
Press Release

Intel transforms its operations in Costa Rica

- ***Intel's Engineering and Design Center and shared services operations will remain in the country***
- ***Assembly and test operation will relocate to Asia, as part of the company's global restructuring strategy***

San José, Costa Rica, April 8th, 2014. After holding meetings with the Government of Costa Rica and the Investment Promotion Agency -CINDE-, Intel confirmed today that it will transform its operations in Costa Rica. As part of its global strategy, the company will relocate its assembly and test operation to Asia, where these activities will be concentrated. Intel's Global Services Center, as well as the company's Engineering and Design Center will remain in their current location in Belén, Heredia. These operations will gain relevance in research and development related activities.

These changes in Intel's operation in Costa Rica gross up to other changes recently made by the company in Barcelona, Spain (March, 2014); Oregon, Arizona, New México, and Massachusetts, United States (March and January, 2014 and November, 2013 respectively); and Penang & Kulim, Malaysia (November 2013). All of them respond directly to the global strategy announced and more strongly implemented by the company during the last year.

Intel's restructuring process has been showing gradual impact in all global operations of the company. Intel is seeking to optimize its efficiency and adapt to new market conditions and the competition of rivals in the technology sector. Certain elements of the operation, such as geographic closeness between plants and main markets, are an integral part of the strategy.

For Anabel González, Minister de Foreign Trade of Costa Rica, Intel's decision to transfer its assembly and test operations to a region closer to its main geographical markets is unfortunate. "Intel helped Costa Rica position its name in the world of foreign direct investment and high technology. Today, more than 15 years later, Costa Rica is a leader in different industries, and has become a highly competitive location for high-tech manufacturing, services and, more recently, research and development activities."

Intel's Engineering and Design Center as well as the Global Services Center will maintain their operations in the current location in Belén. Headcount for these operations totals 1,200 people and new positions have recently been announced.

"Costa Rica continues to be a strategic location in the Americas for Intel's engineering, design and shared services operations, which will continue to grow in the country as part of a flourishing sector that today comprises 143 multinational companies, including several leading companies in the industry. We are very encouraged by the company's plan to add more research & development processes to its Costa Rica operation; it is an important step forward that can contribute to our goal of generating more value added jobs," explained González.

According to José Rossi, Chairman of CINDE, the transformation of the company poses both challenges and opportunities for the country. "Costa Rica is certainly not the same country that it

was 20 years ago. Back then, when we were initiating the attraction of high technology industries, almost 20 companies were established in the country. Today we have more than 250 high-tech multinational companies with a wide range of manufacturing operations in Costa Rica, in medical devices, electric and electronic components for the automotive and aeronautic industries, among others. Costa Rica also has a thriving and dynamic services sector -with presence of more than 140 companies-, which has evolved to become one of the boosters of our national economy. All that we have built allows us to envisage a future full of opportunities for the country,” said Rossi. “Our country has achieved a valuable position in the international arena, and we must continue working to leverage every opportunity of growth that we encounter,” he added.

Gabriela Llobet, Director General of CINDE reiterated that Costa Rica will continue with its strategy of attracting foreign direct investment in services, high-tech manufacturing and light manufacturing, sectors where the country has proven to be competitive.

“Intel’s decision is based on the particular context of restructuring that the company is going through, which has driven it to make a series of changes around the world. In these times, we must continue to work to generate quality job opportunities for the Costa Rican people. Testimonials of successful leading high-tech companies established in Costa Rica will continue to be our best track record. Currently many flagship companies from the manufacturing sector and the services industry are developing highly sophisticated processes in Costa Rica. This speaks highly of the country’s evolution in the last 20 years,” concluded Llobet.

CINDE representatives explained that the institution will facilitate and support the outplacement of employees, through direct coordination with other companies that are looking for candidates with similar profiles. This is a joint effort carried out with the Ministry of Labor.

CINDE will host a digital platform in its website: www.cinde.org for this purpose. The platform will allow the recruitment process to take place directly between the candidate and the company.