



# **Doing Business in Guatemala: 2008 Country Commercial Guide for U.S. Companies**

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- [Chapter 1: Doing Business In Guatemala](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

[Return to table of contents](#)

## Chapter 1: Doing Business In Guatemala

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)

### Market Overview

[Return to top](#)

Guatemala is the northernmost country in Central America with Mexico to the north and west, Belize and the Atlantic Ocean to the east, Honduras and El Salvador to the southeast and the Pacific Ocean to the south. Famed for its volcanoes, textiles, Mayan ruins, and temperate climate in the highlands, Guatemala is at the center of a large regional market for U.S. goods and services.

Guatemala is an excellent market for U.S. products. Guatemalan GDP reached an estimated USD 33 billion in 2007 and exports from the United States to Guatemala exceeded USD 4.6 billion. U.S. products and services enjoy high name recognition in Guatemala, and U.S. firms have a good reputation in the Guatemalan marketplace. As a result, more than one third of all Guatemalan imports come from the United States. Guatemala can also be an attractive place for foreign investment, despite some persisting challenges. With a population of around 13.3 million, it is the largest country in Central America and accounts for more than one-third of the region's GDP. The capital, Guatemala City, has a population of over 2.5 million and features first-class hotels and restaurants. La Aurora International Airport, which serves Guatemala City, has recently been renovated and is located just minutes from the major business and financial areas.

### Market Challenges

[Return to top](#)

After a four-year presidential term of Oscar Berger of the Grand National Alliance (GAN) coalition, Alvaro Colom of the National Unity for Hope (UNE) party won the November 4, 2007 presidential elections and took office January 14, 2008. Congressional elections at the same time increased UNE's seats in the congress but fell short of a majority. Improving public health, security and education are the top priorities for the new government as well as expanding rural development. The government seeks to increase exports and attract investment, particularly in tourism and manufacturing. The new government has said that they plan to increase tax collection by simplifying tax procedures, create a tax intelligence service to strengthen customs collections, reduce corruption and evasion at ports, and increase audits

Colom's administration is expected to maintain good relations with the United States while diversifying exports to Asia and Europe and the rest of Central America. The United States and Guatemala emphasize a shared agenda on strengthening democratic institutions, promoting trade, and improving the rule of law.

Violent crime remains a serious challenge. Corruption, impunity, worker rights, protection of intellectual property, and education continue to be other key challenges for the government. On January 11, 2008, Guatemala and the United Nations established the

joint International Commission Against Impunity in Guatemala (CICIG). CICIG is charged with helping Guatemala to investigate and prepare prosecution of organized crime.

Most hurdles to exporting to and investing in Guatemala are bureaucratic in nature. The government is aware of these problems and works to overcome them. There are no exchange controls and the currency, the Quetzal, currently trades in a fairly stable range of 7.6-7.8 quetzals to one U.S. dollar. Currency is bought and sold freely in national markets. There are no restrictions on repatriation of profits by foreign businesses.

## **Market Opportunities**

[Return to top](#)

The signing of the U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) by the U.S. Trade Representative Robert Zoellick and ministers from Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua, on August 5, 2004, represented a giant step toward greater economic integration between the U.S. and these Central American nations. The Agreement, ratified by the U.S. and all other participating countries, provides for the immediate elimination of tariffs and quotas on more than 80 percent of U.S. exports, while tariffs on the remaining 20 percent will be phased out over the next 10 to 15 years. President Bush signed the implementing legislation on August 2, 2005. Guatemala implemented July 1, 2006.

With the inclusion of the Dominican Republic, CAFTA-DR is the second largest Latin American market for U.S. goods, surpassed by only Mexico. Along with reduced trade barriers, CAFTA-DR loosened restrictions that have historically locked U.S. firms into exclusive, often inefficient, distribution arrangements. CAFTA-DR member countries have further promised increased transparency in customs dealings, anti-corruption measures in government contracting and procurement, and strong legal protections for U.S. investors. Legislation and regulation on these topics are moving forward in the member countries. Costa Rica (the last signatory) was granted additional time through October 2008 to pass implementing legislation and regulations.

Regionalization has quickly become a fact of life for doing business in Central America. Factories and distribution facilities have been and continue to be designed to serve a regional market. Furthermore, rarely does a U.S. businessperson visit just one Central American country. New investors weigh the advantages that each country offers as they look to decide where to establish new plants. Regional managers are becoming the norm, with responsibilities for multiple countries within the Central American marketplace. Trade between the countries of Central America has also increased dramatically over recent years, a trend that was accelerated with CAFTA-DR. President Bush visited Guatemala March 11-12, 2007 during a five country visit to Brazil, Uruguay, Colombia, Guatemala, and Mexico. Other high level visits have included Agriculture Secretary Johanns in September 2007 and HHS Secretary Leavitt and senior officials from the delegation of Commerce and Education for the inauguration ceremonies in January 2008. Major investments in Guatemala by U.S. firms Wal-Mart, Citicorp and GE Finance also highlight the opportunities presented by CAFTA-DR. Foreign direct investment grew significantly in 2006 and 2007.

The Guatemalan market is competitive. Guatemalan businesspeople are price-sensitive and expect good after-sales service and support. They are accustomed to doing business with U.S. firms and many Guatemalans travel regularly to the United States and speak English.

The Guatemalan economy has expanded rapidly over the last several years. Real GDP grew by an estimated 5.7 percent in 2007. Inflation was 8.75 percent in 2007 mostly due to increasing oil and food prices. Remittances, almost entirely from the U.S., are an important source of foreign income. More than one million Guatemalans living in the US, the majority illegally, sent an estimated USD 4 billion, equivalent to approximately 12 percent of GDP in remittances in 2007.

Commodity prices for traditional Guatemalan exports, such as coffee and sugar, which had been relatively low in recent years is experiencing a strong upswing. Growth has been bolstered by non-traditional exports, such as assembled clothing, winter fruits and vegetables, furniture and cut flowers. The non-traditional sector, in particular, has provided more jobs and increased income for tens of thousands of people over the past ten years. Tourism has also developed significantly and should continue to grow. Remittances from Guatemalans living abroad, mainly in the United States, have become a major income stream for the country. The textile industry, though a major employer, has seen shrinkage partially due to staggered implementation of CAFTA-DR for all the countries.

The government of Guatemala welcomes foreign investment and generally accords foreign investors national treatment. There are few legal or regulatory restrictions placed on foreign investors. At the same time, the country has a long way to go to make Guatemala truly business and investment friendly.

## **Market Entry Strategy**

[Return to top](#)

If the government continues to work toward economic reform, including more of its citizenry in the economy, maintaining free trade and liberal markets, as well as providing personal and investment security, U.S. companies can expect a growing market in Guatemala. The reality in Central America and in Guatemala today is that there are problems: corruption, security issues, poverty, and low education levels top the list. But there is also strong economic growth, relative stability, real market opportunities and substantial U.S. exports, in a dynamic market that is close to the U.S. and growing. Regional integration and CAFTA-DR will spur investment, growth, trade, and increased market opportunities for U.S. firms.

[Return to table of contents](#)

[Return to table of contents](#)

## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2045.htm>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

### Using an Agent or Distributor

[Return to top](#)

One of the most important decisions a U.S. company will make in Guatemala will be the selection of a qualified and competent sales representative and/or distributor. A distributor with well-positioned sales outlets in important commercial locations will greatly enhance chances of capturing a major share of the end-user market.

Selection of the appropriate agent or distributor requires time and effort. The same high standards when selecting someone in the United States should, to the greatest extent possible, be used in Guatemala. English language capability, while important, should not be over-emphasized as a decision factor when selecting an agent or distributor. Reputation, product and industry knowledge, track record, enthusiasm and commitment should be weighed heavily.

Exclusivity will be requested by most potential agents and distributors, not only for Guatemala, but also in some cases, for part or all of Central America. U.S. exporters should scrutinize the request closely. The trend among U.S. and other foreign firms seeking representation in Guatemala is toward non-exclusivity and even well-defined, renewable periods for representation. Guatemala can be a great place from which to enter the larger Central American market, but not all potential agents and distributors will be in a position to do it well.

In deciding with whom to work, U.S. firms should take the time to get to know the people they are considering, both in business and social settings (i.e., visit their offices, dine together, and request both local and international bank and trade references).

When completing an agency or distribution arrangement, U.S. exporters should make sure the agent or distributor understands clearly the terms of the relationship. The

written agreement is important; however, both parties really need to understand it completely to avoid future problems.

Formal agency or distribution agreements should be reviewed by a Guatemalan attorney hired by the U.S. exporter (independent of the Guatemalan party with which the agreement is being established). The Guatemalan legal system can be slow and the law, under certain conditions, offers local agents and distributors a great deal of protection. Finally, under no circumstances should a U.S. exporter give a local agent or distributor the responsibility of registering any intellectual property (i.e. trademarks, trade names, copyrights, etc.); it should be done directly by the U.S. exporter, with the assistance of a Guatemalan attorney.

## Establishing an Office

[Return to top](#)

Authorizations required to operate an office in Guatemala:

A foreign entity legally registered in its country of origin and intending to do business in Guatemala must:

Register with the Mercantile Registry (Registro Mercantil)

Registro Mercantil de Guatemala

Address: 7a. Ave. 7-51, Zona 4  
01004 Guatemala

Ph.: [502] 2332-7678; 2331-0119

Fax: [502] 2331-0119 Ext.: 225

Contact: Lic. Arturo Saravia Altolaquirre, Registrador

E-mail: [info@registromercantil.gob.gt](mailto:info@registromercantil.gob.gt)

Website: [www.registromercantil.gob.gt](http://www.registromercantil.gob.gt)

Documents to be submitted to the Mercantile Registry with Request for Registration:

- Proof that the entity is legally constituted in accordance with the laws of the country (state) in which it is organized or registered.
- Certified copy of the deed of incorporation (charter), the by-laws, and modifications thereto.
- Proof that the Board of Directors has duly resolved to operate in Guatemala and has authorized the legal procedure to obtain permission to do so.
- A power of attorney in which the person named is given ample powers to act and to represent the entity in all legal matters.
- A document in which an amount is assigned as capital, with reference to the entity's operations in Guatemala, and in which it is expressly stated that the entity will be responsible for its obligations in Guatemala with all of its assets, both in Guatemala and abroad.
- A declaration that the entity recognizes the jurisdiction of the courts and laws of Guatemala, with respect to its activities and operations in the country, and that neither the entity nor its representatives and employees will seek special rights as foreigners.

- A declaration that the entity, prior to concluding operations in Guatemala, will fulfill all legal requirements in connection therewith.
- Certified copies of its latest financial statements (balance sheet and income account).

The documents must be certified by an authorized official in the country (state) of origin and must be authenticated by an appropriate Guatemalan Consular Official.

### **Registration with the Guatemalan Internal Revenue Service – SAT:**

Register with the Guatemalan Superintendent of Tax Administration (Superintendencia de Administracion Tributaria – SAT) at:

Superintendencia de Administracion Tributaria – SAT

Address: 7a. Ave. 3-73, Zona 9

01009 Guatemala

Ph.: [502] 2329-7070 PBX

Fax: [502] 2329-7000

Website: [www.sat.gob.gt](http://www.sat.gob.gt)

Call Center: +1-801-0072848

The documentation for registration with the SAT, as required by the Income Tax Law, is identical to that required for registration with the Mercantile Registry. It is advisable to have the documents prepared in duplicate and to submit one set to the SAT, together with a copy of the authorization to operate in Guatemala issued by the Ministry of Government. Registration under the Value Added Tax (Decree 27-92) is also necessary. This registration can also be made at the SAT.

### **Franchising**

[Return to top](#)

A Guatemalan Franchise Association, Asociacion Guatemalteca de Franquicias AGF, was founded in August of 2007 with 25 professionally structured Guatemalan members. This association will be ratified by FIAF – Federacion Iberoamericana de Franquicias, located in Valencia, Spain. FIAF is integrated by the following Ibero-American franchise associations: Mexico, Venezuela, Ecuador, Brazil, Argentina, Chile, Peru, Portugal, Spain and now Guatemala. FIAF indicates that Guatemala is the largest franchise market in Central America, with 200 franchise chains, 3,500 outlets and that it has provided more than 25,000 direct employments, followed by El Salvador and Costa Rica with 95 chains respectively. The industry has grown 3,500 percent in the last five years. The Guatemalan franchise market has a constant growth of 20 percent per year. Local franchise companies operate mainly in the fields of fast food restaurants, bakery and ice cream parlors, automobile services and supplies, gas stations, advertising signs, gifts and toy shops.

Opportunities for the establishment of additional U.S. franchises in all areas of economic activity are excellent, as businesspeople are increasingly interested in new franchising possibilities.

The CAFTA-DR agreement is providing full market access to franchising. Trademark provisions will protect the franchisor's name and tariff liberalization is allowing the lower-cost export of key equipment required to supply the franchisee.

The best and most effective way to enter the Guatemalan market, is through one of the Department of Commerce' services, such as the Gold Key Service, which is designed to give U.S. companies the advantage of local expertise to schedule meetings with pre-screened potential business contacts.

Contact:

AGF – Asociacion Guatemalteca de Franquicias  
Edificio Murano – Penthouse  
14 Calle 3-51, Zona 10  
Guatemala, Guatemala  
Tel: [502] 2386-1081  
Fax: [502] 2386-1001  
Email: [info@guatefranquicias.com](mailto:info@guatefranquicias.com)  
[www.guatefranquicias.com](http://www.guatefranquicias.com)  
Ramon Hernandez, Vice President

## **Direct Marketing**

[Return to top](#)

Approximately one-half of all imports from the United States are the result of direct sales. Many of these result from Guatemalan businesspeople contacting potential suppliers located in traditional U.S. supply centers, such as Miami, New Orleans, Los Angeles and Houston, among other cities, to satisfy a specific product or service need. Other sales result from marketing through the Internet, which is now very popular among medium and large businesses. Direct marketing is usually more effective in cases where the product is well-known or the universe of local buyers is relatively small and easily identifiable, such as sugar mills. To be effective, a U.S. exporter would need to send a sales person (preferably the same person all of the time, so that a relationship can develop) to Guatemala on a regular basis to call on existing and potential customers. Direct sales to government agencies and state-owned firms, except in a few cases, is not possible unless the foreign firm has some sort of local representative authorized to act on its behalf.

The use of the Internet is increasing in Guatemala. Many orders are placed via the Internet and most of the merchandise ordered, except for heavy machinery, is processed via electronic orders. Guatemalan businesspeople access websites and search for specialized merchandise. Many significant Guatemalan businesses have postal boxes in Miami. Arrangements for the shipping of merchandise to Guatemala are made by the ordering companies, which can make transportation fees more favorable.

## **Joint Ventures/Licensing**

[Return to top](#)

Commercial companies in Guatemala are governed by the Commercial Code (Congressional Decree No. 2-70) of January 28, 1970. Article 10 of this Code recognizes as commercial companies those organized exclusively as:

General Partnerships  
Limited Partnerships  
Special Limited Liability Companies  
Corporations  
Stock-issuing Partnerships

Article 12 provides that banks, insurance companies, re-insurance companies, bonding companies, re-bonding companies, financial firms, general warehouses, stock markets, mutual societies, and other similar organizations will be controlled with respect to their form, organization and operation by the provisions of the Commercial Code, only to the extent that they are not covered by other specific laws and regulations.

### **Joint Ventures**

Joint Ventures (Negocios en Participacion) are regulated by Articles 861 to 865 of the Commercial Code as contracts, not as companies or juridical persons. The use of a trade name that includes first names and two family names of the participating persons shall make those persons legally responsible, just as if they were members of a general partnership, assuming they consented to the use of their name.

In a joint venture, the participants enter into a participation contract (contrato de participacion), by which the person called the “active partner” obligates himself to share with one or more persons called the “participants”, who contribute goods or services, the profits or losses resulting from one or several operations of their enterprise or of the complete turnover thereof. The active partner operates in his own name; there is no legal relationship between third parties and the participants.

### **Licensing**

Licensing is defined as a contract partnership in which two or more persons agree to place goods or services in common for the purpose of carrying on an economic activity, dividing the profits. The licensing contract is tailored according to the needs and interests of the parties involved. However, all obligations are governed by the Civil Code.

A company or association that has been legally established in the United States may be established in Guatemala or may have agencies or branches in Guatemala, after receiving authorization from the government. It must show proof of its legal constitution and that it has appointed a paid local agent with all general and special powers. For purposes of the law, the agent is presumed to be vested with such powers, even though the agency agreement may not specifically so provide.

A foreign company or association that does business in Guatemala is required to:

- Establish agencies or branches that take care of its business
- Have an accounting system, in legal form and in Spanish, in which the operations or business negotiations that take place in Guatemala are recorded
- Submit for decision by the Guatemalan courts under Guatemalan law any legal questions that arise from the business of the agency or branch.

## **Selling to the Government**

[Return to top](#)

Sales to government agencies and corporations are best achieved through local agents, distributors and other types of representatives; in some cases it is a requirement. It is not very practical to target government sales if a firm does not have contacts in Guatemala to be on the lookout for opportunities and then assist with obtaining the specifications and meeting deadlines for submission.

The Government Procurement Law (Decree 57-92- Ley de Contrataciones del Estado de Guatemala) and its addendums, stipulate that all government purchases over USD 161,000 must be submitted for public competitive bidding, and no less than 5 bidders must participate, except when a project is considered to be so urgent as to be declared a national emergency. In the latter case, the Government of Guatemala can forgo the bidding process and may acquire the goods or services, regardless of the amount, from local firms or through dealers by direct importation. Unless otherwise specified, all government public bidding requires foreign suppliers to meet pre-qualification requirements, and to submit bids through local established representatives. Government purchases or acquisitions are generally exempted from import duties. The period granted for submission of bids is often limited.

Government procurements executed by one government are occasionally challenged by the subsequent government. In some of these cases, the Embassy can assist U.S. firms by encouraging the government to respect the original contract. The complete public bidding process can be accessed at [www.guatecompras.gob.gt](http://www.guatecompras.gob.gt) - Concursos Publicados.

## **Distribution and Sales Channels**

[Return to top](#)

Most Guatemalan importers have traveled extensively to the United States and/or have done business with U.S. firms. Guatemalan businesspeople are accustomed to doing business with the United States. Many businesspeople speak English. Nevertheless, to maximize the probability of succeeding in the Guatemalan market, U.S. exporters should be aware of and respect local business practices.

Almost half of all firms selling into the Guatemalan market do so by means of a Guatemalan agent or distributor. The rest sell directly to Guatemalan buyers. Generally speaking, the more pre-sales marketing and after-sales support and service that a product requires, the more important it is to have a local agent and distributor.

Most business is conducted in Guatemala based on personal relationships. Guatemalan business executives and government officials place great importance on personal contacts with suppliers. U.S. suppliers should be prepared to have a local representative or distributor and to travel to Guatemala personally. U.S. businesspersons are often surprised at the accessibility to key decision makers and the openness and frankness of local buyers.

## **Selling Factors/Techniques**

[Return to top](#)

Guatemalan purchasing decisions are primarily based on price, service and quality. Being "Made in USA" usually confers a strong advantage to any product in the Guatemalan marketplace.

Direct sales by U.S. exporters to end-users, importers, wholesalers and retailers are usually most successful when the product is well-known within the market or when a limited number of (usually large) buyers exist. Direct sales are often supported by local advertisement, sales promotion campaigns, technical or illustrative brochures, visits by salespeople, and in some cases samples.

Sales via local agents and distributors are the most effective means of penetrating the market successfully, in most cases. The U.S. exporter appoints a person or firm, which, in turn, either promotes sales on a commission basis or purchases the merchandise and re-sells it. End-users and retailers generally have neither the experience nor the time to import directly, nor to handle customs clearance, which is time-consuming. Once exclusive representation has been given to a local company, it cannot be taken away and given to another concern without complying with the existing Agency, Distribution and Representation Law, contained in Congressional Decree No. 8-98, of February 4, 1998.

## **Electronic Commerce**

[Return to top](#)

E-Commerce is a relatively new feature in the Guatemalan market. Guatemala has started to use e-commerce among its chambers and associations, some of the larger banks, large supermarkets, the exporters' guild, and others. Some government agencies, like the local equivalent of the Internal Revenue Service, the Government Procurement Office, and Trade Mark Registry have launched web pages and offer interactive services. Businesspeople, associations, and the government have realized that this is a very important electronic tool in doing business.

This e-commerce industry is growing rapidly. Large companies have been the first to take advantage of this tool. It will take some time for smaller firms to adapt. Examples of some users of e-commerce are: [www.amchamguate.com](http://www.amchamguate.com), [www.camaradecomercio.org.gt](http://www.camaradecomercio.org.gt), [www.industriaguatemala.com](http://www.industriaguatemala.com), [www.coperex.com](http://www.coperex.com), [www.prensalibre.com.gt](http://www.prensalibre.com.gt), [www.guatecompras.gob.gt](http://www.guatecompras.gob.gt), [www.negociosenguatemala.com.gt](http://www.negociosenguatemala.com.gt), [www.MiSuper.com](http://www.MiSuper.com), [www.hiperpaiz.com](http://www.hiperpaiz.com), [www.bi.com.gt](http://www.bi.com.gt)

The Guatemalan Economic Congressional Committee, along with other trade associations, is currently working on an E-commerce bill which should be considered by Congress in 2008.

## **Trade Promotion and Advertising**

[Return to top](#)

The Commercial Service of the U.S. Embassy in Guatemala City can provide guidance and assistance to U.S. firms seeking to enter or expand their presence in the Guatemalan market. The following trade associations, at times, can also provide guidance, information and/or assistance to companies planning trade promotion events, which may include product demonstrations, seminars, conferences, etc. The associations are as follows:

American Chamber of Commerce of Guatemala (AMCHAM)

Address: 5a. Ave. 5-55, Zona 14  
EuroPlaza, Torre I, Nivel 5  
01014 Guatemala

Ph.: [502] 2333-3899  
Fax: [502] 2368-3536  
Contact: Carolina Castellanos, Director  
Jose Orive, President  
E-mail: [director@amchamguate.com](mailto:director@amchamguate.com)  
Web page: [www.amchamguate.com](http://www.amchamguate.com)

Camara de Comercio de Guatemala  
(Guatemalan Chamber of Commerce)  
Address: 10a. Calle 3-80, Zona 1  
01001 Guatemala  
Ph.: [502] 2232-4545 / 2253-5353  
Fax: [502] 2220-9393  
Contact: Ricardo Rodriguez, Manager  
Edgardo Wagner, President  
E-mail: [info@camaradecomercio.org.gt](mailto:info@camaradecomercio.org.gt)  
Web page: [www.camaradecomercio.org.gt](http://www.camaradecomercio.org.gt)

Cámara de Industria de Guatemala  
(Chamber of Industry)  
Address: Ruta 6 9-21, Zona 4  
Edificio Camara de Industria, Nivel 12  
01004 Guatemala  
Ph.: [502] 2331-9191 / 2334-4848  
Fax: [502] 2334-1090  
Contact: Lic. Ricardo Sagastume, Executive Director  
Lic. Carlos Enrique Zuñiga, President  
E-mail: [cig@industriaguade.com](mailto:cig@industriaguade.com)  
Web page: [www.industriaguade.com](http://www.industriaguade.com)

#### Trade Promotion Opportunities:

U.S. firms that are interested in participating in local trade events held in Guatemala may wish to receive more information from different organizers:

- FERIA NACIONAL (National Fair) – December (annual)
- COMFERIA – July (annual)
- INDUEXPO 2007 June (Every two years)
- EXPO-ALIMENTARIA September (annual)
- EXPOMUEBLE (twice a year)
- APPAREL SOURCING SHOW (May once a year)
- TECNOPAN (May, 2008)

Organizers of these and other fairs:

COPEREX  
Address: 8a. Calle 2-33, Zona 9  
Parque de la Industria  
01009 Guatemala  
Ph.: [502] 2331-3737 / 2334-1269  
Fax: [502] 2331-7845

Contact: Lic. Roberto Gonzalez  
E-mail: [info@copere.com](mailto:info@copere.com)  
Web page: [www.copere.com.gt](http://www.copere.com.gt)

Osmosis, Impulso y Desarrollo  
Address: 9 Calle 18-51, Zona 14  
01014 Guatemala  
Ph.: [502] 2379-3879 -91  
Contact: Ing. Carlos Rafael Anzueto, General Manager  
E-mail: [ventas@osmosisconsultores.com](mailto:ventas@osmosisconsultores.com)  
Web page: [www.feriatecnoalimentaria.com](http://www.feriatecnoalimentaria.com)

Information on these shows can be obtained from:

U.S. Embassy  
Commercial Service  
Ph.: [502] 2326-4259  
Fax: [502] 2331-7373  
E-mail: [Guatemala.Office.Box@mail.doc.gov](mailto:Guatemala.Office.Box@mail.doc.gov)  
Web page: [www.buyusa.gov/guatemala/en](http://www.buyusa.gov/guatemala/en)

### Advertising

Advertising in Guatemala is usually done through the local media, such as newspapers, magazines, radio and television. Also, the use of billboards displayed along highways has proliferated in recent years. Firms interested in advertising in Guatemala may wish to contact the following association for guidance and the names of Guatemalan advertising firms that could be of assistance:

Union Guatemalteca de Agencias de Publicidad - UGAP  
(Guatemalan Association of Advertising Agencies)  
Address: 13 Calle 3-40, Zona 10  
Edificio Atlantis, Nivel 3, Local 45  
01010 Guatemala  
Ph.: [502] 2367-2301 to 2303  
Fax: [502] 2367-2304  
Contact: Pauline Crespo K., Executive Director  
E-mail: [director@ugap.com](mailto:director@ugap.com)  
Web page: [www.ugap.com](http://www.ugap.com)

### Major Newspapers

The leading newspapers in Guatemala include the following:

Prensa Libre  
Address: 13 Calle 9-31, Zona 1  
Edificio Prensa Libre  
01001 Guatemala  
Ph.: [502] 2230-5096, 2230-1384  
Fax: [502] 2251-8768  
Contact: Luis Enrique Solorzano, General Manager  
Gonzalo Marroquin, Editorial Director  
E-mail: [nacionales@prensalibre.com.gt](mailto:nacionales@prensalibre.com.gt)

Web page: [www.prensalibre.com.gt](http://www.prensalibre.com.gt)

#### Siglo Veintiuno

Address: 14 Ave. 4-33, Zona 1  
01001 Guatemala  
Ph.: [502] 2423-6100  
Fax: [502] 2423-6346  
Contact: Guillermo Fernandez, Director  
E-mail: [buzon21@sigloxxi.com](mailto:buzon21@sigloxxi.com)  
Web page: [www.sigloxxi.com](http://www.sigloxxi.com)

#### El Periodico

Address: 15 Avenida 24-51, Zona 13  
01013 Guatemala  
Ph.: [502] 2379-1616  
Fax: [502] 2332-9761  
Contact: Juan Luis Font, Director  
E-mail: [opinion@elperiodico.com.gt](mailto:opinion@elperiodico.com.gt)  
Web page: [www.elperiodico.com.gt](http://www.elperiodico.com.gt)

#### Nuestro Diario

Address: 15 Avenida 24-27, Zona 13  
Ph.: [502] 2379-1600  
Fax: [502] 2379-1621  
Contact: Rodolfo Mobil  
E-mail: [opinion@nuestrodiario.com.gt](mailto:opinion@nuestrodiario.com.gt)  
Web page: N/A

#### Television Channels/Companies:

The following are the major television channels in Guatemala:

##### Canal 3 de Television (Channel 3)

Address: 30 Avenida 3-40, Zona 11  
Edificio Canal 3  
01011 Guatemala  
Ph.: [502] 2410-3000  
Fax: [502] 2410-3003  
Contact: Fernando Villanueva, General Manager  
E-mail: [canal3@canal3.com.gt](mailto:canal3@canal3.com.gt)  
Web page: N/A

##### Telesiete (Channel 7)

Address: 30 Avenida 3-40, Zona 11  
Edificio Canal 3  
01011 Guatemala  
Ph.: [502] 2410-3000  
Fax: [502] 2410-3003  
Contact: Beatriz Eugenia Ramirez de Rivera, Sales Manager  
E-mail: [BeatrizdeRivera@canal3.com.gt](mailto:BeatrizdeRivera@canal3.com.gt)  
Web page: N/A

TELE ONCE (Channel 11)

Address: 20 Calle 5-02, Zona 10  
Code: 01010  
Phone: [502] 2368-2532  
Fax: [502] 2333-4653  
Contact: Juan Carlos Ortiz  
E-mail: jcof@canalonce.tv  
Web page: N/A

TRECEVISION (Channel 13)

Address: Address: 20 Calle 5-02, Zona 10  
Code: 01010  
Phone: [502] 2368-2532  
Fax: [502] 2333-4653  
Contact: Juan Carlos Ortiz  
E-mail: jcof@canalonce.tv  
Web page: N/A

GuateVision (Channel 39)

Address: Calzada Roosevelt 22-43, Zona 11  
Tikal Futura Torre Sol Nivel 4  
01011 Ciudad de Guatemala, Guatemala  
Ph.: [502] 2328-6000  
Fax: [502] 2328-6002  
Contact: Haroldo Sanchez, General Manager  
E-mail: N/A  
Web page: [www.guatevision.com](http://www.guatevision.com)

Mayacable/Comtech

Address: 6a. Calle 07-73 Zona 09  
Edificio Telgua, Primer Nivel  
01009 Guatemala, C.A.  
Ph.: [502] 2420-5700, [502] 2420-5712  
Fax: [502] 2420-5707  
Contact: Lic. Aldo Ordoñez, General Manager  
E-mail: [clientes@comtech.net.gt](mailto:clientes@comtech.net.gt)  
Web page: [www.comtech.net.gt](http://www.comtech.net.gt)

Radio Stations:

To listen to Guatemalan radio on the Internet, visit [www.comfm.com/live/radio/?c=gt](http://www.comfm.com/live/radio/?c=gt).

For a list and description of Guatemalan radio stations, visit:  
[www.tvradioworld.com/region1/gtm/Radio.asp](http://www.tvradioworld.com/region1/gtm/Radio.asp)

The following is a list of some of the major radio stations in Guatemala City:

Emisoras Unidas

Address: 4a. Calle 6-84, Zona 13  
01013 Guatemala, C.A.

Ph.: [502] 2440-5133  
Fax: [502] 2440-5159  
Contact: Rolando Archila, General Manager  
Edgar Archila Marroquin, President  
E-mail: [emisorasunidas@emisorasunidas.com](mailto:emisorasunidas@emisorasunidas.com)  
Web page: [www.emisorasunidas.com](http://www.emisorasunidas.com)  
Note: Emisoras Unidas has a National Network of five stations throughout Guatemala.

#### Radio Emperador

Address: 14 Calle 11-63, Zona 1  
01001 Guatemala  
Ph.: [502] 2253-4187  
Fax: [502] 2253-4188  
Contact: Cesar Augusto Hernandez Salguero, General Manager  
E-mail: N/A  
Web page: N/A

#### Cadena Azul de Guatemala

##### Radio Mundial

Address: 6a. Avenida 2-80, Zona 1  
01001 Guatemala, C.A.  
Ph.: [502] 2238-2233 / 2238-0372  
Fax: [502] 2230-4216 / 2253-2552  
Contact: Fredy Azurdia, General Manager  
E-mail: [radiomundial@centroamerica.com](mailto:radiomundial@centroamerica.com)  
Web Page: N/A

#### Radio Punto

Address: 6a. Avenida 0-60, Zona 4  
Edificio Torre Profesional II, Nivel 10  
01004 Guatemala, C. A.  
Ph.: [502] 2379-8484  
Fax: [502] 2335-2045  
Contact: Helen Liu de Sanchez, General Manager  
E-mail: [alius@radiogrupoalius.com](mailto:alius@radiogrupoalius.com)  
Web page: [www.grupoalius.com](http://www.grupoalius.com)

#### Radio Panamericana

Address: 1a. Calle 35-48, Zona 7, Colonia Toledo  
01007 Guatemala, C. A.  
Ph.: [502] 2431-2293 / 2435-6504  
Fax: [502] 2431-2293  
Contact: Mario David Paniagua, General Manager  
E-mail: [panamericana.radio@gmail.com](mailto:panamericana.radio@gmail.com)  
Web page: N/A

#### Grupo Nuevo Mundo

Address: 9ª. Ave. 13-58, Zona 1  
01001 Guatemala, C.A.  
Ph.: [502] 2285-1212  
Fax: [502] 2285-1220

Contact: Alfredo Gonzalez Gamarra, Director  
E-mail: N/A  
Web page: N/A

#### Radio Rumbos

Address: 6ª. Ave. 0-60, Zona 4  
Torre Profesional I  
Centro Comercial Zona 4  
Ph.: [502] 2335-1738  
Fax: [502] 2338-0009  
Contact: Alfredo Gonzalez Gamarra, Director  
E-mail: [info@gruporumbos.com](mailto:info@gruporumbos.com)  
Web page: [www.gruporadiorumbos.com](http://www.gruporadiorumbos.com)

#### Magazines and Business Journals:

The following are some of the leading magazines for business in Guatemala:

#### Revista Gerencia

Asociacion de Gerentes de Guatemala  
Address: 6a. Avenida 1-36, Zona 14, Nivel 3  
01014 Guatemala, C.A.  
Ph.: [502] 2367-4995 to 7 / 2367-5001 to 5  
Fax: [502] 2367-5006 to 7  
Contact: Elizabeth Arreces, Executive Director  
E-mail: [servicio@agg.org.gt](mailto:servicio@agg.org.gt)  
Web page: [www.agg.guate.com](http://www.agg.guate.com)

#### Revista Industria

Camara de Industria de Guatemala  
Address: Ruta 6 9-21, Zona 4  
Edificio Camara de Industria  
01004 Guatemala  
Ph.: [502] 2331-9191 / 2334-4848  
Fax: [502] 2334-1090  
Contact: Lic. Karla Nuñez  
E-mail: [revistaindustria@industriagate.com](mailto:revistaindustria@industriagate.com)  
Web page: [www.industriagate.com](http://www.industriagate.com)

#### Mundo Comercial

Camara de Comercio de Guatemala  
Address: 10a. Calle 3-80, Zona 1  
01001 Guatemala  
Ph.: [502] 2232-4545 / 2253-5353  
Fax: [502] 2251-4197  
Contact: Ricardo A. Rodriguez, Manager  
E-mail: [info@camaradecomercio.org.gt](mailto:info@camaradecomercio.org.gt)  
Web page: [www.camaradecomercio.org.gt](http://www.camaradecomercio.org.gt)

## Business Guatemala

American Chamber of Commerce of Guatemala

Address: 5<sup>a</sup>. Avenida 5-55, Zona 14  
Edificio Europlaza, Nivel 5  
01014 Guatemala

Ph.: [502] 2333-3899

Fax: [502] 2368-3536

Contact: Silvia Carolina Tamayac, Publishing Department Supervisor  
Carolina Castellanos, Director

E-mail: [mercadeo@amchamguate.com](mailto:mercadeo@amchamguate.com)

Web page: [www.amchamguate.com](http://www.amchamguate.com)

### Internet Sites:

Terra Networks Guatemala, S.A.

Address: Diagonal 6 10-01, Zona 10  
Centro Gerencial Las Margaritas Torre II, Oficina 9002-B  
01010 Guatemala

Ph.: [502] 2379- 9999

Fax: [502] 2379- 9998

Contact: Carlos Raul Colindres

E-mail: [info@corp.terra.com.gt](mailto:info@corp.terra.com.gt)

[publicidad@corp.terra.com.gt](mailto:publicidad@corp.terra.com.gt)

Web page: [www.terra.com/gt](http://www.terra.com/gt)

## Pricing

[Return to top](#)

Price is a very important decision factor for most Guatemalan businesspeople when selecting a supplier of imported goods and services. Many Guatemalan businesspeople are accustomed to purchasing directly from abroad, especially when they feel that the price of locally available imported products or services are too high. In order to calculate the cost of a product or shipment, companies add up the following expenses:

- a) Product F.O.B. cost
- b) Product freight and/or transportation cost
- c) Product insurance cost
- d) Consular fees (in some cases)
- e) Import duties
- f) Value added tax, 12 percent

## Sales Service/Customer Support

[Return to top](#)

One of the most important issues for purchase decisions of Guatemalan importers is sales service. U.S. firms, more than other foreign firms, generally have a reputation for providing good service and support. U.S. firms interested in penetrating the Guatemalan market should make a commitment to offer excellent service and support to their Guatemalan buyers, agents and distributors. This commitment to excellent service and support should also be made clear by the U.S. firm to its local agent or distributor. Poor or mediocre service often leads to lower sales. The Guatemalan business community is comparatively small and word travels quickly about local and foreign firms that offer poor service and support.

Although after-sales service is not included in the Commercial Code, many representatives, wholesalers and retailers also provide after-sales service and support. This is particularly the case with items such as household appliances, electronic consumer goods, telecommunications and computer equipment, other electronic equipment and industrial machinery. There are no provisions in the law regarding product guarantees. However, most retailers provide some sort of guarantee that covers problems which occur under normal conditions of use.

## Protecting Your Intellectual Property

[Return to top](#)

### Introduction

Several general principles are important for effective management of intellectual property rights in Guatemala. First, it is important to have an overall strategy to protect IPR. Second, IPR is protected differently in *Guatemala* than in the U.S. Third, rights must be registered and enforced *in Guatemala*, under local laws. Companies may wish to seek advice from local attorneys or IP consultants. The U.S. Commercial Service can provide a list of local lawyers upon request.

It is vital that companies understand that intellectual property is primarily a private right and that the US government cannot enforce rights for private individuals in *Guatemala*. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. While the U.S. Government is willing to assist, there is little it can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IPR in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should USG advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in *Guatemala* require constant attention. Work with legal counsel familiar with Guatemalan laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IPR and stop counterfeiting. There are a number of these organizations, both *Guatemalan* and U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)

- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)
- Registry of Intellectual Property, Ministry of Economic Affairs
- FOMPI (Association for Fostering IPR)

## IPR Resources

A wealth of information on protecting IPR is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: 1-866-999-HALT or register at [www.StopFakes.gov](http://www.StopFakes.gov).
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: 1-800-786-9199.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: 1-202-707-5959.
- For US small and medium-size companies, the Department of Commerce offers a "SME IPR Advisory Program" available through the American Bar Association that provides one hour of free IPR legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and Thailand. For details and to register, visit: [http://www.abanet.org/intlaw/intlproj/iprprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html)
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [www.StopFakes.gov](http://www.StopFakes.gov) This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IPR-infringing products) and allows you to register for Webinars on protecting IPR.
- The U.S. Commerce Department has positioned IP attaches in key markets around the world. You can get contact information for the IP attache who covers Guatemala at: <http://www.buyusa.gov/guatemala>.

## IPR Climate in Guatemala

*[Please refer to Chapter 6/Investment Climate/Protection of Property Rights in this document. Guatemala's IP office contact information can also be found at <http://www.wipo.int/directory/en/urls.jsp>.]*

Firms with valuable intellectual property to protect should take the legal steps necessary to insure that it is protected. Firms should never delegate to a local agent, distributor or business partner the job of registering intellectual property. It should be done directly by the U.S. firm, with the assistance of a Guatemalan attorney. Careful attention to IPR issues initially can prevent problems later.

## Intellectual Property Registry

Congressional Decree No. 57-2000 ratified the Central American Agreement for Intellectual Property Protection. This law establishes a uniform legal framework for all the Central American countries regarding trademarks, trade names and expressions or advertising jingles and signs. The Rules and Regulations to be followed are found in Decree #89-2002, dated March 19, 2002.

Ownership of a trademark is obtained through its registration in accordance with the above-mentioned agreement and proven with the Registry's certification, issued by a competent authority.

The rights granted through the registration of a trademark lasts ten years, and may be renewed repeatedly for the same period of time by complying with the requirements established by the agreement. Any natural or legal person may obtain the registration of their trademarks.

Detailed information on the registration of trademarks or intellectual property can be accessed at: [www.negociosenguatemala.com/negocios/registromarca.asp](http://www.negociosenguatemala.com/negocios/registromarca.asp).

The Intellectual Property Registrar may be contacted at:

Registro de la Propiedad Intelectual  
Address: 7a. Avenida 7-61, Zona 4  
Ph.: [502] 2332-0111, 0112, 0113, 0114  
Fax: [502] 2332-7707  
Contact: Licda. Marina Giron Saenz, Directora  
E-mail: [rpiweb@rpi.gob.gt](mailto:rpiweb@rpi.gob.gt)  
Web page: [www.rpi.gob.gt](http://www.rpi.gob.gt)

## **Due Diligence**

[Return to top](#)

Performing due diligence in Guatemala can be time-consuming and difficult. There are very few sources of independently verifiable information about companies and individuals. There are no publicly-listed Guatemalan companies and rarely do they publish information about their officers, sales or financial information. Most companies are sole proprietorships and partnerships, and business generally is conducted based upon personal reputation and contacts.

Companies should request bank and trade references from potential agents and customers. Companies should also consult with their own U.S. banks for information on Guatemalan banks, most of which have correspondent banking relationships with banks in Florida. Another source of information is the International Company Profile (ICP), which can be ordered through any U.S. office of the U.S and Foreign Commercial Service (U.S. Export Assistance Centers). These reports, compiled by the Commercial Service, contain information that might be difficult for a U.S. firm to obtain on its own. See [www.buyusa.gov/guatemala/en/6.html](http://www.buyusa.gov/guatemala/en/6.html)

## **Local Professional Services**

[Return to top](#)

Professional services involving lawyers, auditors, consultants, custom brokers, financial consultants, etc. can be a very useful in instances such as preparation of agency and

distribution agreements and are essential for the legal registration of a new company, registration of a patent or trademark, debt collection, property rights, power of attorney, and trade arbitration. As a matter of good business practice, U.S. businesspeople should not share the same attorney or auditors utilized by their local business associates.

Please visit the following website:

<http://www.buyusa.gov/guatemala/en/guatemalanserviceproviders.html> to find a list of Business Service Providers. The U.S. Government cannot recommend any particular attorney or professional.

## Web Resources

[Return to top](#)

- Superintendent of Tax Admin/SAT: [www.sat.gob.gt](http://www.sat.gob.gt)
- Guatemala Procurement Office: [www.guatecompras.gob.gt](http://www.guatecompras.gob.gt)
- American Chamber of Commerce: [www.amchamguate.com](http://www.amchamguate.com)
- Guatemalan Chamber of Commerce: [www.camaradecomercio.org.gt](http://www.camaradecomercio.org.gt)
- Export association: [www.export.com.gt](http://www.export.com.gt)
- Chamber of Construction: [www.construguate.com](http://www.construguate.com)
- Guatemala Chamber of Industry: [www.industriaguater.com](http://www.industriaguater.com)
- COPEREX Trade Fairs: [www.coperex.com.gt](http://www.coperex.com.gt)
- Agritrade: <http://www.export.com.gt>
- Apparel Show: [www.apparel.com.gt](http://www.apparel.com.gt)
- InduExpo: <http://www.industriaguater.com/>
- Expomueble (furniture): <http://www.export.com.gt>
- International Construction Show: <http://www.construexpocgc.com/>
- U.S. Embassy Guatemala: <http://guatemala.usembassy.gov/>
- Advertising Association: [www.ugap.com](http://www.ugap.com)
- Prensa Libre (newspaper): [www.prensalibre.com.gt](http://www.prensalibre.com.gt)
- Siglo XXI (newspaper): [www.sigloxxi.com](http://www.sigloxxi.com)
- El Periodico (newspaper): [www.elperiodico.com.gt](http://www.elperiodico.com.gt)
- GuateVision: [www.guatevision.com](http://www.guatevision.com)
- Mayacable/Comtech: [www.comtech.net.gt](http://www.comtech.net.gt)
- Guatemala Radio Stations: [www.tvradioworld.com/region1/gtm/radio.asp](http://www.tvradioworld.com/region1/gtm/radio.asp)
- Guatemala Managers Association: [www.agg.guate.com](http://www.agg.guate.com)

[Return to table of contents](#)

[Return to table of contents](#)

## **Chapter 4: Leading Sectors for U.S. Export and Investment**

### **Commercial Sectors**

- [Automotive: Accessories and Service Equipment](#)
- [Food Processing and Packaging](#)
- [Construction Equipment and Building Products](#)
- [Hotel and Restaurant Equipment](#)
- [Franchising](#)
- [Computers and Peripherals](#)
- [Apparel: Textile Machinery and Supplies](#)
- [Medical Equipment](#)
- [Electric Power Systems](#)

### **Agricultural Sectors**

- [Agricultural Sectors](#)

## Automotive: Accessories and Service Equipment

### Overview

[Return to top](#)

#### Automotive Parts Trade Balance

(USD Thousands)

	2004	2005	2006	2007(e)
<b>Exports from U.S.</b>	224,947	229,047	233,627	252,317
<b>Imports from U.S.</b>	1394	981	1000	1080

Source: SIECA

The Guatemalan market for Automotive Parts, Accessories and Service Equipment continues to grow steadily. A large volume of used vehicles are purchased directly from US salvaged car auctions and repaired locally. In average, Guatemalans keep their automobiles for 5-7 years before purchasing a newer model. Import taxes for new cars are considered high (in between 10-20 percent); hence purchasing new models is not common. Given these factors, there are a large number of used vehicles on the roads. These cars require continuous maintenance and replacement services. Importers of automotive equipment for service stations have reported good sales in the past two years and expect to continue doing so. Equipment is sold to local mechanic shops, service stations and gas stations. The enormous amount of used vehicles circulating has stimulated the need for this kind of equipment. Automotive parts importers have to keep up with the demand from local importers of used cars, who need parts to repair sometimes, severely damaged cars.

Almost fifty percent of all Automotive Parts, Accessories and Service Equipment are imported from the U.S. Asian manufacturers are entering aggressively into the market with low priced products, it is estimated that almost eighty percent of the cars circulating in Guatemala represent Asian brands. For this reason, the other fifty percent of imports do come from Asia and is shared with Brazil and Europe as well.

Customs records for Guatemala report that the US has a fifty percent market share, but this does not necessarily mean that products are manufactured in the US, as in some cases cars sold by American distributors are assembled overseas.

### Best Prospects/Services

[Return to top](#)

The most promising sub-sectors for U.S. products within the industry include aftermarket products such as: bumpers, spoilers, tail lights, wheels, sound systems, alarms, tires, batteries, suspension kits, mufflers, filters, chips, exhaust systems, brakes, windshield wipers, spark plugs, wheel covers, steering wheels, etc.

Other promising products are service equipment such as: lifts, tire repair, electronic diagnosis, tire balancing, compressors, and in general all necessary equipment and tools for service stations.

## Opportunities

[Return to top](#)

There are more than one hundred spare parts and service agents in Guatemala. Due to the large demand for aftermarket products and service tools and equipment, the majority of these agents and distributors, whether they are large size companies or a small entrepreneur, are always open to look at new alternatives to offer their customers. It is very important to note that this market is completely price driven and that Asian brands are well positioned in the market. Innovative, high tech, unusual products are a good opportunity for US manufacturers as long as the prices remain competitive.

**Market Size:** Over 1,500,000 vehicles (2007)

**U.S. Auto Parts Exports:** USD 213 million (2004)

**Impact of Tariff Reduction:** Immediate elimination on automotive parts tariffs, which had ranged from 1 to 20 percent, provides immediate cost savings.

### **Other Trade Agreement Impacts:**

Origin rules in CAFTA-DR allow remanufactured parts to qualify for duty free treatment potentially expanding the market for these products in the CAFTA-DR region.

## Resources

[Return to top](#)

- U.S. Commercial Service in Guatemala: [www.buyusa.gov/guatemala](http://www.buyusa.gov/guatemala)
- Official website for Government Tenders: [www.guatecompras.gt](http://www.guatecompras.gt)
- Guatemalan Chamber of Commerce: [www.negociosenguatemala.com](http://www.negociosenguatemala.com)
- Tax information official website: [www.sat.gob.gt](http://www.sat.gob.gt)
- Statistical information: [www.sieca.org.gt](http://www.sieca.org.gt)

[Return to table of contents](#)

## Food Processing and Packaging

### Overview

[Return to top](#)

### Food Processing and Packaging Equipment

Thousands of  
USD

Year	2005	2006	2007	2008(e)
Total Imports	70,200	98,400	132,800	179,300
Local Production	47,700	50,100	65,100	91,100
Exports	2,600	2,600	3,100	3,900
Total Market	115,300	145,900	194,800	266,500
Imports from U.S.	28,000	36,300	45,400	56,700

Source: SIECA  
(e) estimated

U.S. exports of food processing and packaging equipment to Guatemala increased 29 percent during 2006 and the U.S. holds a 37 percent of the total import market in this industry.

Guatemala's outlook for future market demand for food processing and packaging equipment is good. The import market for this type of equipment is favorable for several reasons:

- The CAFTA-DR Agreement between the U.S. and Guatemala was implemented on July 1, 2006. This agreement allows 80 percent of U.S. exports of consumer and industrial products to enter duty free in Central America, with the remaining tariffs phased out over a period of 10 years.
- The tourism industry has increased over the past few years and is expected to continue to do so in the next years. The increase in tourism has been and will be a positive factor for the hotel/motel, restaurant, fast food and cafeteria industries.
- New shopping malls, convention centers, movie and food courts have opened and are under construction. These will all have new restaurants, especially fast food outlets.
- The Guatemalan food processing industry is increasing its level of competitiveness, in upgrading its industry standards, in implementing new technologies that will comply with changing importers' regulations and certification requirements. Guatemala's processing and packaging industry poses interesting possibilities for U.S. manufacturers of machinery, equipment, supplies and services, as well as for U.S. technology transfer.

- Guatemala and its agro-industry sector are preparing to increase its production of non-traditional agricultural products, such as vegetables, fruit and flowers. Guatemalan exporters wish to pursue expansion plans to not only increase production but also to improve the quality of their products.
- There is an increasing interest among Guatemalans and some foreigners living in Guatemala, to become gourmet chefs and to open restaurants.

## Best Prospects/Services

[Return to top](#)

The following have shown to be best sales prospects, in accordance to local industry sources:

- Cleaning, bottling, filling and sealing machines for bottles and cans
- Parts and supplies for use to cleanse, dry and seal containers
- Machinery and parts for food and beverage processing
- Machinery for filling, closing, labeling plastic bags, thermo-sealing
- Milling, grinding and handling machines for grains, cereals and legumes
- Machinery for the baking industry and for the preparation of candy, chocolate, sugar, dairy, beer, meat, fish, fruits and vegetables.
- Cooking stoves, ranges, ovens, microwave ovens
- Automatic beverage-vending machines with refrigerating and heating devices

## Opportunities

[Return to top](#)

### Domestic Production

Except for a large manufacturer of stoves, ranges, ovens and refrigerators, local production is limited to the manufacture of stainless steel working tables, steel dishwashers, display equipment, cold storage rooms, ranges, and grills. Local firms are becoming increasingly good producers of stainless steel frames and tables that are used in industrial kitchens and are complemented with imported motors for heating and refrigerating.

The quality of these products has improved and exports to El Salvador and Honduras are increasing, at competitive prices.

Guatemala is also manufacturing grain dryers, depulpers, mixers, toasters, dehydrating plants, rice, sugar and salt mills, boilers, distillers, corn huskers and shellers, scales, fruit, vegetable and meat processing equipment, liquid fillers and dosifiers, milk tanks and containers, and some cooking utensils.

There are a few local industries which are becoming reliable suppliers of treated cardboard boxes, wrapping materials and specialized containers.

## Resources

[Return to top](#)

- Banco de Guatemala, statistics: [www.banguat.gob.gt/](http://www.banguat.gob.gt/)
- Commercial Service Central America: [www.buyusa.centralamerica/en](http://www.buyusa.centralamerica/en)

- U.S. Trade Representatives: [www.ustr.gov](http://www.ustr.gov)
- Information on CAFTA-DR: [www.ita.doc.gov/cafta/](http://www.ita.doc.gov/cafta/)
- SIECA: [www.sieca.org.gt/](http://www.sieca.org.gt/)

[Return to table of contents](#)

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## Construction Equipment and Building Products

Overview

[Return to top](#)

### Guatemala: Imports of Building Products In Thousands of USD

	2004	2005	2006 (p)
<b>Total imports</b>	326,014.50	357,894.57	447,210.24
<b>U.S. imports</b>	71,000.50	64,914.63	50,179.19
<b>U.S. percentage of total imports</b>	21.77	18.13	11.22

(p) Preliminary

Source: SIECA

The construction sector in Guatemala has grown and evolved substantially over the past decade. Although the sector experienced a slowdown from 2000 to 2003, the last few years have been very good for the sector. The Monetary Committee of the Central Bank, one of the major think tanks in the country (ASIES), and the Guatemalan Chamber of Construction estimate growth in the sector reached a peak in 2006 with a 29 percent increase over 2005, and carried on in 2007 with similar growth. This growth is the result of a better investment climate, a pro-business government, and better mortgages and financial terms for consumers. Even with the current slow down of the U.S. economy (which affects Guatemala directly because of the large amount of remittances and because the U.S. is its main export market) and the change in government, experts believe that the construction sector will still continue to grow in 2008.

The construction business in Guatemala differs from the business model in the United States. While in America there are companies that specialize in one aspect of the business such as realtors, developers, constructors and architectural and engineering firms, often in Guatemala the same company is involved in all of those aspects; the same company will see the project from start to finish. Although the sector has become more specialized in the past few years, especially on the larger and higher end projects, one still doesn't find the degree of specialization found in the States.

Another difference between Guatemala and the United States is the preference in construction materials and techniques. The majority of homebuilding in Guatemala is done using cement and concrete blocks. For apartment and commercial buildings, metal structures, steel beams and concrete structures are used. Labor is inexpensive compared to the United States. A construction worker earns on average USD 9 a day and a foreman earns around USD 17. A lot of the construction is done manually without the use of sophisticated equipment and prefabricated items are rarely used, except in commercial and apartment buildings. This also has changed substantially in the past few years with more technology and newer construction techniques being applied in larger projects.

## Best Prospects/Services

[Return to top](#)

The following is a list of the most promising categories for 2008:

- tractors
- road construction/paving equipment
- supplies for heavy infrastructure and residential housing projects
- structural metals
- bathroom wares and accessories
- ceramic floors and tiles
- shingle and roof products
- doors and window frames
- kitchen cabinets and countertops
- kitchen and laundry appliances
- plastic pipes and fixtures
- electrical wiring, accessories and fixtures
- dry wall

## Opportunities

[Return to top](#)

There is substantial local production of cement, cement products, aggregates, ceramic floors and tiles, plastic pipes and plumbing products, wood and wood products, among other things. There is little local production of higher end finishing products. Guatemala is a price sensitive market. Nevertheless, Guatemala is ranked by the United Nations as one of the countries with the largest income distribution gaps, meaning that there is a good market for higher end products. Many finishing, higher technology, more specialized products are imported from Italy, Brazil, China, Korea, Costa Rica, Spain, Mexico, Colombia and the United States. A positive factor for U.S.-made goods is the excellent reputation that U.S. products enjoy for superior quality and design. They are often priced competitively and U.S. technology offers products not available from domestic sources.

With regards to the Free Trade Agreement between the United States, Central America and the Dominican Republic (CAFTA-DR), ninety-nine percent of U.S construction equipment and over fifty-five percent of building supply exports are now duty-free with a schedule for the rest of the products to become duty free in the next nine years.

Central American tariffs on building supplies are higher on average than for other products in the region, with the highest tariffs ranging up to fifteen percent for products such as valves and home construction accessories such as fixtures, sinks and doors. This should provide American companies great opportunities in the construction sector, especially for those products that, because of tariffs, were previously not price competitive. Currently, tariffs on construction equipment range from zero to fifteen percent.

## Resources

[Return to top](#)

- Guatemalan Chamber of Construction: [www.construguate.com](http://www.construguate.com)
- Information and Monitoring Public Projects System: [www.simop.info/home.php](http://www.simop.info/home.php)
- Regional Integration Secretariat: [www.sieca.org.gt](http://www.sieca.org.gt)

- Guatemalan Ministry of Communications and Infrastructure:  
[www.comunicaciones.gob.gt](http://www.comunicaciones.gob.gt)
- Economic and Social Investigation Association:  
<http://www.asies.org.gt/informes.htm>

[Return to table of contents](#)



## Hotel and Restaurant Equipment

### Overview

[Return to top](#)

Hotel and restaurant equipment has become one of the leading private sector industries in Guatemala. Equipment for these industry sectors is in great demand.

Tourism growth is one of the main contributors for this growth. Visitors to Guatemala are increasing, as the country offers all types of tourist attractions, such as historic and archaeological sites, convention centers, shopping malls, amusement parks, fishing, golfing, ecological resorts, rainforests, bird watching, rafting and adventure tourism. Equipment and supplies to support this sector are therefore in great demand, as the attractions are typically surrounded by hotels, restaurants, cafes and bars. The airports have also been modernized and expanded in Guatemala City and in some rural areas. The U.S. is the leader in restaurant, hotel and bar equipment exports to Guatemala, with approximately 40 percent of the market.

The restaurant industry has been growing for several years. New restaurants are constantly opening, especially fast-food chains and franchises, Internet cafes, ice cream parlors, bakeries and pastry shops, and new shopping malls with food courts.

The hotel industry is expanding in the rural area at greater speed than in the capital. Many boutique hotels are under construction and colonial residences and coffee plantations are being transformed into small hotels. New projects include bungalow-type resorts, apartment-hotels, cabins, hostels and inns. Guatemala is trying to attract international conventions. The city of Antigua has been the one that attracts most of the investment in the hotel industry. Tourists can visit its attractive colonial sites and ruins caused by major earthquakes in the 1700s. Convention spaces in Antigua compete to hold international conventions, large receptions and weddings. Another region that is attracting hotel investment is Retalhuleu, with a huge water and theme park. Managing directors of these parks are building a convention center and sporting arena to be able to host international events.

Modern shopping malls and centers are under construction and others are being planned.

### Main Sub-Sectors of this Industry

Sub-Sectors of potential in this industry are:

- Hotel and Institutional Catering Equipment
- Commercial Kitchen Equipment
- Fast Food Equipment
- Food Preparation Equipment
- Restaurant Equipment
- Vending Machines
- Commercial Laundry Equipment
- Resort Furnishings/Equipment

- Refrigeration/Freezing Equipment

## **Competition**

While U.S. products account for the major share of the import market, a wide range of food service equipment from other countries is available that meets diverse purchasing criteria for pricing, quality, after-sales service, delivery time and financing. Equipment manufactured in the U.S., Italy, Germany and Spain have been considered as being of higher quality while those of China and Latin America are considered to be highly competitive in price, but of lower quality.

Local production has increased but is limited to stainless steel tables, food displays and minor supplies. Some ovens and refrigeration cases are also produced locally.

## **Best Prospects/Services**

[Return to top](#)

The most promising commercial opportunities for the Guatemalan market are the following products:

- Cooking appliances: ovens, ranges, broilers, grills, fryers, baking and pasta machines
- Refrigeration compressors and air conditioning
- Dishwashers and laundry machines
- TV apparatus and monitors
- Catering equipment and vending machines
- Kitchen sundries, glassware, china, tableware and flatware
- Franchise opportunities for restaurants and hotels
- Security equipment
- Retractable/flexible convention and event chairs

## **Opportunities**

[Return to top](#)

Now that the CAFTA-DR agreement has been implemented, more than 80 percent of U.S. exports of machinery and supplies have become duty free in Guatemala immediately, with remaining tariffs phased out over 10 years.

The elimination of tariffs for products in these sectors will make U.S. equipment more price-competitive. Other advantages for U.S. products: virtually no import restrictions; standards similar to the U.S.; a variety of qualified agents and distributors available; growing use of English language in local commerce.

The construction of new projects offer great opportunity for U.S. exporters to pursue such as: new shopping malls, convention centers, exposition and trade fair premises, department stores, golf clubs and sport facilities, theaters and cultural show arenas; the expansion of amusement parks, all of which will require imports of equipment for kitchens, restaurants, hotels and convention centers.

Some of the projects under construction and planning are:

**Antigua Guatemala:**

- A 5-star Westin Camino Real Hotel – 102 rooms, to be completed in 2009
- A 4-star Radisson Hotel, to be completed in 2008
- The “Reunion Antigua Country Club” with 20 suites, a golf club
- The “Palmeras” with 16 ecologic bungalows

**Retalhuleu:**

- Five new hotels in the park area have just been inaugurated
- Hotel Trinidad – 36 rooms
- Hotel Mulua – 26 rooms

**Izabal:** on the Atlantic or Caribbean:

- Mayan Jungle Resort, an \$80/100 million project, includes:
- The Jaguar Gold and Country Club and the San Felipe Marina

**Alta Verapaz:**

- Plaza Magdalena Hotel with 100 rooms

**Tikal, Peten:**

- A Porta Peten Hotel will open in 2008
- The Vista Real chain will open 10 boutique type hotels in the rural area. In 2008 they will open one on Lake Atitlan, one in Coban, Alta Verapaz and one in Izabal.
- There will also be Porta and Princess Hotels.

**Airport Projects:**

- Guatemala City’s International La Aurora Airport has been upgraded and remodeling is almost complete. Additional terminal and cargo improvements are planned.
- Alternate international Airport San Jose in Escuintla, is near completion
- International Airport Mundo Maya (Tikal ruins) has recently been completed

To be operating in early 2008, are: the International Airports of Quetzaltenango, Huehuetenango, Retalhuleu, San Marcos and Coatepeque. Further airport projects are expected in 2008.

**Resources**

[Return to top](#)

- U.S. Commercial Service in Guatemala: [www.buyusa.gov/guatemala](http://www.buyusa.gov/guatemala)
- Commercial Service Central America: [www.buyusa.centralamerica/en](http://www.buyusa.centralamerica/en)
- Information on CAFTA-DR: International Trade Administration: [www.ita.gov/cafta](http://www.ita.gov/cafta)
- FEDECATUR – Central American Federacion De Camaras de Turismo: [gerencia@jaltepeque.com](mailto:gerencia@jaltepeque.com)
- SIECA: [www.sieca.org.gt](http://www.sieca.org.gt)
- Restaurant Assoc., Chamber of Industry Industria Guatemala: [www.gremialrestaurantesgt.com/](http://www.gremialrestaurantesgt.com/)
- Hotel Association: [funquat2@iteltua.com](mailto:funquat2@iteltua.com)

[Return to table of contents](#)

## Franchising

### Overview

[Return to top](#)

In late 2007, the Guatemalan Franchise Association was officially formed and has 24 active members and founders. From contacts in the Restaurant Association, figures show that there are approximately 215 franchises with 1220 outlets operating in the Country. The market is expected to grow 10 percent per year during the next few years. “Francorp”, a leading worldwide franchise firm, founded 30 years ago in Chicago, IL, opened a permanent office in Guatemala in January 2008. According to this institution’s representatives, Guatemala is the most organized country in the region when it comes to franchise development.

The ratification of CAFTA-DR – Central American Free Trade Agreement, will increase franchise investments in Guatemala and in the rest of the Central American countries. As of today, Guatemala has 190 out of 200 franchises represented in the Central American Region.

Great interest to open new franchises has been shown by young entrepreneurial groups or individuals.

Although no specific legislation exists for the franchise industry/service, franchise companies operating in Guatemala are subject to normal trade laws, such as paying a tax percent on royalties and a value added tax of 12 percent. The CAFTA-DR Agreement is providing full market access to franchising. Trademark provisions will protect the franchisor’s name; tariff liberalization is allowing the lower-cost export of key equipment required to supply the franchisee; and the elimination of “dealer acts” will allow U.S. companies to terminate a contract with a franchisee for just cause.

Franchisors interested in the Guatemala market are advised to register their trademarks before they enter the market. Trademarks, trade names, copyrights, etc. should be registered directly by the U.S. company, with the assistance of a Guatemalan attorney.

Formal agreements should be reviewed by a Guatemalan attorney hired by the U.S. company (independent of the Guatemalan party with which the agreement is being established). The agreement should clearly state the terms of the relationship.

### Best Prospects/Services

[Return to top](#)

Best prospects in this service are: fast food, which is number one; convenience services: dry cleaning, gyms, lawn and garden, professional painters, fast shoe repair, cosmetics, casual clothing, pest control, day-care/learning centers, computer centers, security, advertising, real estate, auto repair and shops, discount stores, fitness centers and convenience store/pharmacies.

### Opportunities

[Return to top](#)

Interested Guatemalan investors who wish to open a franchise are often young professionals, who are familiar with U.S. business practices and who seek to break away from their family businesses and start something on their own. These investors look for

a franchisor with a worldwide presence, which is new to Guatemala but enjoys solid acceptance in other markets, is honorable and reputable, and provides extensive training and backup. People who currently own a franchise also tend to be more open toward investing in a new one.

Foreign franchises make up 90 percent of the total franchise market in Guatemala, with domestic franchises accounting for 10 percent. Among the 90 percent foreign franchises, the U.S. is the leader with 85 percent of the market share and the other 5 percent are from Mexico and other countries including from Europe and Guatemala itself.

The best and most effective way to enter the Guatemalan market is through one of the Department of Commerce' services, such as the Gold Key Service, which is designed to give U.S. companies the advantage of local expertise to schedule meetings with pre-screened potential business contacts. In order to obtain the best results, this service will include an ad or two in the most read newspapers.

## Resources

[Return to top](#)

- International Franchise Association: [www.franchise.org](http://www.franchise.org)
- International Franchise Expo: [www.franchiseexpo.com](http://www.franchiseexpo.com)
- Guatemalan Franchise Association: [www.guatefranquicias.com](http://www.guatefranquicias.com)
- U.S. Commercial Service Central America: [www.buyusa.gov/centralamerica/en](http://www.buyusa.gov/centralamerica/en)
- U.S. Commercial Service in Guatemala: [www.buyusa.gov/guatemala](http://www.buyusa.gov/guatemala)

[Return to table of contents](#)

## Computers and Peripherals

### Overview

[Return to top](#)

### Imports and Exports of Computer and Peripherals In Thousands of USD

HS Code	Description	IMPORTS			EXPORTS		
		2004 Value	2005 (P) Value	2006 (P) Value	2004 Value	2005 (P) Value	2006 (P) Value
847110	analog or hybrid automatic data processing machines	3,939	4,915	6,808	100	170	134
847130	portable digital automatic data processing machines, weight not more than 10 Kg, consisting of at least a central processing unit, keyboard & display	18,556	24,910	40,884	162	792	1,191
847141	digital ADP machines comprising in same housing at least a central processing unit & an input and output unit, whther or not combined	1,724	1,430	1,857	101	21	22
847149	digital automatic data processing machines and units thereof presented in the form of systems	8,965	19,620	29,623	412	160	243
847150	digital processing units other than those of 8471.41 and 8471.49	13,883	16,451	20,364	723	559	408
847160	automatic data processing input or output units, whether or not containing storage units in the same housing	32,016	33,926	38,697	519	518	515
847170	automatic data processing storage units	5,663	7,746	10,516	19	107	18
847180	automatic data processing units	4,147	4,718	4,486	103	91	107
847190	automatic data processing units thereof; magnetic/optical readers, mach for transcribing data to data media in coded form & mach for proc. Data	4,614	4,577	7,006	76	25	46
847330	parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc.	29,867	34,448	45,029	805	790	1,035
<b>TOTAL</b>		<b>123,374</b>	<b>152,741</b>	<b>205,269</b>	<b>3,021</b>	<b>3,232</b>	<b>3,718</b>

Source: SIECA  
(P) Preliminary

There is no local manufacturing of computers and peripherals in Guatemala and all equipment is imported, mainly from the United States. The sector is comprised of five major authorized wholesalers and approximately 400-500 retail and small distributors' stores nationwide; most of them have an open account with the major wholesalers but are free to purchase directly from abroad. The wholesalers distribute major brands and are in advantage over the small distributors when bidding for government tenders and large corporations. The computer and peripheral market in Guatemala is price driven.

"Clone" computers are very popular due to their low price (one third of the price of a brand name computer). This segment accounts for 60 percent of the market share. "Clones" are assembled locally from imported parts primarily from Aisa and sold to private individuals who demand a low cost computer with post-sale maintenance service. The remaining 40 percent of the share belongs to large importers of OEM products such as IBM, Compaq, Dell and Hewlett Packard.

Import taxes for most computer and peripherals range between 0-3 percent. At present, the Industry is strongly pushing for the Government to reconsider the 15 percent import tax for inks –which make cartridges very expensive for the end user- and digital cameras and videos, which pay 10 percent import taxes. Expenditures on hardware have historically outpaced those for packaged software or services and that trend is expected to continue.

### Best Products/Services

[Return to top](#)

The most promising sub-sectors for U.S. products within the industry include:

-Motherboards, micro-processors, hard drives, CD-R/RW units, DVD units, RAM, Notebooks.

Due to continuous price changes in these high-tech products, distributors prefer to have a short delivery time supplier in the U.S. This supplier is expected to have merchandise in stock and deliver promptly.

Other promising subsectors are the following:

Keyboards, mouse, cases, monitors, color printers, scanners, multimedia accessories, floppy, CD-Rom, network cards.

Asia is aggressively entering the market in these sub sectors. Local distributors can manage to have volume stock of these products due to their price stability and slower technology changing rate.

## Opportunities

[Return to top](#)

Brand name computers are mainly purchased in Guatemala by the national government, the financial sector, hospitals, universities, schools and large corporations. It is important to be aware of national public tenders available on line at the official tender and bidding site of "Guatecompras" ([www.guatecompras.gt](http://www.guatecompras.gt)). Smaller distributors are a good niche market when offering high-tech equipment at competitive prices and for used equipment.

## Resources

[Return to top](#)

- US Commercial Service in Guatemala: [www.buyusa.gov/guatemala](http://www.buyusa.gov/guatemala)
- Official website for Government Tenders: [www.guatecompras.gt](http://www.guatecompras.gt)
- Guatemalan Chamber of Industry: [www.industriaguatemala.com](http://www.industriaguatemala.com)
- "Gremial de Informatica" (an association within the Chamber of Industry that gathers all authorized distributors): Tel. 502- 2331 9191 ext 150
- Tax information: [www.sat.gob.gt](http://www.sat.gob.gt)
- Statistical information: [www.sieca.org.gt](http://www.sieca.org.gt)

[Return to table of contents](#)

## Apparel: Textile Machinery and Supplies

### Overview

[Return to top](#)

### U.S. Exports to and Imports from Guatemala Textile and Apparel Products In Thousands of USD

	2004		2005		2006		thru Sept. 2006		thru Sept. 2007	
	exp.	imp.	exp.	imp.	exp.	imp.	exp.	imp.	exp.	imp.
FABRICS	229,853	1,927	182,744	3,138	117,023	3,990	92,416	2,717	89,100	3,312
FIBERS, YARNS & THREADS	65,677	45	68,862	139	60,996	181	45,927	151	47,733	167
FINISHED & COATED TEXTILE FABRICS	21,774	0	38,489	39	58,875	0	42,791	0	38,192	0
OTHER TEXTILE PRODUCTS	6,947	4,077	3,829	4,034	11,899	4,314	9,365	2,820	15,294	4,449
TEXTILE FURNISHINGS	3,248	7,591	3,764	8,053	4,451	4,190	3,153	3,376	3,331	2,530
APPAREL	39,195	1,932,110	32,680	1,801,912	21,792	1,657,182	18,092	1,265,400	7,183	1,109,742
APPAREL ACCESSORIES	23,215	16,524	16,874	16,129	17,038	22,795	10,985	16,432	25,392	12,422
KNIT APPAREL	6,673	9,840	5,211	9,917	6,137	5,286	5,149	3,658	5,306	1,119

(Source: Department of Commerce)

The textile and apparel sector is one of the most important ones to the Guatemalan economy (it accounts for 103,473 jobs) and is among the leading export sectors (around 30 percent of the nontraditional exports). There are 184 apparel or “maquila” factories with a combined installed capacity of 66,088 sewing machines. Also, there are 50 textile mills and 260 accessories and services companies. Most foreign investment in sewing comes from Korea (113 companies) followed by Guatemala (57 companies), the United States (12 companies), Singapore, and France (each one with 1 company); of those factories more than 85 percent of them are clustered in the larger metropolitan area around Guatemala City.

Historically the Guatemalan and the U.S. textile and apparel sectors have had an important and special commercial relationship. During the 1990’s, the Caribbean Basin Initiative (CBI) later known as the Caribbean Basin Trade Partnership (CBTPA), effectively made the United States the primary supplier of textiles to Central America, while at the same time making the United States the prime target of the region’s apparel exports. In fact, those agreements fostered the relationship by granting preferential access to apparel manufactured goods from the region that sourced their material in the U.S. This has been furthered enhanced by the implementation of the CAFTA-DR free trade agreement, which cemented the benefits that the countries’ products receive when entering the U.S. once they’ve met the norms of origins established in the treaty (Chapter 3, section G of the Treaty outlines the rules under which the parties will be able to commercialize textile and apparel products in order to be granted duty-free and quota-free market access). As a result, Guatemala has steadily been among the top 25 suppliers of apparel to the U.S. for the past 5 years; CAFTA-DR countries represented approximately 15 percent of the U.S. imports in 2007.

Guatemala exports 88.35 percent of its apparel production to the U.S., 7.84 percent to the rest of the Central American countries, 2.31 percent to Mexico, and 0.35 percent to the Canada. Broken down by fabric, Guatemala exports 73.82 percent of knitted and 26.18 percent of woven fabric. In fact, cotton knit shirts represent 71.25 percent of all apparel exports to the U.S., followed by cotton trousers and shorts (8.86 percent),

manmade fiber trousers (6.99 percent), manmade fiber knits shirts (4.17 percent), and hosiery (3.33 percent). With regards to textiles, Guatemala manufactures 135 million pounds per year. Nevertheless, availability of textiles and fabric is a major challenge for apparel manufacturers and thus, Central America has become the primary destination for U.S. exports of yarns and fabric (around 25 percent of U.S. fabric exports and 40 percent of U.S. yarn exports – Malone & Ramey, 2005). There is a decrease in the export statistics for Guatemala that is partially explained by the staggered implementation of CAFTA-DR for all the countries. For part of 2006-2007 Guatemala was unable to export textile or apparel products under preferential treatment.

According to the Guatemalan Apparel and Textile Industry Commission (VESTEX), Guatemala's geographical position and proximity to the United States gives the industry a competitive advantage. In the last couple of years the industry has been transitioning from selling productivity to selling "the complete package", which includes supplying services and basic designs. Currently, there are many businesses operating under this format. This represents an important change for the Guatemalan industry, since it has just begun to compete as an integrated industry.

### **Best Products/Services**

[Return to top](#)

Countries in Central America have historically strongly preferred U.S. fabrics and textile machinery, fostered by preferential treatment under the Caribbean Basin Initiative and the establishment of Free Trade Zones.

U.S. imports (machinery) have held a dominant position throughout the past decade, with some competition from Taiwan, Germany, Mexico and others. For instance:

- The U.S. has a 70 percent market share for machines for extruding, drawing, texturing or cutting man-made textile materials, followed by Taiwan with 20 percent;
- U.S. imports account for 36 percent share of imports of knitting machines, with Italy in second place at 19 percent.
- Germany leads in the imports of machines used in the preparation of textile fibers, controlling a 45 percent market share, followed by US with 18 percent.

Textile Yarn and Fabric: Central American import statistics for 2003 also confirm the U.S. as the leading exporter in:

- Knitted or crocheted fabrics: The U.S. controlled 48 percent of imports to the region;
- Special woven fabrics, tufted textile fabrics, lace, tapestries, trimmings, and embroidery. The U.S. controlled this market with a 77 percent market share.

The following is a list of the most promising sub-sector categories within the industry for 2008:

- Spinning machines;
- Sewing machines;
- Trims;
- Drying machines;
- Bleaching or dyeing machines;
- Zippers;

- Buttons;
- Yarn;
- Fabric;
- Boxes;
- Accessories.

## Opportunities

[Return to top](#)

Fabric produced in the Central American countries does not meet demand in the region and often lacks diversity and quantity. Under CAFTA-DR, fabric imported from the U.S. and incorporated in the apparel production receive duty-free treatment for exports to the U.S.; material imported for retail sale in Central America will also be treated as duty free, which will give it a clear advantage over European competitors.

## Resources

[Return to top](#)

- Commercial Office in Guatemala: [www.buyusa.gov/Guatemala/](http://www.buyusa.gov/Guatemala/)
- Apparel and Textile Industry –VESTEX-: [www.apparel.com.gt](http://www.apparel.com.gt)
- Secretariat for Central American Economic Integration: [www.sieca.org.gt](http://www.sieca.org.gt)
- Guatemalan Central Bank: [www.banguat.gob.gt](http://www.banguat.gob.gt)
- Guatemalan Ministry of Economy: [www.mineco.gob.gt](http://www.mineco.gob.gt)
- International Trade Administration: [www.ita.doc.gov/CAFTA/](http://www.ita.doc.gov/CAFTA/)
- INCAE Business School:  
<http://www.incae.ac.cr/ES/clacds/investigacion/pdf/cen1605.pdf>

[Return to table of contents](#)

## Medical Equipment

### Overview

[Return to top](#)

#### **EXPORT MARKET SIZE** Thousands of USD

	<b>2005</b>	<b>2006</b>	<b>2007 (e)</b>
<b>IMPORTS</b>	32,657	38,025	43,729
<b>EXPORTS</b>	1,648	1,301	1,301
<b>IMPORTS FROM U.S.</b>	18,620	20,114	22,125

Source: SIECA

The market for medical products in Guatemala is divided into two segments, the private and public sectors. There are eight major medical products distributors and more than 50 small distributors operating locally. The private sector, mostly purchases American products due to their appreciation of high quality products. The government, on the other hand, is price driven and will purchase from the lowest bid. The complete public bidding process can be accessed at [www.guatecompras.gob.gt](http://www.guatecompras.gob.gt) - Concursos Publicados. In order to be eligible for this bidding process, American firms must have a local office, agent or distributor, and must consider that most products require local sanitary registration. This registration process takes approximately two months and has a four hundred dollar cost per product. (This price is approximate). Many American firms find distributors in Guatemala who will manage their official registrations and participate in the national bidding process on their behalf. Private sector will purchase refurbished equipment sometimes, however the Public Sector may not, unless they purchase products from a distributor through a leasing agreement.

There are no import restrictions for new or used medical equipment to Guatemala. Import taxes in the region vary: from 0-15 percent import duties (applied against CIF value); and 12 percent value added tax.

Guatemala imports most of its market needs for medical equipment and devices. Local production consists of clinic and hospital furniture, simple disposables and reagents. U.S. brands are well recognized in the Country, thus in the past three years, the United States has been the supplier of over 50 percent of local imports for the medical industry. The tendency is for the U.S. to continue to be the major shareholder of the imports market, especially in apparatus, instruments and specialized devices. Other players such as Mexico, Asian countries and Brazil are gaining territory in devices that need less technology or specialization. For example, in the past two years, Mexico and China have gained tremendous market share for exports under Chapter 40 (rubber gloves, etc). The countries that share the other 50 percent of the market with U.S. are Germany, Japan, Switzerland, Brasil and China.

### Best Products/Services

[Return to top](#)

Replacement of obsolete equipment and infrastructure expansion projected for hospitals and small rural clinics will increase imports of medical equipment in the region.

Best prospects for U.S. companies are for the following products:

- Diagnostic imaging equipment, surgery tables, cardiac monitors, x-ray equipment, respiratory ventilators, ceiling lamps, ultrasonic scanning equipment, and magnetic resonance imaging apparatus

Other opportunities within the industry lie in the following disposable medical devices:

- Gloves (sterile and non sterile), bandages, plastic bandages, immobilization products, all type of sounds, catheters, medical and surgical apparel, corrugated tubes, universal tubes, syringes and any disposables needed for hospitals and home care

## Opportunities

[Return to top](#)

It is important to be aware of National Procurements available on line at the “Guatecompras” site. The largest bids are published in October and finally negotiated in January. Distributors are a market to pursue. There are eight to ten large distributors and importers in the country and many small ones willing to broaden their line of products by importing high quality and price competitive devices.

## Resources

[Return to top](#)

- US Commercial Service in Guatemala [www.buyusa.gov/guatemala](http://www.buyusa.gov/guatemala)
- Official website for Government Tenders [www.guatecompras.gt](http://www.guatecompras.gt)
- Guatemalan Chamber of Industry [www.industriaguatemala.com](http://www.industriaguatemala.com)
- Statistical information [www.sieca.org.gt](http://www.sieca.org.gt)
- Ministry of Health [www.mspas.gob.gt](http://www.mspas.gob.gt)

[Return to table of contents](#)

## Electric Power Systems

Overview

[Return to top](#)

### Guatemala: Imports of Electrical Power Systems In Thousands of USD

	2004	2005	2006(p)
<b>Total imports</b>	73,405.60	97,036.75	107,055.49
<b>U.S. imports</b>	34,632.38	44,469.10	57,427.41
<b>U.S percentage of total imports</b>	47.18	45.83	53.64

(p) Preliminary

Source: SIECA

Guatemala's electric subsector has changed significantly in the past two decades. In the 1980's, 50 percent of all generation came from hydroelectric power and the state owned company INDE was the main source of energy. In 1996, a law was enacted that opened the market for new private investment and privatized the commercialization of energy. Generation shifted overtime and now Guatemala's electricity is 55 percent thermal, 33 percent hydro, 3 percent geothermal, and 9 percent cogeneration.

The energy subsector in Guatemala is comprised of the Ministry of Energy and Mines (MEM), the "Comision Nacional de Energia" or National Energy Commission (CNE), the "Mercado Mayorista" or wholesale and spot market coordinator, the state owned company INDE (owns the major hydroelectric plants and most of the distribution lines), an excess of 20 privately owned generation companies, and three commercialization companies. The MEM forms policy and the CNE sets regulations.

In 2007 the Guatemalan government made official the latest reforms to the energy sector by publishing the *Acuerdo Gubernativo 68-2007* (reforms the General Electricity Law) and the *Acuerdo Gubernativo 69-2007* (reforms to the rules of the Administrator of the Wholesale Market) in the *Diario de Centroamerica* (Guatemala's official gazette) on March 1, 2007. Overall, analysts believe that the lowering of barriers will lead to new entrants to the market, more competition, new investment, and better coverage and quality of service. Furthermore, it is hoped that the new scheme will reverse Guatemala's dependence on fossil fuels by allowing small renewable energy projects.

Starting in the late 1990's there has been a push in the Mesoamerican region towards integration, regional development and regional infrastructure. The centerpiece of this effort is the Plan Puebla-Panama, an initiative to bring sustainable development to the southern part of Mexico, Belize and the Central American countries (Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama).

The Central American Electrical Interconnection System Project (Proyecto del Sistema de Interconexion Electrica de los Paises de America Central –CIEPAC-) is one of the components of the Plan Puebla-Panama, with the objective the establishment of a wholesale electricity market and the development of the first regional transmission system. The power transmission line would have a length of 1,830 kilometers and a capacity to transport 230 megawatts of power. The entire project has an estimated cost

of USD 320 million, for which the Interamerican Development Bank (IDB) has already approved a USD 170 million loan. Among other things, the project will require the construction of substations and transmission towers. When completed, intra-regional electricity annual sales will be around USD 200 million.

### **Best Products/Services**

[Return to top](#)

The following is a list of the most promising sub-sector categories within the industry for the next year:

- Electrical power generators
- Transformers
- Hydraulic turbines
- Circuit breakers
- Switchgears
- Conducting cable
- Parts of steam and other turbines

### **Opportunities**

[Return to top](#)

In his inauguration speech on January 14, 2008, President Colom presaged the possibility of energy rationings in the future if demand keeps growing and there are no new investments. As a short-term solution the Ministry of Energy and Mines would like to speed the implementation of the Mexico-Guatemala interconnection project with a total cost of USD 55.8 million. As a long-term solution, the government would like to exploit the country's renewable energy potential through environmentally responsible investment. It is expected that for the short term transmission lines and sub-stations for interconnection and renewable energy projects provide the best opportunities within the sector.

### **Resources**

[Return to top](#)

- Ministry of Energy and Mines: [www.mem.gob.gt](http://www.mem.gob.gt)
- National Electrical Energy Commission: [www.cnee.gob.gt](http://www.cnee.gob.gt)
- Transaction Management Institution: [www.amm.org.gt](http://www.amm.org.gt)
- Commercial Office in Guatemala: [www.buyusa.gov/guatemala](http://www.buyusa.gov/guatemala)

[Return to table of contents](#)

## Agricultural Sectors

[Return to top](#)

## Apples

### Overview

[Return to top](#)

<i>Tariff Code 080810</i>	<i>Value (in million \$)</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
Total Market Size	8.5	11.9	13.2
Total Local Production	0.5	0.5	0.5
Total Exports	0.5	0.4	0.5
Total Imports	8.0	11.5	12.7
Imports from the U.S.	4.5	6.0	8.2

Guatemalan apple imports from the U.S. have grown steadily over the past five years, under CAFTA-DR, U.S. apples now enter quota and duty-free. U.S. apples are now competitive with those from Chile, which had up to 85 percent of the import market. By 2006, U.S. apples captured 59 percent of the Guatemalan market. Imports from U.S. in 2006 were 36 percent above those in 2005. Apple distributors are very aggressive in their marketing strategies, making the product available in supermarkets and open-air markets most of the year. Apple importers have to pay an additional USD 0.12 (about USD 0.01) per pound of imported apples, which is given to the local grower's cooperative.

### Best Products/Services

[Return to top](#)

The most popular imported varieties include Red Delicious, Golden Delicious, Fuji, and Gala.

### Opportunities

[Return to top](#)

Most U.S. Cooperators combine Guatemala, El Salvador, Honduras and Costa Rica into one marketing region because all share cultural similarities, speak Spanish and have the same peak sales periods. Therefore, all are serviced by only two or three importer/buyer groups. Importers of every country have strong relationships with each other, and commercial interchanges and negotiations take place on a daily basis. Note: Cooperators are U.S. agricultural commodity export associations which work in conjunction with USDA/FAS.

### Resources

[Return to top](#)

- U.S. Department of Agriculture (USDA)  
Foreign Agricultural Service in Guatemala: [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2007: [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp).
- FAIRS Report 2007: [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Statistical information: [www.sieca.org.gt](http://www.sieca.org.gt)

[Return to table of contents](#)

## Rice

### Overview

[Return to top](#)

<b>Tariff Code 100610</b>	<b>Value (in million USD)</b>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
Total Market Size	99.3	120.1	167.7
Total Local Production	10.5	9.0	8.5
Total Exports	12.3	16.4	17.0
Total Imports	88.8	111.1	159.2
Imports from the U.S.	68.3	92.6	122.5

Rice imports have been increasing in the last few years in response to the growth of marketing programs and activities of the Guatemalan Rice Association and the U.S. Rice Federation. All the rice marketed in Guatemala is a blend of U.S. and Guatemalan rice. The rice that it is imported into Guatemala is rough rice and is fortified in country. Under CAFTA-DR, rough rice is under a TRQ which for year 2008 will be 59,000 metric tons, an increase of 4 percent per year at 0 percent tariff. Out of quota tariff is fixed at 29.2 percent until 2015.

### Best Products/Services

[Return to top](#)

The rice that is mainly imported is rough rice. Guatemala exports rice to El Salvador and Honduras.

### Opportunities

[Return to top](#)

The marketing strategy that has been implemented in Guatemala with the support from U.S. Cooperators has been targeted to the middle and lower class consumers. Guatemala is one of the countries with the lowest per capita consumption of rice in the region; therefore, there are ample opportunities to increase the demand for a 13 million population country.

### Resources

[Return to top](#)

- U.S. Department of Agriculture  
Foreign Agricultural Service in Guatemala: [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2007: [www.fas.usda.gov/scripts/attacherep/defaults.asp](http://www.fas.usda.gov/scripts/attacherep/defaults.asp).
- FAIRS Report 2007: [www.fas.usda.gov/scripts/attacherep/default.asp](http://www.fas.usda.gov/scripts/attacherep/default.asp)
- Statistical information: [www.sieca.org.gt](http://www.sieca.org.gt)

[Return to table of contents](#)

## Poultry

### Overview

[Return to top](#)

<i>Tariff Code 0207</i>	<i>Value (in million \$)</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
Total Market Size	205.4	204.1	217.4
Total Local Production	163.5	165.0	166.5
Total Exports	7.9	8.0	5.4
Total Imports	47.4	39.1	45.5
Imports from the U.S.	44.9	37.0	42.1

Guatemala is a major importer of U.S. meat and poultry. It imposes few import restrictions on poultry, and imports large amounts of U.S. brand-name frozen chicken cuts. Under CAFTA-DR, tariffs are being phased out immediately, in 5 years, or in 10 years, depending on the product. The exception is chicken leg quarters (CLQ), which enter under a TRQ and have an out of quota duty of up to 164 percent. However, bowing to domestic pressure, Guatemala set the out of quota duty in 2006 at only 15 percent, in contrast to the other CAFTA-DR countries which set the CLQ tariff at the maximum allowed. CLQ is an inexpensive, popular meat, and the domestic industry cannot meet demand.

### Best Products/Services

[Return to top](#)

There are opportunities for the high value products that will benefit from the drop in duties from 15 percent to 0 percent under CAFTA-DR, as well as other frozen products besides chicken leg quarters.

### Opportunities

[Return to top](#)

Other value-added products such as nuggets, sausages and chicken patties have good opportunities in Guatemala. While these products are already available in supermarkets and are increasing in popularity with consumers, they still offer good potential. U.S. poultry products are very competitive in price terms.

### Resources

[Return to top](#)

- U.S. Department of Agriculture  
Foreign Agricultural Service in Guatemala: [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2007: [www.fas.usda.gov/scriptsw/attacherep/defaults.asp](http://www.fas.usda.gov/scriptsw/attacherep/defaults.asp).
- FAIRS Report 2007: [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Statistical information: [www.sieca.org.gt](http://www.sieca.org.gt)

[Return to table of contents](#)

## Red Meats

### Overview

[Return to top](#)

<i>Tariff Code 020-0207</i>	<i>Value (in million USD)</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
Total Market Size	150.1	150.5	152.9
Total Local Production	130.3	130.3	130.5
Total Exports	0.0	0.0	6.9
Total Imports	19.8	17.8	22.4
Imports from the U.S.	11.6	10.1	12.7

Guatemala used to be a large meat exporter, but production has declined and imports have become an important source of meat for hotels, restaurants, and higher-class consumers. In 2007, Guatemala began exporting meat to other Central American countries. It is estimated that with the opening of a new slaughterhouse in the Peten area, exports will increase and it is expected that Guatemala could comply with U.S. standards in order to export meat to the United States in the near future. Local production is of irregular quality and supply, which is a problem for hotels and fine restaurants, which need a consistent supply of high-quality beef. More and more, hotels and restaurants are advertising imported U.S. meats in their menus. Under CAFTA-DR pork meat TRQ is 4,543 MT (the highest TRQ for the Central American region.) In the spring of 2004 Guatemala reopened its market for all beef and products after it had been shut in December 2003 due to the discover of cattle imported into the U.S. from Canada afflicted with BSE (mad cow disease"). Prime and choice beef cuts enjoy immediate duty-free access.

### Best Products/Services

[Return to top](#)

The most commonly exported beef product from the U.S. is frozen bone-in and boneless 50 percent trimmings, which makes up approximately 60 percent of total U.S. exports to the region. The other 40 percent of U.S. products shipped to the region is made up of a variety of high quality cuts for the HRI sector and variety meats distributed through supermarkets and wet markets. There are many meat and deli-meat processors in Guatemala that are looking at exporting to the U.S. once Guatemala gets approval complying with U.S. standards.

### Opportunities

[Return to top](#)

In Guatemala, the tourism sector is growing and seeks to satisfy visitor demand for high quality, wholesome food by using U.S. beef and pork.

### Resources

[Return to top](#)

- U.S. Department of Agriculture in Guatemala: [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2007: [www.fas.usda.gov/scripts/attacherep/defaults.asp](http://www.fas.usda.gov/scripts/attacherep/defaults.asp)
- FAIRS Report 2007: [www.fas.usda.gov/scripts/attacherep/default.asp](http://www.fas.usda.gov/scripts/attacherep/default.asp)
- Statistical information: [www.sieca.org.gt](http://www.sieca.org.gt)

## Grapes

### Overview

[Return to top](#)

<b>Tariff Code 080610</b>	<b>Value (in million \$)</b>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
Total Market Size	8.2	10.6	11.7
Total Local Production	0.0	0.0	0.0
Total Exports	0.0	0.0	0.0
Total Imports	8.2	10.6	11.7
Imports from the U.S.	5.7	8.1	8.9

Guatemala is the largest market for grapes in Central America. Consumers now consume grapes year-round because of alternating supply by the U.S. and Chile. Consumption levels of grapes are higher during the Christmas season. By 2006, the U.S. supplied Guatemala with 74 percent of its grapes, followed by Chile with 26 percent.

### Best Products/Services

[Return to top](#)

The most popular varieties imported into the country are Autumn Royal, Red Globe and Thompson seedless grapes. U.S. exports of grapes continue to have great growth potential in the Guatemalan market.

### Opportunities

[Return to top](#)

Approximately 60 percent of fresh grapes are sold via the supermarket sector and 40 percent in wet markets from October through January. From February to September, 70 percent is handled by supermarkets and 30 percent by street vendors. Guatemalans are increasingly concerned about health issues and prefer to give to their children fruits and vegetables as snacks rather than ready-to-eat products. This will increase the percentage of retailers who consider it profitable to handle numerous varieties of grapes.

### Resources

[Return to top](#)

- U.S. Department of Agriculture  
Foreign Agricultural Service in Guatemala: [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2007: [www.fas.usda.gov/scriptsw/attacherep/defaults.asp](http://www.fas.usda.gov/scriptsw/attacherep/defaults.asp).
- FAIRS Report 2007: [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Statistical information: [www.sieca.org.gt](http://www.sieca.org.gt)

[Return to table of contents](#)

## Wheat

### Overview

[Return to top](#)

<i>Tariff Code 100</i>	<i>Value (in million \$)</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
Total Market Size	97.1	125.5	127.7
Total Local Production	0.0	0.0	0.0
Total Exports	0.0	0.0	0.0
Total Imports	97.1	125.5	127.7
Imports from the U.S.	55.1	125.5	127.7

Guatemala is a net importer of wheat. In 2006, imports from the U.S. captured the market, doubling sales to Guatemala. Canada was the main competitor for the U.S. but has been completely replaced by U.S. wheat.

### Best Products/Services

[Return to top](#)

The baking industry in Guatemala has been growing in the past five years. New bakeries of two well known Guatemalan franchises are opening in the city and in growing cities in the interior of the country.

### Opportunities

[Return to top](#)

Even though wheat prices for the past year have risen considerably, Guatemala is still very dependent on imported wheat as there is very limited local production. The U.S. is the main supplier.

### Resources

[Return to top](#)

- U.S. Department of Agriculture  
Foreign Agricultural Service in Guatemala: [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2007: [www.fas.usda.gov/scriptsw/attacherep/defaults.asp](http://www.fas.usda.gov/scriptsw/attacherep/defaults.asp).
- FAIRS Report 2007: [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Statistical information: [www.sieca.org.gt](http://www.sieca.org.gt)

[Return to table of contents](#)

## Wines

### Overview

[Return to top](#)

<b>Tariff Code 2204</b>	<b>Value (in million \$)</b>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
Total Market Size	4.7	5.9	7.6
Total Local Production	0.3	0.4	0.4
Total Exports	0.3	0.4	0.4
Total Imports	4.4	5.5	7.2
Imports from the U.S.	0.3	0.4	0.5

In Guatemala, 40 percent of the imported wine comes from Chile and 23 percent from Spain. The U.S. holds roughly 7 percent of the market due to price considerations as Chilean wines are less expensive. With CAFTA-DR implementation, U.S. wine enjoys immediate duty-free access, which makes it more price competitive (considering its tariff used to be 40 percent.)

### Best Products/Services

[Return to top](#)

Guatemala holds a wine festival every year in November. In the 2007 show visitors were very positive about California wines that were promoted through local distributors.

### Opportunities

[Return to top](#)

Guatemalans are starting to become wine consumers as many deli stores are introducing new brands and are marketing wines as healthy and sophisticated drinks.

### Resources

[Return to top](#)

- U.S. Department of Agriculture  
Foreign Agricultural Service in Guatemala: [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2007: [www.fas.usda.gov/scriptsw/attacherep/defaults.asp](http://www.fas.usda.gov/scriptsw/attacherep/defaults.asp).
- FAIRS Report 2007: [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Statistical information: [www.sieca.org.gt](http://www.sieca.org.gt)

[Return to table of contents](#)

## Soybean Oil

### Overview

[Return to top](#)

<b>Tariff Code 1507</b>	<b>Value (in million \$)</b>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
Total Market Size	16.0	18.0	22.6
Total Local Production	0.0	0.0	0.0
Total Exports	1.6	2.6	5.0
Total Imports	16.0	18.0	22.6
Imports from the U.S.	15.8	9.9	21.5

Soybean oil imports declined during 2006, as palm oil substituted for soybean oil in the food processing industry. In 2007, the demand for palm oil as a biofuel shifted the trend in the food processing industry, as soybean oil became a more profitable raw material for production purposes.

### Best Products/Services

[Return to top](#)

Guatemala imports mostly crude soybean oil for the food processing industry. Local oil producers also refine the crude oil for the local market and sell the final product with a local brand that it is also exported to other Central American countries. The new increased demand for biofuels reinforces the trend to increase the use of soybean oil in food processing. Imports of soybean oil from the U.S. doubled in 2007 while other suppliers had between 20 – 30 percent increases in exports to Guatemala.

### Opportunities

[Return to top](#)

The U.S. regained the market share in Guatemala that it lost in 2006. If prices continue to be competitive compared to those from Argentina, the U.S. could become Guatemala's main supplier of soybean oil. With the implementation of CAFTA-DR, the food processing industry in Guatemala is exporting snacks to the United States for the nostalgic market of almost 1.5 million Guatemalans. Since soybean oil is an important ingredient in the production process, this could lead to increased opportunity for the U.S. soybean oil producers.

### Resources

[Return to top](#)

- U.S. Department of Agriculture  
Foreign Agricultural Service in Guatemala: [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2007: [www.fas.usda.gov/scriptsw/attacherep/defaults.asp](http://www.fas.usda.gov/scriptsw/attacherep/defaults.asp)
- FAIRS Report 2007: [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Statistical information: [www.sieca.org.gt](http://www.sieca.org.gt)

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 5: Trade Regulations and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

### Import Tariffs

[Return to top](#)

Guatemala applies the common external tariff schedule of the Central American Common Market (CACM), which ranges from zero to 15 percent for most agricultural and industrial goods, though there are exceptions of up to 40 percent for alcoholic beverages and up to 20 percent for white corn, beans, sugar, cigarettes with tobacco content, various types of vehicles, and firearms. Other exceptions include agricultural commodity imports in excess of the tariff rate quota (TRQ). The average applied rate on all products is approximately 3.2 percent.

Since implementation of CAFTA-DR (see [Trade Agreements](#)), about 80 percent of U.S. industrial and commercial goods enter Guatemala duty free, with the remaining tariffs being eliminated within ten years (2015). CAFTA-DR eliminated tariffs immediately on the majority of agricultural products, including processed food, juices, cookies, soups, soy products, and wines. Tariffs on all other agricultural products phase out over 5, 10 or 15 years (dairy in 20 years and rice and poultry in 18). There are tariff rate quotas (TRQ) on beef (except prime and choice cuts), cheese, milk powder, butter, ice cream, other dairy products, pork, yellow corn, white corn, rough rice, milled rice, and chicken leg quarters.

Nearly all textiles and apparel goods that meet the Agreement's rules of origin became duty-free and quota-free immediately, creating new opportunities for U.S. and Central American fiber, yarn, fabric and apparel manufactures.

### Trade Barriers

[Return to top](#)

Exporters to Guatemala enjoy an increasingly open trade regime. Imports are generally not subject to non-tariff trade barriers, though there are occasional cases of arbitrary customs valuation and bureaucratic obstacles. However, the government of Guatemala officially implemented the WTO Customs Valuation Agreement on August 10, 2004, which eliminated the use of minimum import values effective November 22, 2004. Implementation of CAFTA-DR (see [Trade Agreements](#)) has helped to remove tariff and non-tariff barriers to trade. The Agreement requires transparency and efficiency in

administering customs procedures, including rules of origin, and it includes a dispute resolution mechanism that provides an alternative to Guatemala's problematic and slow moving judicial system. For more information on service and investment barriers, please read the 2007 National Trade Estimate Report at the following link:

[http://www.ustr.gov/assets/Document\\_Library/Reports\\_Publications/2007/2007\\_NTE\\_Report/asset\\_upload\\_file382\\_10948.pdf](http://www.ustr.gov/assets/Document_Library/Reports_Publications/2007/2007_NTE_Report/asset_upload_file382_10948.pdf)

## **Import Requirements and Documentation**

[Return to top](#)

All commercial invoices, bills of lading, certificates of free sale, sanitary and microbiological certificates and product-specific laboratory testing for pathogens of products exported to Guatemala must be legalized at the Guatemalan Embassy or one of its Consulates in the United States. All documents must be translated into Spanish. This is not applicable for agricultural products, for which official certifications are valid in English, without the need to be legalized at any embassy.

The Government of Guatemala, through the Ministry of Agriculture (for unprocessed food products) and the Ministry of Health (for processed food products), issues an import permit for all imported foods of animal or vegetable origin. To obtain this permit the shipment must comply with the following requirements: phytosanitary and/or sanitary certificate, certificate of origin (CAFTA-DR format), commercial invoice, free sale certificate, bill of lading, and a microbiological certificate for products of animal origin. As of 2007, import procedures are available on-line at [http://www.maga.gob.gt/maga\\_portal/](http://www.maga.gob.gt/maga_portal/). For agricultural products, documents do not need translation into Spanish since official certifications are valid in English, without the need to be notarized at an embassy.

Some medical devices require an inscription (registration) at the registration office of the Ministry of Health. These inscriptions need to be renewed every five years.

Devices that require an inscription process are those that cut the skin or a membrane or touch blood, such as syringes or devices that use a finger prick.

The following devices, such as anesthetics and asthmatic inhalers, high pressure measuring apparatus, laser-guided apparatus and others do not require an inscription. These would be classified under medical equipment and supplies and undergo normal customs entrance procedures.

### Registration Requirements:

- Form F-MC-g-011 has to be filled out in original and duplicate, in the following order:
- Product formula and composition (mention both common and scientific names: (use form F-JE-d-007)
- Sanitary license, valid or prior license (usually from FDA or PAHO)
- Legalized copy of the Trade Mark registry
- Free Sale Certificate from the country of origin; CBL approved by a recognized organization such as the OMS
- Monograph study, when it is a new product
- Product description

- Product specifications
- Method of analysis used
- Packaging materials used (a sample), originals and copy
- Instructions on label in Spanish
- Copy of contract (in case of manufacture under drawback or maquila law)
- Stability study for products with 24 months life expectancy or more, according to product
- Samples
- Bio-equivalence study, when applied
- Standard of raw material of active principle/s for new molecules
- Copy of the Sanitary License of the local distributor
- All foreign documents have to be legally translated

For more information please refer to:

Dirección General de Regulación, Vigilancia y Control de la Salud,  
 Depto. Regulación y Control de Productos Farmacéuticos, Higiénicos, Quirúrgicos y  
 Cosméticos

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### **U.S. Export Controls**

[Return to top](#)

The U.S. Government requires firms to obtain an export permit to export all arms, ammunition and related products to Guatemala. For more information, U.S. exporters should contact the Bureau of Industry and Security (BIS) at the U.S. Department of Commerce, Ph.: (202) 482-2000 and 1-800-USATRAD.

### **Temporary Entry**

[Return to top](#)

Guatemala's 1989 drawback and export promotion law allows duty and tax free entry of raw materials, intermediate products, packaging and labels used in the production or assembly of merchandise exported to markets outside of Central America. Some exporters, however, complain that the local tax administration, SAT, asks for payments in order to process these drawback refunds.

### **Labeling and Marking Requirements**

[Return to top](#)

Please see Labeling and Marking Section under "Standards" later in this chapter.

### **Prohibited and Restricted Imports**

[Return to top](#)

The Guatemalan Ministry of Defense's Department for the Control of Arms and Munitions (DECAM) enforces a law which virtually prohibits the import of offensive

weapons, as well as a range of military weapons and hardware except for use by the Guatemalan government.

## Customs Regulations and Contact Information

[Return to top](#)

For information on Customs Regulations and a list of Business Service Providers in Guatemala, please refer to the following website:

<http://www.buyusa.gov/guatemala/en/guatemalanserviceproviders.html>, or contact Commercial Service in Guatemala's offices.

## Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

## Overview

[Return to top](#)

The National Standards Commission (COGUANOR) was created in Guatemala in 1962 under the direction of the Ministry of Economy under Decree # 1523. The National Standards Commission is responsible for developing standards to encourage the development of agricultural, commercial and industrial activities. Also to create a favorable environment for fair competition and equitable relations between producers and consumers.

Companies or individuals interested in establishing or revising a particular standard, may submit a request to COGUANOR. Specifically, it is COGUANOR's Technical Working Committee's (CCT), interdisciplinary groups made up of representatives from organized public, private, academic-scientific, and consumer sectors, which are in charge of drafting and revising national standards.

National standards drawn up by COGUANOR come into effect once they are approved by the government's executive branch and are published in the *Diario de Centro America*, the national gazette.

## Standards Organizations

[Return to top](#)

COGUANOR is empowered to direct and coordinate national policy regarding the setting of standards. Through the Ministry of Economy, it proposes the modification of current standards and adoption of new standards to the government's executive branch, oversees the application of adopted standards and its technical committees are responsible for reviewing standards when necessary. COGUANOR also maintains communication with regional and international standards organizations.

COGUANOR is governed by an executive advisory committee, which is made up of representatives from the Ministry of Health, Ministry of Economy, Ministry of Labor, College of Engineers, and the Chambers of Agriculture, Industry and Commerce.

The Commission describes two forms of national standards: a) NGR – Recommended Guatemalan Standards and b) NGO – Required Guatemalan Standards. NGR standards refer to quality standards relating to the production and sale of goods. NGR standards are mandatory for government entities.

According to Government Decrees 182-2000, 145-2002, and 57-2003, COGUANOR, the National Center of Metrology and the Guatemalan Accreditation Office (OGA) together form the National Quality Systems Directorate.

### **NIST Notify U.S. Service**

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

## **Conformity Assessment**

[Return to top](#)

The Guatemalan Consumer Service and Support Board (DIACO) was created in 1995. In December 2003, Government Decree 777-2003 added a Testing and Inspection Department to DIACO. This department is responsible for investigating compliance with the legal requirements of COGUANOR and international treaties ratified by Guatemala.

When the United States and Central America launched the free trade agreement negotiations, they initiated an active working group dialogue on SPS barriers to agricultural trade that met in conjunction with the negotiations to facilitate market access. The objective was to leverage the trade negotiations to seek changes to the Central American countries' SPS regimes. Through the work of this group, Guatemala has committed to resolve specific measures affecting U.S. exports to Guatemala. In particular for meat, poultry and dairy, Guatemala will recognize the equivalence of the U.S. food safety and inspection system, thereby eliminating the need for plant-by-plant inspections. For distilled spirits, U.S. industry welcomes the trade facilitative initiative of the five Central American countries, including Guatemala, to develop common standards for distilled spirits products. However, outstanding concerns remain, over issues such as alcohol content, brand registration and certification requirements.

## **Product Certification**

[Return to top](#)

Any commercially-sold food products imported into Guatemala must present a phytosanitary and/or zoo-sanitary certificate, certificate of origin, commercial invoice, free sale certificate and bill of lading to receive an import license. These documents must be legalized at the Guatemalan Embassy or one of its Consulates in the United States. All documents must be translated into Spanish. In addition, all packaged food products require product registration from the Division of Registration and Control of Medicines and Foods and must obtain a sanitary import certificate from the Ministry of Health.

Guatemalan norms regarding food additives are based on the Codex Alimentarium food additives list. Any additives added to this list must be approved by COGUANOR's executive advisory committee. The approval process can take six months or longer. <http://www.mspas.gob.gt/DGRVCS/DRCA/Iniciar.org>

Pesticides are regulated by the Technical Directorate of Vegetable Health of the Ministry of Agriculture. They maintain a list of prohibited pesticides. <http://www.maga.gob.gt/>

Guatemala has been a correspondent member of the International Organization for Standardization (ISO) since 1997, meaning that they do not actively participate in the development of policies and standards, but are kept fully informed of such developments.

## Accreditation

[Return to top](#)

The Guatemalan Accreditation Body (OGA) was established in May 2002 by Government Decree 145-2002, a technical unit of the Quality Systems Directorate within the Ministry of Economy. OGA oversees accreditation throughout the nation and grants formal approval to Guatemala's various other conformity assessment bodies, including:

- Testing and Calibration Laboratories (ISO/IEC 17025 Standard)
- Quality Management Systems (ISO/IEC Guide 61)
- Environmental Management Systems (ISO/IEC Guide 66)
- Products (ISO/IEC Guide 65)
- Inspection Bodies (ISO/IEC 17020 Standard)

OGA is a full member of the Interamerican Accreditation Cooperation (IAAC), created in 1996, consisting of various accreditation agencies from 20 countries of the Americas. OGA is also a member of the International Accreditation Forum (IAF), an associate member of the International Laboratory Accreditation Cooperation (ILAC), a correspondent member of the International Organization for Standardization (ISO) and a member of the World Trade Organization (WTO).

## Publication of Technical Regulations

[Return to top](#)

Guatemala's national gazette is the Diario de Centro America, available online (see under Contacts). New national standards that have been approved by the government's executive branch become effective on the date that they are published in the Diario de Centro America.

## Labeling and Marking

[Return to top](#)

Guatemala has labeling standards for food products, pharmaceuticals, pesticides, footwear and distilled alcoholic beverages.

Guatemalan law requires that food products sold in the domestic market be tested, registered and labeled in Spanish. While labeling standards for domestic food products are very strict, importers negotiated with COGUANOR and reached an agreement for the use of stick-on labels. Products sold in bulk are exempt from the labeling

requirements unless they are to be sold at the retail level. Enforcement of product registration and labeling requirements has been inconsistent but is improving. See: [www.mspas.gob.gt/DGRVS/DRCA/Regulaciones/RT Etiquetado.pdf](http://www.mspas.gob.gt/DGRVS/DRCA/Regulaciones/RT Etiquetado.pdf)

## Contacts

[Return to top](#)

- COGUANOR – Standards Commission: [www.mineco.gob.gt/coguanor](http://www.mineco.gob.gt/coguanor)  
-Lic. Magin Beteta, Secretario Ejecutivo: [mbeteta@mail.mineco.gob.gt](mailto:mbeteta@mail.mineco.gob.gt)
- DIACO – Consumer Assistance Center: [www.diacogob.gt](http://www.diacogob.gt)  
-Lic. Silvia Padilla, Directora: [diacoquejas@mail.mineco.gob.gt](mailto:diacoquejas@mail.mineco.gob.gt)
- OGA - Accreditation Office: [www.mineco.gob.gt/portal.php](http://www.mineco.gob.gt/portal.php)  
-Sistema Nacional de Calidad: [info-oga@mineco.gob.gt](mailto:info-oga@mineco.gob.gt)
- National Gazette -Diario de Centro America: [www.diariodecentroamerica.gob.gt](http://www.diariodecentroamerica.gob.gt)  
-Ana Maria Rodas, Directora: [lborrowo@dca.gob.gt](mailto:lborrowo@dca.gob.gt)
- PROAM - Healthcare Services: [www.mspas.gob.gt](http://www.mspas.gob.gt)
- Labeling: Food and Medicaments and Pharmaceutical Products:  
[www.mspas.gob.gt/DGRVCS/DRCA/Regulaciones/RT Etiquetado.pdf](http://www.mspas.gob.gt/DGRVCS/DRCA/Regulaciones/RT Etiquetado.pdf)
- Agriculture: [www.maga.gob.gt](http://www.maga.gob.gt)

## Trade Agreements

[Return to top](#)

The United States and five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua), along with the Dominican Republic signed the U.S.-Central American Dominican Republic Free Trade Agreement (CAFTA-DR) in August 2004. The Agreement entered into force in Guatemala on July 1st, 2006, after the country completed all the commitments necessary for implementation.

CAFTA-DR liberalizes bilateral trade between the United States and the region and promotes integration among the countries of Central America, removing barriers to trade and investment in the region. CAFTA-DR requires countries to undertake needed reforms to alleviate systemic problems in such areas as customs administration, protection of intellectual property rights, services, investment, financial services, market access, and government procurement, as well as sanitary and phytosanitary and other non-tariff barriers.

Central America established a common external tariff schedule in 1998. Six Central American countries signed a revised protocol for economic integration and macroeconomic coordination in October 1993. The integration protocol allows Central American countries to advance at varying rates toward more open trade. The “Northern Triangle” countries (Guatemala, El Salvador and Honduras) have moved the most rapidly to eliminate trade barriers among themselves and are in the process of eliminating customs inspections at their common borders, relying instead on electronic documentation filed in advance.

Aside from CAFTA-DR, Guatemala has signed, bilaterally or in conjunction with other Central American countries, free trade agreements with Chile, Mexico, the Dominican Republic, Panama, Colombia, and Taiwan, and is currently negotiating Free Trade Agreements with Canada, Caricom, and the European Union. For more information on how U.S companies can take advantage of those agreements please consult the following links:

- Guatemalan Ministry of Economy: <http://www.mineco.gob.gt>
- Secretariat for Central American Economic Integration: <http://www.sieca.org.gt>
- Guatemalan Investment Office: <http://www.investinguatemala.org>
- Guatemalan e-procurement system: <http://www.guatecompras.gt>
- Guatemalan Exporters' Association: <http://www.export.com.gt>
- Guatemalan Chamber of Commerce: <http://www.negociosenguatemala.com>
- Guatemalan Chamber of Industry: <http://www.industriaguatemala.com>

## Web Resources

[Return to top](#)

- Guatemalan Superintendence of Tax Administration: <http://www.sat.gob.gt>
- Guatemalan Ministry of Economy: <http://www.mineco.gob.gt>
- Secretariat for Central American Economic Integration: <http://www.sieca.org.gt>
- Office of the United States Trade Representative: <http://www.ustr.gov>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

### Openness to Foreign Investment

[Return to top](#)

The 2004-2008 pro-business administration of President Oscar Berger made promotion of foreign investment (FDI) and competitiveness a priority and implemented a series of reforms to improve transparency, combat corruption, and spur economic growth. In January 2008, Alvaro Colom of the National Union for Hope (UNE) party took office. President Colom has pledged to continue to promote foreign investment, enhance competitiveness, and expand investment in the export and tourist sectors.

Guatemalan efforts to improve competitiveness and the investment climate have been recognized by the World Bank's Doing Business Report, the Global Competitiveness Index, and foreign investors. The Doing Business Report placed Guatemala in the list of reformers in 2006 and 2007. According to data from the Guatemalan Central Bank (Banguat), the flow of foreign direct investment (FDI) in 2005 totaled USD 226.8 million, increased by 56 percent in 2006 to USD 353.8 million, and preliminary data indicates that FDI reached USD 535 million in 2007.

Hundreds of U.S. and other foreign firms have active investments in Guatemala. Guatemala passed a foreign investment law in 1998 to streamline and facilitate foreign investment. The U.S. - Central American Free Trade Agreement (CAFTA-DR) entered into force in Guatemala on July 1, 2006. As part of the CAFTA-DR implementation process, the Guatemalan Congress approved a law that included amendments to the existing intellectual property rights protection (IPR), government procurement, commerce, insurance, arbitration, and telecom laws and to the penal code to ensure compliance with CAFTA-DR. A new e-commerce law and further reform to insurance regulations are pending in Guatemala's Congress, and if approved, will further enhance market access for U.S. companies.

CAFTA-DR established a more secure and predictable legal framework for U.S. investors operating in Guatemala. Under CAFTA-DR, all forms of investment are protected, including enterprises, debt, concessions, contracts and intellectual property. U.S. investors enjoy, in almost all circumstances, the right to establish, acquire and operate investments in Guatemala on an equal footing with local investors.

There are no impediments to the formation of joint ventures or the purchase of local companies by foreign investors. The absence of an equities market in which shares of publicly owned firms are traded makes takeovers difficult. Most foreign firms therefore operate through locally incorporated subsidiaries.

There are no restrictions on foreign investment in the telecommunications, electrical power generation, airline, or ground transportation sectors. The GOG privatized a number of state-owned assets in industries in the late nineties including: power generation and distribution, telephone, and grain storage. The Foreign Investment Law removed limitations to foreign ownership in domestic airlines and ground transport companies in January 2004.

Foreign banks may open branches or subsidiaries in Guatemala subject to Guatemalan financial controls and regulations. These include a rule requiring local subsidiaries of foreign banks and financial institutions operating in Guatemala to meet Guatemalan capital and lending requirements as if they were stand-alone operations.

Some professional services may only be supplied by professionals with locally recognized academic credentials. Public notaries must be Guatemalan nationals. Foreign enterprises may provide licensed professional services in Guatemala through a contract or other relationship with a Guatemalan company. An insurance law is currently pending in the Guatemalan Congress that would allow foreign insurance companies to open branches in Guatemala, a requirement under CAFTA-DR that must be in place by 2009.

Mining has historically been a sensitive issue in Guatemala and operations in Guatemala have been subject to protests. Subsurface minerals and petroleum are the property of the state. Contracts for development are typically granted through production-sharing agreements. New legislation resulted in a more transparent contracting process, although the suspension in 2002 of a hydrocarbon exploration contract on environmental grounds, and without due process, raised some concerns among investors. Complex and confusing laws and regulations, inconsistent judicial decisions, bureaucratic impediments, and corruption continue to constitute practical barriers to investment.

Domestic and foreign firms must publish their intent to conduct business, agree to Guatemalan legal jurisdiction, and register with the Ministry of Economy in order to incorporate formally in Guatemala. Foreign firms are subject to additional, time-consuming requirements, including: demonstrating solvency, depositing operating capital in a local bank, supplying financial statements, contractually agreeing to fulfill all legal obligations before leaving the country, and appointing a Guatemalan citizen or foreign resident (with work permit) as legal representative. The requirements are not used specifically to screen or discriminate against foreign companies, but the procedures can serve as a disincentive to investment.

The right to hold private property and to engage in business activities is specifically recognized by the Guatemalan Constitution. Foreign private entities can establish, acquire and dispose freely of virtually any type of business interest, with the exception of insurance and professional services as noted above in [Openness to Foreign Investment](#). Guatemala's foreign investment law and CAFTA-DR commitments protect the investor's right to remit profits and repatriate capital. There are no restrictions on converting or transferring funds associated with an investment (or any other licit activity) into a freely usable currency at a market-clearing rate. U.S. dollars are freely available and easy to obtain within the Guatemalan banking system. There are no legal constraints on the quantity of remittances or any other capital flows, and there have been no reports of unusual delays in the remittance of investment returns.

The Law of Free Negotiation of Currencies allows Guatemalan banks to offer different types of foreign currency-denominated accounts. In practice, the dollar is used most frequently. Some banks offer "pay through" dollar-denominated accounts in which depositors make deposits and withdrawals at a local bank while the actual account is maintained on behalf of depositors in an offshore bank.

Capital can be transferred from Guatemala to any other jurisdiction without restriction. Guatemalan firms have been active investors in Central America, the Dominican Republic, and South Florida.

## **Expropriation and Compensation**

[Return to top](#)

The Constitution prohibits expropriation, except in cases of eminent domain, national interest, or social benefit. The foreign investment law requires advance compensation in cases of expropriation. Investor rights are protected under CAFTA-DR by an impartial procedure for dispute settlement that is fully transparent and open to the public. Submissions to dispute panels and dispute panel hearings are open to the public, and interested parties have the opportunity to submit their views.

In June 2007, a U.S. company operating in Guatemala filed a claim under Chapter 10 of CAFTA-DR against the Government of Guatemala with the International Centre for Settlement of Investment Disputes (ICSID). The claimant alleged the Government of Guatemala indirectly expropriated the company's assets by negating a contract. The company requested USD 65 million in compensation and damages from the Guatemalan Government. The case remains pending.

## **Dispute Settlement**

[Return to top](#)

Resolution of business and investment disputes through Guatemala's judicial system is time-consuming, and civil cases can take several years to resolve. Corruption, intimidation and ineffectiveness in the judiciary have led to confusing and contradictory decisions and frequent delays. U.S. companies, however, face the same conditions as local companies and are not subject to any pattern of discrimination in the legal system.

Guatemala has a written and consistently applied commercial law (Codigo de Comercio). Guatemala does not have an independent bankruptcy law, but the Code on Civil and Mercantile Legal Proceedings (Codigo Procesal Civil y Mercantil) contains a specific chapter on bankruptcy proceedings. Under the code, creditors can request to be included in the list of creditors, request an insolvency proceeding when a debtor has suspended payments of liabilities to creditors, and constitute a general board of creditors to be informed of the proceedings against the debtor.

The Government of Guatemala has signed the United Nations Convention on the Recognition and Enforcement of Arbitral Awards (New York Convention), the Interamerican Convention on International Commercial Arbitration (Panama Convention), and the Convention on the Settlement of Investment Disputes between States and Nationals of other States (ICSID). Guatemala's foreign investment law also permits international arbitration or alternative resolution of disputes, if agreed to by the parties.

Guatemalan procedures for enforcing agreements are similar to those of the United States. Guatemala's Arbitration Law of 1995 is based on the UNCITRAL Model Law for International Commercial Arbitration and regulations are in line with the New York Convention. Default awards and arbitral agreements are fully enforceable in Guatemala. In addition, CAFTA-DR added an additional dispute resolution mechanism for investors. The first claim under that system was filed in June 2007 and the Government of Guatemala has followed all procedures required of it under the process.

## **Performance Requirements and Incentives**

[Return to top](#)

Guatemala's 1998 Foreign Investment Law eliminated trade-related investment restrictions and ensured Guatemala was compliant with WTO obligations under the Agreement on Trade Related Investment Measures (TRIMS). In 1999, Guatemala notified the WTO that it was TRIMS compliant. Guatemala does not impose performance, purchase or export requirements other than those normally associated with free trade zones and duty drawback programs. Companies are not required to locate operations in specific geographic areas or include local content in production.

Investment incentives are specified in law and are available, with few exceptions, to both foreign and Guatemalan investors without discrimination. There are two main programs, one focused on garment exports and the other on reforestation.

The major Guatemalan incentive program, the Law for the Promotion and Development of Export Activities and Drawback, is aimed mainly at "maquiladoras" – mostly garment manufacturing and assembly operations in which over half of production inputs/components are imported and the completed products are exported. Investors in this sector are granted a 10-year exemption from both income taxes and the Temporary and Extraordinary Tax to Support the Peace Agreements (IETAAP), Guatemala's alternative minimum tax. Additional incentives include an exemption of duties and value-added taxes on imported machinery, a one-year suspension (extendable to a second year) of the same duties and taxes on imports of production inputs and packing material, and a waiver of duties on final goods that are exported. The waiver for customs duties and income taxes was scheduled to expire on December 31, 2009; however, in July 2007, the WTO approved an extension for Guatemala through 2015.

Property owners who engage in reforestation activities may qualify for government incentives through the National Institute of Forests (INAB). This incentive program is scheduled to end in 2017.

Guatemalan law requires that food products sold in the domestic market be tested, registered and labeled in Spanish, although stick-on labels are permitted.

Under CAFTA-DR, about 80 percent of U.S. industrial and consumer goods now enter Guatemala duty-free, with the remaining tariffs scheduled to be phased-out by 2015.

Nearly all textile and apparel goods that meet the agreement's rules of origin are now traded duty-free and quota-free, promoting new opportunities for U.S. and regional fiber, yarn, fabric and apparel manufacturing. The agreement's tariff treatment for textile and apparel goods is retroactive to January 1, 2004.

Under CAFTA-DR, more than half of U.S. agricultural exports now enter Guatemala duty-free. Guatemala will eliminate its remaining tariffs on nearly all agricultural products by 2020 (2023 for rice and chicken leg quarters and 2025 for dairy products). For the most sensitive products, tariff rate quotas will permit some immediate duty-free access for specified quantities during the tariff phase-out period, with the duty-free amount expanding during that period.

## **Right to Private Ownership and Establishment**

[Return to top](#)

The right to hold private property and to engage in business activity is recognized in the Guatemalan Constitution. The foreign investment law specifically notes that foreign investors enjoy the same rights of use, benefit, and ownership of property as afforded Guatemalans. Foreigners are prohibited, however, from owning land immediately adjacent to rivers, oceans and international borders.

CAFTA-DR established a more secure and predictable legal framework for U.S. investors operating in Guatemala. Under CAFTA-DR, all forms of investment are protected, including enterprises, debt, concessions, contract and intellectual property. U.S. investors enjoy, in almost all circumstances, the right to establish, acquire and operate investments in Guatemala on an equal footing with local investors.

There are no impediments to the formation of joint ventures or the purchase of local companies by foreign investors. The absence of an equities market in which shares of publicly owned firms are traded makes takeovers difficult. Most foreign firms therefore operate through locally incorporated subsidiaries.

## **Protection of Property Rights**

[Return to top](#)

Guatemala has a registry for both real property and intellectual property. Inadequately documented titles and gaps in the public record can sometimes lead to conflicting claims of land ownership. The government has stepped up its efforts to enforce property rights where title is clear or where title disputes have been resolved; however, it can be difficult to obtain and enforce eviction notices.

Mortgages are available to finance homes and businesses, but only a small number of banks offer 15-year mortgage loans for residential real estate.

The legal system is accessible to foreigners and does not systemically discriminate against foreign firms. However, in practice, it favors local attorneys accustomed to maneuvering a case through the process. Foreign investors are advised to seek reliable local counsel early in the investment process.

Regarding intellectual property rights (IPR), Guatemala belongs to the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO). It is also a signatory to the Paris Convention, Bern Convention, Rome Convention, Phonograms Convention, and the Nairobi Treaty. Guatemala has ratified the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT). In June 2006, as part of CAFTA-DR implementation, Guatemala ratified the Patent Cooperation Treaty

and the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure. Also in June 2006, the Guatemalan Congress approved the International Convention for the Protection of New Varieties of Plants (UPOV Convention); however, implementing legislation must be approved in order for Guatemala to become a party to the convention.

The Guatemalan Congress passed legislation in August 2000 to bring the country's intellectual property rights laws into compliance with the WTO's TRIPS agreement. This legislation was modified in 2003 to provide pharmaceutical test data protection consistent with international practice and in 2005 the law was again amended to comply with IPR protection requirements in CAFTA-DR. CAFTA-DR provides for improved standards for the protection and enforcement of a broad range of intellectual property rights, which are consistent with U.S. standards of protection and enforcement as well as emerging international standards. Enforcement of IPR laws, however, has been inconsistent. A number of raids, cases and prosecutions have been pursued; however, resource constraints and lack of coordinated government action impede efficient enforcement efforts. Piracy of works protected by copyright and infringement of other forms of intellectual property, such as trademarks, remains problematic in Guatemala.

### **Transparency of Regulatory System**

[Return to top](#)

Tax, labor, environment, health and safety laws do not directly impede investment in Guatemala. Bureaucratic hurdles are common for both domestic and foreign companies, including lengthy processes to open and close a business, obtain permits and licenses, and receive shipments. The legal and regulatory systems are confusing and not transparent. Regulations often contain few explicit criteria for government administrators, resulting in ambiguous requirements that are applied inconsistently by different government agencies and the courts.

Public participation in the promulgation of regulations is rare, although companies and individuals are able to submit comments to the issuing government office with limited effect. There is no consistent legislative oversight of administrative rule making.

### **Efficient Capital Markets and Portfolio Investment**

[Return to top](#)

Guatemala's capital markets are weak and inefficient. There are two principal commercial exchanges that deal almost exclusively in commercial paper and government bonds. Foreign investors are reported to be large holders of Guatemalan government debt. There is no market in publicly traded equities, the absence of which raises the cost of capital and complicates mergers and acquisitions. As of November 2007, borrowers faced a weighed average nominal interest rate of 13.3 percent with some banks charging up to 57 and 75 percent. Foreigners rarely rely on the local credit market to finance investments.

In April 2002, the Guatemalan Congress passed a package of financial sector regulatory reforms that increased the regulatory and supervisory authority of the Superintendent of Banks (SIB), which is responsible for regulating the financial services industry. These reforms brought local practices more in line with international standards and spurred a round of bank consolidation and restructuring. The pending insurance law mentioned earlier will also strengthen supervision of the insurance sector.

The 2002 reforms required that non-performing assets held offshore be included in loan loss provision and capital adequacy ratios. This forced a number of smaller banks to

seek new capital, buyers, or mergers with stronger banks. From October 2006 to August 2007, six bank mergers/purchases were announced, and four were completed. Further consolidation of the banking system is expected in 2008.

Groups of affiliated credit card, insurance, finance, commercial banking, leasing, and related companies must issue consolidated financial statements prepared in accordance with uniform, generally accepted accounting practices. The groups are audited and supervised on a consolidated basis.

Guatemala's 22 commercial banks had an estimated USD 14.8 billion in assets among them in 2007. The five largest banks control about 77 percent of total assets. In addition, there are about 17 non-bank financial institutions, which perform primarily investment banking and medium and long-term lending, and two exchange houses.

Overall, the banking system remains stable. Two bank failures in 2006 and 2007 were managed effectively and did not affect the financial system or broader economy. In October 2006, the SIB recommended that Guatemala's fourth largest bank, Bancafe, be suspended due to financial problems arising from an off-shore investment of USD 204 million in the bankrupt U.S. commodities brokerage company Refco. As a result, the financial group headed by the suspended bank was dissolved and the license of its off-shore bank was canceled. In January 2007, the license for Banco de Comercio was suspended after the bank requested intervention by the SIB due to its overextended loan portfolio.

## **Political Violence**

[Return to top](#)

The Guatemalan government and the guerrillas of the Guatemalan National Revolutionary Unity (URNG) signed the Accord for a Firm and Lasting Peace on December 29, 1996, ending the 36-year internal armed conflict. Though there are occasional incidents of violence associated with organized land invasions and protests against mining, political violence has virtually disappeared.

However, common crime, including kidnapping, car-jacking and robberies of banks and armored cars, is a major problem in Guatemala. Security was a major campaign issue in the 2007 presidential election and remains a widespread concern, according to public opinion surveys. Foreigners are not singled out as the targets of crime.

Guatemala has a 140 year-old border dispute with Belize, and territorial sea disputes with Belize and Honduras. It remains committed to resolving these disputes through diplomatic means although ongoing talks with Belize under the auspices of the Organization of American States (OAS) have not achieved significant progress to date. Honduras is participating in the Guatemala-Belize discussions to resolve its maritime dispute with Guatemala.

## **Corruption**

[Return to top](#)

Bribery is illegal under the penal code; however, corruption remains a serious problem that companies may encounter at many levels. Guatemala's score on the Transparency International 2007 Corruption Perceptions Index was 2.8 points out of 10, ranking it 25th out of 32 countries in the region (111<sup>th</sup> overall).

Guatemala ratified the UN Convention against Corruption in November 2006. Guatemala ratified the Inter-American Convention against corruption in July 2001, but

has not implemented all of its provisions, such as criminalizing illicit enrichment. Changes in the law made government officials who benefit from narcotics trafficking activities subject to criminal penalties.

Guatemala enacted measures to reverse the perceived increase in government corruption under the Portillo administration (2000-2003), but progress has been slow. Various senior officials who served during the Portillo administration were investigated and sentenced for their role in corruption scandals including the former Superintendent of Tax Administration, Minister of Interior, Comptroller General, and Minister of Finance.

Investors have historically found corruption especially pervasive in customs transactions, particularly at ports and borders away from the capital. Guatemala became a full party to the WTO Customs Valuation Agreement on August 10, 2004. The Superintendent of Tax Administration (SAT) launched a customs modernization program in November 2006 that implemented an advanced electronic manifest system and removed many corrupt customs officials.

Guatemala's Government Procurement Law requires most government purchases over 900,000 quetzals (approximately USD 118,000) to be submitted for public competitive bidding. Since March 2004, Guatemalan government entities have been required to use Guatecompras, an Internet-based electronic procurement system, which improved transparency in the government procurement process. Although the number of entities using Guatecompras has increased, some government agencies continue to use parallel systems of public procurement (such as spending through international organizations or NGOs) to avoid auditing and public bidding.

## **Bilateral Investment Agreements**

[Return to top](#)

CAFTA-DR contains a chapter on investment similar to a Bilateral Investment Treaty with the U.S. Guatemala has signed bilateral investment agreements with Argentina, Austria, Belgium, Cuba, Chile, Ecuador, Finland, France, Germany, Italy, South Korea, Spain, Sweden, Switzerland, Taiwan, the Czech Republic, and The Netherlands.

In addition to CAFTA-DR, Guatemala has signed bilateral or regional free trade agreements with Chile, Mexico, the Dominican Republic, Colombia, and Taiwan, and is currently negotiating FTA agreements with Canada, Panama, and the European Union.

## **OPIC and Other Investment Insurance Programs**

[Return to top](#)

Guatemala ratified the Multilateral Investment Guarantee Agreement (MIGA) in 1996.

The Overseas Private Investment Corporation (OPIC) is active in Guatemala, providing both insurance and investment financing. OPIC applicants have generally been able to quickly obtain Foreign Government Approval (FGA). For more information on OPIC programs, U.S. investors should contact OPIC headquarters in Washington, D.C. at tel. (202) 336-8799 or go to [www.opic.gov](http://www.opic.gov).

According to the Central Bank of Guatemala, the exchange rate of Quetzals to the U.S. Dollar in 2007 remained relatively stable with a high of 7.75 and a low of 7.6.

## **Labor**

[Return to top](#)

An estimated 1.2 million individuals are employed in the formal sector and an estimated three million more work in the informal sector, including those who are too young for formal sector employment. In rural areas in particular, child labor remains a serious problem in certain industries. The availability of a large, unskilled and inexpensive labor force has led many employers, such as construction and agricultural firms, to use labor-intensive production methods. Over a quarter of the overall workforce is illiterate. In developed urban areas, however, education levels are much higher, and a workforce with the skills necessary to staff a growing service sector has emerged. Even so, highly capable technical and managerial workers remain in short supply, with secondary and tertiary education focused on social science careers.

No special laws or exemptions from regular labor laws are provided for the export processing zones. Managers of Guatemalan companies must be either Guatemalan citizens or resident aliens with work permits. Employer responsibilities regarding working conditions, especially health and safety standards, benefits, severance pay, premium pay for overtime work, minimum wages and bonuses, are specified in the labor code. Mandatory benefits, bonuses, and employer contributions to the Social Security system can add up to over 60 percent of an employee's base pay. Many workers, however, especially in agriculture, do not receive the full compensation package mandated in the labor law, and in practice labor rights are not well enforced.

The Constitution guarantees the right of workers to unionize and to strike and commits the state to support and protect collective bargaining as well as respect international labor conventions. Despite these legal guarantees, the rate of unionization in Guatemala remains low. According to Labor Ministry statistics, only 8 percent of the formal sector labor force is unionized

#### **Foreign-Trade Zones/Free Ports**

[Return to top](#)

Guatemalan law permits the establishment of free trade zones (FTZs). As of 2007, thirteen of eighteen authorized FTZs were operational. Commercial activities and apparel assembly operations are the main beneficiaries of Guatemala's free trade and "maquiladora" laws. Investment incentives are specified in law and are available, with few exceptions, to both foreign and Guatemalan investors without discrimination.

#### **Foreign Direct Investment Statistics**

[Return to top](#)

According to data from the Guatemalan Central Bank (Banguat), the flow of foreign direct investment (FDI) in 2005 totaled USD 226.8 million, increased by 56 percent in 2006 to USD 353.8 million, and is projected to reach USD 535 million in 2007. There is no reliable data on stock of FDI. The increase of FDI registered between 2005 and 2007 is attributable to CAFTA-DR's entry into force.

Major U.S. companies, including investors (representative, but not a complete listing):

3M Company  
ACS/BPS  
American International Group  
Ashmore Energy  
AT&T Corporation  
Bristol Myers Squibb  
Cargill

Chevron Corporation  
Chiquita Brands International  
Citibank  
Duke Energy  
Exxon Mobil  
Federal Express  
Frito Lay

Kellogg Company  
Kimberly Clark Corp.  
Marriott International  
Microsoft Corporation  
Pepsi-Co Bottling Co.  
Pfizer Warner Lambert Co.  
Phillip Morris International  
Procter & Gamble Co.

Ralston Purina  
Sears  
Sherwin Williams  
Teco Energy  
Wal-Mart  
Westin Hotels and Suites  
Xerox Corporation

Other major foreign investors:

Barcelo Hotel  
BD Centroamericana  
Bimbo de C.A.  
Cindal-Nestle  
ELEKTRA  
ERICSSON DE GUATEMALA

Shell Oil  
Siemens  
Telefonica de Espana  
Telmex  
Union Fenosa

## Web Resources

[Return to top](#)

- Secretariat for Central American Economic Integration: <http://www.sieca.org.gt>
- Superintendence of Banks: <http://www.sib.gob.gt>
- Guatemalan Central Bank: <http://www.banguat.gob.gt>
- Superintendence of Tax Administration: <http://www.sat.gob.gt>
- Guatemalan Ministry of Economy: <http://www.mineco.gob.gt>
- Guatemalan Investment Office: <http://www.investinguatemala.org>
- Guatemalan procurement internet-based system: <http://www.guatecompras.gt>
- Guatemalan Exporters' Association: <http://www.export.com.gt>
- Guatemalan Chamber of Commerce: <http://www.negociosenguatemala.com>
- Guatemalan Chamber of Industry: <http://www.industriaguatemala.com>
- Office of the United States Trade Representative: <http://www.ustr.gov>
- OPIC: <http://www.opic.gov>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

### How Do I Get Paid (Methods of Payment)

[Return to top](#)

The most secure means of payment is cash in advance or an irrevocable letter of credit. However, many Guatemalan imports are financed through short term (typically 60 day) lines of credit. Generally, these are extended directly by the U.S. exporter to the Guatemalan importer. This method of financing is usually only available to large importers and long-term clients. The larger Guatemalan importers frequently have their own source of capital abroad, which can be used to finance or to leverage financing for imports. U.S. exporters should exercise caution when extending credit. The pursuit of claims against Guatemalan firms for lack of payment can be time-consuming and costly.

### How Does the Banking System Operate

[Return to top](#)

Capital markets in Guatemala are weak and inefficient, though some consolidation and restructuring have begun as a result of financial reforms approved in the past few years. The Guatemalan financial sector is currently comprised of 22 operational commercial banks, 17 non-bank financial institutions specializing in investment operations, two licensed exchange houses, 17 insurance companies, 11 financial guarantors, 8 credit card issuers, 15 bonded warehouses, and 10 offshore banks which, by law, are affiliated with domestic financial groups. The Superintendence of Banks is charged with regulating the financial services industry.

Previous banking regulations and practices allowed banks and other financial institutions freedom in valuing assets and evaluating the performance and quality of those assets. Financial regulations passed by the Guatemalan Congress in April 2002 have increased the scope of supervision and brought local practices more in line with international standards. The 2002 regulations included a new Banking and Financial Groups Law, a Financial Supervision Law and the Central Bank Law

The Guatemalan Congress also passed strong anti-money laundering legislation in December 2001. The Financial Action Task Force removed Guatemala from the list of non-cooperating countries in July 2004. Terrorism finance legislation was passed in August 2005. For more information on the banking system please read the subsection Efficient Capital Markets and Portfolio Investment of the Investment Climate Chapter.

### Foreign-Exchange Controls

[Return to top](#)

Guatemala maintains an open and unrestricted exchange regime. The exchange rate moves in response to market conditions. The government sets one reference rate, which it applies only to its own transactions and which is based on the commercial rate. The Central Bank intervenes in the foreign exchange market only to prevent sharp movements. There are no legal constraints on remittances or any other capital flows, or delays in acquiring foreign exchange. Since May 2001, banks are permitted to offer accounts and conduct business in any foreign currency.

#### U.S. Banks and Local Correspondent Banks

[Return to top](#)

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The Central Bank intervenes in the foreign exchange market only to prevent sharp movements. There are no legal constraints on remittances or any other capital flows, or delays in acquiring foreign exchange. Since May 2001, banks are permitted to offer accounts and conduct business in any foreign currency. The Guatemalan Bank Association site has a link to most Guatemalan banks and its correspondent U.S. banks. More information at: [www.abg.org.gt/](http://www.abg.org.gt/)

#### Project Financing

[Return to top](#)

A wide variety of sources of project financing are available in Guatemala, both from U.S. and international organizations. The U.S. Overseas Private Investment Corporation (OPIC), EXIMBANK, and the U.S. Trade and Development Agency (USTDA) are all involved in private sector projects in Guatemala and after CAFTA-DR implementation have shown interest in participating in more projects in the Region. The International Finance Corporation (IFC-World Bank Group), the Multi-Lateral Investment Guaranty Agency (MIGA), the World Bank and the Inter-American Development Bank are all active players in project finance in Guatemala, especially when projects coincide with these organizations' priorities related to the implementation of Guatemala's peace accords. The Central American Bank of Economic Integration (CABEI) continues to play an important role in many projects, especially those related to public services and infrastructure.

#### Web Resources

[Return to top](#)

- Export-Import Bank of the United States: [www.exim.gov](http://www.exim.gov)
- Country Limitation Schedule: [www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)
- OPIC: [www.opic.gov](http://www.opic.gov) & Trade and Development Agency: [www.tda.gov/](http://www.tda.gov/)
- SBA's Office of International Trade: [www.sba.gov/oit/](http://www.sba.gov/oit/)
- USDA Commodity Credit Corporation: [www.fsa.usda.gov/ccc/default.htm](http://www.fsa.usda.gov/ccc/default.htm)
- U.S. Agency for International Development: [www.usaid.gov](http://www.usaid.gov)
- Guatemalan Central Bank: [www.banguat.gob.gt](http://www.banguat.gob.gt)
- Guatemalan Superintendence of Banks: [www.sib.gob.gt](http://www.sib.gob.gt)

[Return to table of contents](#)

## Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

## **Business Customs**

[Return to top](#)

Guatemala, with a population of over 13.3 million, has the largest economy of Central America and is one of the most important U.S. trading partners in the Caribbean Basin region. Guatemalan business executives and government officials place great importance on personal contacts with suppliers. U.S. suppliers should be prepared to have a local representative or distributor and to travel to Guatemala personally. Travelers often are surprised at the accessibility to key decision-makers and by the openness and frankness of local buyers.

U.S. executives interested in pursuing business in Guatemala should approach local business people in the same manner than they would good clients in the United States. Exporters should be prepared to explain how their products and services can complement existing products and systems.

Dress code during Guatemala City business appointments depends on the type of meetings planned. If planning to visit factories or plants, blazers and khakis are allowed but no shorts or sandals. If this is a first business meeting it is better to err on the side of more formal attire. It is advisable to exchange business cards.

Promotional material should be in Spanish and emphasize U.S. origin. Though many private and public officials speak and read English, many technicians and engineers do not. Guatemalans are extremely receptive to technical presentations that are educational rather than sales oriented.

## **Travel Advisory**

[Return to top](#)

Guatemala has a developing economy, characterized by wide income disparities. Hotels and other tourist facilities in the principal tourist sites most frequented by visitors from the United States are generally good to excellent. Violent crime is a serious concern due to endemic poverty, an abundance of weapons, a legacy of social violence, and dysfunctional law enforcement and judicial systems.

Read the Department of State Background Notes on Guatemala with more detailed information on traveling to Guatemala.

[http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1129.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1129.html)

## **Visa Requirements**

[Return to top](#)

### Entry and Exit Requirements:

A valid U.S. passport is required for all U.S. citizens, regardless of age, to enter Guatemala and to depart Guatemala for return to the U.S. Even if dual nationals are permitted to enter Guatemala on a second nationality passport, U.S. citizens returning to the United States from Guatemala are not allowed to board their flights without a valid U.S. passport. Certificates of Naturalization, birth certificates, driver's licenses, and photocopies are not accepted by Guatemalan authorities as alternative travel documents. While in Guatemala, U.S. citizens should carry their passports, or a photocopy of their passports, with them at all times.

An exit tax must be paid when departing Guatemala by air. The exit tax (currently \$30) is generally included in an airline ticket price, but may be charged separately. There is an additional airport security fee (20 Quetzales, approximately \$3.00) that all travelers must pay at the airport.

A U.S. citizen whose passport is lost or stolen in Guatemala must obtain a new passport at the U.S. Embassy as soon as possible and present it, together with a police report of the loss or theft, to the Direccion de Migracion (Guatemalan Immigration Agency), Assistant Director for Migratory Control, to obtain permission to depart Guatemala. The agency is located at 6 Avenida 3-11, Zona 4, Guatemala City. Office hours are weekdays from 8:00 a.m. to 4:00 p.m.; telephone 2411-2411. No fee is charged by Guatemalan immigration for this service.

In June 2006, Guatemala entered a "Central America-4 (CA-4) Border Control Agreement" with El Salvador, Honduras, and Nicaragua. Under the terms of the agreement, citizens of the four countries may travel freely across land borders from one of the countries to any of the others without completing entry and exit formalities at Immigration checkpoints. U.S. citizens and other eligible foreign nationals, who legally enter any of the four countries, may similarly travel among the four countries, without obtaining additional visas or tourist entry permits for the other three countries. Immigration officials at the first port of entry determine the length of stay, up to a maximum period of 90 days.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security issues are handled via an interagency process. Due to mandatory screening requirements, this process can take a little longer. Requests for a U.S. Visa should be submitted as early as possible. Visa applicants should go to the following links for further information.

- State Department Visa Website: <http://travel.state.gov/visa/index.html>
- United States Visas: <http://www.unitedstatesvisas.gov/>
- Visa forms: [http://evisaforms.state.gov/instructions\\_Spanish.asp](http://evisaforms.state.gov/instructions_Spanish.asp)
- Other visa information: [http://guatemala.usembassy.gov/niv\\_general\\_info.html](http://guatemala.usembassy.gov/niv_general_info.html)

### **Telecommunications**

[Return to top](#)

The use of Internet is widely accessible, by computers or laptops. Hotels offer Internet telephone service and cellular phone systems can be used in Guatemala City. Calls can be placed to the U.S. without any problem. Cell phones have to be programmed for

roaming to Central America. Calls can also be placed through hotel operators or directly with AT&T, MCI, Sprint, Comtech Amigo calling cards, or collect. Telefonica of Spain, Telmex of Mexico and other international companies are competing in the market, providing telecommunications services, including Internet. There are many public phone booths around the city for use with calling cards.

## Transportation

[Return to top](#)

Businesspersons can access Guatemala through airlines, several of which have direct flights to the US. U.S. airlines operating between Guatemala and the United States are: American Airlines, Delta Airlines, Continental Airlines, United Airlines, Spirit and U.S. Airways. Other airlines operating in Guatemala are: TACA, COPA, Iberia, Cubana de Aviacion, and Mexicana de Aviacion. There are direct flights between Guatemala and Miami, New Orleans, Los Angeles, New York, Washington D.C., Dallas, Atlanta, Houston and Charlotte.

Transportation between airport and hotels is available by taxis. The most important hotels have shuttle service to/from airport. Rent-a-Car companies are available, such as Avis, Hertz, Budget, National, Alamo, etc. However, traffic is very heavy and disorderly in the capital, Guatemala City. It is more advisable to take taxis from the major hotels and dispatch taxis such as Taxis Amarillos (yellow cabs). Public bus transportation is not recommended as it is not up to U.S. standards.

Please take note that the international Airport La Aurora is under reconstruction and expansion, as it has long outgrown its capacity. Though inaugurated in December 2007, construction is ongoing as of March, 2008.

## Language

[Return to top](#)

Spanish is the official language in Guatemala. Many firms are accustomed to work in English; however, correspondence should be in Spanish. Catalogs and technical literature should be provided with a careful translation.

## Health

[Return to top](#)

*Medical Facilities and Health Information:* A full range of medical care is available in Guatemala City, but medical care outside the city is limited. Guatemala's public hospitals frequently experience serious shortages of basic medicines and equipment. Care in private hospitals is generally adequate for most common illness and injuries, and many of the medical specialists working in them are U.S. trained and certified.

*Food:* Most well-known restaurants in Guatemala serve safe food and beverages. As in any part of the world, common sense must prevail. Hot food should be eaten hot, and cold food should be cold. Meat should be well cooked.

*Drink:* Bottled drinks are considered safe. Tap water is not considered potable. Commercially available water bottled in Guatemala from the Salvavidas plant has been judged safe for consumption. Be sure the heat-molded seal on the bottleneck has not been broken. All the reputable restaurants in Guatemala use ice from commercial sources and it is considered safe. Contrary to notices occasionally posted in some

hotels, water from spigots and other non-bottled sources should not be considered safe to drink.

Information on vaccinations and other health precautions such as insect bite protection may be obtained from the Centers of Disease Control and Prevention's hotline for international travelers at 1-877-FYI-TRIP (1-877-394-8747) or via CDC's Internet site at <http://www.cdc.gov/travel/default.aspx>. For information about outbreaks of infectious diseases abroad and further health information for travelers consult the World Health Organization's (WHO) web site at <http://www.who.int/en>.

*Medical Insurance:* The Department of State strongly urges Americans to consult with their medical insurance company prior to traveling abroad to confirm whether their policy applies overseas and whether it will cover emergency expenses such as medical evacuations.

### **Local Time, Business Hours, and Holidays**

[Return to top](#)

#### *Local Time:*

The hour in Guatemala is 1 hour behind the Eastern Standard Time, example:

Guatemala: 12:00 noon    Chicago: 12:00 noon    Miami: 1:00 p.m.

This changes to 2 hours during daylight savings time, since Guatemala does not make the switch.

#### *Business Hours:*

Business hours for commercial and industrial offices are between 08:00 and 18:00 hours, Monday through Friday. Manufacturing plants and constructions start at 07:00 and close between 16:00 and 17:00. Banks are open to the public at 09:00 and close at 18:00. Auto drive-through banking closes at 8:00 p.m. Some banks have automatic tellers that are open all night.

#### *Holidays:*

The following are U.S. and Guatemalan holidays observed during calendar year 2008:

January 1	Tuesday New Year	(A & G)
January 21	Monday Martin Luther King's Birthday	(A)
February 18	Monday Presidents Day	(A)
March 20	Thursday Holy Thursday	(G)
March 21	Friday Good Friday	(G)
May 1	Thursday Guatemalan Labor Day	(G)
May 26	Monday Memorial Day	(A)
June 30	Monday Army Day	(G)
July 4	Friday U.S. Independence Day	(A)
August 15	Friday Feast of the Assumption	(G)
September 1	Monday U.S. Labor Day	(A)
September 15	Monday Guatemala Independence Day	(G)
October 13	Monday Columbus Day	(A)
October 20	Monday Revolution Day	(G)
November 11	Tuesday Veterans Day	(A)
November 27	Thursday Thanksgiving Day	(A)

December 24	Wednesday Christmas Eve – half day	(G)
December 25	Thursday Christmas Day	(A & G)
December 31	Wednesday New Year’s Eve – half day	(G)

Note: A: American Holidays, G: Guatemalan Holidays

In addition, the banking sector celebrates the following holiday:

July 1            Bank Worker’s Day

**Temporary Entry of Materials and Personal Belongings** [Return to top](#)

The temporary entry of materials and personal belongings for personal use while in Guatemala, such as camera equipment, cellular telephones, laptop computers, etc., is generally not a problem. Larger quantities of products and display systems for participation in trade events or tools and equipment for projects should be imported temporarily with the assistance of a customs broker, or with the help of the particular event organizer.

**Web Resources** [Return to top](#)

- Department of State, travel and travel warning information: [http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1129.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1129.html)
- State Department Visa Website: <http://travel.state.gov/visa/index.html>
- United States Visas.gov: <http://www.unitedstatesvisas.gov/>
- Visa forms: [https://evisaforms.state.gov/instructions\\_Spanish.asp](https://evisaforms.state.gov/instructions_Spanish.asp)
- U.S. Bureau of Consular Affairs: <http://travel.state.gov>  
[http://guatemala.usembassy.gov/niv\\_application\\_process.html](http://guatemala.usembassy.gov/niv_application_process.html)
- World Health Organization: <http://www.who.int/ith> - <http://www.who.int/en>
- Guatemala Embassy, Wash.D.C.: <http://guatemala-embassy.org>
- Customs Assistance: <http://exchanges.state.gov/culprop/gt97fr01.html>
- U.S. Embassy in Guatemala: <http://usembassy.state.gov/guatemala>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 9: Contacts, Market Research, and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

### Contacts

[Return to top](#)

#### Oficina Guatemalteca de Acreditacion (OGA)

Address: Calzada Atanasio Tzul 27-32, Zona 12  
01012 Guatemala  
Ph.: [502] 2476-6783 / 87  
Contact: Sr. Juan Alberto Hernandez  
E-mail: [info-oga@mail.mineco.gob.gt](mailto:info-oga@mail.mineco.gob.gt)  
Web page: [www.mineco.gob.gt/mineco/calidad/](http://www.mineco.gob.gt/mineco/calidad/)

#### National Quality Systems Direction

Address: Calzada Atanasio Tzul 27-32, Zona 12  
01012 Guatemala  
Ph.: [502] 2476-6784 / 87  
Fax: [502] 2476-6777  
Contact: Sr. Juan Alberto Hernandez  
Email: [info-calidad@mail.mineco.gob.gt](mailto:info-calidad@mail.mineco.gob.gt)  
Web page: [www.mineco.gob.gt/mineco/calidad/direccion.htm](http://www.mineco.gob.gt/mineco/calidad/direccion.htm)

#### National Center of Metrology

Address: Calzada Atanasio Tzul 27-32, Zona 12  
01012 Guatemala  
Ph.: [502] 2476-6784 / 87  
Contact: Sr. Juan Alberto Hernandez  
Email: [info-metrologia@mail.mineco.gob.gt](mailto:info-metrologia@mail.mineco.gob.gt)  
Web page: [www.mineco.gob.gt/mineco/calidad/metrologia.htm](http://www.mineco.gob.gt/mineco/calidad/metrologia.htm)

#### Guatemalan Standards Commission (COGUANOR)

Address: Comision Guatemalteca de Normas  
Calzada Atanasio Tzul 27-32, Zona 12  
01012 Guatemala  
Ph.: [502] 2476-6784/87  
Fax: [502] 2476-6785  
Contact: Sr. Juan Alberto Hernandez  
Email: [coguanor@mail.mineco.gob.gt](mailto:coguanor@mail.mineco.gob.gt)  
Web page: [www.mineco.gob.gt/mineco/coguanor/](http://www.mineco.gob.gt/mineco/coguanor/)

#### Consumer Service and Support Board (DIACO)

Direccion de Atencion y Asistencia al Consumidor  
Address: 7<sup>a</sup>. Avenida 7-61 Zona 4

01004 Guatemala  
Ph.: [502] 2361-0772 / 74  
Fax: [502] 2220-8894  
Contact: Lic. Silvia Padilla  
Email: [diacoquejas@mail.mineco.gob.gt](mailto:diacoquejas@mail.mineco.gob.gt)  
Web page: [www.diacogob.gt](http://www.diacogob.gt)

Ministry of Agriculture  
Unidad de Políticas e Información Estratégica, Área de Información  
Address: 5a. Avenida 8-06, Zona 9  
01009 Guatemala  
Ph.: 502-2334-1048/2361-7786/2360-4425  
Contact: Raul Rene Robles Avila, Minister  
Web page: [www.magagob.gt](http://www.magagob.gt)

Ministry of Public Health  
Ministerio de Salud Pública y Asistencia Social de Guatemala  
Address: 6ª Avenida 3-45, Zona 11  
01011 Guatemala  
Ph.: 502-2475-2122 to 28  
Contact: Dr. Eusebio Del Cid, Minister  
Email: [info@mispas.gob.gt](mailto:info@mispas.gob.gt)  
Web page: [www.mispas.gob.gt](http://www.mispas.gob.gt)

Valuables and Merchandise Registry (Ministry of the Economy)  
Registro de Valores y Mercancías  
Address: 7a. Avenida 7-61, Zona 4 Nivel 3  
Guatemala, Guatemala 01004  
Ph.: 502-2361-2793 to 94/95  
Fax: 502-2361-2796  
Contact: Lic. Hector Eduardo Palacios Macias, Registrador  
Email: [epalacios@mineco.gob.gt](mailto:epalacios@mineco.gob.gt)  
Web page: [www.mineco.gob.gt/mineco/rvm/index.htm](http://www.mineco.gob.gt/mineco/rvm/index.htm)

The Regional International Organization for Agriculture and Fishing Sanitation (*Organismo Internacional Regional de Sanidad Agropecuaria* -- OIRSA) provides technical assistance in matters concerning sanitary measures, standards, technical regulations and the facilitation of trade to Guatemala, Mexico, Belize, El Salvador, Honduras, Nicaragua, Costa Rica and Panama.

OIRSA - Guatemala  
Address: 21a. Avenida 3-12, Zona 15  
010015 Guatemala  
Ph.: 502-2369-5900  
Contact: Dr. Hernan Alvarado, Representative

OIRSA – El Salvador  
Address: Calle Ramon Belloso, Final Pasaje Isolde, Colonia Escalon  
San Salvador, El Salvador  
Contact: Dr. Luis Alberto Espinoza Rodezno  
Email: [lespinoza@ns1.oirsa.org.sv](mailto:lespinoza@ns1.oirsa.org.sv)

Diario de Centro America (daily newspaper)  
Address: 18 Calle 6-72, Zona 1  
Edificio Tipografia Nacional  
01001 Guatemala  
Ph.: 502-2277-3777 Management, ext. 3700  
Contact: Licda. Ana Maria Rodas, Manager  
Email: [info@dca.gob.gt](mailto:info@dca.gob.gt)  
Web page: [www.dca.gob.gt](http://www.dca.gob.gt)

### **Major Hotels**

Hotel Clarion Suites  
Address: 14 Calle 3-08, Zona 10  
01010 Guatemala  
Ph.: 502-2421-3333  
Fax: 502-2363-5766  
Contact: Sr. Omar Martinez, General Manager  
E-mail: [reservas@clarionguatemala.com](mailto:reservas@clarionguatemala.com)  
Web page: [www.hotelclarionguatemala.com](http://www.hotelclarionguatemala.com)

Hotel Westin Camino Real  
Address: Calle Camino Real 0-20, Zona 10  
01010 Guatemala  
Ph.: 502-2333-3000  
Fax: 502-2337-4313  
Contact: Sr. Juan Gurrola, General Manager  
E-mail: [reservaciones@caminoreal.com.gt](mailto:reservaciones@caminoreal.com.gt)  
Web page: [www.caminoreal.com.gt](http://www.caminoreal.com.gt)

Hotel Guatemala City Marriott  
Address: 7a. Avenida 15-45, Zona 9  
01009 Guatemala  
Ph.: 502-2410-1777  
Fax: 502-2332-1877  
Contact: Sr. Germinal Garcia, General Manager  
E-mail: [reservacionesguatemala@marriott.com.gt](mailto:reservacionesguatemala@marriott.com.gt)  
Web page: [www.marriott.com](http://www.marriott.com)

Hotel InterContinental  
Address: 14 Calle 2-51, Zona 10  
01010 Guatemala  
Ph.: 502-2379-4444  
Fax: 502-2379-4445  
Contact: Sra. Dominique Gole, General Manager  
E-mail: [inter.gua@gruporeal.com](mailto:inter.gua@gruporeal.com)  
Web page: [www.intercontinental.com](http://www.intercontinental.com)

Hotel Princess Reforma  
Address: 13 Calle 7-65, Zona 9  
01009 Guatemala

Ph.: 502-2423-0909  
Fax: 502-2334-4546  
Contact: Sr. Augusto Suarez, General Manager  
E-mail: [reservaciones@hotelesprincess.com](mailto:reservaciones@hotelesprincess.com)  
Web page: [www.hotelesprincess.com](http://www.hotelesprincess.com)

Hotel Crowne Plaza Guatemala  
Address: Avenida Las Americas 9-08, Zona 13  
01013 Guatemala  
Ph.: 502-2422-5000  
Fax: 502-2422-5001  
E-mail: [reservas@cpguatemala.com.gt](mailto:reservas@cpguatemala.com.gt)  
Web page: [www.crowneplaza.com](http://www.crowneplaza.com)

Hotel Radisson & Suites  
Address: 1a. Avenida 12-46, Zona 10  
01010 Guatemala  
Ph.: 502-2421-5151  
Fax: 502-2332-9772  
Contact: Sr. Luis Meneses, General Manager  
E-mail: [radisson@radissonguatemala.com](mailto:radisson@radissonguatemala.com)  
Web page: [www.radisson.com](http://www.radisson.com)

Hotel Tikal Futura Guatemala  
Address: Calzada Roosevelt 22-43, Zona 11  
01011 Guatemala  
Ph.: 502-2439-1234  
Fax: 502-2440-4050  
Contact: Sr. Jose Antonio Mendez, General Manager  
E-mail: [hotel@grandtikalfutura.com.gt](mailto:hotel@grandtikalfutura.com.gt)  
Web page: [www.grandtikalfutura.com](http://www.grandtikalfutura.com)

Hotel Vista Real  
Address: Km. 9, Final Boulevard Los Proceres, Zona 15  
01015 Guatemala  
Ph.: 502-2427-0000  
Fax: 502-2427-0001  
Contact: Sr Mariano Beltranena, General Manager  
E-mail: [info@vistareal.com](mailto:info@vistareal.com)  
Web page: [www.vistareal.com.gt](http://www.vistareal.com.gt)

Hotel Holiday Inn Guatemala  
Address: 1a. Avenida 13-22, Zona 10  
01010 Guatemala  
Ph.: 502-2421-0000  
Fax: 502-2332-2584  
Contact: Sr. Carlos Roesch, General Manager  
E-mail: [reservaciones@hinn.com.gt](mailto:reservaciones@hinn.com.gt)  
Web page: [www.hinn.com.gt](http://www.hinn.com.gt)

Hotel Mercure Casa Veranda

Address: 12 Calle 1-24, Zona 10  
Ph: 502-2411-4100  
Fax: 502-2411-4117  
Contact: Maria Fernanda Alvarado, Hotel Manager  
E-mail: [reserves@mercurecasaveranda.com.gt](mailto:reserves@mercurecasaveranda.com.gt)  
Web page: [www.mercure.com](http://www.mercure.com)

### ***U.S. Embassy Trade-Related Contacts***

Patricia Wagner  
Commercial Counselor  
Guatemala  
[patricia.wagner@mail.doc.gov](mailto:patricia.wagner@mail.doc.gov)

Bob Hoff  
Regional Agricultural Counselor  
[bob.hoff@usda.gov](mailto:bob.hoff@usda.gov)

Karla Tay  
Agricultural Marketing Specialist  
[Karla.Tay@usda.gov](mailto:Karla.Tay@usda.gov)

Drew Blakeney  
Political and Economic Counselor  
[BlakeneyD@state.gov](mailto:BlakeneyD@state.gov)

Brian Harris  
Economic Officer  
[Harrisbf2@state.gov](mailto:Harrisbf2@state.gov)

Wayne Nilsestuen  
Director, USAID  
[Wnilsestuen@usaid.gov](mailto:Wnilsestuen@usaid.gov)

### ***Country Trade or Industry Associations in Key Sectors***

Asociacion de Gerentes de Guatemala - AGG  
(Guatemalan Managers Association)  
Address: 6a. Avenida 1-36, Zona 14  
01014 Guatemala  
Ph.: 502-2427-4900  
Fax: 502-2367-5006 to 7  
Contact: Sr. Alvaro Urruela, Executive Director  
Rolando Archila Dehesa, President  
E-mail: [servicio@agg.org.gt](mailto:servicio@agg.org.gt)  
Web page: [www.agg.org.gt](http://www.agg.org.gt)

Asociacion Gremial de Exportadores de Productos No Tradicionales  
(AGEXPORT) (Association of Exporters of Non-Traditional Products)  
Address: 15 Avenida 14-72, Zona 13  
01013 Guatemala

Ph.: 502-2422-3400  
Fax: 502-2422-3434  
Contact: Lida. Fanny de Estrada, Executive Director  
Lic. Luis Godoy ,President  
E-mail: [informacion@agexport.org.gt](mailto:informacion@agexport.org.gt)  
Web page: [www.export.com.gt](http://www.export.com.gt)

Comite Coordinador de Asociaciones Agricolas,  
Comerciales, Industriales y Financieras (CACIF)  
(Coordinating Committee of Agricultural, Commercial, Industrial and Financial  
Associations)

Address: Edificio Camara de Industria, Nivel 9  
Ruta 6, 9-21, Zona 4  
01004 Guatemala

Ph.: 502-2331-0651 / 2332-1794  
Fax: 502-2334-7025  
Contact: Sr. Roberto Ardon, Executive Director  
Lic. Jose Pivaral, President  
E-mail: [cacif@itelgua.com](mailto:cacif@itelgua.com)  
Web page: [www.cacif.org.gt](http://www.cacif.org.gt)

Camara de Industria de Guatemala  
(Guatemalan Chamber of Industry)

Address: Ruta 6 9-21, Zona 4  
Edificio Camara de Industria, Nivel 12  
01004 Guatemala

Ph.: 502-2331-9191 / 2334-4848  
Fax: 502-2334-1090  
Contact: Lic. Ricardo Sagastume, Director  
Lic. Carlos Enrique Zuñiga, President  
E-mail: [contactemos@industriaguatemala.com](mailto:contactemos@industriaguatemala.com)  
Web page: [www.industriaguatemala.com](http://www.industriaguatemala.com)

Camara de Comercio de Guatemala  
(Guatemala's Chamber of Commerce)

Address: 10 Calle 3-80, Zona 1  
01001 Guatemala  
Ph.: 502-2253-5353 or 2232-4545 or 2326-8888  
Fax: 502-2220-9393  
Contact: Lic. Edgardo Wagner, President  
E-mail: [info@camaradecomercio.org.gt](mailto:info@camaradecomercio.org.gt)  
Web page: [www.negociosenguatemala.com](http://www.negociosenguatemala.com)

Camara Empresarial de Guatemala (CAEM)  
(Entrepreneurial Chamber of Guatemala)

Address: Ruta 6, 9-21, Zona 4  
Edificio Camara de Industria, Nivel 9  
01004 Guatemala  
Ph.: 502-2331-6513 / 2334-6878 to 80  
Fax: 502-2331-6513  
Contact: Sr. Roberto Fernandez Botran, President

E-mail: Sr. Edgar Maselli, Vice-President  
[caem@concyt.gob.gt](mailto:caem@concyt.gob.gt)  
Web page: N/A

Camara Guatemalteca de la Construcción  
(Guatemalan Construction Industry Chamber)

Address: Ruta 4, 3-56, Zona 4  
01004 Guatemala  
Ph.: 502-2387-2727/ 2878 / 2756  
Fax: 502-2334-5308  
Contact: Sr. Marco Tulio Reyna, Manager  
Sr. Rodolfo Gandara, President  
E-mail: [cgc@concyt.gob.gt](mailto:cgc@concyt.gob.gt)  
Web page: [www.construguate.com.gt](http://www.construguate.com.gt)

American Chamber of Commerce of Guatemala, AMCHAM

Address: 5ª. Ave. 5-55, Zona 14  
Edificio Europlaza, Nivel 5, Torre I  
01014 Guatemala  
Ph.: [502] 2333-3899  
Fax: [502] 2368-3536  
Contact: Licda. Carolina Castellanos, Executive Director  
Lic. Jose Orive, President  
E-mail: [director@amchamguate.com](mailto:director@amchamguate.com)  
Web page: [www.amchamguate.com](http://www.amchamguate.com)

Asociacion Nacional del Cafe (ANACAFE)  
(National Coffee Association)

Address: 5a. Calle 0-50, Zona 14  
01014 Guatemala  
Ph.: [502] 2421-3700  
Fax: [502] 2333-7730 / 2373-3138  
Contact: Sra. Lucrecia Rodriguez, General Manager  
E-mail: [comercializacion@anacafe.org](mailto:comercializacion@anacafe.org) & [guatecoffee@gold.guate.net](mailto:guatecoffee@gold.guate.net)  
Web page: [www.anacafe.org](http://www.anacafe.org)

Asociacion de Azucareros de Guatemala (ASAZGUA)  
(Sugar Growers Association)

Address: 6a. Calle 6-38, Zona 9  
Edificio Tivoli Plaza, Nivel 7  
01009 Guatemala  
Ph.: [502] 2331-3087 / 2334-0628 / 2331-3049  
Fax: [502] 2331-8191  
Contact: Sr. Armando Boesh, General Manager  
Sr. Fraternal Vila, President  
E-mail: [asazgua@azucar.com.gt](mailto:asazgua@azucar.com.gt)  
Web page: [www.azucar.com.gt](http://www.azucar.com.gt) (under construction)

### ***Country Government Offices***

Ministerio de Economia

(Ministry of Economy)

Address: 8a. Avenida 10-43, Zona 1  
01001 Guatemala  
Ph.: 502-2238-3330 to 39 or 2232-0290 / 2253-0903  
Fax: 502-2238-2413  
Contact: Minister pending to be designated  
E-mail: N/A  
Web page: [www.mineco.gob.gt](http://www.mineco.gob.gt)

Ministerio de Finanzas Publicas

(Ministry of Public Finances)

Address: 8a. Avenida y 21 Calle, Zona 1  
01001 Guatemala  
Ph.: 502-2248-5001 to 5006  
Fax: 502-5203-8937  
Contact: Lic. Juan Alberto Fuentes Knight, Minister  
E-mail: N/A  
Web page: [www.minfin.gob.gt](http://www.minfin.gob.gt)

Ministerio de Comunicaciones, Infraestructura y Vivienda  
(Ministry of Communications, Transportation and Public Works)

Address: 8a. Avenida y 15 Calle, Zona 13  
01013 Guatemala  
Ph.: 502-2362-6051 / 2362-6056 to 8  
Fax: 502-2362-6066  
Contact: Ing. Luis Alejos, Minister  
E-mail: [comunicaciones@comunicaciones.gov.gt](mailto:comunicaciones@comunicaciones.gov.gt)  
Web page: [www.civ.gob.gt](http://www.civ.gob.gt)

Ministerio de Trabajo y Prevision Social

(Ministry of Labor and Social Welfare)

Address: 7ª. Avenida 3-33, Zona 9  
Edificio Torre Empresarial  
01001 Guatemala  
Ph.: 502-2362-9869/2362-9889/2422-2500/2503  
Fax: 502-2362-9954  
Contact: Lic. Edgar Alfredo Rodriguez, Minister  
E-mail: [ministro@mintrabajo.gob.gt](mailto:ministro@mintrabajo.gob.gt)  
Web page: [www.mintrabajo.gob.gt](http://www.mintrabajo.gob.gt)

Ministerio de Relaciones Exteriores

(Ministry of Foreign Affairs)

Address: 2a. Avenida 4-17, Zona 10  
01010 Guatemala  
Ph.: 502-2410-0000  
Fax: 502-2331-8410 / 2331-7938  
Contact: Lic. Haroldo Rodas Melgar, Minister  
E-mail: [webmaster@minex.gob.gt](mailto:webmaster@minex.gob.gt)  
Web page: [www.minex.gob.gt](http://www.minex.gob.gt)

Ministerio de Energia y Minas  
(Ministry of Energy and Mines)

Address: Diagonal 17 29-78, Zona 11  
01011 Guatemala  
Ph.: 502-2477-0743 or 2476-0382 / 2476-0680  
Fax: 502-2467-3175  
Contact: Ing. Carlos Meany, Minister  
E-mail: N/A  
Web page: [www.mem.gob.gt](http://www.mem.gob.gt)

Ministerio de Agricultura, Ganaderia y Alimentacion  
(Ministry of Agriculture, Livestock and Nutrition)

Address: 7a. Avenida 12-90, Zona 13  
Edificio Monja Blanca  
01013 Guatemala  
Ph.: 502-2362-4764 / 53 / 56 / 58  
Fax: 502-2332-8302  
Contact: Lic. Raul Rene Robles, Minister  
E-mail: [magadest@intelnet.net.gt](mailto:magadest@intelnet.net.gt)  
Web page: [www.maga.gob.gt](http://www.maga.gob.gt)

Ministerio de Gobernacion  
(Ministry of Government)

Address: 6a. Avenida 13-71, Zona 1  
01004 Guatemala  
Ph.: 502-2413-8888  
Fax: 502-2413-8888  
Contact: Dr. Vinicio Gomez, Minister  
E-mail: [mingober@intelnet.net.gt](mailto:mingober@intelnet.net.gt)  
Web page: [www.mingob.gob.gt](http://www.mingob.gob.gt)

Ministerio de Salud Publica y Asistencia Social  
(Ministry of Public Health and Social Assistance)

Address: 6a. Avenida 3-45, Zona 11  
01011 Guatemala  
Ph.: 502-2475-2121 to 22 or 2475-2125 to 29  
Fax: 502-2475-2168 or 2440-6286  
Contact: Dr. Eusebio del Cid , Minister  
E-mail: [sigsa@mspas.gob.gt](mailto:sigsa@mspas.gob.gt)  
Web page: [www.mspas.gob.gt](http://www.mspas.gob.gt)

Ministerio de Ambiente y Recursos Naturales  
(Ministry of Environment and Natural Resources)

Address: 20 Calle 28-58, Zona 10  
01010 Guatemala  
Ph.: 502-2423-0500  
Fax: 502-2423-0500x 1204  
Contact: Dr. Luis Alberto Ferrate, Minister  
E-mail: [scastillo@marn.gob.gt](mailto:scastillo@marn.gob.gt)  
Web page: <http://www.marn.gob.gt/>

Instituto Guatemalteco de Turismo -INGUAT-  
(Guatemalan Tourism Institute)

Address: 7a. Avenida 1-17, Zona 4  
01004 Guatemala  
Ph.: 502-2331-1333 to 47  
Fax: 502-2331-8893  
Contact: Lic. Julio Eduardo Orozco, Director  
E-mail: [inguat@guate.net](mailto:inguat@guate.net)  
Web page: [www.visitguatemala.com](http://www.visitguatemala.com)

Banco de Guatemala (BANGUAT)  
(Bank of Guatemala)

Address: 7a. Avenida 22-01, Zona 1  
01001 Guatemala  
Ph.: 502-2429-6000/2485-6000  
Fax: 502-2253-4035  
Contact: Licda. Maria Antonieta de Bonilla, President  
Lic. Manuel Alonso, General Manager  
E-mail: [crga@banguat.com.gt](mailto:crga@banguat.com.gt)  
Web page: [www.banguat.gob.gt](http://www.banguat.gob.gt)

Ventanilla Unica de Inversiones - Ministerio de Economia  
(One-Stop Investment Office - Ministry of Economy)

Address: 8a. Avenida 10-43, Zona 1  
01001 Guatemala  
Ph.: 502-2361-0776  
Fax: 502-2361-0776  
Contact: Licda. Karina Posadas, Director  
E-mail: [inversiones@mail.mineco.gob.gt](mailto:inversiones@mail.mineco.gob.gt)  
Web Page: [www.mineco.gob.gt](http://www.mineco.gob.gt)

Intendencia de Aduana  
(Central Customs)

Address: 7a. Avenida 3-73, Zona 9  
01009 Guatemala  
Ph.: 502-2329-7070 Ext.1701/02  
Fax: 502-2329-7070  
Contact: Oscar Funes, Intendente  
E-mail: N/A  
Web page: [www.sat.gob.gt](http://www.sat.gob.gt)

Registro Mercantil (Mercantile Registry)

Address: 7a Avenida 7-61 y 7-63, Zona 4  
01004 Guatemala  
Tel / Fax: 502-2332-7678 or 2331-0119 /Ext 225  
Contact: Lic. Arturo Saravia Altolaquirre, Director  
E-mail: N/A  
Web page: [www.registromercantil.gob.gt](http://www.registromercantil.gob.gt)

Invest in Guatemala

Address: 10<sup>a</sup>. Calle 3-17, Zona 10

Edificio Aseguradora General, 4º Nivel  
01010 Guatemala  
Ph.: 502-2421-2484  
Fax: 502-2421-2480/2460  
Contact: Ing. Rodolfo Batres, General Director  
E-mail: [manager@investinguatemala.org](mailto:manager@investinguatemala.org)  
Web Page: [www.investinguatemala.org](http://www.investinguatemala.org)

Instituto Nacional de Electrificación (INDE)  
(National Electrification Institute)  
Address: 7a. Avenida 2-29, Zona 9  
01009 Guatemala  
Ph.: 502-2422-1920 / 2040 / 2160 / 1800  
Fax: 502-2334-5811  
Contact: Lic Alberto David Cohen Mory, General Manager  
E-mail: [gerenciaservicios@inde.gob.gt](mailto:gerenciaservicios@inde.gob.gt)  
Web page: [www.inde.gob.gt/inde.htm](http://www.inde.gob.gt/inde.htm)

Telecomunicaciones de Guatemala, S.A. (TELGUA)  
Address: 7a. Avenida 12-39, Zona 1  
01001 Guatemala  
Ph.: 502-2230-4555 or 2323-2000  
Contact: Sr. Jose Formoso, General Manager  
E-mail: [cpalmieri@telgua.com.gt](mailto:cpalmieri@telgua.com.gt)  
Web page: [www.telgua.com](http://www.telgua.com)

### ***Country Market Research Firms***

Note: There are no known firms in Guatemala that are dedicated exclusively to market research. The following firms provide a wide range of business consulting services:

Ernest & Young, S.A.  
Address: 5a. Avenida 5-55, Zona 14  
Edif. Europlaza Torre I  
Niv.12 Of. 1203  
01014, Guatemala CA  
Ph.: 502-2386-2400  
Fax: 502-2385-5951  
Contact: Lic. Tulischth Francisco Diaz, Director  
E-mail: [eyguate@intelnet.net.gt](mailto:eyguate@intelnet.net.gt)  
Web page: [www.ey.com](http://www.ey.com)  
Languages: English-Spanish  
Accounting Specialization: Auditing, Financial Advisor, Consultants, Income Tax, Economic Feasibilities.

KPMG Guatemala  
Address: 7a. Avenida 5-10, Zona 4  
Torre I, Nivel 16 Centro Financiero  
01004 Guatemala  
Ph.: 502-2334-2628  
Fax: 502-2331-5477

Contact: Lic. Arturo Aldana, Director  
E-mail: [kpmg@kpmg.com.gt](mailto:kpmg@kpmg.com.gt)  
Web page: N/A

Price Waterhouse Coopers, S.A.  
Address: 6a. Calle 6-38, Zona 9  
Edificio Tivoli Plaza, Nivel 2 Of. 214  
01009 Guatemala  
Ph.: 502-2420-7800  
Fax: 502-2331-2819  
Contact: Lic. Carlos E. Parra, Director  
E-mail: [nora.galindo@gt.pwc.com](mailto:nora.galindo@gt.pwc.com)  
Web page: [www.pwcglobal.com](http://www.pwcglobal.com)

Tuncho Granados  
Address: 6ª. Avenida 20-25, Zona 10  
Plaza Maritima, Of. 9-3  
01010 Guatemala  
Ph.: 502-2334-5115 / 2331-7216  
Fax: 502-2362-0200  
Contact: Sr. Tuncho Granados, Director  
E-mail: [tuncho@c.net.gt](mailto:tuncho@c.net.gt)  
Web page: [www.c.net.gt/taxconsult](http://www.c.net.gt/taxconsult)

Lara, Aranky, Ramos & Asociados, S.C. -Deloitte-  
Address: 5a. Avenida 5-55, Zona 14  
Edificio Euro Plaza Torre IV Nivel 8 /  
010014 Guatemala  
Ph.: 502-2384-6500  
Fax: 502-2384-6555  
Contact: Lic. Rolando Lara, Director  
E-mail: [lara.aranky@deloitte.com.gt](mailto:lara.aranky@deloitte.com.gt)  
Web page: [www.deloitte.com](http://www.deloitte.com)

Horwath de Guatemala, S.A.  
Address: Avenida La Reforma 7-62, Zona 9  
Edificio Aristos Reforma, Of. 802  
01009 Guatemala  
Ph.: 502-2362-9222  
Fax: 502-2362-9221  
Contact: Sr. Julio Cesar Vasquez  
E-mail: [horwath@horwathguate.com](mailto:horwath@horwathguate.com)  
Web page: [www.horwathguate.com](http://www.horwathguate.com)

### ***Country Commercial Banks***

Banco AgroMercantil  
Address: 7a. Avenida 7-30, Zona 9  
01009 Guatemala  
Ph.: 502-2338-6565 to 2338-6666  
Fax: 502-2338-6566

Contact: Sr. Rafael Viejo, General Manager  
E-mail: [acifuentes@bam.com.gt](mailto:acifuentes@bam.com.gt)  
Web page: [www.agromercantil.com.gt](http://www.agromercantil.com.gt)

**Banco G&T Continental**

Address: 6a. Avenida 9-08, Zona 9  
01009 Guatemala  
Ph.: 502-2338-6801 or 2338-6838 Ext. 1383  
Fax: 502-2338-6868  
Contact: Lic. Flavio Montenegro, General Manager  
E-mail: [consultas@gytcontinental.com.gt](mailto:consultas@gytcontinental.com.gt)  
Web page: [www.gytcontinental.com.gt](http://www.gytcontinental.com.gt)

**Banco de Exportacion, S.A. (BANEX)**

Address: Avenida La Reforma 11-49, Zona 10  
01010 Guatemala  
Ph.: 502-2424-1414  
Fax: 502-2332-2879  
Contact: Sr. Roberto Ortega, General Manager  
E-mail: [info@banexfigsa.com](mailto:info@banexfigsa.com)  
Web page: [www.banexfigsa.com](http://www.banexfigsa.com)

**Banco del Quetzal**

Address: 7a. Avenida 6-26, Zona 9  
Plaza El Roble  
01009 Guatemala  
Ph.: 502-2323-1111 / 2423-1111 / 2334-0611 to 12  
Fax: 502-2426-1046  
Contact: Ing. Hector Ramirez, Gerente General  
E-mail: [negocios@banquetzal.com.gt](mailto:negocios@banquetzal.com.gt)  
Web page: [www.banquetzal.com.gt](http://www.banquetzal.com.gt)

**Banco de Occidente, S.A.**

Address: 7a. Avenida 7-33, Zona 9  
01009 Guatemala  
Ph.: 502-2279-9000 / 9370  
Fax: 502-2339-7803 / 26  
Contact: Sr. Pedro Aguirre, President  
E-mail: [occidente@occidente.com.gt](mailto:occidente@occidente.com.gt)  
Web page: [www.occidentecorp.com.gt](http://www.occidentecorp.com.gt)

**Banco Industrial, S.A.**

Address: Edificio Centro Financiero, Torre 1  
7a. Avenida 5-10, Zona 4  
01004 Guatemala  
Ph.: 502-2420-3000 / 1717  
Fax: 502-2360-8621  
Contact: Sr. Luis Lara, General Manager  
E-mail: [llara@bi.com.gt](mailto:llara@bi.com.gt) and [dpulido@bi.com.gt](mailto:dpulido@bi.com.gt)  
Web page: [www.bi.com.gt](http://www.bi.com.gt)

Banco Inmobiliario, S.A.

Address: 7a. Avenida 11-59, Zona 9  
Edificio Galerias España  
01009 Guatemala  
Ph.: 502-2429-3700 or 2339-3777  
Fax: 502-2332-1418  
Contact: Sr. Nery Mejia, General Manager  
E-mail: [info@bcoinmob.com.gt](mailto:info@bcoinmob.com.gt)  
Web page: [www.bcoinmob.com.gt](http://www.bcoinmob.com.gt)

Banco Internacional, S.A.

Address: Avenida La Reforma, 15-85, Zona 10  
Edificio Torre Internacional  
01010 Guatemala  
Ph.: 502-2366-6666 ext. 2521  
Fax: 502-2230-1859  
Contact: Sr. Juan Manuel Ventas, General Manager  
E-mail: [Info@bancointernacional.com.gt](mailto:Info@bancointernacional.com.gt)  
Web page: [www.bancointernacional.com.gt](http://www.bancointernacional.com.gt)

Banco de Desarrollo Rural, S.A. (BANRURAL)

Address: Avenida La Reforma 2-56, Zona 9  
01009 Guatemala  
Ph.: 502-2426-1100 / 2426-1200  
Fax: 502-2360-9740  
Contact: Sr. Adolfo Fernando Peña, General Manager  
E-mail: [spena@banrural.com.gt](mailto:spena@banrural.com.gt) and [msamayoa@banrural.com.gt](mailto:msamayoa@banrural.com.gt)  
Web page: [www.banrural.com.gt](http://www.banrural.com.gt)

Banco Privado para el Desarrollo, S.A. (BANCASOL)

Address: 7a. Avenida 8-46, Zona 9  
01009 Guatemala  
Ph.: 502-2423-6666  
Fax: 502-2361-7217  
Contact: Sr. Jose Maria Escamilla, President  
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[administrador@bancasol.com.gt](mailto:administrador@bancasol.com.gt)  
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Corporacion Financiera Nacional

Address: 11 Avenida 3-14, Zona 1  
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Contact: Sr. Carlos Rodolfo De Leon H., General Manager  
E-mail: [corfina@guate.net](mailto:corfina@guate.net)  
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ViviBanco, S.A.

Address: 6a. Avenida 12-98, Zona 9  
01009 Guatemala

Ph.: 502-2277-7878  
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Address: Diagonal 6, 10-26, Zona 10  
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Web page: [www.larepublica.com](http://www.larepublica.com)

Banco de los Trabajadores

Address: Avenida Reforma 6-20, Zona 9  
01009 Guatemala  
Ph.: 502-2385-3000 / 2339-8600  
Fax: 502-2339-4549  
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E-mail: [servicio\\_cliente@bantrab.net.gt](mailto:servicio_cliente@bantrab.net.gt)  
Web page: [www.bantrab.com.gt](http://www.bantrab.com.gt)

Banco Uno, S.A.

Address: 18 Calle 5-56, Zona 10  
Blvd. Los Proceres, Edificio Unicentro  
01010 Guatemala  
Ph.: 502-2366-1818 / 2366-8866  
Fax: 502-2366-3475  
Contact: Sr. Alvaro Stein, General Manager  
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Lloyds TSB Bank PLC, Sucursal Guatemala

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Corpobanco

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01010 Guatemala  
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#### Banco America Central

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Edificio Las Margaritas 2  
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Contact: Lic. Guillermo Cifuentes, General Manager  
E-mail: [bacinfo@bac.com.gt](mailto:bacinfo@bac.com.gt)  
Web page: [www.bac.net/guatemala/esp/banco/index.html](http://www.bac.net/guatemala/esp/banco/index.html)

#### Banco CentroAmericano de Integracion Economica (BCIE)

Address: 16 Calle 7-44, Zona 9  
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Fax: 502-2331-1457  
Contact: Lic. Luis Fernando Andrade, Regional Manager  
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Ph.: 502-2250-2000  
Fax: 502-2250-2201  
Contact: Lic. Manuel Lopez Lara, General Manager  
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Web Page: [www.bancocuscatlan.com](http://www.bancocuscatlan.com)

#### Banco de Antigua

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Fax: 502-2361-2095  
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Web page: N/A

#### Westrust Bank

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01014 Guatemala  
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Fax: 502-2363-2089  
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E-mail: [bancoreformador@bancoreformador.com](mailto:bancoreformador@bancoreformador.com)  
Web page: [www.bancoreformador.com/index.asp](http://www.bancoreformador.com/index.asp)

**Banco SCI**

Address: Ave. La Reforma 9-76, Zona 9  
Edificio SCI Centre  
01009 Guatemala  
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Web page: [www.corpobancosci.com.gt](http://www.corpobancosci.com.gt)

***Multilateral Development Bank Offices***

**Inter-American Development Bank (IADB)**

Address: 12 Calle 1-25, Zona 10  
Edificio Geminis 10, Torre Sur, Nivel 18, Oficina 1802  
01010 Guatemala  
Ph.: 502-2379-9393  
Fax: 502-2335-3319  
Contact: Sr. Gerard Johnson, Representative  
E-mail: [cof/cgu@iadb.org](mailto:cof/cgu@iadb.org)  
Web page: [www.iadb.org](http://www.iadb.org)

**World Bank (WB)**

Address: 13 Calle 3-40, Zona 10  
Edificio Atlantis, Nivel 14, Ofic. 1402  
01010 Guatemala  
Ph.: 502-2366-2044  
Fax: 502-2366-1936  
Contact: Sra. Neeta Sirur, Representative  
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Web page: [www.worldbank.org](http://www.worldbank.org) or [www.bancomundial.org.gt](http://www.bancomundial.org.gt)

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Trade Information Center - U.S. Department of Commerce – TPCC -

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U.S. Department of Commerce  
International Trade Administration

Office for Latin America and the Caribbean

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Washington, D.C. 20230

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U.S. Department of Agriculture  
Foreign Agricultural Service  
Trade Assistance Promotion Office

Address: Ag. Box 1052  
Washington, D.C. 20250

Ph.: 202-720-7420

Fax: 202-690-0193

Web page: [www.fas.usda.gov](http://www.fas.usda.gov)

U.S. Department of State  
WHA/Office of Central American Affairs

Address: 2201 C Street, N.W., Room No. 5906, Main State  
Washington, D.C. 20520

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Fax: 202-647-2597

Contact: Sara Craig, Guatemala Desk Officer

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Web page: [www.state.gov](http://www.state.gov)

Export-Import Bank of the United States (EXIMBANK)  
International Business Development

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Washington, D.C. 20571

Ph.: 202-565-3412

Fax: 202-565-3331

Contact: Jeffry Abramson, Manager-Workouts Restructuration

E-mail: [Jeffry.Abramson@exim.gov](mailto:Jeffry.Abramson@exim.gov)

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U.S. Trade and Development Agency (TDA)

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Contact: Kate Maloney, Country Manager for Central America & Mexico

E-mail: [KMaloney@ustda.gov](mailto:KMaloney@ustda.gov) or [Info@tda.gov](mailto:Info@tda.gov)

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4/18/2008

U.S. Overseas Private Investment Corporation (OPIC)

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Washington, D.C. 20527

Ph.: OPIC Automated Information Line: 202-336-8799

Fax: OPIC Fax Line (for written inquiries): 202-408-9859

## Market Research

[Return to top](#)

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

## Trade Events

[Return to top](#)

Please click on the link below for information on upcoming trade events.

- [www.export.gov/tradeevents.html](http://www.export.gov/tradeevents.html)
- [www.buyusa.gov/guatemala](http://www.buyusa.gov/guatemala)

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

Products and Services offered in CS Guatemala

<http://www.buyusa.gov/guatemala/en/servicesprovidedbycsguatem.html>

[Return to table of contents](#)

U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

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