

Costa Rica

Tourism in the economy

Tourism makes a significant contribution to the economy of Costa Rica. In 2016, tourism directly contributed to 5.0% of GDP, and new Tourism Satellite Account estimate that contribution of tourism to GDP rises to 8.2% when indirect effects are considered. In 2018, tourism directly employed 157 000 people, corresponding to 6.6% of total employment. Tourism is the most important source of foreign exchange in the country, contributing CRC 2.2 trillion in 2018, a rise of 5.0% since 2016.

Year on year growth in international tourist arrivals has been on average 7.4% since 1990. Costa Rica is a year-round and long-stay destination. In 2018, there were 3.0 million inbound arrivals, up 1.9% over 2017, more than 2.3 million of which arrived by air. The average length of stay is 11.7 nights, a figure which has steadily risen over time. By far, the largest source market for overseas visitors in 2018 was the United States with 1.3 million tourists (41.9% of total share), followed by Central America at 691 000 (22.9%), Europe (15.9%), and South America (6.3%). There is a target to grow international arrivals by 7.5% per annum toward 2021.

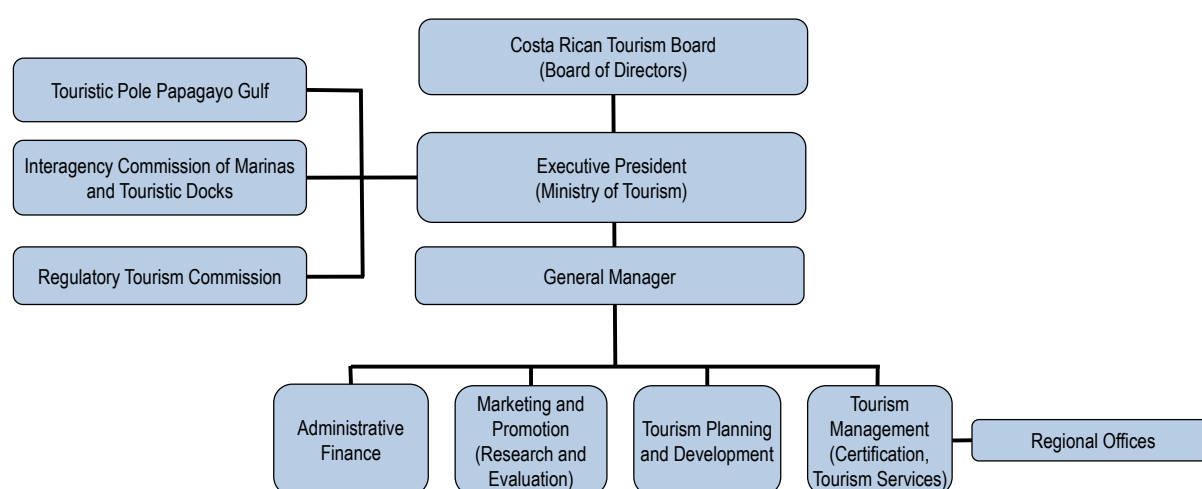
Tourism governance and funding

The Costa Rican Tourism Board (*Instituto Costarricense de Turismo*) is responsible for tourism policy with a mandate to promote Costa Rica as a destination, to plan and develop tourism related infrastructure and to monitor and support the related business sector. It also has a mandate to promote social tourism that benefits the residents of Costa Rica.

While there are no institutions at the regional or local level with direct responsibility for tourism, the Costa Rican Tourist Board maintains close co-operation with local government across the country. A wide variety of Ministries are involved in co-ordinating the sector and overseen by the Minister of Tourism. Along with the Tourist Board, the ministries include: the Ministry of Economy, Industry and Commerce, the Ministry of Health, the Ministry of Public Works and Transportation, the Ministry of the Environment and Energy, the Ministry of Culture and Youth, the Ministry of Public Safety, Governance and Policy, the Costa Rican Institute of Pacific Ports, the Port Administration and Economic Development Board of the Atlantic Coast, the National Institute of Learning, the National Institute of Households and Urban Planning, the Costa Rican Institute of Aqueducts and Sewers, the Costa Rican Institute of Electricity, the National Geographic Institute and the National Institute of Rural Development.

The budget for the tourist board for 2019 was CRC 42.4 billion. A flat rate USD 15 tourist tax on international arrivals provides 55.5% of the funding. A tax on domestic tourism contributes 17.1% of the budget while a 5% tax on all outbound trips provides a further 25% of revenues.

Costa Rica: Organisational chart of tourism bodies



Source: OECD, adapted from the Costa Rican Tourism Board

Tourism policies and programmes

The Ministry and Costa Rican Tourist Board are actively planning for the future by scanning market trends, new product opportunities and initiatives to further professionalise the tourism sector. The country's model of tourism development is one based on quality and not volume growth or a low-cost product. Tourism growth without limits can place intolerable burdens on both the physical environment and the social fabric of destinations. The Ministry and its tourist board have reviewed a range of structural trends in core volume markets, such as the ageing society and time-famine, alongside climate change impacts, all of which may affect demand for certain destinations and experiences. These trends could impact Costa Rica which has worked hard to develop activity based tourism and a long stay customer.

The foundational themes of the 2017-21 National Tourism Plan are sustainability, innovation and inclusion.

The sustainability theme following key principles are important:

- Guaranteeing the optimal use of environmental resources,
- Respecting the socio-cultural integrity of host communities and their traditional values,
- Ensuring a high level of tourist satisfaction by delivering authentic experiences, increasing visitors' awareness of sustainability and promoting sustainable tourism practices.

Innovation and modernisation of tourism businesses is a key priority:

- Ensuring tourism operations are economically viable over the long-term, providing economic benefits to all involved parties with a fair distribution of benefits,
- Supporting and strengthening small and medium sized tourism enterprises to build the capacity for positive local connections and benefits,
- Encouraging the distribution of businesses throughout the entire country, continuing to improve the quality of tourism products and the distribution of benefits.

The Plan's third theme relates to inclusion, namely:

- Spreading positive social and environmental impacts to host communities, contributing to the reduction of poverty and improving social progress at local level,

- Developing human talent and competence in the sector to create new business opportunities and to improve employment conditions,
- Promoting inclusion and equal opportunity as well as a culture of partnership and entrepreneurship at local level.

The developed policies closely relate to the achievement of the UN Sustainable Development Goals, specifically goals to reduce poverty, promote economic growth and sustainability, all of which have a direct relationship to tourism in Costa Rica.

By 2021, the vision for tourism in Costa Rica is to be a leading creator of foreign exchange, and have a positive impact on the wellbeing of a wide range of communities due to tourism businesses that compete on quality, innovation and high productivity. For this, a comprehensive programme for the management of tourist destinations was designed to support local management, by providing key information for decision-making, aimed to consolidate and to increase competitiveness in the sector.

Sustainability is the core principle in the development of tourism in the country. Measurement of progress is via the *Social Progress Index* which tracks the well-being of local communities and other tourism impacts and, via the use of roadmaps, identifies the steps needed to ensure tourism is a positive force for economic development. A system of indicators adapted to fit the specific circumstances of each destination, such as the type of location and the level of development, enables comparison across 32 Costa Rican destinations. With three categories covering basic human needs, social well-being and level of opportunity, a set of twelve indicators are used to assess current performance and track progress. Generally, tourism destinations have a higher index score than the wider municipalities in which they are located which shows the benefits of the industry at work.

High level targets for the National Tourism Plan seek to:

- Achieve 7% growth in foreign exchange revenues for the period of 2017-21,
- Maintain the average length of stay of between 11 and 13 nights,
- Grow international air arrivals by 8%,
- Position Costa Rica as a stand-out sustainable tourism destination,
- Develop niche markets with interests in natural history, photography and hiking,
- Maintain the level of the *Social Progress Index* between 70 and 80 out of 100 (in 2018 the average was 74).

Another tool to help ensure the sustainable development of tourism is the *Certificate for Tourism Sustainability*. This programme, run by the Costa Rican Tourist Board, is designed to categorise and differentiate tourism companies according to the degree of sustainability in operations and management, while considering natural, cultural and social issues. The core objective is to translate the concept of sustainability into something real and practical, while at the same time ensuring that businesses can boost their own productivity and help the overall competitiveness of Costa Rica.

The Programme requires businesses to improve their use of natural and social resources, promotes active participation of local communities and offers businesses support to achieve the necessary improvements. The Programme aims to avoid growth that is not in balance with natural and cultural resources and the aims of local communities. To measure and calculate these levels, the Certificate established a scale from one to five where each number indicates the relative position of the company in terms of sustainability.

Statistical Profile

Costa Rica: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	..	..	..	..	..
Hotels and similar establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	2 760	2 899	3 204	3 230	3 300
Overnight visitors (tourists)	2 527	2 660	2 925	2 960	3 017
Same-day visitors (excursionists)	233	239	279	271	283
Top markets					
United States	997	1 077	1 233	1 199	1 265
Central America	717	709	725	735	691
Europe	370	393	435	462	480
Canada	173	176	188	202	217
South America	138	156	181	181	190
Nights in all types of accommodation	31 333 e	30 061 e	35 394 e	35 222 e	35 295 e
Hotels and similar establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	..	..	..	..	..
Overnight visitors (tourists)	798	919	1 036	1 150	1 079
Same-day visitors (excursionists)	..	..	..	..	..
Top destinations					
Central America	..	449	464	588	583
North America	..	308	382	371	376
Panama	..	195	193	241	301
United States	..	230	279	254	251
Nicaragua	..	188	189	220	141
TOURISM RECEIPTS AND EXPENDITURE, MILLION USD					
Inbound tourism					
Total international receipts	3 137	3 388	3 648	3 656	3 773
International travel receipts	2 996	3 267	3 648	3 656	3 773
International passenger transport receipts	141	122	..	..	..
Outbound tourism					
Total international expenditure	657	903	803	1 044	982
International travel expenditure	450	690	803	1 044	982
International passenger transport expenditure	207	213	..	..	..

.. Not available; e Estimated value

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934078357>

Costa Rica: Enterprises and employment in tourism

	Number of establishments	Number of persons employed				
	2018	2014	2015	2016	2017	2018
Total	..	..	..	..	..	..
Tourism industries	4 593	147 925	153 168	149 301	153 046	156 526
Accommodation services for visitors	..	..	..	..	..	..
Hotels and similar establishments	3 748 e	26 397	30 113	30 055	28 677	27 622
Food and beverage serving industry	370	87 420	92 725	89 675	98 844	99 402
Passenger transport	..	14 985	12 950	14 621	11 512	16 666
Air passenger transport	..	..	..	..	..	..
Railways passenger transport	..	..	..	..	..	..
Road passenger transport	..	..	..	..	..	..
Water passenger transport	22	..	..	..	..	..
Passenger transport supporting services	14	..	..	..	..	..
Transport equipment rental	38	..	..	..	..	..
Travel agencies and other reservation services industry	347	..	..	..	..	..
Cultural industry	..	19 123	17 380	14 950	14 013	12 836
Sports and recreation industry	48	..	..	..	..	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	6	..	..	..	..	..
Other industries	..	..	..	..	..	..

.. Not available; e Estimated value

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934078376>



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