

## TO BRING OR NOT TO BRING

### First in a series revealing the inside scoop on the question of whether to ship your car or buy one in Costa Rica

by Barry Wilson and Arden Brink

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You're moving to Costa Rica.

Do you bring your car with you or buy one here? For people planning their move this is perhaps one of the most frequently argued topics. The resulting confusion is compounded by the wealth of out-of-date, misguided, and just plain *wrong* information you read, written by people who are simply recycling the out-of-date, misguided, and just plain wrong information *they* read somewhere *else*. Usually these folks have shipped *only one* car ever — their own — probably without professional help. No wonder they're confused!

Over the next few weeks we are going to address all aspects of "Ex-pat Cars" and you'll finally have a source for accurate information. You'll have confidence in your decision because you'll know the FACTS that come from the people who deal day in and day out with ex-pat cars.

So, the question remains. Do you bring your car or buy one here? We'll add our opinion to the one expressed by Robert Evans in his very informative article elsewhere on this site. Should you buy a used car here? NO, NO, NO. And when you read all that other nonsense found elsewhere on the web and find yourself thinking you *should* buy a car here in Costa Rica, just repeat to yourself, "Don't do it!"

Okay, there might be the rarest of situations when you will want to buy a car here. But these times are so rare that you can safely presume that that situation is not likely to apply to you. How can this be, when almost everything you read tells you to buy a car here? It's simple. They're just wrong — the associations you look to for guidance, the websites giving you the "real" information about Costa Rica. Over and over you'll find the same information, and over and over it's wrong.

Probably the most often cited reason not to ship a car is that you'll pay high import duties when it is registered here, and that is absolutely true. There is a sliding scale ranging from 53% of the value of your car if it is new-to-3-years-old to 79% if the car is over 5 years old. The fallacy, however, in using this high duty as a rationale for buying a car here is that, in effect, ALL cars here in Costa Rica are subject to high import tax, whether brought in new, or by a used car dealer, or another previous ex-pat.

So *any time* you buy a car here you are paying that duty because it has been built into the sale price of the car. It's a simple fact, so stop worrying about the duty. It's a fact of life and is part of EVERY car you will deal with here in Costa Rica, whether you bring it yourself or buy it here.

If you buy a used car here you'll face two possibilities. One is that it was a car originally imported by a dealer for sale as a new car. The other, and far more likely, is that it was bought in the U.S. as junk and "fixed up" here for sale. We're not using the term junk casually. We're referring to actual cars that were wrecked and usually written off by the insurance company as a "total loss" then sold for scrap and parts. Instead of being used for scrap and parts, however, they were shipped to Costa Rica and — sporting a shiny new paint job — are filling the used car lots.



Think we're kidding? Look at the photographs. These are just a few of the cars that fill the bonded warehouses all around the country. They can legally stay in the warehouse for up to one year before being nationalized — and paying the duty — so they're shipped in by the hundreds and sit in the lot until the body shops have room to take them. Body work is cheap here. So even after making the repairs and paying the duty there's still a hefty potential profit margin for the dealer. And remember the cars were bought for next to nothing and shipped here, sometimes stacked up to six in a container. After all, they were already so crunched up that it didn't matter if they banged around against each other a little more.

When cars are this extensively damaged, they might be fixed up to *look* normal, but there will almost always be problems. Things just don't fit tight anymore. Pieces that are not so badly damaged to need replacing will be stretched and pulled and filled with body putty and painted. What looks shiny and new on the outside is really damaged goods on the inside, with bent frames, torqued struts, wrenched hinges, and on and on.



The cars damaged in Katrina literally flooded the market in the first months after the hurricane. And while most of those cars may be off the dealers' lots and out on the road by now, they'll be turning up for sale again and again for years. Is that really the car you want to buy here in Costa Rica?

Even if the car wasn't wrecked, you are almost guaranteed that the odometer has been rolled back. Robert Evans' excellent article referred to earlier tells of his experience trying to find a good used car here in Costa Rica. After ruling out all the cars that had obviously been patched up for re-sale, he checked out 26 cars that *appeared* to meet his needs. Of those 26, only ONE had an honest odometer reading. The rest all had verifiable rollbacks — nearly half of those by over 50,000 and one by 144,000 miles!

Okay, you say, "I won't buy a car that originated in the United States." In fact, one of the arguments frequently made against bringing your car with you is the fact that the models here are often different than those in North America, suggesting that this will work to your disadvantage when it comes to service work and parts availability. Hogwash! While there can be a very small *element* of truth to this, it's rare that it's a substantial problem. (It *is* sometimes true that parts — particularly for American-made cars — might be found less expensively in the U.S. and we occasionally hear of people who have friends or family buy the needed parts and ship them or bring them when visiting to save a few bucks.)

Lesser known, though, is the flip side of this fact: cars manufactured for sale here, even those that *appear* to be the same make and model, are NOT the same in some very critical ways. The North American safety standards that most "gringos" take for granted don't apply here and cars manufactured for sale in Costa Rica are simply less well-built than their North American counterparts.

Just compare the curb weight of a popular small SUV built for sale in the U.S. (3,501 pounds) to the "same" model built to sell here (at 3,179 pounds). While 322 pounds might not sound like a lot, it's about 10% of the total weight! It's true of ALL cars built to sell here. Where did those extra pounds go? They were in the reinforced crash resistant side panels, the heavier bumpers and fenders, larger batteries, radiators, heavier duty windshield wiper motors and the like. What do those North American crash standards really mean? We know of one person here who was driving a Toyota sedan originally bought in North America. He had a fairly minor accident, rear-ended at modest speed by someone driving a Tico car. He drove off with his Toyota virtually untouched while the Tico car was destroyed, absolutely destroyed.

Those crash standards are designed to prevent an "unreasonable risk of crashes occurring" and protect against "unreasonable risk of death or injury in the event crashes do occur." Are you sure you want to drive a car that is NOT built to that standard?

Is there ever a time when buying a used car here is a good choice? If you're retired, a tinkerer, and really want a thirty-year old Land Cruiser and don't mind that it'll need some kind of repair work every few weeks then, yes, you should buy a car here. There are thousands of those cars on the road here and at any given moment dozens for sale. Knock yourself out.

For the rest of you, just remember our advice. "Don't do it." And if you *do* buy a car here, do us a favor and don't tell us about it! It's just too painful.

As a final note, in the interest of full disclosure, we think it's important to address the following. Here at Ship Costa Rica, we are in the business of shipping household goods and cars. Yes, cars. So it might be easy to discount our advice by saying, "Oh sure you say to ship a car, you'll make money when we ship a car." However, when you get to know us — or talk with any of our *many* satisfied clients — you'll know that the overwhelming majority of our business comes from referrals, and we wouldn't have those if our clients felt that we had steered them wrong about this. We have never yet had *one* of them regret bringing their car. We imported about a hundred vehicles last year and not one of them was smashed, salvaged, or flooded.

So with that out of the way, let's look at what's coming up. In the next few weeks we're going to answer all your questions and tell you about:

- Bringing your U.S. car, new or old
- Shipping your car in a container or by itself
- The ins and outs of the tourist permit option
- Passing the mysterious RTV (Riteve) inspection
- Nationalizing your car and what comes next

So stay tuned and keep reading.

**Written by Barry Wilson and Arden Brink** of 'Ship Costa Rica' which is an experienced and solidly recommended agency, capable of handling door to door import or export of vehicles, household goods and personal effects. They will be happy to supply a list of satisfied clients to anyone who asks.

If you have questions about shipping your cars and belongings to Costa Rica, **please help us to help you** by telling us what **exactly you plan to ship** to Costa Rica using the form below:

(The WLCR email address should forward to arden@shipcostarica.com)

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In our last article we laid to rest, hopefully once and for all, any idea that you should buy a used car here in Costa Rica. Should you still have any doubts, just go to the port at Limon and watch the garbage come off the ships. A thousand junkers a month, probably more, land here destined for a future life on the used car lots. They're illegal to sell in the U.S. Do you really want to go driving one on the twisting hills around this country? Do you want to send your visiting children or grandchildren on a nice trip to the beach?

This leaves you bringing your car with you when you come. In our next article we'll talk more specifically about the process of shipping the car but before you get to that point you have a decision to make. Which car should you bring?

Many people agonize unnecessarily over the mystery and uncertainty of how much it will cost to import their car. There's a simple solution to this. Just ask us. Give us the details on your car and we can figure it out for you. The key here is we can figure the *entire* price for you, the *real* price. Although you read repeatedly about the "import duty" on cars, that's not the only cost. There are others and our goal is to give you the full information you need so there won't be surprises when your car gets here.

We understand that most people have a set budget so that the *cost* of bringing your car to Costa Rica is an important factor. It is far from the *only* consideration, though, and in fact may not even be the most important one. Some other qualities to think about when deciding whether to bring your existing car are its age and condition, its suitability to your life in Costa Rica, and any specific attributes that make it distinctly useful to you.

The value of the car for taxation is officially determined by the Ministerio de Hacienda for that make, model, and year, not by the actual condition of the car. So rule number one about bringing a car is that it should be in good shape, really good shape. Part of the process of getting your car nationalized is passing RTV (Riteve), which is a safety and technical inspection. Our upcoming article about Riteve will give you a thorough checklist and some helpful advice, but for now trust us when we say you want the car to be in good condition.

Take your car to your local mechanic and have it thoroughly checked out. If you need extensive repairs talk to us to see if it might be worth doing them here. Sometimes this is the least expensive way to do it. The key is for you to KNOW what sort of work needs to be done so you don't get blindsided once you're here.

At Riteve they also take an especially close look at older cars, so if you want to bring an old car it should be in especially good health. We recently brought in a Ford minivan that was 12 years old, but had remarkably low mileage and was in excellent shape. So its value for taxation was comparatively low due to its age and this combined with its good condition and particular ease of use for the owners made it a good choice to bring.

We're always amazed when we read (and all too often, unfortunately) that you can't bring in cars more than a certain number of years old. It's just not true. It might not be *smart*, but it's certainly *allowed* and don't let anyone tell you otherwise! And if your pride and joy is a classic older car, and you just love to tinker with it and admire it out in the driveway, by all means bring it. It may well be worth the few thousand dollars it'll

cost just for the years of happiness it will bring. (But then you probably want to be sure you have something else more reliable for your day-to-day driving!)

Suitability to your life in Costa is another factor. Is your house here in Costa Rica going to be a kilometer up a long and bumpy unpaved road? You might find that 4-wheel drive is not an option, but a necessity, especially in the rainy season. And even aside from the 4-wheel drive, you might well find the larger tires on most SUVs help to smooth out Costa Rica's bumpy roads.

On the other hand, will you be living in the city? Something smaller and more maneuverable may fit the bill better. Despite the attitude often held by gringos that 4-wheel drive is an absolute necessity, you'll see huge numbers of Ticos happily driving their Toyota Camrys, Hyundai Elantras, and other compact 2-wheel-drive sedans. They can't all be crazy. It just depends on where you plan to live and how you plan to live. Choose accordingly.

If your existing car doesn't seem right, another option is to sell it and buy one that's better suited to your life in Costa Rica. Maybe your current car is old enough that you'd planned to replace it anyway. Buying a 3 year old car can be a great choice since you get the *most* benefit of the car depreciating in value, while still fitting within the lowest taxation level. A car that's 3 years old will also have had any initial bugs worked out and yet still have many years of life ahead of it, especially when you shop for one with low mileage and a good, clean bill of health.

Another situation would be if your want to switch over to diesel fuel, a popular choice in a country where gasoline costs \$4.58 a gallon. If you're retired and find that some days you never take your car out of the driveway, small differences in fuel costs or

efficiency aren't such a big deal. If you will still have a regular commute of some distance, however, or plan frequent trips to the beach or other faraway location, that relatively small difference can really add up.

Are there makes and models of cars that are particularly good or bad to bring to Costa Rica? Certainly the first choices will be your Toyotas and Hondas with Subaru, Nissan, and others also offering good value. And while we probably wouldn't encourage you to rush out and *buy* an older Ford or Chevy to bring, if you already *own* a Ford or Chevy that otherwise is going to suit you well, don't feel like you have to get rid of it. There are lots of good automobile mechanics throughout Costa Rica and plenty of them know how to work on American cars — despite what you'll read in other places.

If you're buying a car to ship, rather than shipping a car you already own, you might want to consider buying a car from a dealer near the port you'll be shipping from, particularly if you live far away.

Now, we understand that even in this age of internet car shopping some folks still feel like they wouldn't dream of buying a car without "test driving" it first. But what was your last test drive like? Didn't you probably get in the car, adjust the mirrors, play with the seats and the console overhead, and then drive around a few blocks.

Go test drive the same type of car at your local dealer if you want, just to be sure that you don't hate the way the side view mirrors adjust or the sculpted shape of the driver's seat. But then don't be afraid to buy a car long distance if that's going to be the best solution for you. We can actually help you find a car and have it shipped directly here to be waiting for you when you arrive!

And as we close this article, we feel compelled to suggest one last factor for you to consider. Are you certain that you *need* a car here in Costa Rica? Depending on *where* you live and your lifestyle, it's entirely possible that you could live very comfortably without a car. The bus system is amazing throughout the country, taxis are comparatively cheap and plentiful, and rental cars readily available for that semi-annual jaunt to the beach or to visit friends at Arenal or whatever your occasional long-distance trips might be. So one of your final considerations about which car to bring just might be, do you need to have a car at all?

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## You're Bringing Your Car – How Do You Get it Here?

In our previous articles we've discussed at some length the pros and cons of importing a car when you move to Costa Rica and which car, specifically, you should bring. So now that you're planning on shipping your vehicle, you're wondering how do you go about it.

There are essentially two approaches to shipping your car. One would be to ship the vehicle *only* and the other would be to include it in a container with other household goods. As you might imagine, which way to go will depend on your circumstances. Neither is specifically better or worse than the other.

For starters, let's look at the situation when you just want to ship a car here. You're not planning on shipping your furniture and other personal goods – a subject that in itself deserves some consideration, but that's a topic for a different article! – or maybe you'll be shipping a container in the future when you make your “big move” and for now you just want to get a car here.

It's very possible to ship vehicles directly from some ports. The least expensive option is for you to deliver the vehicle yourself to the port and if you go this route we can provide all the paperwork and instructions as well as receive the vehicle on this end. Clearly, if you actually *live* near one of the ports we use, this can be a simple and cost effective option.

Even if you're nowhere near these ports, it's possible to have a pretty seamless transaction by having your car picked up at your home, office, or any other location you designate and trucked to the port where it will then be put on the ship for Costa Rica. This will add anywhere from another few hundred to somewhat over a thousand dollars to your shipping cost, depending on where you live of course. But with today's gas prices, the “cost” of your time, meals and possibly hotel rooms on the road, and return transportation back home again it's very possible that the trucking will turn out to be a pretty good deal!

When we mention “any other location you designate,” this is of particular interest to Canadian readers. All vehicles we ship directly from Canada, unfortunately, must go in a container and if you're not otherwise wanting to ship a container – with your household goods, for instance – this can be an expensive option. But if you're relatively near a U.S. city (as is the case for much of the Canadian population) you would have the perfectly legal option of driving over the border and having us pick up the vehicle there.

Okay, let's say you *are* planning to ship your household goods in a container. If you're thinking of using a 20' “half” container, then the increased expense to go up to a “full” or 40' container is very cost-efficient. You've doubled your space, for usually only 20 or 25% additional cost. The additional 20-feet will easily hold your vehicle (which is probably somewhere between 12 and 19 feet long) and almost assuredly give you room left over for more stuff.

The additional cost for the larger container becomes quite the bargain if you're *not* near one of the ports we use for vehicles and you would have incurred either traveling costs or trucking expense in addition to the regular shipping costs. And if you're debating with yourself about having too much stuff for one 40' container – not at all an unusual

situation – then adding a second container and including your vehicle can help simplify the decision.

Conversely, if you're loading the container in which you had *intended* to include your car and find that there's no way it's all going to fit, you *do* have the option of filling that container chock-a-block full of household goods and shipping the car separately.

Often once people realize that a shipping container comes to you on the chassis, approximately 4' off the ground, they puzzle over how to get the car *into* the container. Visions of levitating cars abound, but it's really not that mysterious or that difficult. The car will want to be loaded into the container last, facing out so the VIN can be read should customs choose to look. So the simplest plan, by far, is to arrange with your local towing company to bring a flat bed (sometimes called tilt bed) tow truck to your house toward the end of your loading time. (Do be clever and think ahead to be sure your vehicle is not blocked in by the container!)

When the time comes, have the car winched up onto the flat bed truck, have the truck back up to the open doors of the container, and simply back your car up into the container. Normally the flat bed and container will be at almost exactly the same height. Once the car is in the container you'll want to chock the tires and it's a great little tip to keep out two mattresses to put on either side of the car as extra padding. (Just be sure to include them on your inventory.)

Whichever method of shipping you use, there's still the question of timing. Do you ship your car (and potentially your household goods) just before you fly out, leaving you without a car here in Costa Rica for several weeks? For many folks, this is the simplest choice. Another option to consider, though, is to ship the car a few weeks ahead of your travel time. We can then have the car nationalized, ready and waiting for you when you arrive. (We'll even meet you at the airport with it!) Clearly this puts you without your car on the U.S. end for those few weeks, but for some people this is an easier situation. Perhaps they have a second vehicle they can use during the time, or friends or family nearby from whom they can borrow. It's not the right choice for everyone, but it can be a wonderful option for some.

One extremely important final note: You **MUST** have clear title in order to ship a vehicle out of the country. Sounds reasonable, right? Unfortunately, what often trips people up is that they have an automobile loan that they intend to pay off with the proceeds from their house sale. Then they plan – often immediately after – to ship that car to Costa Rica. Be aware that in many states there is a *process* which can often take *weeks* once the lien is removed by paying off the loan to get a new, clear title.

We've had clients who didn't tell us this was the situation until it was too late and their title was off somewhere in never-never land while all shipping plans ground to a halt. There *are* some potential ways to prevent this from being a problem, so if this applies to you we encourage you to *ask* questions and *tell* us your situation so we can best help!

It's conceivably possible to handle the shipping and nationalizing of your car yourself, but we would suggest taking this approach only if you're a severe masochist. In fact, most of the published advice you'll read that erroneously suggests you should buy a car here in Costa Rica is given by people who attempted to ship their cars by themselves. No wonder they think it's a bad idea!

While it may not be rocket science, it *is* a process fraught with governmental bureaucracy, myriad arcane forms, international customs on both ends, and insanely puzzling processes. When you do it once it seems overwhelmingly confusing and even frightening. When you do it every week – as we do – it becomes much smoother. Or, at the very least, less confusing and frightening. Our advice – work with a professional. Even if it's not us.

Once you have your car here it will need to either be nationalized or put onto a tourist permit. Stay tuned for our next article discussing the ins and outs of these options. And in the meantime, if you have questions, you know where to turn.