

Lights, Camera, Investment!

The entertainment industry in Costa Rica is attracting foreign companies

Edition 782

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Incentivos fiscales son la principal herramienta para este sector. Costa Rica aún no los facilita.
Jeannette Marroquín
EF

American filmmaker James Luis Boyette is coming to Costa Rica with a \$1 million budget to produce and promote his feature film *Dear Zoël*. The movie, made principally for the U.S. Hispanic market, will feature Costa Rican cast members and will be filmed in Costa Rica.

Dear Zoël is the story of a young man who wants to be an artist, and Mr. Boyette chose Costa Rica to tell the story for several reasons, one of which is his emotional ties – he is married to a Costa Rican. But his decision was also a business decision: the country's geographical diversity and the quality of the workforce provide an important cost-benefit balance, as well as the desired image for the film's target audience.

"Costa Rica is a country very well perceived internationally, it does not have conflicts with any region, and a story developed here can connect with people from different countries and cultures that may be reflected in the movie," Mr. Boyette says.

Pura Vida Entertainment, the parent production company, is one of seven companies that have invested in Costa Rica in the sub sector of Entertainment & Media, according to the Costa Rican Coalition for Development Initiatives (CINDE).

The other companies are in the business of interactive advertising, digital production (banners, websites), digital animation, video games, mobile content, audiovisual production and post production (sound and visual effects). These are Aniden Interactive, avVenta, Costa Rica Production Services, Digital Arbor, Schematic (WPP), The Hangar Interactive (Critical Mass) and Via Luna Group.

*How much would you Sacrifice...
for what you Love?*

Dear Zoël the movie

Since 2009, CINDE has initiated a proactive strategy to promote Costa Rica in this arena. With an office in New York, CINDE offers support to the country in areas such as detection of potential investors, and organized visits from Costa Ricans to international fairs, where they can develop business contacts and offer services.

CINDE estimates total investments in high technology of approximately \$300 million in 2010 in Costa Rica, part of which is supplied by this sub sector of Entertainment & Media.

Gabriela Llobet, General Manager of CINDE, mentions that some of Costa Rica's strengths are the existence of a strong national and international market, interactive advertising, digital production, animation, post production and video games. He also lists the existence of academic curriculums in creative areas needed for the industry, along with international awards and accelerated growth of the communication through mobile platforms, such as smart phones.

However, Costa Rica needs to continue working on strengthening English fluency within its population, and the development of specific software for 3D programming, as well as other market needs.

With a different lens

Pura Vida Entertainment believes that Costa Rica will benefit considerably from a tax incentive program that will attract investors to the seventh art; a program that already exists in countries such as Puerto Rico and Colombia, two of Costa Rica's principal competitors in this market.

The proposal is outlined in the Project Cinema bill that is pending approval by the Tourism Subcommittee of Congress, and was written by the past administration.

According to Maria Lourdes Cortes, Director of Cinergia, a fund that promotes filmmaking in the region, this project does not yet have the solid political support needed to expedite the necessary changes in the bill and promote its discussion.

In spite of this, according to Mr. Boyette producing movies in Costa Rica is 8% to 12% cheaper than in Colombia and Puerto Rico, principally due to salaries and insurance. "If we invest \$1 million in Puerto Rico, the government gives a 40% tax credit that we can sell to any corporation in the country. The gain for Puerto Rico is the impact on its economy. For example, in the first eight years of implementing this program, 2,873 jobs were generated with an average income of \$ 50,000 annually" said Boyette.

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According to data from the newspaper El Nuevo Día, in Puerto Rico, the film industry generated an investment of \$54.5 million for the island in 2009, about \$17 million more than last year.

Among television series and films, Puerto Rico has 24 audiovisual investment projects for 2010.

Some of the films that have already been produced in Puerto Rico are “*El Ché*”, “*Rum Diary*”, “*The Losers*” and “*Meant To Be*”.

Both Boyette and CINDE believe that Costa Rica could benefit in the same way as Puerto Rico.

http://www.elfinancierocr.com/ef_archivo/2010/agosto/29/estilos2489218.html

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