

China's Successes and Struggles in Costa Rica

The country's experience with China has arguably fallen short of expectations and been the subject of frustrations on both sides.

By **R. Evan Ellis**

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In July 2025, the U.S. State Department [cancelled the visa](#) of Rodrigo Arias, the head of Costa Rica's legislature. The visa of his brother, former Costa Rican President Oscar Arias, [had also been revoked](#) in April. The State Department also cancelled the visa of [Vanessa Castro](#), the deputy head of the legislature.

Although no official reason was given, those in Costa Rica consulted for this work linked the visa cancellations to Arias' long-time and ongoing activities promoting the advance of China in Costa Rica. This dates back to his key role during the presidency of his brother Oscar Arias, in the 2006-2007 secret diplomacy leading to Costa Rica's abrupt switch of diplomatic relations from [Taiwan to the People's Republic of China](#).

In February 2025, the United States similarly [canceled the visas](#) of Costa Rican legislators Johanna Obando and Cynthia Cordoba, both of whom are alleged to be associated with [influence peddling](#) by the China-based telecommunications company Huawei.

Following the cancellation of Obando and Cordoba's visas, at the request of the Chinese Ambassador Wang Xiaoyao, Arias convened a session in the Costa Rican legislature with opposition politicians and [Qiu Xiaogang, the](#)

[head of Latin American Affairs](#) for China's Foreign Ministry. Adding to the provocation, Arias later invited Wang and a delegation from Beijing to Ingenio Taboga, [a ranch in Guanacaste](#) in which his family has an interest, to praise China and talk about ways to expand cooperation with Costa Rica in various water projects.

If the message sent to Costa Rica by the visa cancellations was ambiguous, due to the lack of an official explanation, a [February 2025 visit](#) to Costa Rica by U.S. Secretary of State Marco Rubio provided more clarity. Rubio [expressed the U.S. government's concerns](#) over China's activities in the region, [and praised](#) the Costa Rican government's decision to exclude Chinese vendors from its 5G digital infrastructure.

The U.S. had also previously canceled the visas of representatives of the Costa Rican telecommunication organization ICE and its principal trade union over [irregular Huawei lobbying](#), which had included a [lavish 2024 party](#) thrown by Huawei in the Hilton La Sabana.

Evolution of the China-Costa Rica Relationship

Costa Rica's experience with China and Chinese companies since President Arias

switched relations from Taiwan in May 2007 has arguably fallen short of expectations and been filled with frustration on both sides. China initiated its relationship with the Arias government in 2007 with gifts and other promised benefits totaling an estimated [\\$430 million](#). These included construction of a [\\$100 million national stadium](#) and the purchase of \$300 million in Costa Rican government bonds.

Despite the initial display of goodwill, the Chinese approach to doing business quickly came into conflict with Costa Rican laws and institutions. The company building the national stadium, Anhui Foreign Economic Construction Group Co., Ltd., improperly sought to use the equipment that had been imported duty-free for the construction to [make money on side projects](#). The proposed construction of the Soresco petroleum refinery [fell apart in 2016](#) when China National Petroleum Company repeatedly sought to [use its own subsidiary](#) to perform the independent evaluation that the Costa Rican government required before committing its own money and taking the project forward.

Adding to China's problems, construction of the strategically important highway Route 32, paid for by the Costa Rican government but financed by a [\\$296 million loan](#) from China Export Import Bank, became mired in over 12 years of delays due to performance problems by the Chinese builder, China Harbor Engineering Corporation. These included repeated difficulties in securing access to the land required to build the highway.

Even a "Chinatown" arranged by San Jose mayor Johnny Araya, which included a [traditional Chinese gate](#) gifted by the Chinese government, generated conflict in Costa Rica. For one, the new pedestrian area blocked a key traffic route through San Jose, complicating its endemic traffic jams. It also initially failed to attract many Chinese stores, and [flooded during the rainy season](#) due to design defects.

On the trade side, Costa Rican hopes of increasing exports to China through the change in diplomatic recognition failed to materialize – despite the subsequent negotiation of a free trade agreement [that went into effect in August 2011](#). However, those actions contributed to a significant [expansion of Chinese products](#) and retail outlets in the country at the expense of local businesses. As a result, an [enormous trade deficit](#) has accrued to the [benefit of China](#). In 2023, Costa Rica imported [\\$3.39 billion in goods](#) from China, while exporting only [\\$402.7 million](#) to it.

In 2012, China sought to expand its commercial presence in Costa Rica through [six proposed special economic zones](#).

Although these would have given Chinese companies significant tax relief and autonomy in exchange for promised investments, the government of Laura Chinchilla was reportedly not comfortable with granting Chinese companies extensive exemptions from the laws and regulations that other companies operating in the country had to follow.

China's relationship with Costa Rica continued to advance under President Luis Guillermo Solís, including the signing of a [2016-2020](#)

[strategic cooperation plan](#). In addition, in September 2018, his government signed on to [China's Belt and Road Initiative](#), becoming one of the first countries in the region to do so [after Panama](#).

During the first 15 years of the relationship, China also gifted the Costa Rican government a significant amount of security equipment. This included [350 Chinese-made police cars](#), two [AVIC Y-12](#) surveillance and transport aircraft delivered in 2016, and a police training facility [delivered in July 2017](#), although the facility had to be outfitted by European donors because China delivered it empty. Chinese security gifts also included telecommunications and police protective equipment [delivered in November 2018](#), a modest \$14,000 donation of [gloves, tents, and sunscreen](#) in December 2020, and [100 police motorcycles in 2021](#).

The China-Costa Rica relationship cooled somewhat under Solis' successor, Carlos Alvarado Quesada, but the decline became notably more pronounced under current President Rodrigo Chaves. In addition to his friendly posture toward the U.S., Chaves was reportedly offended by reports that interests tied to China had supported the campaign of his opponent in the presidential race, [Jose](#)

[Maria Figueres](#), although his own campaign may have received [Chinese money as well](#).

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China, for its part, has pressured the Chaves government not only over the exclusion of its companies from Costa Rica's telecommunication infrastructure, but also over the Costa Rican intelligence agency, DIS, sending [five officials to Taiwan for training in May 2025](#).

China, reflecting its problems with the Chaves government, withdrew its ambassador [Tang Heng in March 2024](#), and replaced him with [Wang Xiaoyou](#), whose youth and poor Spanish was interpreted by many in Costa Rica as a deprioritizing of the relationship.

China's Current Position in Costa Rica

China's current position in Costa Rica is characterized by a virtual absence of

traditional investments and loan-based projects and continuing struggles over infrastructure work in the road and telecommunications sectors. However, Chinese companies enjoy significant market penetration, including in the automotive, electronics, and other consumer goods sectors,

China is the primary source of cars imported into Costa Rica, [accounting for a third](#) of all such imports. In the electric car sector specifically, China has [cornered 70 percent](#) of the Costa Rican market. Ernesto Ruiz, brother of Costa Rica's former ambassador to China, is one of the important importers of Chinese vehicles.

In services, the Chinese company DiDi has operated in Costa Rica [since 2019](#), in both the taxi and food delivery area, although it reportedly has less market penetration than its Western rival, Uber.

On the infrastructure front, despite more than 12 years of performance difficulties and delays with Route 32, China Harbor is currently competing for a contract for the middle segment of the strategically important [highway to San Carlos](#) in the south of the country. The Chinese have also proposed a [39 kilometer long monorail](#) to be built and

financed by China-based companies. Chinese firms are reportedly also interested in operating a port facility at Caldera, although there has not yet been a formal bidding process.

In telecommunications, Huawei continues to fight [against its exclusion](#) from the Costa Rican telecom market. Its efforts include its previously noted attempts to court members of ICE, its principal union, and Costa Rican legislators, including [lavish parties in the Sabana Hilton](#), arguably facilitating the suspension of U.S. visas over those involved in such improper interactions.

Despite the exclusion of Huawei from Costa Rica's 5G network, its equipment has penetrated government and private sector digital infrastructures. ICE, for example, uses Huawei routers, while Telecable and Claro have Huawei modems. Chinese smartphones, including Huawei, Xiaomi, and the new low-end device company Honor, are widely used in the country.

Beyond telecommunications, Chinese surveillance systems companies, whose video, biometric and other data could possibly be uploaded to servers in China, are employed by a variety of businesses and homes in the country. China-based company Hikvision has

installed its surveillance equipment in the Department of Escazu, and is currently seeking to sell its products to municipal governments in San Jose and Belem. China-based firm Nuctec attempted to sell port scanners to the Solis administration, but the units provided for initial evaluation were reportedly not regarded well.

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Chinese Organized Crime

In recent years, Costa Rican authorities have had increasing problems with Chinese organized crime, including illegal fishing, [human trafficking](#), and money laundering. Chinese criminal groups have also increasingly collaborated with non-Chinese ones conducting narco trafficking and other activities in the country.

[In May 2025](#), in Operation Matsu, Costa Rican authorities acted against a human trafficking ring that had smuggled at least 437 persons into the country from China, as well as other points of origin in Asia and South America, charging between [\\$4,000 and \\$40,000 per person](#).

Costa Rican authorities also recently acted against a Chinese illegal fishing group that had harvested an estimated [355 tons of shark fins](#) from the maritime protected area adjacent to Costa Rica between 2018 and 2023.

Chinese Influence Networks in Costa Rica

With respect to Chinese Influence networks, the pattern of activities in Costa Rica is similar to elsewhere in the region.

In legislative affairs, China works with the Costa Rican parliamentary group for friendship with China, led by opposition National Liberation Party politician Luis Fernando Mendoza.

Analysis by the journal Nacion found that in 2023, China [financed more](#) trips abroad by Costa Rican legislators than any other country. The legislature sent [87 personnel to China in a two-year period](#) 2022-2023, representing 10 percent of its entire staff. Representative [Fabricio Alvarado Munoz](#) was at the top of the

list, with eight visits authorized for himself and his staff.

As noted previously, President Chaves himself is being investigated for having received [150 million colons](#) in support for his campaign through a bond purchased by Hong Kong based businessman Sheng Lin Hu.

In the private sector, the [China-Costa Rican Chamber of Commerce and Industry](#) plays an important coordinating and information providing role between Chinese and Costa Rican businesses. Its president, [Isabel Yung](#), who also [heads the association](#) for the ethnically Chinese community in Costa Rica, is an important figure with close ties to the Chinese embassy.

In academia, the University of Costa Rica hosts a [Confucius Institute](#) for instruction on the Chinese language and culture by Chinese-government-supplied personnel, as well as a China-supported institute for [Chinese traditional medicine](#). Universidad Hispanoamerica reportedly also has a strong relationship with China.

China and Huawei continue to give scholarships to Costa Ricans to study in China, although the numbers have dropped from those during the early years of recognition, such as the [75 awarded in July 2013](#).

In media affairs, China's CCTV4 and CGTN both have a cable television presence in Costa Rica through the telecommunication firm [Tigo and Telecable](#). The Chinese community in Costa Rica has its own paper, [Revista 168](#). The Costa Rican newspaper La Republica [carries paid Chinese state media advertising supplements](#), and [publishes opinion pieces](#) from the Chinese embassy.

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As with legislators, Costa Rican journalists travel to China on trips paid for by the Chinese government. Similarly, in November 2023, a Costa Rican journalist from Grupo R Multimedia participated in an event in China sponsored by the [China-Latin America Press Center](#).

Conclusion

Costa Rica is an example, repeated in other countries in the region such as Nicaragua and Honduras, of how hoped for commercial gains from diplomatic flips from Taiwan to China, and the signing of associated MOUs and free trade agreements, often fail to materialize. Instead, such initiatives may expose local commercial actors to damaging penetration from Chinese goods and companies, and introduce Chinese influence networks into vulnerable local political, business, academic and media environments.

At the same time, Costa Rica is also an example of how strong institutions and democratic culture can help a country to resist such risks, even while recognizing that the requirement for vigilance is ongoing.

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AUTHORS

GUEST AUTHOR

R. Evan Ellis

R. Evan Ellis is Latin America Research Professor with the U.S. Army War College. The views expressed herein are strictly his own.

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