TRANSNATIONAL ALLIANCE TO COMBAT ILLICIT TRADE
TRACIT.ORG

COUNTRY PROFILE

COSTA RICA

Costa Rica is considered a moderately high-risk jurisdiction for illicit trade due to systemic vulnerabilities tied to geography, border control, regulation gaps and weak enforcement. The Costa Rican Chamber of Commerce estimates that counterfeit trade costs around 2% of GDP, while OECD data describes an overall shadow economy of about 24% of GDP—roughly USD44billion a year.

AT A GLANCE

68th
GLOBAL RANK

1st
REGIONAL RANK

51.2
SCORE OUT OF 100

STRONGEST AREA
Regulatory Framework and Enforcement

WEAKEST AREA
Supply Chain Intermediaries

OVERVIEW

Costa Rica's moderately high-risk assessment can be attributed to its relatively low scores across the six categories reviewed by the TRACIT Illicit Trade Index, which evaluates the country's vulnerability to illicit trade. Costa Rica's total score of 51.2 indicates that despite strong legal frameworks and institutional capacity, weak enforcement, high informality and porous borders create conditions for counterfeit goods, illicit tobacco and alcohol, illicit pharmaceuticals.

KEY VULNERABILITIES

- **Critically weak supply chain oversight**
- **Enforcement gaps despite strong regulations**
- **E-commerce and courier channels lack effective oversight**

KEY SECTORS AFFECTED

- Illicit Tobacco
- Illicit Alcohol
- Counterfeit Goods
- Illicit Medicines

MAJOR DRIVER

High Informality

A large informal economy enables illicit goods to circulate through unregulated markets and reduces tax collection and enforcement outcomes.

Consequences of Informality

- Weak economy
- Lowered Tax Revenue
- Labor exploitation

POLICY RECOMMENDATIONS

- Strengthen cooperation with neighboring countries to address illicit cross-border trade, smuggling, and the alignment of tax policies
- Strengthen legal frameworks for supply chain monitoring and protection
- Enhance customs controls and enforcement capacity through technological upgrades
- Pass legislation incentivizing workers and businesses to formalize economic activity