

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Costa Rica Customs Delays Affect Imports

**Country:** Costa Rica

**Post:** San Jose

**Report Category:** MISC-Commodity, Agricultural Situation, Agriculture in the News

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**Report Highlights:**

Container freight shipments have slowed to a trickle since a cyberattack took Costa Rica's customs and taxation systems offline on April 18. Significant delays and increased costs are compounding challenges faced by Costa Rican importers already coping with pandemic-related supply chain disruptions and the war in Ukraine.

According to Finance Minister Nogui Acosta, [there is no timeline](#) for customs clearance procedures to return to ‘normal’ following the April 18 deactivation of numerous Government of Costa Rica computer systems in response to a ransomware attack by transnational criminal group Conti. Since April 19, customs officials have been operating a jury-rigged system to process import and export procedures, but industry contacts have indicated that containerized freight shipments are suffering significant delays, shipping cost increases, and reduced shelf-life.

Costa Rica’s primary container cargo port of Limón on the Atlantic Coast is reportedly prioritizing export shipments, maintaining outbound flows of bananas, pineapples, and medical devices at the expense of inbound shipments. Shipments of U.S. chicken meat – including frozen chicken leg quarters, which had been up 185 percent year-over-year through the first quarter of 2022 after the complete phase out of the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) tariff rate quota on January 1, 2022 – are reportedly down sharply since April 2022 due to increasing U.S. prices related high pathogenic avian influenza and commodity price spikes following Russian invasion of Ukraine, appreciation of the U.S. dollar, and the combined effects of shipping disruptions into Costa Rica.

Containers already in Limón awaiting customs clearance are accumulating fees of \$350 to \$400 per day. Some importers are holding container shipments in U.S. ports until conditions improve. One meat importer noted that a container had been sitting in port for over a week with more than 100 containers yet to be processed ahead of their container. Containers of perishable commodities – including U.S. broccoli and organic apples which were leading U.S. vegetable and fruit categories through the first quarter of 2022 – are reportedly receiving priority treatment, but non-perishable imports have experienced customs clearance delays of 20 – 25 days after the product arrived at port.

U.S. exports of corn, soybeans, wheat, and rice (valued at more than \$400 million in 2021) entering the port of Caldera have faced comparatively fewer delays. Caldera is generally less active than Limón and customs procedures relatively simpler for large volumes of bulk commodities. In addition, the Government of Costa Rica prioritized discharge of agricultural shipments arriving at Caldera following the Russian invasion of Ukraine. Shipments arriving by air, which comprise a very small portion of total imports, have also not faced significant delays. But the land border crossing from Nicaragua has become a choke point for imports from Central American trading partners, which, in addition to food, provide Costa Rican businesses with critical packaging and industrial inputs.

Industry sources expressed some hope that a May 11 [emergency declaration decree](#) by President Rodrigo Chaves could allocate additional resources to Costa Rica’s ports and to the re-launch of Costa Rica’s digital customs clearance and taxation systems. However, a backlog of containers is likely to persist in the port of Limón, through which the majority of U.S. high-value shipments flows, well into the summer months. In the meantime, imported product disruptions are inevitable, as retailers and distributors exhaust stocks on-hand and import shipments continue trickle in.

The United States exported \$400 million of high-value, consumer-oriented products to Costa Rica in 2021.

**Attachments:**

No Attachments.