 7-8 minutos o hasta que estén blandos, agitar ocasionalmente. 2) Escurrir. NO ENGUAJAR. Devolver a la olla. 3) Adicionar la margarina o mantequilla, leche y la mezcla para salsa de queso; mezclar bien. **PARA PREPARAR CON MENOS GRASA:** preparar según instrucciones usando 2 cdas de margarina o mantequilla y 1 1/4 taza de leche descremada.

PORT, CUSTOMS AND LOGISTICS

PORTS AND CUSTOMS

- Main port of entry for container cargo is the port of Limon
- Some of the major lines that ship to Costa Rica are Sea Land (Maersk), Seaboard, CMA- CGM, Crowley
- Customs – Traffic light container inspection system
 - Green- Immediate
 - Yellow- Documentary Inspection
 - Red- Physical Inspection
- Taxes and Duties
 - Sales Tax – 13%
 - Duties
 - Law 6946 – 1%
 - Selective Consumption Tax



**MAERSK
SEALAND**



CROWLEY

SHIPPING DOCUMENTS

- Bill of Lading
- Packing List
- Invoice
- Certificate of Origin
- Sanitary and phytosanitary certificates for products (where applicable)
- Sanitary Registration (where applicable)
- *** Export Declaration form is not required by T&T exporters

- Technical Note
- DUA (Public Customs Declaration)



FOB Rates Port Spain - San José, CR

Description	20DC	40DC/HC
Ocean Freight Port Spain - Port Limon, CR	\$1600.00	\$1800.00
Inland Freight Port Limón- San Jose, CR	\$415.00	\$415.00
Tica fee (customs manifest transmission)	\$35.00	\$35.00
Terminal Security charge at destination	\$2.00	\$4.00
Anticipado (Cost to process payment of taxes before arrival of the vessel at destination)	\$120.00	\$120.00
Transport guide (Redestino. Cost to process transport from Port to Fiscal warehouse in San Jose for customs clearance)	\$55.00	\$55.00
Document fee	\$35.00	\$35.00



Weekly sailings

Estimated Transit time: 15 days (port to port)

Rates include the following assessorial charges: Bunker, Carrier security, Sealing charges at origin, Terminal handling charge (THC) at origin & destination



ADDITIONAL CHARGES



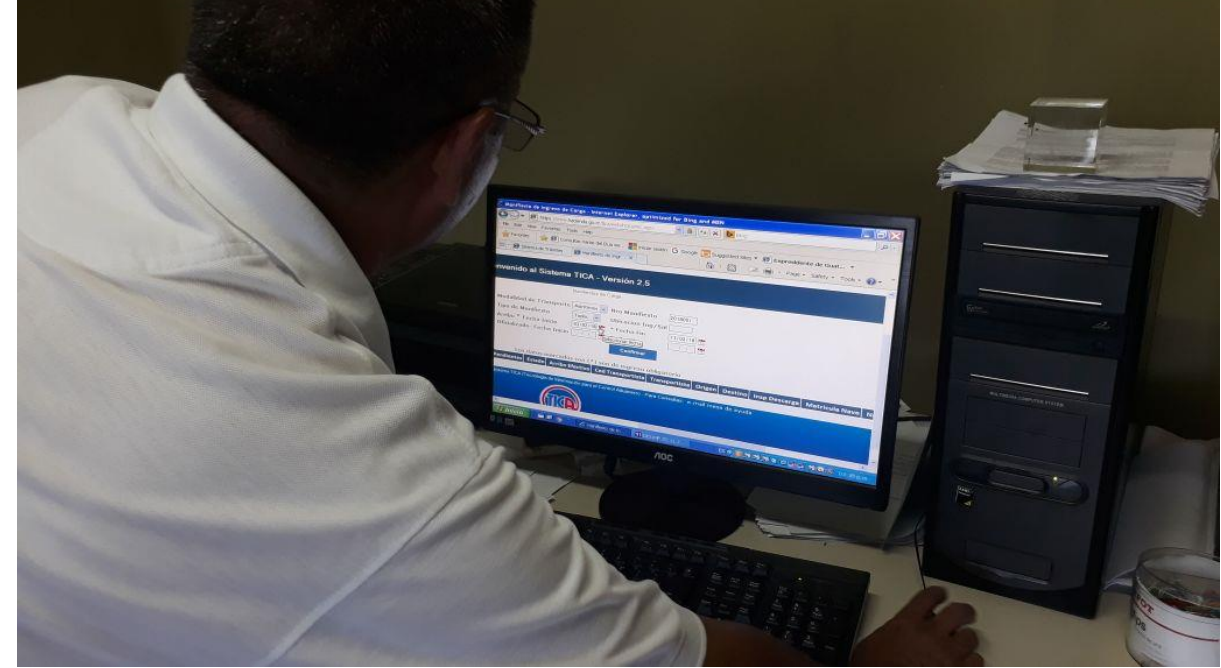
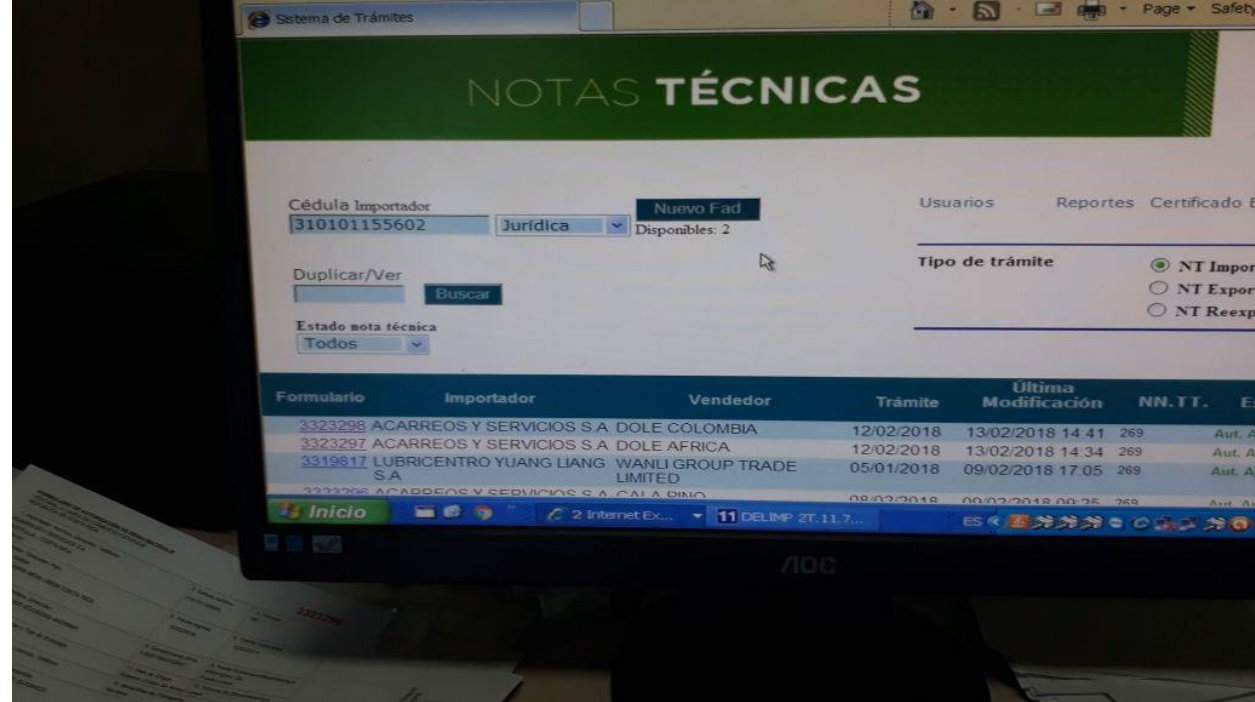
- Free times to back the empty container to the shipping line: 8 days (calendars). The unloading must be within 6 hours. From 7th hour there is extra charge of \$75 until the next day
- Demurrages: \$95 x 20' / \$106 x 40' from 9th day plus \$125 to pick up the empty container
- Chasis use: 3 days free. From 4th day, \$35.00 per day
- Storage in container yard (if container is not picked up from container yard after the free times) \$100 per day
- Electronic mark (if it is assigned) : \$120.00
- Special equipment for overweight: \$150.00
- Prices do not include customs costs, taxes, warehousing costs, unloading container, customs inspections (red light) permissions, cargo insurance, additional costs for dangerous cargo

CUSTOMS DOCUMENTS (AGENT)

- All agents should be registered with the Asociación of Agentes de Aduana (AAA)

The Customs Agent generates the following:

- Technical Note
 - DUA (Public Customs Declaration)
-
- Documents required to do a DUA
 - Commercial Invoice
 - MOH (product registration)
 - B/L
 - Shipping Rate (CIF)
 - *Before the DUA is processed/ generated the taxes must be paid to Customs*
 - Agents can do an “anticipated DUA” when the products are still in transit
 - Custom agent charge per DUA which is based on the VALUE of the shipment





Comprobante de mercancía nacionalizada

Fecha: 12/02/18

Hora: 15:16:09

Pág: 1

DUA tramitado: 006 - 2018 - 021264

Aduana: ADUANA DE LIMÓN

Declarante: 310109825017 - ADUANERA T F SOCIEDAD ANONIMA

Agente: 103590687 - CASTRO TENCIO GERARDO ELIECER

Estado del Dua: Autorización de Levante

Régimen Importación

Imp/Export: 310120959910 - TERNIUM INTERNACIONAL COSTA RICA SOCIEDAD ANONIMA

Ubicación: P003 PATIOS MOIN

Modalidad: NORMAL

Tipo revisión (aforo): ROJO

Tot.Bultos: 63.000

Peso Bruto 82471.000

Peso Neto 79447.000

Moneda: USD - DÓLAR DE EE.UU.

Cif en Poliza: \$ 101,031.56 Tipo Cambio: 576.51 Cif en poliza Col: 58,245,704.66

Total en dolares: 13,137.23 Total Moneda Nac: 7,573,743.13 Nro.viaje: 0

Observaciones:

CONTENEDOR: SUDU1663901-SUDU7652400-SUDU1987475, VAPOR: CAP BEATRICE 803N, MANIFIESTO: 20180241, FILE: 6 65794. TRAMITE ANTICIAPDO. SALDO 0 BULTOS.

Lineas y Inventario del DUA:

Lin: 0001 Mercancia:

PRODUCTOS PLANOS DE ACERO PINTADO SOBRE ALUMINIO-ZINC GALVALUME EN CINTA

Tipo:	Manifiesto:	Tipo transp:	Ubic:	Fecha Ingreso:	Nro. Conocimiento:	Partida:	Est	Bultos:	Linea Conoc:
Ingreso	20180241	Maritimo	P003	07/02/18	12	721070100000	INI	23.000	1

Lin: 0002 Mercancia:

PRODUCTOS PLANOS DE ACERO PINTADO SOBRE ALUMINIO-ZINC GALVALUME EN CINTA

Tipo:	Manifiesto:	Tipo transp:	Ubic:	Fecha Ingreso:	Nro. Conocimiento:	Partida:	Est	Bultos:	Linea Conoc:
Ingreso	20180241	Maritimo	P003	07/02/18	12	721070100000	INI	20.000	

Lin: 0003 Mercancia:

PRODUCTOS PLANOS DE ACERO PINTADO SOBRE ALUMINIO-ZINC GALVALUME EN CINTA

Tipo:	Manifiesto:	Tipo transp:	Ubic:	Fecha Ingreso:	Nro. Conocimiento:	Partida:	Est	Bultos:	Linea Conoc:
Ingreso	20180241	Maritimo	P003	07/02/18	12	721070100000	INI	20.000	

Ultima linea

ADUANERA T F
Ced. Juridica
3-101-09825017

TRANSPORTES JEIMARK S.A.
C.D. JUR. 3-101-71696620
* 12 FEB. 2018 *
TEL. 8525-5771/8536-3178
LIMÓN COSTA RICA

Sislocar, S.A.
Recepción de Mercadería / Serv
* 12 FEB. 2018
Firma Autorizada:



CIF Value	Cost
CIF until \$500.00	\$70.00 por DUA
CIF from \$501 to \$1000	\$75.00 per DUA + 13% IV
CIF from \$1.001 to \$3.500	\$85.00 per DUA + 13% IV
CIF from \$3.501 to \$5.000	\$95.00 per DUA + 13% IV
CIF from \$5.001 to \$10.000	\$110.00 per DUA + 13% IV
CIF from \$10.001 to \$15.000	\$125.00 per DUA + 13% IV
CIF from \$15.001 to \$35.000	\$150.00 per DUA + 13% IV
CIF from \$35.001 to \$50.000	\$165.00 per DUA + 13% IV
CIF from \$50.001 to \$75.000	0.35% over CIF value + 13% IV
CIF from \$75.001 to \$100.000	\$0.27% over CIF value + 13% IV
More than \$100.000	\$0.23% over Cif value + 13% IV
Fixed costs	\$35.00
Previous examination (if it is required)	\$50.00
Special permits	\$35.00
Technical note	\$15.00



SHIPPING OF SAMPLES

- Samples are NOT required to be registered with MOH
- There is a special form to be completed for the shipping of samples and be submitted to the MOH
- For chemical products the value must be less than US\$200
- The value is not stated for Food and Beverage products
- Documents required for shipping of samples
 - Free Sale Certificate
 - Not for sale sticker on labels
- *** Recommendation: Bring products in your suitcase where possible*

KEY CONSIDERATIONS

- Upcoming Negotiations with Korea
- Duties for products not included in the agreement
- Understanding the Custom procedures
- ~~Distributor Law~~
- ~~Product Registration Process~~
- ~~Language Barrier~~

PRODUCT FACT SHEET

exporTT Product Sheet Surface Care in Costa Rica



Issue No: CR01122017

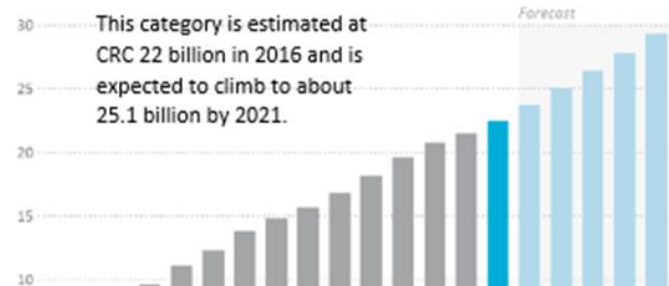
Market Overview

Market Highlights

- Surface care registered current value growth of 5% to reach CRC 22.4 billion in 2016
- Added-value functional formulations drive growth during 2016
- Average unit prices rise in line with inflation during 2016
- Reckitt Benckiser Centroamerica SA continues to lead surface care with a value share of 29% in 2016

Sales of Surface Care in Costa Rica
Retail Value RSP - CRC billion - Current - 2002-2021

22



Drivers of Growth

This growth was mainly driven by:

- Providing more appealing and stronger aromas coupled with improved marketing strategies
- Competition among major brands placed pressure on the exchange and inflation rates resulted in minimal unit price variations.

THANK YOU

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Research Officer

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