



# Costa Rica

LATAM's Most Stable  
Economy in Central America

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# The Costa Rican market

Costa Rica not only has a stable economy, but also boasts of having the most democratic government and highest literacy rates in Central America. The country has generated healthy GDP growth, averaging 4.27% between 1992 and 2022.<sup>1</sup> After contracting in 2020, the economy expanded by 7.6% in 2021.<sup>2</sup>

Costa Rica enjoys among the highest per capita GDP in Central and South America.

**The Costa Rican economy is expected to grow by:**<sup>3</sup>

3.3% in 2022  
2.9% in 2023



**5.2 million**  
population<sup>4</sup>



**33.5 Years**  
median age of population



**Costa Rican Colón**  
(₡) - currency



**81%**  
internet user penetration<sup>5</sup>



**4.21 million**  
internet users in Costa Rica



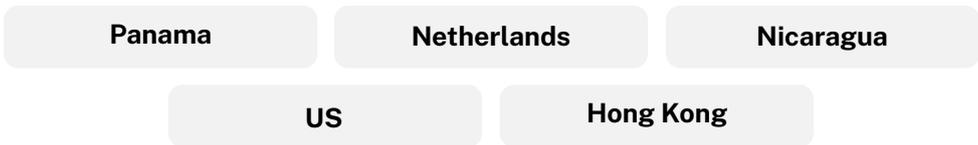
**\$2.4 billion**  
total transaction value in digital payments in 2022<sup>6</sup>

Costa Rica has upheld the universality of human rights, based on solidarity and cooperation.<sup>7</sup> The country also has a strong commitment to the environment and has more than 30 national parks, over 50 wildlife refuges and numerous forest and biological reserves.

This has led to a flourishing ecotourism industry, which attracts significant foreign investment.<sup>8</sup>

**Ecotourism generated \$1.4 billion in revenue for the country<sup>9</sup>**

## Costa Rica's main export destinations<sup>10</sup>:



# Costa Rica's booming services sector

The country's services sector contributes 67% of GDP.<sup>11</sup> Exhibiting high digital readiness, Costa Rica was an early adopter of new technologies. The country has a prolific IT services market and has come to be known for quality software development and a leading exporter of high value-added services in Latin America.<sup>12</sup>

International tourism has also contributed significantly to Costa Rica's GDP growth.



**Costa Rica's earnings from international tourism is expected to reach \$1.59 billion by 2025<sup>14</sup>**



**Costa Rica recorded \$1.04 billion in high-technology exports in 2020<sup>13</sup>**

## Costa Rica's ecommerce market



**~55%**

user penetration projected by 2027

**2.9 mn**

users expected by 2027

**4.2 mn**

internet users in January 2022

# What do Costa Ricans shop for online?



 Fashion and beauty

 Electronics

 Household items

 Health and personal products

**\$1.6 mn**

e-commerce sales projected for 2022

**15.4%**

CAGR expected from 2022 through 2027

**\$3.2 mn**

e-commerce revenue expected for 2027<sup>15</sup>

**Electronics generated the largest e-commerce revenue in 2021, at \$665 million**

## Costa Rica's e-commerce payment mix



# Digital transformation of Costa Rica

Costa Rica has been at the forefront of emerging tech trends and leads Central and South America in terms of digital readiness and the pace of adoption of new technologies.<sup>18</sup>



**7.72mn**

mobile connections at the start of 2022<sup>19</sup>



**150%**

mobile penetration in urban areas<sup>20</sup>



**81%**

internet user penetration

## GSMA mobile connectivity index<sup>21</sup>

**Index score 2021 - 71.1**



### Infrastructure

61.2

Network coverage

**83.4**

Network performance

**51.5**

Other enabling infrastructure

**74.6**

Spectrum

**28.9**



### Affordability

65.2

Mobile tariffs

**71.4**

Handset price

**70.3**

Taxation

**85.5**

Inequality

**27.8**



### Consumers readiness

65.2

Mobile ownership

**87.4**

Basic skills

**72.9**

Gender equality

**91.5**



### Content and services

79.5

Local relevance

**75.0**

Availability

**90.2**

Online security

**67.5**



## mCommerce

### Growth of mobile commerce in Costa Rica<sup>22</sup>



## Fintech

### Growth of digital payments in Costa Rica<sup>23</sup>



## eServices

### Growth of eServices in Costa Rica<sup>24</sup>

Online food delivery is expected to spreadhead growth of the eServices sector in Costa Rica, with \$31.97 million in revenues projected for 2022. The event tickets segment is poised to be the next biggest growth driver, with 19.7% revenue growth projected for 2023.



# Why do business in Costa Rica

## Open economy

The country has maintained an outward-oriented strategy, with trade liberalisation and openness to foreign investments.<sup>25</sup> Years of political stability and steady economic growth have allowed Costa Rica to build strong trade relations with other countries and earn the trust of foreign companies looking to invest in the region.

**3.2%**  
expected GDP growth  
in 2024

## Economic progress

The Costa Rican economy has made significant progress over the years. Its GDP for 2022 is estimated at \$66.6 billion.<sup>26</sup> The country has a high urban population and boasts the lowest poverty rates in Latin America and the Caribbean.

**79%**  
of the population  
is urban

## Clean energy generation

The reliance on clean energy generation offers massive cost savings and has fostered economic growth. Energy from renewable resources powers more than 1.5 million homes and 225,000 businesses and has saved the country nearly \$500 million over the past two decades.<sup>27</sup>

**99%**  
of energy is  
generated from  
renewable sources<sup>28</sup>

## Large talent base

Costa Rica has among the highest literacy rates in the Western Hemisphere, thanks to its strong educational system that has several renowned universities. Nearly 22% of government expenditure is focused on education,<sup>29</sup> significantly higher than the average of 11% for OECD countries.<sup>30</sup> Due to this, around 3,500 engineers and 7,000 graduates in subjects like science and maths enter the workforce every year.<sup>31</sup>

**Over 90%**  
of population is  
literate<sup>32</sup>

## Favourable government policies

The Costa Rican government has ensured that its policies and the country's infrastructure attract foreign investments. The country upholds human rights and has ratified several international treaties. Costa Rica's free trade zones (FTZ) offer massive tax incentives to attract foreign manufacturers and service providers.<sup>33</sup>

**14**  
free trade agreements  
with 52 countries<sup>34</sup>

# Costa Rica's economic expansion

Sectors that traditionally led the growth of the Costa Rican economy were:



**Food processing**



**Textiles and clothing**



**Tourism**



**Agriculture**

Sectors that have been spearheading growth in the 21st century are:

**Ecotourism**

**Ecommerce**

**Renewable energy**

**Digital payments**

The development of tourism and later the ecotourism industry attracted significant foreign investment, which transformed the country's agriculture-based economy to one dominated by technology and services.<sup>36</sup>

**Over 98%  
clean energy for 7 consecutive years<sup>35</sup>**



## Top 4 payment methods in Costa Rica



### 1. Banco Nacional

Established in 1914, Banco Nacional de Costa Rica (BNCR) is the largest commercial bank in the country and the second largest in Central America in terms of assets and loan portfolio. It is wholly owned by the government and has 170 branches and over 400 ATMs across Costa Rica.

**~36,000**  
MSME clients in 2020<sup>37</sup>



### 2. PAYSER

Launched by Teledolar, PAYSER is a tech-driven platform that facilitates electronic payments, transfers and remittances for businesses and retailers across Costa Rica. With more than 25 years of experience, Teledolar offers 24/7 access to funds and facilities to make domestic and international transactions. Companies can use PAYSER to allow their customers to make real-time deposits in either US dollars or Costa Rican colones.

The PAYSER network has  
**2,500+ partners**<sup>38</sup>



### 3. MasterCard

This is one of the most widely accepted credit cards in Costa Rica. Targeting customers with higher incomes, the firm launched its “Black” debit card for the first time in Costa Rica, in partnership BNCR, in November 2022. MasterCard said the reason for this move was that Costa Rica had the greatest number of affluent customers in Latin America.

**237** websites accepted  
payments via  
MasterCard in 2022<sup>39</sup>



### 4. Puntos Hey

With no physical branches, this digital bank offers fast and cost-effective payments. One can use a smartphone to make payments for purchases, public utility bills, mobile recharges and more. It also gives a QR code to make and receive payments. Puntos Hey has also launched the Hey Card, which can be used to make ATM withdrawals from its partner banks.

The Android version of  
the app has **100,000+**  
downloads by 2022<sup>40</sup>

# Expand your business in Costa Rica with PayRetailers

PayRetailers takes your business to Costa Rica with more payment alternatives for your customers, all in a single platform.

Being able to offer flexibility in payments can empower your business to grow. With PayRetailers, you get to achieve just that from anywhere in the world to drive business growth in Latin America. We offer a fully localised solution for payment processing in the region. With a single API integration, you gain access to over 250 local payment methods.

Our payment gateway supports multi-channel and multi-currency payments, enabling you to provide unparalleled customer check-out experiences to maximise sales. With our always-available, robust and scalable payment infrastructure, you can start processing transactions within 48 hours.

## Fraud prevention & risk management

PayRetailers ensures a completely compliant solution with a focus on the highest standards of security as part of our fraud prevention solutions.

## Local collection, global settlements

Make sales in Costa Rican colón and receive US dollars, anywhere in the world. We offer unified settlement across all currencies through a 24-hour fixed forex rate in USD and EUR.

## Turnkey merchant services

With our highly scalable cloud-based solutions, you can access data quickly and easily, at any time and from anywhere.

## Localised solutions

Maximise your market reach by offering the most popular local payments methods without needing to set up a local entity.

### Online Payments



### Cash Payments



### Card Payments





### Fintech associations



## Our commitment to financial inclusion & financial education

We foster business growth for your company to drive innovation in financial solutions with an aim to building financial inclusion. We believe that we can further ensure inclusion by providing knowledge and skills for people to better manage their personal finances and improve their well-being. We use our collective knowledge and industry best practices to improve financial services for everyone.

## Are you interested in the Costa Rican market?

Our team of experts can help you:

- Understand your Costa Rican customer and their preferences.
- Get local expertise and assistance.
- Find the reliable payment methods trusted by Costa Rican consumers in your industry to form a local payment strategy.

**50+ leading companies trust us.**  
**Operate via a local partner, so that there is no need to set up a local entity.**

PayRetailers bridges the access gap between Latin Americans and international companies. Contact our sales expert team and discover our solutions for yourself.



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