



## Immediate Press Release

# Costa Rica pursues automotive sector manufacturers

- **Germany and the United States become primary target markets.**

**San José, Costa Rica:** The Minister of Foreign Trade, Marco Vinicio Ruiz; CINDE Executive Director, Gabriela Llobet; and PROCOMER's Executive Director, Emmanuel Hess, officially presented this Tuesday April 29<sup>th</sup>, the strategy that the country will follow for attracting more foreign automotive parts and products manufacturers to Costa Rica.

The announcement was made before local businessmen whose companies currently supply said industry as well as representatives for Hutchings Automotive Products and Deshler, Bridgestone Firestone and Continental AG, companies which have decided to locate manufacturing operations in Costa Rica. Continental AG recently chose Costa Rica over México, where it already has manufacturing operations. *See inset: "Pioneers of the Costa Rican automotive sector".*

As was explained by Gabriela Llobet, Costa Rica has great potential to become one of the leading destinations in Latin America for automotive sector manufacturers, thanks to the quality of the Costa Rican human resource, close access to major markets and the advantage that these manufacturers have in a solid and established local supplier base.

"Companies such as Continental AG seek out a combination between quality, sophistication and competitive costs. Costa Rica offers these advantages coupled with a solid political and economic stability and privileged access to many markets, converting the country into a platform for the delivery of products to the world" she stated.

On his part, Emmanuel Hess mentioned that one of the greatest strengths yet a challenge to the country is enlarging and strengthening local suppliers that offer products, parts or services to these multinationals.

"Suppliers must comply with high quality standards, such as ISO 9001:2000 as well as other industry specific certifications. In that regard, PROCOMER's Costa Rica Provee program will begin a sensitivity and capacity-building campaign amongst local businessmen so they may evolve to those levels" he explained.

The strategy presentation was closed by Minister of Foreign Trade, Marco Vinicio Ruiz, who pointed out that the government recognizes in Foreign Direct Investment (FDI) an engine for development and job growth of the utmost importance for the country, reason for which he expects that the legislation project to modify the Free Zone regime is sent soon to Congress and furthermore, is studying alternatives to promote attracting more productive investment, internal as well as external.

"This sector has great potential for growth in the coming years, so the definition of a strategy, such as the one presented today, has to consider growing the productive linkages with the high tech industries and take advantage of a highly skilled human resource such as the one Costa Rica offers", said Minister Ruiz.

### Pioneer companies

**Bridgestone Firestone Costa Rica, S.A.** was established in 1967 in La Ribera de Belén. The company manufactures 12.000 tires per day for automobiles, light trucks, trucks and buses.

**Deshler:** Decided to locate in Costa Rica Turing the first semester of 2007. Will produce metal molding products for the automotive industry. The initial investment for its new plant is US\$5 million in machinery.

**Hutchings Automotive Products** was established in Costa Rica in 2005. Manufactures close to 70 different vehicle parts, including engine, A/C and heating unit parts.

**Continental AG:** One of the world's leaders in automotive electronics. Will base electronic vehicle transmission component manufacturing out of Costa Rica. Continental AG will invest US\$61.5 million in its initial operations in the country and is expected to hire close to 550 employees within the first three years of operations.

**Para mayor información:**

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