

# Update 14: Costa Rica - Records Unemployment Rate of 22% in Q3 2020 Amid COVID-19 Pandemic

- Unemployment in Costa Rica reached 22% in the July-September quarter, slightly lower than the previous period but still severely affected by the COVID-19 pandemic
- According to the National Institute of Statistics and Census (INEC), closure of businesses due to the absence of clients is the main reason for rise in unemployment
- Unemployment rose 10.6 percentage points compared to the same period in 2019
- Meanwhile, underemployment, when people work less than 40 hours a week and want to work more, reached 25.8%, a increase of 14.2 percentage points over last year
- INEC noted that people of all education levels are experiencing increased unemployment levels, but it has particularly impacted those who didn't complete secondary school
- More than half (68%) of the unemployed population say they have been searching for a job for six months or fewer
- Nearly all (95%) reported affectation due to the pandemic, either causing them to lose their previous job or preventing them from finding a new one
- The percentage of employed with informal employment is 44.5%, which represents at least 822,000 people
- The 22% unemployment rate is slightly lower than Costa Rica's record high of 24.4%, which the country reached from May to July 2020
- Supply Wisdom is continuously monitoring the situation and will alert you to any relevant developments

## Source(s)

<https://ticotimes.net/2020/11/06/unemployment-in-costa-rica-at-22-as-pandemic-effects-continue>

<https://tradingeconomics.com/costa-rica/unemployment-rate>

## Targets Affected:

Costa Rica

## Category(s):

Scalability Risk - Macro-Economic Risk - Geo-Political Risk

## Event:

Coronavirus (COVID-19) Incident(s)

## Guidance

### *Actions to consider:*

- Consider implementing suggested actions related to 'Negative Impact on Economy' under the 'COVID-19: Actions to Consider' section below / next page

**Related Alerts**

**Nov. 1, 2020**

**Medium**

Update 13: Costa Rica - Reopens International Airports

**Oct. 24, 2020**

**Low**

Update 12: Costa Rica - Removes Negative COVID-19 PCR Test Requirement for Travelers Effective October 26, 2020

**Oct. 16, 2020**

**Medium**

Update 11: Costa Rica - Eases Travel Restrictions with US and Other Central American Countries

**Sept. 30, 2020**

**Medium**

Update 10: Costa Rica - Extends COVID-19 Measures Until October 31, 2020

**Aug. 27, 2020**

**Medium**

Update 9: Costa Rica - Announces New Restrictions Starting August 31, 2020 to Contain Surge in COVID-19 Cases

**Aug. 20, 2020**

**Medium**

Update 8: Costa Rica - Eases Travel Restrictions for US Citizens Commencing September 1, 2020

**Aug. 17, 2020**

**Medium**

Update 7: Costa Rica - Lifts Entry Ban for Travelers Amid COVID-19 Outbreak

**July 30, 2020**

**Medium**

Update 6: Costa Rica - Plans to Reopen Businesses Commencing August 1, 2020

**July 24, 2020**

**Medium**

Update 5: Costa Rica - Plans to Resume International Flights for European Union, United Kingdom, and Canada Commencing August 1, 2020

**July 17, 2020**

**Medium**

Update 4: Costa Rica - Records Highest Unemployment Rate of 20.1% in May 2020 Amid COVID-19 Outbreak

**July 5, 2020**

**Medium**

Update 3: Costa Rica - Reports Highest Daily Increase of 310 COVID-19 Cases, Raising National Total to 4,621

**June 22, 2020**

**Medium**

Update 2: Costa Rica - Enters Phase 2 of Easing COVID-19 Restrictions

**June 20, 2020**

**High**

Update 1: Costa Rica - Suspends Economic Reopening Plans as New COVID-19 Cases Increase

**May 30, 2020**

**Immediate**

Costa Rica - Extends Border Closure Until June 30, 2020 Amid COVID-19 Pandemic

# Impact level Definitions

Impact Level	Definitions
Immediate	<b>Certain</b> - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	<b>Highly likely to occur in the near term (within 3 months)</b> - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	<b>Likely to occur in the mid-term (within 3 to 6 months)</b> - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	<b>Possible in the long-term (after 6 months)</b> - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.