

Marine Recreational Fishing in Costa Rica

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Marine recreational fishing has become a significant growth business in recent years, creating a combined fishing revenue in the U.S. of approximately \$21 billion annually. This rapid growth has produced unusual fishing pressure within Florida and the adjacent Bahamas, causing sportspeople to look for new and more reliable fishing grounds in other parts of the world. *Newsweek International Magazine* describes these sportspeople as "the new breed of fisherman" flying throughout the world to such places as Australia, Belize, Costa Rica, Jamaica, Panama, Christmas Island, Venezuela, and Russia to pursue the challenge of recreational fishing.

Because of intense competition for both dollars and fish in the southeastern United States and the Bahamas, a site selection process was initiated by us to locate an area which would offer excellent fishing in an attractive environment. The selection process continued for more than a year, culminating in the choice of Costa Rica. Costa Rica has a stable political climate, central geographical location, abundant natural resources, and excellent fishing. Costa Rica is unique in that both its Caribbean and Pacific coasts offer unspoiled fishing areas.

Flamingo Bay Pacific Charters (FBPC) was formed in 1985 and is a Costa Rica corporation funded by a U.S. parent company. FBPC interests and goals are to promote and provide quality sportfishing in Costa Rica.

In 1985, Costa Rica enacted a law of Incentives for tourist development regulated by the Costa Rica Tourist Board (ICT) which solidified our decision to develop marine recreational fishing in Costa Rica. I have paraphrased portions of that law which pertain to recreational fishing:

Article 2 - This law has as an objective the establishment and development of tourism in Costa Rica. Incentives and benefits will be granted to stimulate important programs and projects in this industry.

Article 3 - The dispositions of this law will be applied to the following tourist activities:

1. Hotel services.
2. Air transportation of tourists, international and national.
3. Lease of vehicles to foreign and national tourists.
4. Gastronomy services dedicated to tourist activities.
5. Aquatic transportation of tourists.
6. Travel agencies dedicated exclusively to tourism.

Article 4 - The incentives contemplated in this law will be granted by the Costa Rican Institute of Tourism, by means of a tourist agreement, after approval on the part of the tourism regulatory commission that will be designated by the Presidency of the Republic. This Commission will be integrated by a representative of the Costa Rican Institute of Tourism, a representative from the Ministry of the Treasury, a representative from the Ministry of Industry, Energy, and Mines, and two representatives from the private industry directly related with some of the activities detailed in Article 3, who will represent different activities. The respective agreement will include

the benefits as well as obligations and guarantees that must be demanded from the applicant in each case.

Article 6 - In order to grant the benefits under this law, the following aspects, among others, will be taken into account:

1. Contribution to balance of payments.
2. Utilization of raw materials and national consumption goods.
3. Creation of direct or indirect jobs.
4. Effects in regional development.
5. Modernization or diversification of national tourism.
6. Increase of internal and international tourism.

Article 7 - The following benefits, in terms of aquatic transportation of tourists, can be granted, either totally or partially, to those companies applying for the benefits under this law:

1. Exemption of all taxes and over assessments applied to the importation or local purchase of aquatic vessels, as well as their equipment, destined to tourist transportation of passengers, for which reason there should be adequate facilities for mooring, boarding, and unboarding of passengers. This exemption can also be applied to the importation or local purchase of goods indispensable for the construction, extension or remodeling of piers and other facilities for the resorts and aquariums designated for tourism, provided the goods and vessels to be imported are not manufactured locally in competitive price and quality conditions, in the criterion of the Ministry of the Treasury.

2. Total exemption of income tax, over utilities not distributed, up to a twelve-year period, to new establishments and to those in operation.

3. Accelerated depreciation of goods that, because of their use and nature, are extinguished more rapidly after approval from the Direccion General de Tributacion Directa.

Article 10 - The Central Bank of Costa Rica will include the resources for the development of the tourist activity in its annual credit program.

This law has stimulated traditional as well as new tourist activity throughout the country, generating significant revenue for Costa Rica. Data released by the ICT for the years 1978 through 1983 indicated that the U.S. produced 24% of the total tourist activity. U.S. tourism dropped in 1979 due to the uncertainty of the Nicaragua unrest but regained strength in 1982 and in 1983. The average amount spent by a U. S. tourist in 1982 was \$438. The average amount spent by a Central American tourist was \$304. The combined average per tourist was \$353. In 1979, the average length of stay for a tourist in Costa Rica was 3.1 days. In 1983, Canadians and Europeans remained in Costa Rica for 3.6 days, while U. S. tourists remained eight days.

Costa Rica is projecting a strong, steady growth for tourism. As an illustration, tourism is now the number two industry in Costa Rica, behind the sale and export of coffee.

Flamingo Bay Pacific Charters' initial site selection process in Costa Rica began at the Rio Colorado Lodge, located at the mouth of the Rio Colorado on the northeast coast. This Lodge is noted for its tarpon and snook fishing. A special 23 foot Texas dory, purchased by the Rio Colorado Lodge, was used for test fishing. Fishing was successful; however, unpredictable weather created unacceptable navigation hazards at the mouth of the river. Although the Caribbean offers excellent fishing, it lacks adequate facilities for sportfishing at this time.

Flamingo Bay Pacific Charters' alternative site was Playa Flamingo located on Costa Rica's northwest coast. This location offered a newly constructed marina and other facilities required for sportfishing. The government of Costa Rica recognizes the potential of tourism and has targeted areas with high tourist potential, such as Playa Flamingo, for substantial improvements in the near future.

Flamingo Bay Pacific Charters has two boats (Palm Beach 31) designed and outfitted for recreational fishing. Particular emphasis is placed on billfish. These boats are new and built by Diseno y Construccion Naval S.A. (DCN) in San Jose. DCN is owned and operated by U.S. investors dedicated to quality and excellence in design. Each boat is equipped with the latest electronic equipment and IGFA (International Gamefish Association) approved fishing tackle.

Costa Rica has long been recognized for its excellent fishing. Club Amateur de Pesca hosts the International Sailfish Tournament hailed to be the most successful in the world. In this year's tournament (August), anglers raised over 1,000 fish and caught and released 510 fish. Seventy five anglers from throughout the world participated in the four-day event.

Fish conservation is practiced in Costa Rica. FBPC is involved in the fish tagging program sponsored by the National Marine Fisheries Service (NMFS) at La Jolla, California. NMFS has requested the tagging of specific species, such as black marlin (*Makaira indica*), blue marlin (*Makaira nigricans*), and striped marlin (*Tetrapturus andax*). FBPC is hopeful that the data obtained from research and tagging of these species will assist in determining migratory patterns, feeding habits and growth rates, producing a better understanding and improved fishing of these species.

Costa Rica offers excellent year-around weather and fishing, however, FBPC is projecting a ten month fishing season. The less-productive months will be used to service equipment and improve fishing opportunities. The latter will be accomplished by exploratory fishing as well as developing and improving fishing skills.

Future plans include construction of new boats for sportfishing and diving. As facilities become available on the Caribbean coast and other areas, Flamingo Bay Pacific Charters will assess their potential for an expanded corporate base of operation.

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