

The logo consists of the letters 'CR' in a bold, white, sans-serif font, centered within a solid red square.

CR

The logo features a green square containing a white icon of a laptop or tablet with a grid pattern, representing advanced manufacturing technology.

Advanced
Manufacturing

Human Capital Cost

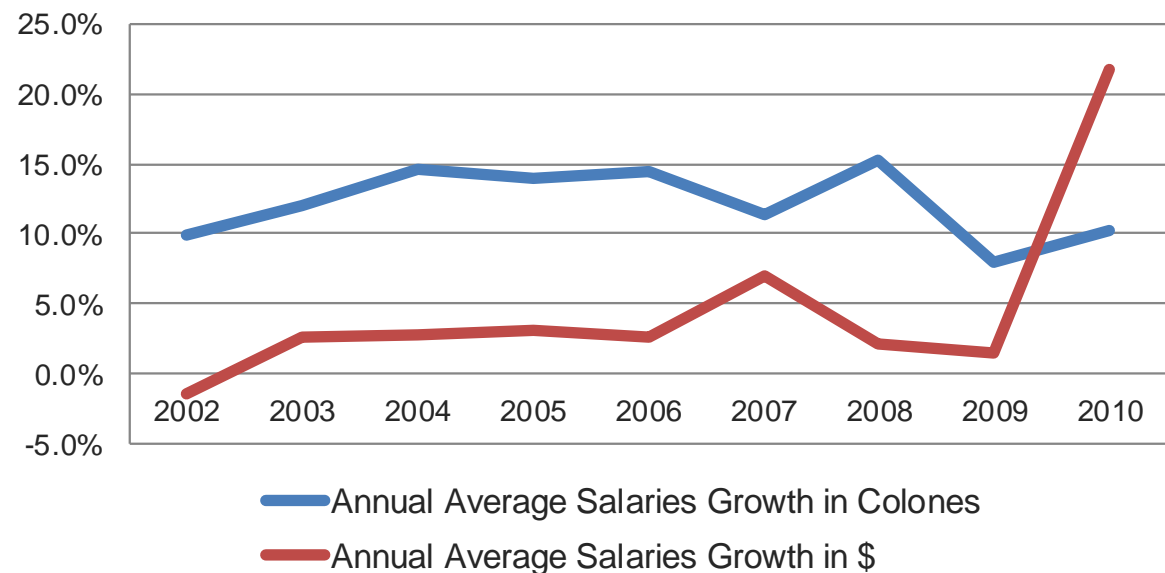
***CINDE's Research
Department
August, 2011***

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The annual average salaries, in dollars, have grown 4.7% every year since 2002

- Most multinational companies pay salaries in colones and they report these figures to HQ in US\$
- The difference between the growth of annual average salaries in colones and in dollars is explained by the devaluation

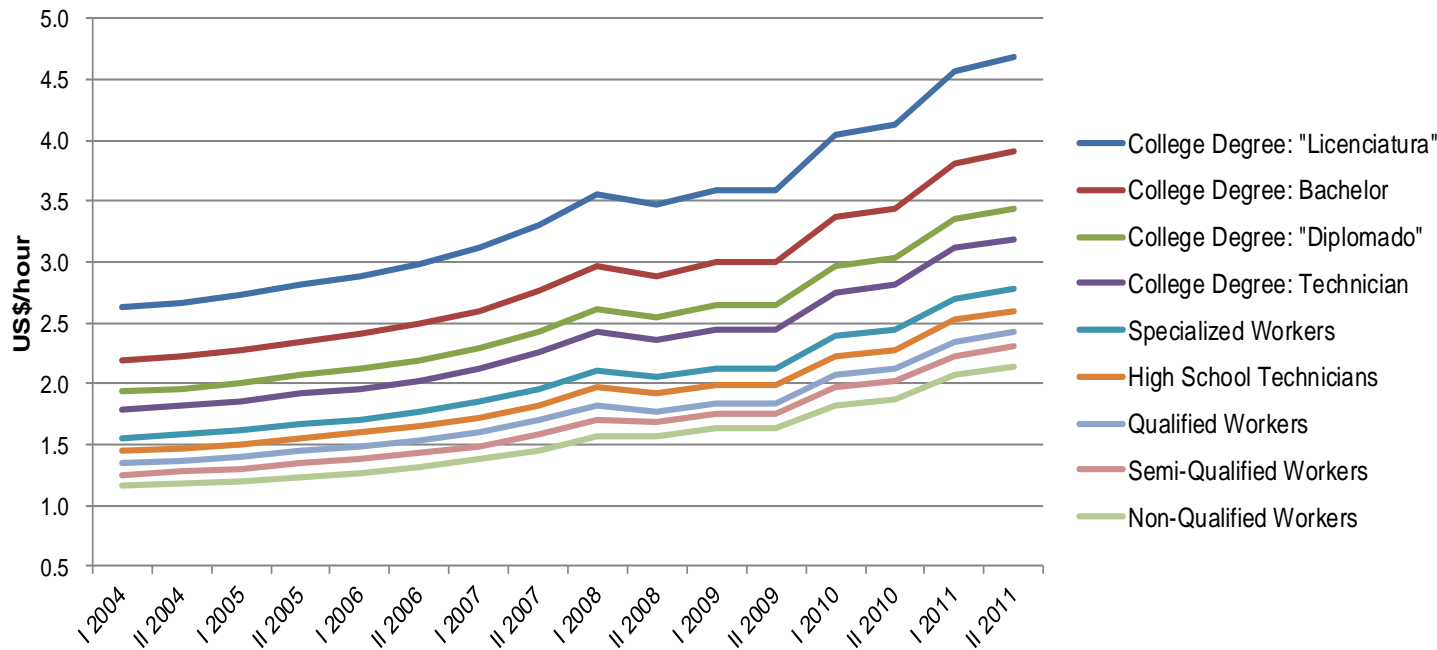
**Annual average salaries growth:
Advanced Manufacturing**



Source: CINDE based on data from PriceWaterhouseCoopers & BCCR

Minimum hourly wages

**Costa Rica: Minimum Hourly Wages
2004 - 2011**



- ✓ The federal minimum wage of the United States is US\$7.25 per hour
- ✓ For that same date, the highest minimum wage in Costa Rica is US\$4.69 per hour

Source: Costa Rican Ministry of Labor

Wages are unloaded and set by regulations

Fringes & Benefits Breakdown

Mandatory Benefits	Employer Contribution	Employee Contribution
	Monthly Percentages (%)	
Social Charges	26.17	9.17
Health and Maternity Benefits	9.25	5.50
Disability, Old Age and Death Benefits	4.92	2.67
Family Allowances (Welfare Benefits)	5.00	-
National Training Institute Tax (INA)	1.50	-
Workmen's Compulsory Savings Bank	0.50	1.00
Instituto Mixto de Ayuda Social (IMAS)	0.50	-
Worker Capitalization Fund	3.00	-
Compulsory Complementary Pension	1.50	-
Occupational Hazard Insurance	Variable ^{a/}	-
Mandatory reserves	8.33	-
Christmas Bonus	8.33	-
Total Mandatory ^{b/}	34.5	9.17

Notes:

^{a/}: *Occupational Hazard Insurance*: The National Insurance Institute has a list of rates based on the employee's category. The Occupational Hazard Insurance is the average of all the company's employees' rates, so it varies according to the company's payroll. The range goes from 1.9% to 5%.

^{b/}: Total Mandatory charges do not include insurance charges.

Average wages are cost competitive

Job Position	Monthly Average (US\$)	Monthly Average plus Mandatory Benefits ^{a/} (US\$)	Total Annual Cost (US\$'000)
Plant Manager	5,099	6,858	82.3
Quality Control/Product Develop. Manager	4,664	6,273	75.3
Quality Engineer	2,411	3,243	38.9
Head of Purchasing Department	2,380	3,201	38.4
Plant and Process Engineer	1,882	2,532	30.4
Quality Engineer	1,741	2,342	28.1
Quality Control Supervisor	1,739	2,340	28.1
Material Supervisor	1,050	1,412	16.9
Specialized Technician	913	1,229	14.7
Milling Machine / Lathe Operator	858	1,154	13.8
Specialized Plant Operator	637	856	10.3
Basic Machine Operator	487	654	7.9
Non-Specialized Plant Operator	451	606	7.3

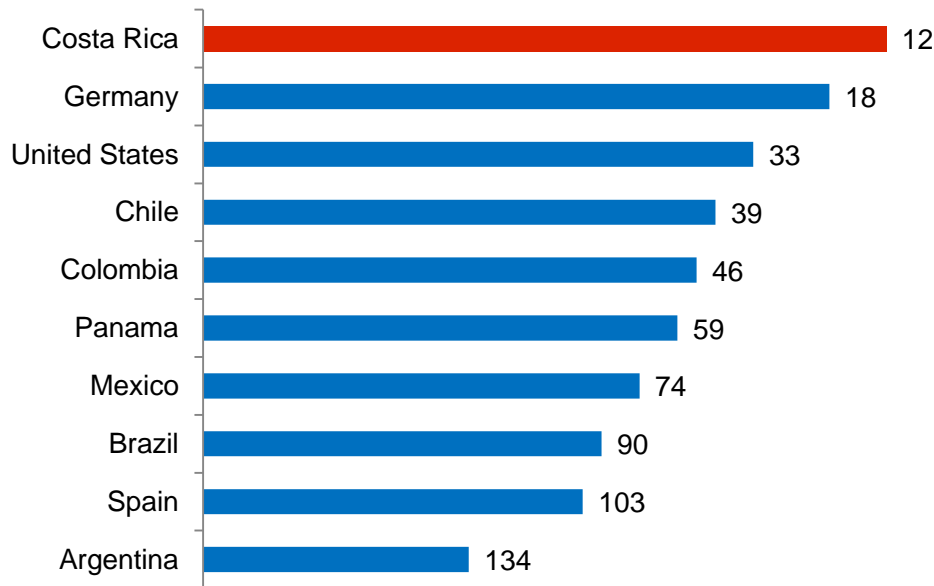
Source: Consulting Companies. Survey for the First Semester 2011.
Data for Multinational Companies.

Notes: Exchange rate for calculations: US\$ 1= 510 colones.

^{a/} Mandatory Benefits = Social Charges (26.17%) + Christmas Bonus (8.33%) = 34.5%

Stable employer-employees environment: “Asociación Solidarista”

Cooperation in labor-employer relations Rank



Costa Rica ranks 1st in Latin America

Source: World Economic Forum.
The Global Competitiveness Report 2010 - 2011

- Employer-sponsored workers' association: operates as a credit union, providing multiple benefits to the employees, who can participate voluntarily
- Both employer and employees contribute to the fund
- They are not sector-wide bargaining instances, unlike American unions
- **97% of the companies in the private sector have the “Asociación Solidarista”.** This high level of participation is a particular tendency in Costa Rica
- There are some similarities to a 401(k) retirement plan, without the stock options

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