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COSTA RICA



An overview of national accounts in Costa Rica

Macroeconomic Statistics Department

Central Bank of Costa Rica

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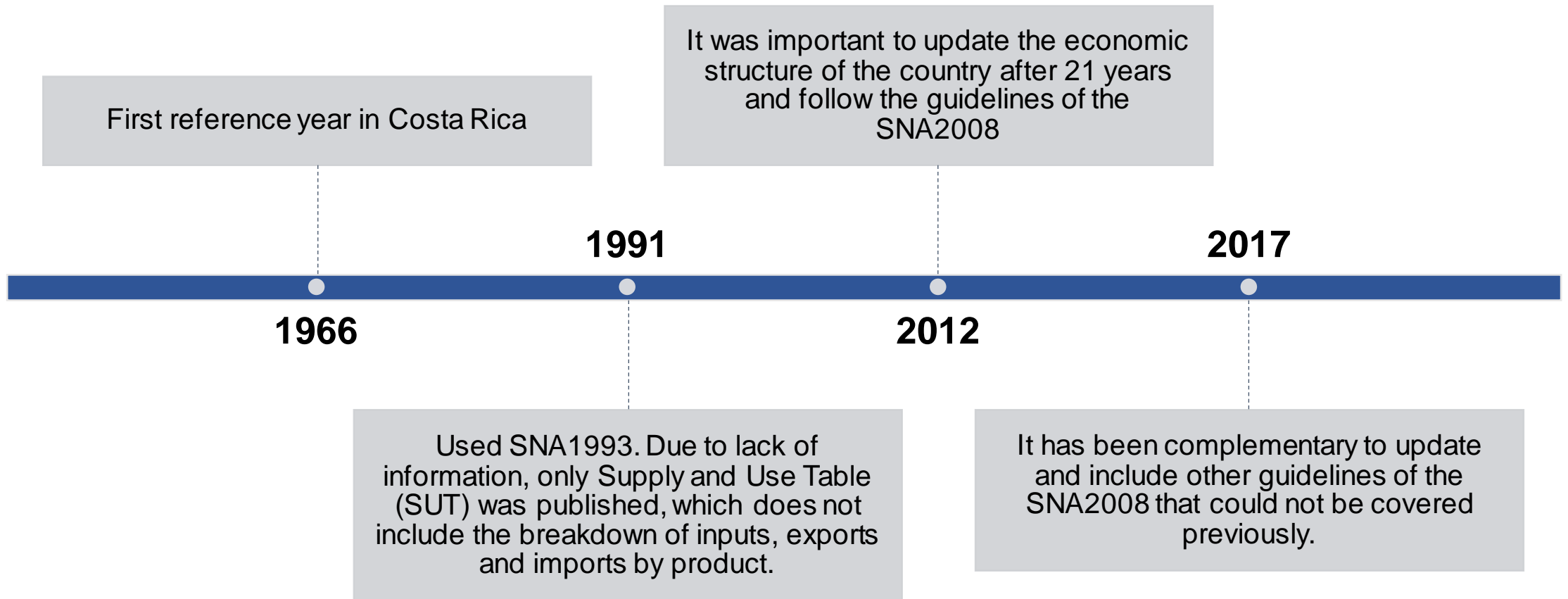
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Background

- Costa Rica is a small and open economy that in recent decades has experienced a significant change in its production and export structure.
- Due to its export promotion policy, service activities have taken on a greater relative importance, especially those related to tourism, business support, information and communication technologies. Also exports of medical supplies are very important.
- The Central Bank is the entity in charge of the National Accounts and other macroeconomic statistics.



Reference year updates



Data Sources

In order to obtain accounting information from the non-financial private sector, an agreement was made with the Ministry of Finance to carry out the Economic Study of Companies (EEE by its name in Spanish).

Provides about 70% of the information of non-financial private sector

- **Qualitative information:** Company identification, location, informants, composition of capital, activities carried out.
- **Quantitative information:** Income statement, balance sheet, workers.
- **Other indicators:** Value of inventories, sales, purchases, their modality and destination, supplies used, freight and commissions to third parties, commercial margin and others.

Data Sources

Accounting information of free zone companies

- These companies are required to submit financial statements to the Foreign Trade Promoter and such information is provided to the central bank for statistical purposes.

Other data sources

- Financial statements of public, financial and government institutions.
- Surveys and case studies for agricultural activities and others.
- Direct investment census (For 2017)

Innovations in 2012

- **Price index development project (DIP):**
 - This project was carried out with the purpose of having price indices for goods and services that allow to follow the evolutions in value and volume of the national accounts.
 - Together with other indices calculated from monthly commercial surveys, it was possible to have the data valued in current and at prices of the immediately previous year for the following periods.

ISIC	SERVICES PRICE INDEX
4921	Land transportation of passengers
4923	Freight transport by road
5110	Passenger air transport
7710	Renting and leasing of motor vehicles
5610	Food and beverage services (restaurants)
8010	Private security activities
5224	Cargo handling
6920	Accounting and auditing activities; tax consultancy
8121	Cleaning activities
7110	Architectural and engineering activities
3510	Electricity supply services
Division 61	Telecommunications
3600	Water supply services

Innovations in 2012

Balance of each of the products is achieved through a detailed process.

Each product is distinguished between free zone and non-free zone and the imported and national component.

Information of sectors the economy, as well the rest of the world account to compile Integrated Economic Accounts.



**Production + imports
= intermediate
consumption + final
consumption +
capital formation +
exports**

Central framework of national accounts.

Service exports by destination country (also for 2017)

Innovations in 2017

Census of foreign direct investment.

- It was carried out in conjunction with balance of payments department. The questionnaire applied in the balance of payments survey was unified together with the economic study of companies.

Harmonized statistics of national accounts and balance of payments.

- It is necessary due to the growing insertion of Costa Rica in international markets, especially in service activities, and access to direct investment (DI). It allowed direct investment to be integrated into integrated economic accounts.

Central framework of National Accounts opened by type of control

- Private non-financial corporations were opened by the type of control (domestic and foreign share), and this also meant changing the opening of the extended supply and use table. Foreign share company is equity more than 10%.

Business information stored in databases.

- The information is stored in databases with systems developed by the institution. This allows the compilation, closing process and its publication to become more opportune.

Classifiers

The last two updates included the development of national classifiers, the development of special studies and the collection of information on economic activities and institutional sectors.



2012-2016

183 Products
136 Economic activities



2017-2018

184 Products
144 Economic activities

Classifiers

2012-2016



Free zone



Non- Free Zone

2017-2018



Foreign share



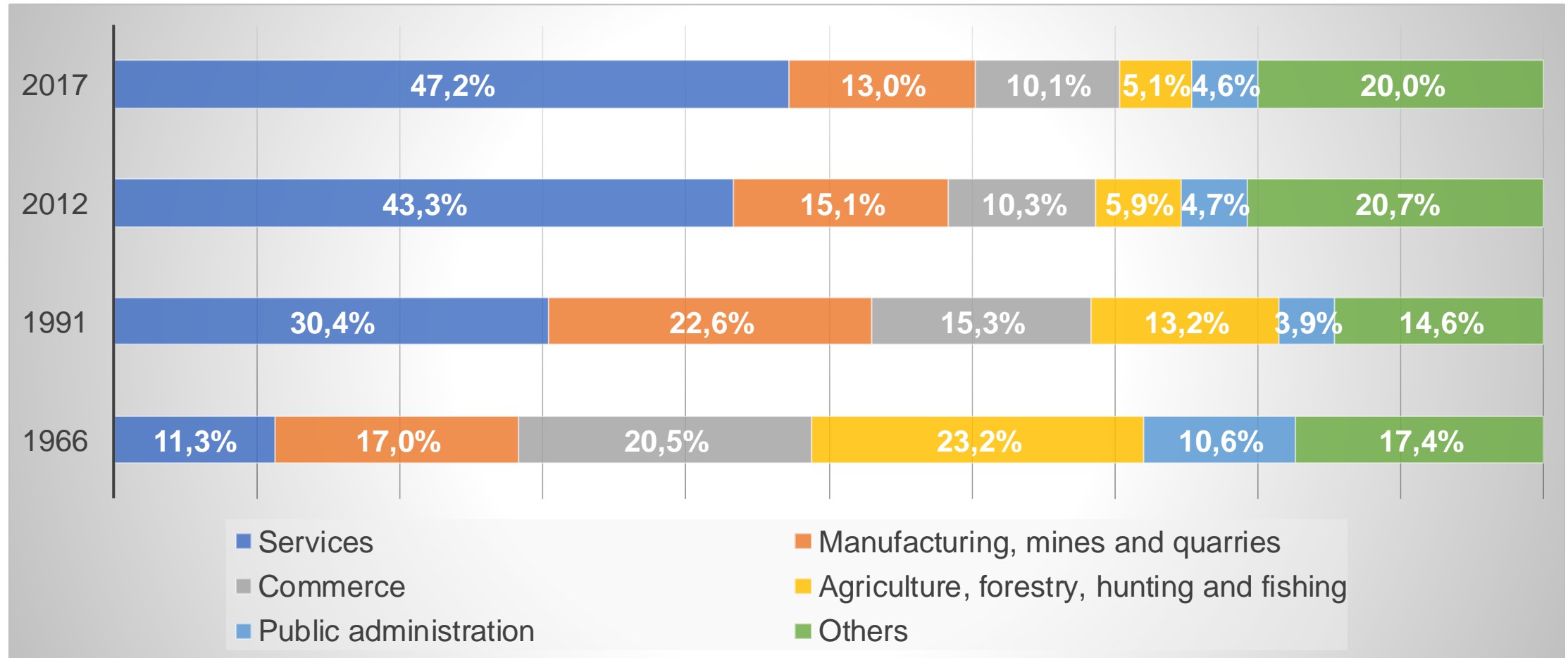
Domestic control

* Supplementary table in E-SUT by free zone and non free zone

Some relevant results



Structural change in Costa Rican Economy



Exports and Imports of Services (2017)

Exports

45,8% Domestic Control

54,2% Foreign Share

55,3% Non-free zone

44,7% Free zone

Imports

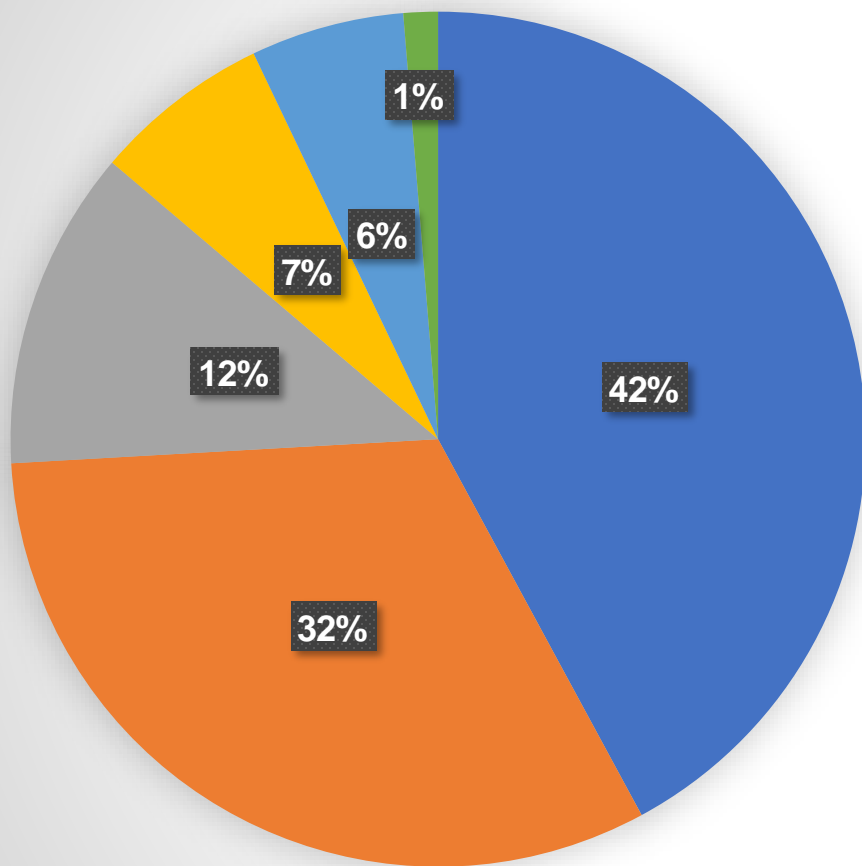
66,2% Domestic Control

33,8% Foreign Share

100% Non-free zone

0% Free zone

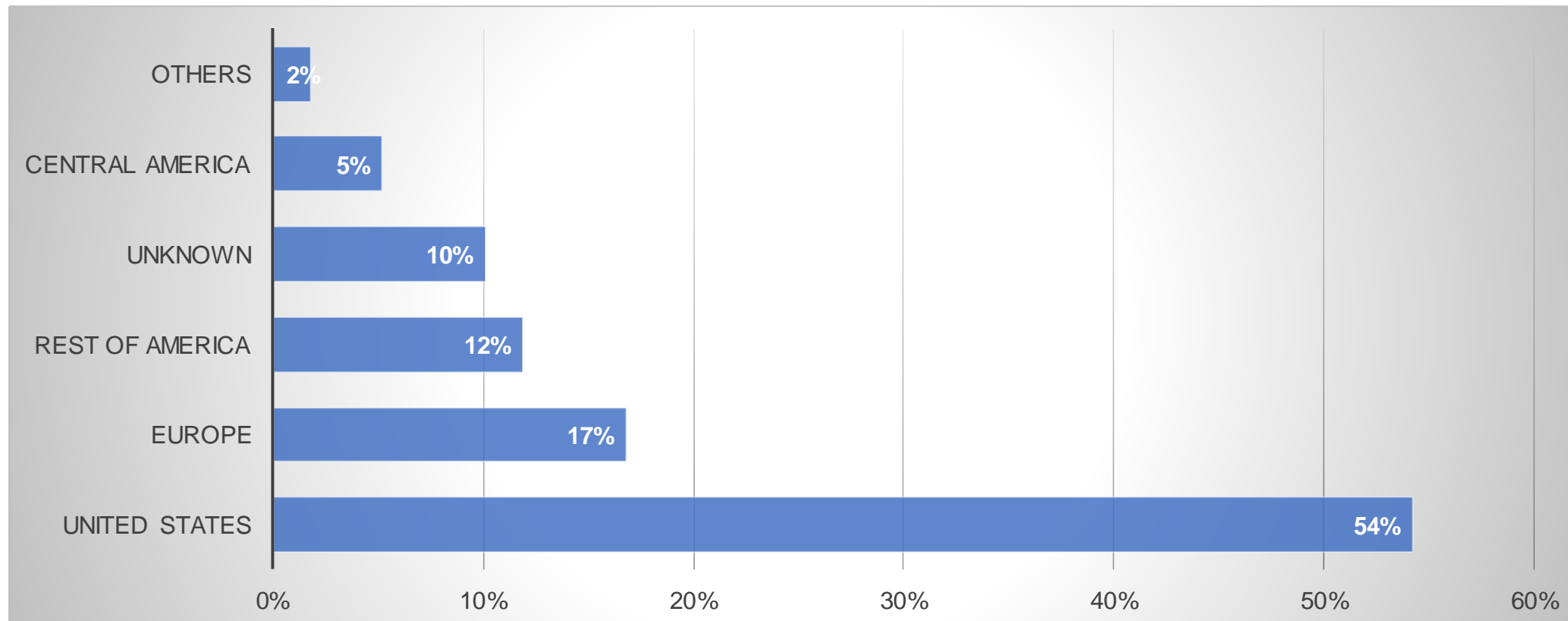
Composition of services exports 2012-2017



- Travel related activities
- Other business services
- Telecommunications, computing and information
- Transport
- Transformation services
- Others

Exports of services by country destiny

For 2017 it was possible to identify almost 90% of the country destiny of the service exports.



Digital invoice



As part of the latest tax reform, since January 2018, all natural and legal persons must use electronic invoice to improve tax collection of government.

In coordination with the Ministry of Finance, a catalog of goods and services is used with the same National Accounts classifiers.

This will allow to collect a large amount of information to develop better short and long-term indicators, as well as quantity information to develop volume indices.

Final considerations

This process of updating the reference years represented a great advance in macroeconomic statistics for Costa Rica.

The availability and openness of the information facilitates the preparation and presentation of the data in a format oriented to economic analysis, which conforms to the latest international standards.

However, we have a new additional challenge to use the information from the digital invoices in the most appropriate way to develop more timely service indicators.

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