



INTERNATIONAL MEETING ON SERVICES VALUE-ADDED IN EXPORTS

Services and trade policies
for diversification and upgrading
Brasilia, Brazil, 22-23 October 2019

SERVICES INPUTS FOR INCLUSIVE TRADE AND DEVELOPMENT

Presentation by

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Chairman and Chief Executive Officer TecApro / Evicertia CenAm

Costa Rica

MINISTÉRIO DA
ECONOMIA



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Services inputs for inclusive trade and development

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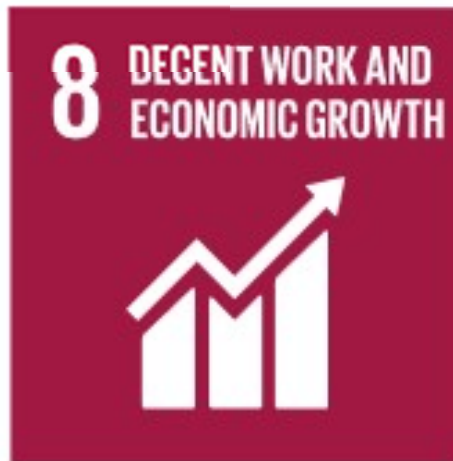


Agenda

- *Services inputs and SDGs*
 - *Costa Rica: value added services exports:
Composition and Growth
Free Trade Zones participation
International positioning
Productivity gains*
- *Targeted programs to boost services inputs and value added in services:
GET – IDCs - R&D Hub -HD Initiatives
Talent Place - Crystal Ball
Test Bed 5G – Innovation Center/Open LAB*
 - *Final remarks*



SUSTAINABLE DEVELOPMENT GOALS



Related SDGs:

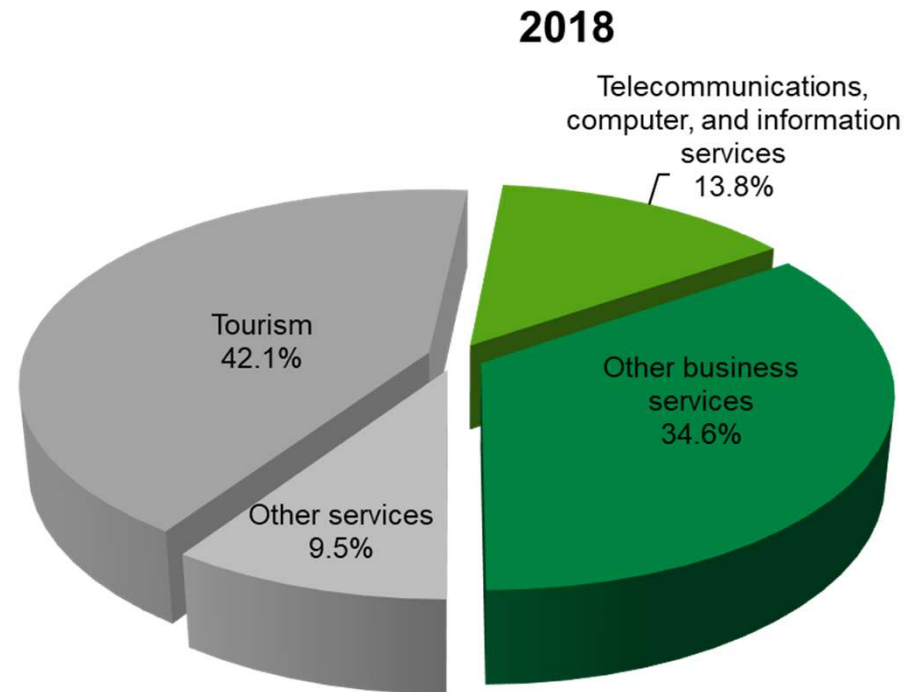
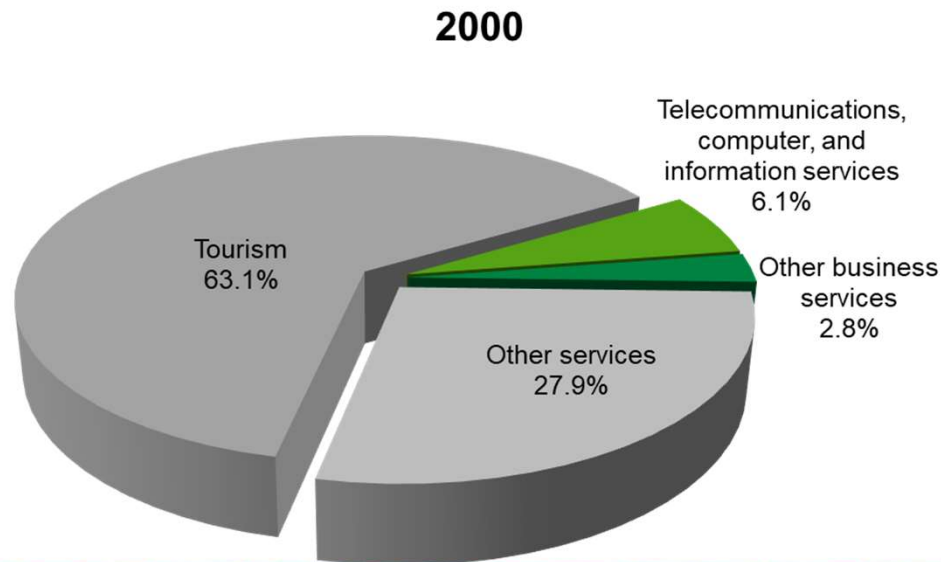
SUPPORT &
CONTRIBUTION
TO COSTA RICA'S
SUSTAINABLE
DEVELOPMENT

Results: Increased sophistication and value-added of service exports



Five times higher

Value-added service exports increased from 9% in 2000 to 48.4% in 2018

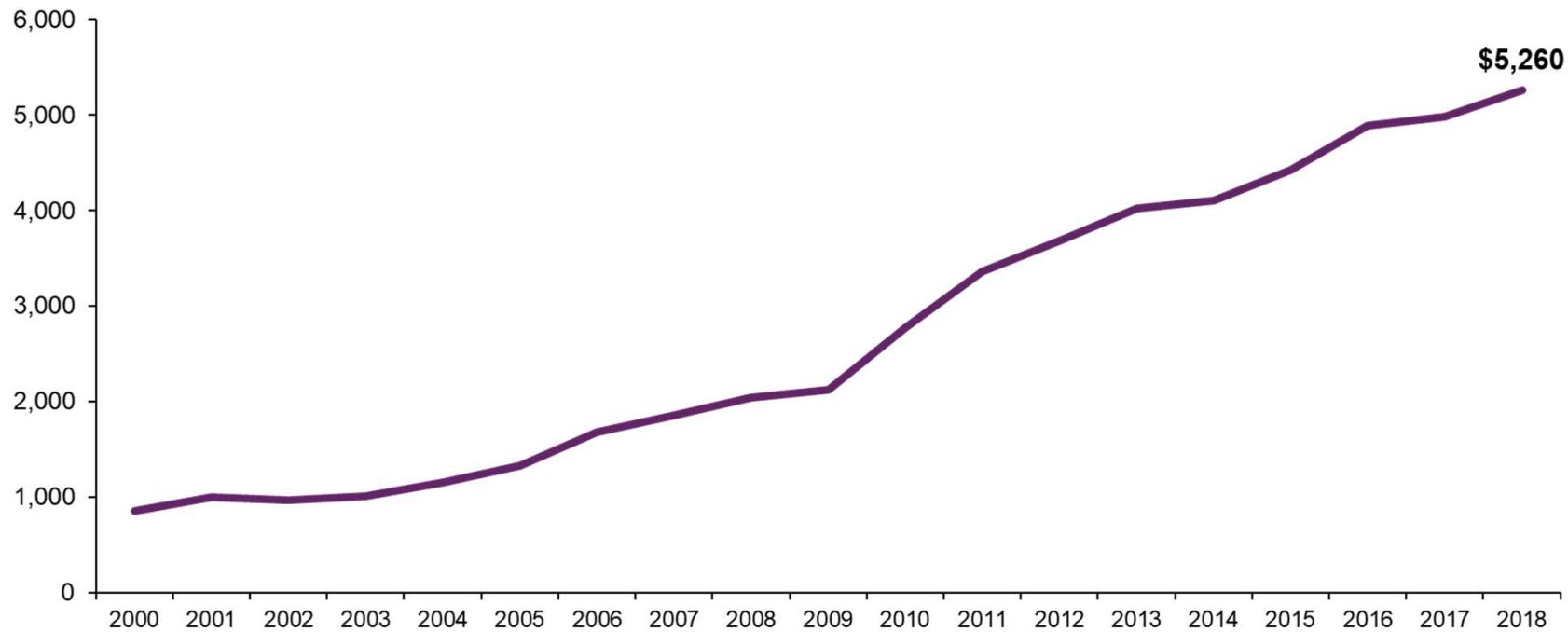


Source: CINDE based on data from BCCR, 2019

Non-tourism services exports have grown more than six-fold since 2000



Costa Rica: Services exports - excluding tourism-
US\$ million

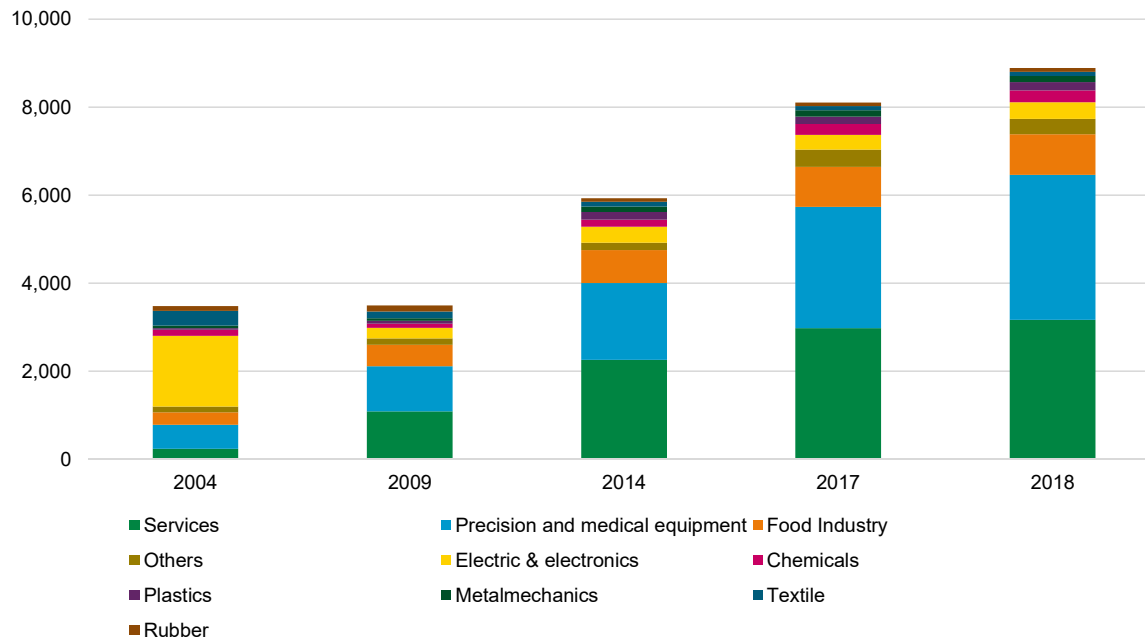


Source: CINDE based on data from BCCR, 2019

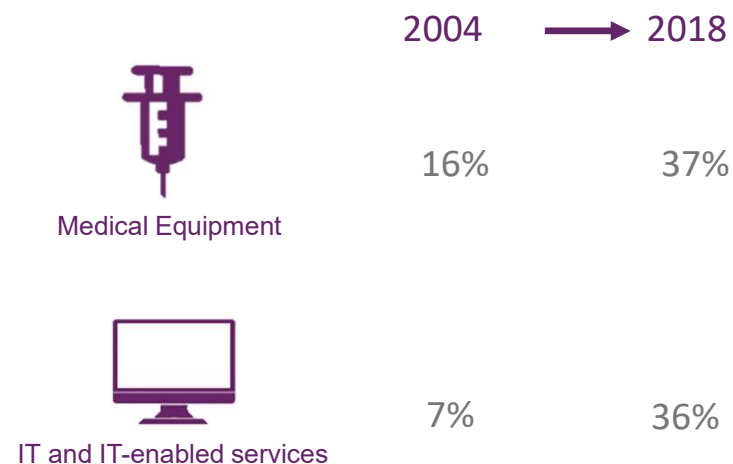
The Free Trade Zone Regime has also diversified the country's exports structure



Free Trade Zone Regime: Exports by productive activity of the companies. 2004-2018



Participation of Strategic Sectors



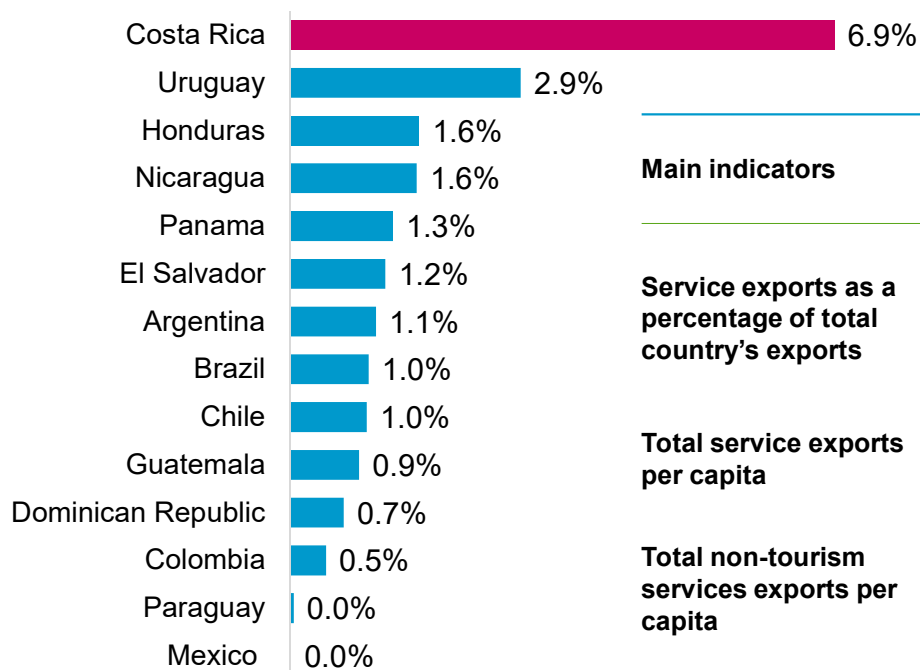
Note: shows percentage of total free trade zone exports

Source: CINDE based on data from Procomer and the Costa Rican Central Bank, 2019

Costa Rica leads value-added service exports in the Latin American region



Exports of Telecommunications, computer, information, and other services as % of GDP - 2018



Main indicators	Costa Rica	Uruguay	Brazil	Argentina	Colombia	Paraguay	Mexico
Service exports as a percentage of total country's exports	45%	39%	12%	19%	18%	11%	6%
Total service exports per capita	\$1,817	\$1,404	\$163	\$317	\$187	\$166	\$229
Total non-tourism services exports per capita	\$1,073	\$735	\$135	\$192	\$75	\$115	\$49

Source: CINDE based on data from BCCR, IMF and TRADEMAP , 2019

Increased productivity in the Services sector



Source: Data for companies attracted by CINDE

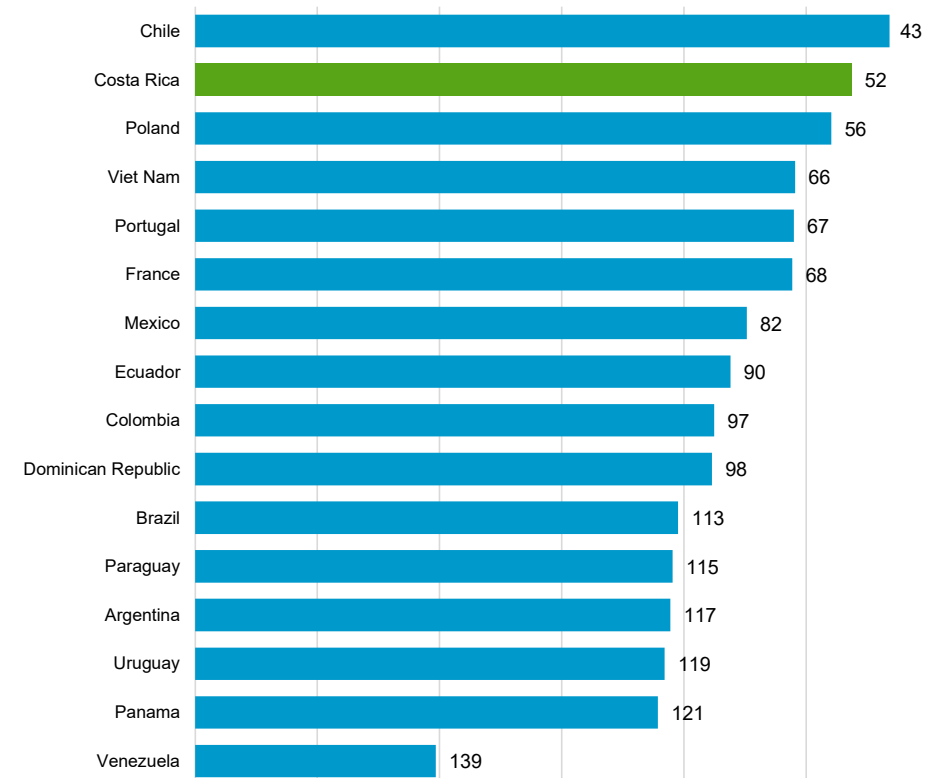
Attrition rate:

- Unwanted turnover rate in the Shared Service sector: 12.9% in 2017 (latest available)
- Best in class (the company with lowest undesired turnover rate) was 4.3%.
- A steady-state scenario of annual turnover rates for the next 4 years is expected.

Source: CINDE, 2019. Data comes from survey conducted by PwC

Pay and productivity

Scores and world rank




Source: CINDE based on data from Procomer. World Economic Forum. 2018

1) The human capital's adaptability to change is evident in the evolution of the sophistication of services delivered;

2) Macro stability and rule of law;



 Back Office & Contact Center



Corporate Functions



Knowledge Services



Research & Development


- Transaction processing
- Accounts management
- Collections
- Telemarketing
- Customer services
- Help desk
- IT support


- Shared corporate services
- Finance/accounting
- HR
- Procurement
- IT
- **Maintenance**
- **Infrastructure**
- **Application development**
- Supply chain & Logistics

- Research services
- Compliance and fraud detection
- Portfolio analysis
- Claims processing
- Risk management
- Credit underwrite
- Forecasting
- Financial Planning and analysis
- Business Analysis

- **Engineering support**
- **Software development**
- **Legacy system support**
- Mobile app development
- **Cloud and cybersecurity**
- Data base administration
- Web development

- **Content Development, engineering & design**
- New product design
- **Embedded Software**
- Pilot / prototypes
- Testing
- Production design & optimization
- Cognitive Computing
- RPA development & implementation

 Low-cost labor

 Access to highly-skilled and qualified workforce

3) Investment incentives;

4) Trade liberalization



COLLABORATION TOWARDS

COMMUNITY EMPOWERMENT

“I can’t speak highly enough about the Costa Rican culture; there isn’t a nicer group of sophisticated, educated people out there. They treat people respectfully and kindly, so adding that mindset into the mix has enriched our culture dramatically”

Arturo Schwartzberg, co-founder



Joint strategy developed between multinationals in Costa Rica that seeks to maximize efforts and have a higher impact on initiatives related to closing the gender gaps, improving education/specialization programs and enabling access to technology and trends.

Gender

- Retention and Progression Programs.
- Talent Acquisition and Pipeline.
- Internships for Women.

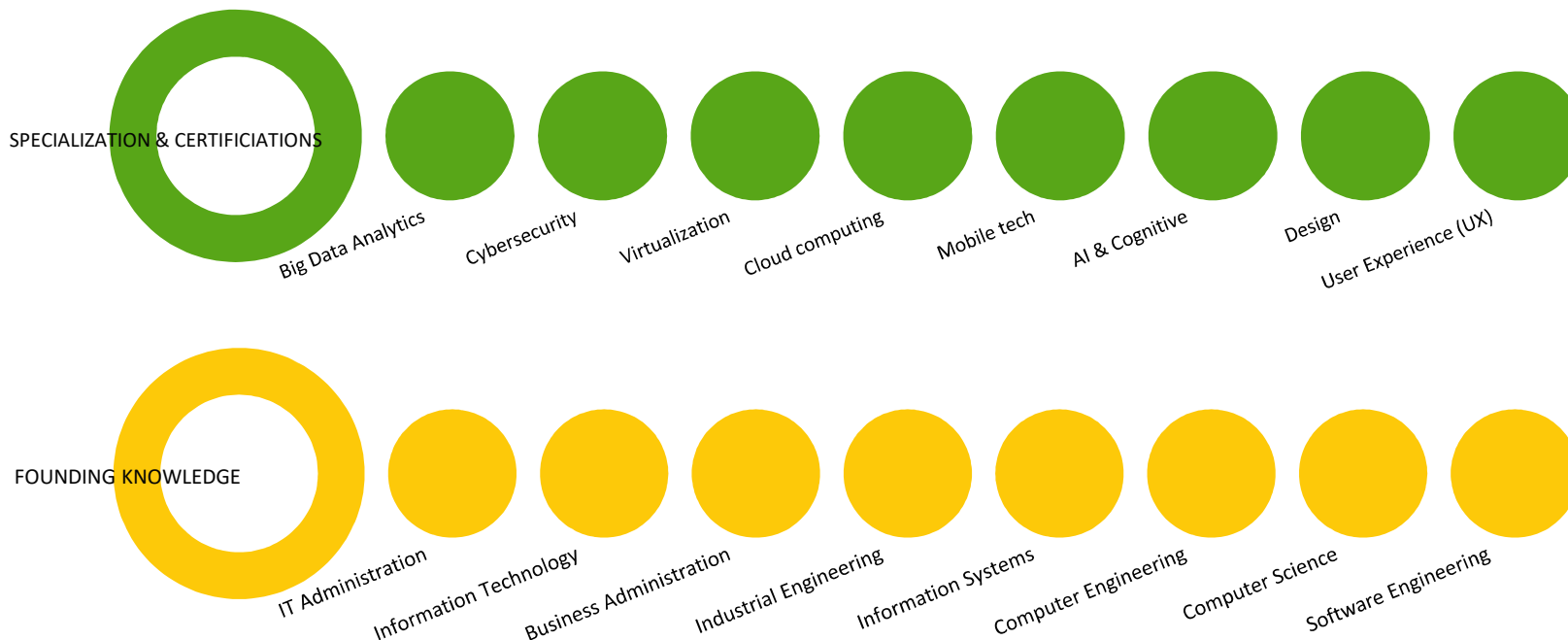
Education

- STEAM Programs.
- Vocational Orientation.
- Curricular Offering.

Technology

- Innovation Centers.
- Applied Technology.
- Connectivity.

Developing new talent, creating new opportunities





Costa Rica

R&D Hub

esencial
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Objective:

To position Costa Rica as an international R&D Hub, collaborating with the Government, academia and society to build a competitive ecosystem that will drive the right opportunities in this field.

The group leads strategic investment climate programs in a collaborative environment to make a bigger impact. The companies can make partnerships from different sectors to build new business opportunities.



Baxter

**Boston
Scientific**
Advancing science for life™



HOLOGIC™



**Hewlett Packard
Enterprise**



MOOG



SYLVANIA



CINDE: HUMAN DEVELOPMENT INITIATIVES

- **Tools for Success Plus:** English scholarship fund that benefits technical high school students
- **The Talent Place:** links candidates from technical high schools and universities with companies looking for the best talent for internship opportunities
- **CINDE job fair:** specialized in the recruitment of bilingual personnel
- **Vocational Orientation:** to promote highly demanded careers
- **Surveys**
 - Salary Survey Standardization
 - Turnover industry study
 - Gap analysis (demand vs. current curricula) – Business Administration, IT and Engineering
 - HR Forecast: Vital Statistics

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THE TALENT PLACE

by CINDE

- **Innovative web platform** that links candidates from technical high schools and universities with companies looking for the best talent for **internship opportunities**.
- **Over 120 companies** from the Services, Advanced Manufacturing and Life Sciences sectors already registered.
- Large database with **thousands of students** from areas such as IT, engineering (electrical, electromechanical, electronic and industrial), business administration, digital technologies, among others.
- Internship opportunities have been posted in areas such as **marketing, research and development, accounting, international business, mobile systems, technical support, software development and social media, industrial maintenance, and engineering**, among others.



“Cristal Ball”

USING AI TO FOSTER THE SKILLS

FOR THE JOBS OF THE FUTURE

Objective:

Contribute to align the supply and demand of human capital (employment) in knowledge economy sectors, through the development and implementation of a digital orientation platform for employment based on artificial intelligence.

Supported by:

HR GPS ● The Talent Place ● Job Link ● Tools for Success Plus ● One in a Box ● CINDE Job Fair ●

Campaign -My job, my future & my



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Thank you!

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