

# U.S. Country Commercial Guides



## Guatemala 2020

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## **Doing Business in Guatemala**

### **Market Overview**

The United States and Guatemala enjoy a growing trade relationship, which became even stronger after implementation of the U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR). As of January 1, 2015, most U.S. consumer and industrial goods enter CAFTA-DR countries duty free (for goods that meet the country of origin requirements). The United States is Guatemala's largest trading partner accounting for nearly 40 % of Guatemala's trade.

In general, the Agreement has been very successful for all parties. Intra-regional trade among Central American countries and the Dominican Republic increased from \$6.3 billion in 2010 to more than \$10 billion by 2018. U.S. goods exports to Central America and the Dominican Republic have more than doubled since 2004 (prior to the Agreement taking effect for the first signatories). Nevertheless, the Agreement has been unable to solve some of the region's most serious problems – including physical insecurity and corruption.

U.S. merchandise exports to Guatemala were \$6.8 billion in 2019. Leading U.S. exports to Guatemala include mineral fuel, oil, machinery, electric machinery and cereals (corn, wheat and rice). U.S. imports from Guatemala totaled \$4.2 billion in 2019, a slight increase from 2018. U.S. imports include edible fruits and nuts; knit apparel; coffee, tea and spices; woven apparel; edible vegetables, roots and tubers.

Guatemalan GDP grew an estimated 4% in 2019, reaching an estimated \$85.30 billion. In 2020, due to the Covid-19 pandemic, current estimate is that GDP will contract by 2.5%.

U.S. products and services enjoy strong brand recognition in Guatemala, and U.S. firms have a good reputation in the Guatemalan marketplace. It is estimated that approximately 200 U.S. firms have a presence in the market.

The preliminary data from the Bank of Guatemala (BANGUAT) show that the flow of FDI totaled \$998.2 million in 2019 (1.17% of GDP), a 3.1% decline compared to 2018. Industries that attracted most of the FDI flows over the last three years were commerce, manufacturing, electricity, banking and insurance, and telecommunications. The United States invested a total of \$284.3 in 2019, and it was expected to grow in 2020, but the pandemic crisis is expected to change that forecast.

A key component to Guatemala's economy is remittances from migrants, most of whom have settled in the United States. In 2019, remittances increased by 12.9% and were equivalent to 13.8 % of the GDP. However, remittances are projected to decline sharply by about 20% in 2020 due to the economic crisis caused by the Covid-19 pandemic.

The economy is largely informal, with estimates upwards of 70% of employment and 22% of GDP. This is one of the reasons that Guatemala's tax revenue is the lowest in the region at 10% of gross domestic product and ranks 209<sup>th</sup> out of 220 countries in terms of revenues. A low tax base combined with a reluctance to take on sovereign debt have resulted in government expenditures also being low. Guatemala's governmental expenditures are equivalent to only 12% of gross domestic product compared to a regional average of 18%.

### **Market Challenges**

The political situation in Guatemala is marked by continuing corruption scandals and widespread calls for reform. The 2020 World Bank Ease of Doing Business survey ranks Guatemala 96 out of 190 countries – 176<sup>th</sup>

in terms of enforcing contracts. Despite the January 2020 inauguration of a new president who campaigned on tackling high levels of corruption, we have not yet seen any evidence to contradict the rationale supporting those rankings.

In Guatemala, many commercial successes are hard fought. We have observed a growing number of complaints from U.S. stakeholders and companies regarding corruption and transparency issues within the country. Cases of unfair treatment against U.S. companies continue to reflect significant negative impact on Guatemala's investment climate.

The U.S. government advocates for U.S. companies on the whole and for the use of open, fair, and transparent tenders in government procurement and in accordance with CAFTA-DR obligations allowing open participation by U.S. companies.

Other concerns such as violent crime and weak judicial institutions remain serious challenges. Issues related to the Certificate of Origin and classification of goods continuously represent an obstacle to access preferential tariffs. Additionally, widespread procurement corruption, impunity, labor rights abuses, protection of intellectual property, food insecurity, poor education & infrastructure, and deep socio-economic divisions continue to be challenges for the government.

Communist China has begun to make significant inroads in Central America with respect to investment – and consequently influence. Chinese trade with Central America has increased by 70% in the past five years. China has recently emerged as the second largest trading partner for much of Central America. The Chinese now broadening their engagement beyond exports of simple household electronics and motorbikes and is now aggressively pursuing major infrastructure projects in the region such as energy plants, seaports, and telecommunications.

## **Market Opportunities**

Guatemalan businesspeople are accustomed to doing business with the United States, and key contacts in the large corporations are fluent in English. They also travel regularly to the United States to conduct business and attend trade shows and conferences related to their field.

The Guatemalan market is competitive and price-sensitive. Businesspeople expect good after-sales service and support. U.S. brands enjoy a good and long-standing reputation in the market for superior quality, and for offering the after-sales support that competitors may not supply.

Despite a growing Asian presence in certain markets, the Guatemalans value conducting business with a neighbor partner who stands behind the “Made in the U.S.A.” label.

As a signatory member of CAFTA-DR, Guatemalan importers and business representatives of U.S. products obtain CAFTA-DR benefits for their products when conducting business with the United States.

Under CAFTA-DR, more than half of U.S. agricultural exports now enter Central America and the Dominican Republic duty free. The remaining tariffs on virtually all U.S. agricultural products will be eliminated by 2020. CAFTA-DR is the third largest Latin American market for U.S. goods, surpassed only by Mexico and Brazil.

In 2017, Guatemala began the implementation of the Trade Facilitation Agreement, under the WTO. Guatemala's participation in this initiative will benefit commerce through harmonization and automated systems in Customs, less discretionary rulings, increased public-private sector dialogue, certainty and transparency on doing business internationally.

In 2019, a customs integration agreement was formalized between the three countries of the Northern Triangle - Guatemala, Honduras and El Salvador. The Central America Customs Union facilitates the flow of people and merchandise within the sub-region.

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. However, the country needs to overcome several of the challenges aforementioned in order to make Guatemala a truly business and investment friendly market.

### **Market Entry Strategy**

Companies should consider their own resources, previous export or business experience abroad, and long-term business strategy before entering the Guatemalan market. U.S. products and services enjoy an excellent reputation in Guatemala. One of the most common market entry options is finding a local agent or distributor. Other approaches include licensing, franchising, and identifying local partners for market knowledge and contacts.

The U.S. Department of Commerce, United States Commercial Service (CS) offers customized solutions to help U.S. companies, including small- and medium-sized enterprises, succeed in Guatemala. Given the regional nature of this market, this will often include consideration of market opportunities in other Central America countries as well. More information can be found at [www.export.gov](http://www.export.gov)

In addition, the U.S. Department of Agriculture's Foreign Agricultural Service (FAS) provides equivalent-level trade services at no cost for U.S. companies interested in exporting agricultural, fishery, and forestry products through their Agricultural Trade Offices.

## Leading Sectors for U.S. Exports and Investment

### Automotive Aftermarket and Accessories

#### Overview

Guatemala continues to be an important market for automotive parts and accessories. In 2019, the sector showed a 4% increase in sales from previous years. According to the Guatemala Vehicle Importers Association, the increase derived in response to fair economic conditions in the market. However, as a result of Covid-19, the market has seen a reduction in sales of new cars and as the pandemic has diminished demand.

On average, Guatemalans keep their automobiles for five to seven years before purchasing a newer model. To supply the demand for those who wish to purchase a new vehicle at a lower cost, an important number of informal importers purchase damaged cars at auctions in the United States. These importers repair the automobiles and refurbish them locally for later re-sale.

As of January 2020, the total number of vehicles in Guatemala was 3.9 million units - including motorcycles. This number represents over 74% increase in the last ten years.

Approximately 1.2 million vehicles circulate through Guatemala City every day. Also, as the country continues with restrictions of movement due to the pandemic, citizens are using their cars less frequently therefore the need for after service and parts has also decreased by approximately 20%.

Most vehicles require continuous maintenance and replacement services. Imported parts and equipment are sold to local mechanic shops, service stations and gas stations. The significant volume of used vehicles in circulation and the poor conditions of the roads have contributed to the need for repair equipment and parts.

The U.S. is the source of 37% of all automotive parts, accessories and service equipment with the remaining percentage of imports coming from South Korea, Mexico, Japan, China, Brazil, India and Europe. A significant number of Asian manufacturers are represented in the market selling a large volume low-priced product. It is estimated that almost 75% of the cars circulating in Guatemala are manufactured by Asian brands.

	2017	2018	2019	2020 est.
Total Exports	16,024	17,626	17,874	18,157
Total Imports	519,131	55,470	571,224	584,364
Imports from the US	121,748	130,271	138,627	140,004
Exchange Rates	7.50	7.50	7.50	7.50

(total market size = (total local production + imports) - exports)

Units: \$ thousands

Source: SIECA Guatemala, Central America Data Express

### **Leading Sub-Sectors**

The most promising sub-sectors for U.S. products within the industry include aftermarket products such as: hydraulic brake fluids, liquids for hydraulic transmission systems, lead-acid, piston engines, used pneumatic tires or rubber, parts and accessories for suspension systems, oil and fuel filters, bumpers, spoilers, tail lights, wheels, sound systems, alarms, radial tires, batteries, suspension kits, mufflers, air filters, chips, exhaust systems, brakes, windshield wipers, spark plugs, wheel covers, and steering wheels.

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

### **Opportunities**

To supply the large demand for aftermarket products, service tools and equipment, there are more than one hundred spare parts and service agencies in Guatemala. The majority of agents and distributors, whether they are large companies or small entrepreneurs, are continually looking at new alternatives to offer their customers.

It is very important to note that this market is price driven and that Asian brands are well positioned in the market. Innovative, unusual products present a good opportunity for U.S. manufacturers as long as the prices remain competitive.

Market Size: 3.9 million vehicles (January 2020)

U.S. Auto Parts Exports: \$138.6 million in 2019

Impact of Tariff Reduction: Under DR-CAFTA, U.S. manufactured automotive parts enter Guatemala at 0% import duty. U.S. companies can take advantage on these cost savings by applying to benefits under DR CAFTA when exporting to Guatemala.

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.

### **Web Resources**

- 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.ccg.com.gt](http://www.ccg.com.gt)
- Tax information official website: [www.sat.gob.gt](http://www.sat.gob.gt)
- Customs Vehicle Park Statistics: <https://portal.sat.gob.gt/portal/parque-vehicular/>
- Statistical information: [www.sec.sieca.int/](http://www.sec.sieca.int/)

### **Information**

Interested parties may contact Commercial Specialist Antonio Prieto at [antonio.prieto@trade.gov](mailto:antonio.prieto@trade.gov)



## **Safety and Security Equipment**

### **Overview**

Guatemala continues to face security issues related to narcotics trafficking, organized crime, social economic disparity, and poverty. Most serious crimes are committed by local gangs.

An ineffective and insufficient police force combined with a lack of prosecutions and convictions, contribute to Guatemala's security problems.

Weak institutions, remote areas without state presence, and the country's geographic position between the drug producing nations of South America and consumers in the United States have made Guatemala an attractive territory for drug traffickers and other organized criminal groups.

Citizens have little confidence in the local law enforcement agencies. Companies and individual citizens recognize the inability of the police to protect private property rights and this has led many to take security into their own hands. Guatemala has seen an increase in hired private security and demand for security systems. The country has 130,000 private security guards but only 40,000 active police officers.

However, there has been a marked decrease in the homicide rate, ending 2019 at 21.5 per 100,000 people. The country recorded 3,578 killings in 2019, down from 3,881 murders and a homicide rate of 22.4 in 2018.

The private security sector in Guatemala is growing fast; approximately 10 to 12% of a typical company's budget is invested in private security. The Northern triangle countries of Guatemala, El Salvador and Honduras have the largest concentration of private security firms in the region.

According to security statistics in Guatemala:

- There are currently more than 215 companies offering private security
- There are than 494,000 registered guns and approximately 1.5 million illegal guns in the country
- An estimated 400 tons of cocaine is smuggled through Guatemala every year
- The cost of a patrol to accompany a trailer from a port to the capital starts at \$150, an additional custodian guard costs \$87. Placing a satellite chip in a trailer truck costs \$700 plus a monthly payment of \$40 for the maintenance of the service

A new competitive challenge has emerged in the safety & security industry, the same new threat that is growing in Latin America: Chinese interference and influence. Communist China's presence is widely known as they are supporting all major Chinese manufacturers of cameras, video recorders and other security equipment by offering below-market value pricing and unlimited financing for security projects overseas.

This not only affects the private market, in which they offer very low-cost products, but also for government procurement. The Chinese offer strong financial assistance, in order to secure contracts around the world. Guatemala is no exception.

According to local businesspeople, the business practices are hurting Chinese brands as well. Chinese manufacturers are not loyal to their long-standing distributors in the region. If they can sell more products to another distributor in the country, they will do so and not inform their current distributor.

Due to this business strategy, they have cannibalized the market and prices are in an all-time low. As a result, distributors are not making profits as in the past.

	2017	2018	2019	2020 estimated
Total Exports	23,744	25,243	25,863	26,360
Total Imports	623,574	634,657	635,551	634,122
Imports from the US	314,088	322,554	328,795	333,001
Exchange Rates	7.50	7.50	7.50	7.50

Units: \$ thousands  
Source: SIECA Guatemala

### Leading Sub-Sectors

U.S. products have a 50% market share. Most of the well-known brand companies from the U.S. have a distributor or agent locally and offer training, installation and after-sales service.

CCTV cameras have gained immense popularity across the country with diverse application segments and we project high growth in the upcoming years. The growing use of CCTV in schools, hospitals, streets and retail sector is expected to ensure the development of the market in the country.

Due to the Covid-19 pandemic, there has been an increase in demand for thermal cameras that monitor a human's temperature. Private-sector companies, as well as the government have begun installing thermal cameras at the entry points to their buildings.

Best prospects for products and services in the security and safety sector include:

- Tracking devices
- CCTV
- GPS and RFID technology
- Token
- Metal detectors (manual and arc type)
- Biometrics
- Perimeter security
- Alarms
- Access control equipment
- Armored vehicles
- Drones

### Opportunities

Personal security products, protection products and high-tech solutions and services have the most significant opportunities. All security products are imported since there is no local production. Import taxes for these products range from 0 to 15 % and free duty entrance under CAFTA - DR, plus the value added tax of 12 %.

We are in constant contact with security and safety equipment importers as well as the Security Chamber of Guatemala, in order to keep track of market trends, and importers interested in U.S. made products. We promote and send a delegation of importers each year to the ISC Expo and to ASIS International Expo.

**Web Resources**

- Secretariat for the Central American Economic Integration: [www.sieca.int](http://www.sieca.int)
- Guatemalan Government Purchasing Website: [www.guatecompras.gt](http://www.guatecompras.gt)
- Guatemalan Security Association: <https://www.facebook.com/gremialdeseguridad/>

**Information**

Interested parties may contact Commercial Specialist Antonio Prieto at [antonio.prieto@trade.gov](mailto:antonio.prieto@trade.gov)

## **Travel and Tourism**

### **Overview**

The United States is the top choice for Guatemalan travelers. At least half of the traveling community chooses to travel to American destinations due to the increasing availability of non-stop flights.

According to the U.S. Department of Commerce, the number of Guatemalan visitors to the U.S. has steadily increased in the last few years. In 2019, 282,094 Guatemalans visited the United States, an increase of 3.5% compared to 2018. Unfortunately, due to COVID-19, in March 2020, there was a dramatic traffic decrease of 55.3% compared to one year prior.

Favorite destinations for Guatemalan travelers include Texas, California, Illinois, Florida, Georgia, and New York and growing destinations are Massachusetts, Washington, D.C., and Nevada. Businesspeople or trade event attendees also constitute a large category of travelers. Guatemalans often take advantage of tourist opportunities while traveling for business, and will take time to conduct tourist activities.

In addition to family related tourism, Guatemalans travel to the U.S. seeking entertainment experiences. Travel to destinations with theme parks, shopping, National Parks and entertainment venues increases during school vacations. A recent demand for outdoor activities is emerging, especially during the winter season.

According to the General Directorate of Civil Aeronautics, which is the civil aviation authority of Guatemala, in 2019 an estimated 2.9 million international passengers travelled through La Aurora International Airport.

Before COVID-19, commercial carriers served the Guatemalan market with 80 -100 direct flights per week to the United States, depending on the season. The carrier capacity for transporting passengers to the U.S. was approximately 610,000 seats per year.

The following airlines offer daily non-stop flights from Guatemala to the United States: American Airlines, Avianca, Delta Airlines, Frontier, Spirit and United Airlines.

U.S. cities served by non-stop service include: Atlanta, Chicago, Fort Lauderdale, Dallas, Houston, Los Angeles, Miami, Newark, New York, Ontario, Orlando and Washington D.C.

Other airlines also service the Guatemalan market offering flights to the U.S. and other international destinations, such as Aeromexico, Copa Airlines, Iberia, Interjet, Tag, and, Volaris. Avianca, Aeromexico, Copa and Volaris transport thousands of Guatemalan passengers to the United States, with flights connecting in either El Salvador, Mexico City or Panama.

In 2020, the Ministry of Communications, Infrastructure and Housing along with the National Council of Alliances for the Development of Economic Infrastructure (Conadie), will begin a modernization project to improve La Aurora International Airport facilities. This project has an estimated cost of \$117 million. The consulting firm Deloitte Tetra Tech was hired to prepare feasibility studies and they recommended facilitating this project through a public-private partnership (APP).

### **Leading Sub-Sectors**

Sectors within the U.S. Travel and Tourism market that are considered best prospects include:

- Family attractions
- Family-friendly hotels
- Shopping venues (outlets and discount stores)

- Entertainment shows
- Sports events
- Cruise trips

Many Guatemalans look to send their children to the U.S. to enhance their English speaking skills in exchange programs. There is also interest in higher education schools among Guatemalan students.

### **Opportunities**

We are actively promoting U.S. travel and tourism destinations by supporting the Visit USA Committee's activities in the country, recruiting Guatemalan delegations to attend important tourism trade events such as "International Pow Wow" ([www.ipw.com](http://www.ipw.com)). We also maintains active contacts with the local media in order to provide them information on U.S. destinations.

Each year, the Visit USA Committee in Guatemala organizes a trade event promoting the U.S. as a travel and tourism destination. Airlines, hotels, car rentals, insurance companies, cruise lines, U.S. convention and visitors Bureaus, and U.S. tourism offices are among the main exhibitors.

Also, tourism is one of the sectors that has been affected by the current pandemic faced worldwide, before which the Guatemalan Tourism Institute (INGUAT) is carrying out several actions to boost this sector. According to a survey of the impact of COVID-19 in the tourism sector carried out by INGUAT, as of May 2020, 78% of a sample of 436 tourism companies could not meet their economic commitments.

Also, INGUAT is now focusing in the preparation of "Guides to good sanitary practices for the prevention of COVID-19", applicable to hotels, tour operators, travel agencies, restaurants, tourist marinas, tourist guides and ground transportation. In the medium term, it is expected that these guidelines will become technical standards of the Guatemalan Standards Commission (COGUANOR) of the Ministry of Economy.

### **Web Resources**

- U.S. Travel Association: [www.ustravel.org](http://www.ustravel.org)
- Visit USA Committee Guatemala: [www.visitusaguatemala.org](http://www.visitusaguatemala.org)
- US Commercial Service in Guatemala: [www.export.gov/guatemala](http://www.export.gov/guatemala)
- Brand USA: [www.thebrandusa.com](http://www.thebrandusa.com)
- Dirección General de Aeronautica civil: <http://www.dgac.gob.gt>
- National Travel & Tourism Office: <https://travel.trade.gov>

### **Information**

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## Construction Equipment and Services

### Overview

In 2019, the construction sector represented 4.4% of GDP, with a growth rate of just under 8%. This data places the construction sector in Guatemala as the industry with the best performance in 2019.

Growth in the sector was mostly driven by the development of real estate projects for residential and non-residential use – mostly in Guatemala City. In 2019, there was a 10% increase in the total square meters approved compared to the previous year. Of the 1,506,000 mt<sup>2</sup> approved for construction in 2019, 59% was in Guatemala City, followed by 22% in Mixco and 10% in Villa Nueva.

On the other hand, for commercial projects, the trend was reverse. In 2018, 1,329,895 mt<sup>2</sup> were approved, while as of November 2019, 1,010,524 mt<sup>2</sup> were planned. This represents about 24% less than the year prior. However, it is important to mention that this type of construction tends to be concentrated in a smaller number of projects, which is why one large project in the year usually moves the indicator considerably.

### Opportunities

Although the construction sector is emerging as one of the engines of the economy in the short term, due to the 2020 coronavirus pandemic and resulting economic turmoil, many projects will be delayed. The government has set infrastructure development as a key target by focusing on the development of projects that will stimulate the demand for construction materials and services. The government announced a series of priority national development initiatives, of which, according to the Guatemala National Competitiveness Program (PRONACOM), is expected an increase in investments in the interior of the country focusing on rural infrastructure, housing and logistics. These three initiatives have the potential to attract significant amounts of public and private funds to the construction sector.

The new government states that reforms are necessary to the *Partnerships for the Development of Economic Infrastructure Law*, which promotes public-private partnerships for investment, and is seeking to implement the law as soon as possible. At present, there are six projects with prefeasibility or feasibility studies completed but not yet tendered. All together these projects add the possibility of investing more than \$1.5 billion in adequate infrastructure and safe and reliable transportation services and facilitating access to markets and basic social services.

In addition, the government is seeking congressional approval for the *Development of Road Infrastructure Law* with the goal of extending and increasing the quality of the country's road infrastructure. Specifically increasing the amount of Guatemala's road infrastructure from 16,457 kilometers to 37,952 kilometers in the next 15 years.

In response to the COVID-19 pandemic, Congress approved a total of \$743 million in several loans to strengthen the health services network, to modernize the justice sector infrastructure and to provide road infrastructure investments and maintenance.

Regarding the development of real estate housing projects, it is estimated that the housing deficit in Guatemala is 1.7 million units. Under current conditions, the housing market only serves 37.5% of the total population. In order to reduce this deficit, the *Preferential Interest for Access to Social Housing Law* has been presented to Congress. The purpose is promoting the alliance among government, housing developers and financial sector to reduce the interest rate during the first 10 years of the mortgage payment.

Another opportunity in this sector is the supply of raw materials and construction equipment. According to the BANGUAT, during the year 2019, Guatemala imported \$510 million dollars in construction materials, which represents an increase of 6.5% compared to 2018.

### Events

We recommend the following events to connect with Guatemalan buyers, representatives, and industry officials:

- **Feria Internacional de la Construcción (CONSTRUFER)**, Guatemala City. This fair is organized every two years by the Guatemalan Chamber of Construction, CONSTRUFER is chosen by investors in the region to present and launch products, materials, services, machinery, vehicles and technology, as well as to choose distributors.
- **ExpoCasa**, Guatemala City. This fair is the largest housing trade show in Guatemala

### Web Resources

- Camara Guatemalteca de la Construcción (Guatemalan Construction Chamber): This organization works to promote the importance of construction in the Guatemalan economy. Upon joining the group, the site provides market indicators about both the economy and the construction industry in addition to a variety of publications about the Chamber, its unions, and the overarching regional construction chamber. [www.construguate.com](http://www.construguate.com)
- Guatemala National Competitiveness Program (PRONACOM). [www.pronacom.org](http://www.pronacom.org)
- Guatemalan Development Foundation (FUNDESA). [www.fundesa.org.gt](http://www.fundesa.org.gt)
- Central American Business Intelligence (CABI). <https://ca-bi.com/>

### Information

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## Agricultural Sector: Processed Food Products

### Overview

Guatemala is one of the major food processing countries in Central America. Domestic brands offer a wide variety of products that include shelf-stable, ready-to-eat meals such as canned and refried beans, tomato paste and sauce, soy-based ready meals, and instant noodle soups, among other products. These products are available to consumers not only in local supermarkets, but also at corner stores, and open-air-markets throughout the country.

The Guatemalan food processing industry exports to other countries as well and is one of the fastest growing sectors of the food industry. Approximately 25% of the food and beverage companies in Guatemala are large processors, 50% are medium-sized companies, and the rest are small processing companies.

U.S. food ingredient producers that want to enter the Guatemalan market may contact the local food processors directly or through local importers/agents/distributors depending on the type of product. The larger food processors usually prefer to import directly from the suppliers, while medium and smaller processors are sometimes not familiar with importing procedures and prefer to purchase inputs from a local distributor.

Guatemala is a price-conscious market and the key to entering the market is matching local prices with higher quality inputs. U.S. products are well known for their quality and safety; therefore, local food processors are looking for U.S. companies that can supply products that comply with these two important factors. Local companies prefer to establish long-term business relationships with U.S. suppliers that can offer good credit terms, customer service, and marketing support.

	2017	2018	2019	2020 estimated
Total Local Production	9,278,721	9,427,317	9,426,734	9,525,604
Total Exports	2,693,694	2,852,863	3,154,677	3,361,394
Total Imports	1,526,270	1,671,462	1,818,505	1,964,314
Imports from the US	478,923	504,909	567,331	605,462
Total Market Size	8,111,296	8,245,916	8,090,562	8,128,523
Exchange Rates	7.35	7.52	7.7	7.8

(total market size = (total local production + imports) - exports)

Units: \$ thousands

Source: Trade Data Monitor ([www.tdm.com](http://www.tdm.com)) and Bank of Guatemala (<http://www.banguat.gob.gt>)

In 2019, imports of consumer-oriented products from the U.S. totaled \$510 million. Top consumer-oriented products produced in Guatemala included:

- Poultry Meat & Products (exc. eggs)
- Dairy Products



- Pork and Pork Products
- Processed Vegetables
- Beef & Beef Products
- Prepared Foods
- Wine & Beer
- Fresh Fruits
- Snack Foods
- Condiments & Sauces

### **Leading Sub-Sectors**

- Chocolate and Confectionary
- Condiments and Sauces
- Food preparations (protein concentrates, ingredients & beverage bases, baking inputs)
- Prepared/Preserved Meats
- Processed vegetables (French fries, canned vegetables)
- Dairy products (cheeses, whey protein, cream & powdered/condensed milk)
- Snacks (mixes of nuts, baked snack foods)

### **Opportunities**

- Consumption trends in Guatemala are very much influenced by the United States not only because it is Guatemala's largest trading partner but also because high-value foods are more affordable to some families thanks to remittances sent by more than one million Guatemalans living and working in the United States.
- The trend towards more ready-to-eat foods and demand for these types of products is growing in Guatemala. The local processing industry is taking advantage of this niche market and products such as refrigerated tacos, tortillas, burritos, corn-based tamales, and instant soups are among the preferred foods in the supermarkets not only for being easy to prepare but also because of affordable prices.
- Some of the major U.S. companies that have presence in the Guatemalan food processing industry are Cargill, Chiquita Brands International, Frito Lay, Pepsi-Co Bottling Co., Ralston Purina, Del Monte, and Wal-Mart. Bimbo from Mexico and Nestlé from Switzerland are present in the country as important foreign investors. Local companies are also growing not only because of a higher local demand but also because exports are increasing every year.
- Healthy foods, natural, and organic are the growing niche markets; however, these types of products are more commonly imported products and, therefore, marketed towards the upper-class consumers.

### **Web Resources**

- U.S. Department of Agriculture, Foreign Agricultural Service in Guatemala: [www.fas.usda.gov](http://www.fas.usda.gov)
- Search engine for USDA reports 2020: <https://gain.fas.usda.gov/> which includes reports updated annually such as Food and Agricultural Import Regulations, Exporter's Guide, Retail Report, and Food Processing Report.
- Shows: Feria Alimentaria Guatemala City - September 2020 (<http://feriaalimentaria.com>) The largest food show in Guatemala with approximately 200 stands with local companies that exhibit and promote food products, services, packing, and equipment for the restaurant and hotel industries. The show is also used to address end consumers, introducing new products into the market. During the show there are chef competitions and cooking presentations.

### **Information**

Interested parties may contact Agricultural Specialist Karla Tay at [KayTM@state.gov](mailto:KayTM@state.gov)

## **Customs, Regulations and Standards**

### **Trade Barriers**

Although most U.S. imports to Guatemala are not affected by tariff and non-tariff barriers, there are still issues encountered by some importers of U.S. agricultural and food products. These issues include:

- 1) Customs practices related to the implementation of CAFTA-DR
- 2) Sanitary and phytosanitary concerns
- 3) Product fortification requirements
- 4) Product samples.

### **Customs Implementation of CAFTA-DR**

Since 2009, importers of U.S. food, agricultural products, equipment and goods have increasingly encountered issues resulting from the denial of preferential treatment for U.S. origin goods, as well as accusations from Customs of under-declaring the value of products. These problems have been characterized by the denial of preferential treatment which results in a higher tariff rate, re-classifying or sub-classifying goods that are given a higher tariff rate, and revaluation of products which causes delays and results in additional value-added taxes (VAT).

If the product is revalued, the product can be held at the port or airport for to 2-4 weeks while information is reviewed. These customs practices make U.S. agricultural products less competitive. If you are aware of the customs classification code under CAFTA-DR it is highly recommendable you share that classification with the Guatemalan importer.

CAFTA-DR countries are applying the most recent classification up to the 10-digit level. Exporters who are aware of shipments encountering these types of problems should contact the Office of Agricultural Affairs at U.S. Embassy Guatemala at [AGGuatemala@usda.gov](mailto:AGGuatemala@usda.gov).

Please note that although Guatemala recently updated its policy to allow for multiple corrections to the Certification of Origin, it still does not permit rectifications after the importation.

### **Sanitary and Phytosanitary Concerns**

A common reason that shipments are detained at port in Guatemala is when the wood pallets do not have the [ISPM-15 stamp](#). The Ministry of Agriculture's Phytosanitary Inspection Service ([OIRSA](#)) will always inspect containers to check that wood pallets have the mark. If one wood pallet is found without the it, the shipment will be stopped automatically, and the pallet will be taken for fumigation, which delays entry and increases costs.

All plant products, including fruits and vegetables, must be approved for market access. A list of products that currently have market access in Guatemala can be found [here](#). If the plant product is not yet approved for shipping from the United States, the importer must apply to the Ministry of Agriculture (MAGA), providing information on the crop management practices. MAGA will review the application under the phytosanitary requirements set jointly by Guatemala and Honduras, which have harmonized these regulations. This process takes at least 6 months.

## **Product Fortification Requirements**

Requirements for product fortification have been in place for many years. The requirements are part of the nutritional efforts carried out by the Guatemalan government (GOG). The Central American and Panama Nutrition Institute (INCAP) oversees fortification standards for the region, and evaluates ingredients intended for fortification. Examples of typically fortified products are corn and wheat flours (minerals), sugar (vitamin A), salt (iodine), and milk including baby formulas.

## **Product Samples**

The MSPAS, which regulates drugs, medical devices and processed food, allows for samples of these items but generally limits processed food samples to 20 Kg. For larger amounts, the law specifies that all processed food products, including processed ingredients, must be registered before they enter the country. For trade shows, the Foreign Agricultural Service can request special permits for samples of larger amounts, but needs several weeks advanced notice.

Unfortunately, MAGA, which regulates all meat and dairy, whether processed or not, plus all plants, fruits and vegetables, does not allow samples. Therefore, if a U.S. exporter would like to send a sample of these types of products to a customer, the product will have to come as a commercial shipment with its corresponding paperwork, including U.S. certification.

Customs also does not recognize samples for purposes of customs clearance. The product sample must have a list value in the invoice, or else the shipment could be stopped until the issue is resolved.

Exporters should refrain from sending any extra products that are not listed on the invoice to fill the shipment, or it could cause delays at the port.

## **EU Geographical Indications**

The Association Agreement (AA) with the European Union (EU) came into effect for Guatemala on December 1, 2013. The EU requested registration of 114 geographical indications (GIs) for various cheeses and liquors under the AA.

Guatemalan administrative authorities issued rulings on applications to register GI names that appear to be reasonable replacements for compound GI names. According to 2014 rulings on single-name GIs, there are prohibitions to commercialize gorgonzola or fontina, as they are protected due to lack of record of use in country.

The following common name cheeses, among others, can be commercialized without restrictions: parmesan, provolone, mozzarella, brie, camembert, and emmental. This is considered public information; U.S. firms can find specifics for any other indications by contacting the Foreign Agricultural Service or the [IP Registry Office](#) at the Ministry of Economy.

## **SPS and TBT Commitments**

### **Sanitary and Phytosanitary**

Regarding SPS obligations, Guatemala has made significant efforts to meet U.S. trading requirements. Guatemala granted the U.S. meat inspection system equivalency, as part of CAFTA-DR. Guatemala accepts the FSIS export certificate as the sole valid document for microbiological, free sale, and sanitary certificates. Equivalence was strictly negotiated for U.S. meat and meat products, but U.S. eggs do not currently have access

to the Guatemalan market. In 2012, Guatemala approved the MOU between FGIS/GIPSA/USDA and FDA, accepting the U.S. “Export Certificate of Grains” as valid compliance with Guatemalan food safety regulations.

The Ministry of Agriculture removed the requirement for on-site inspections of fisheries and seafood products, and a NOAA export certificate is now enough to export to Guatemala.

Phytosanitary requirements for fresh produce were significantly reduced, and as of June 5, 2018 state specific attestations have been eliminated. The International Regional Organization of Plant and Animal Health (OIRSA) is responsible for quarantine measures at ports of entry and is mandated to act only when the identified pest appears on the official quarantine pest list which was published in 2015.

## **Import Tariffs**

Guatemala applies the common external tariff schedule of the Central American Common Market (CACM), which ranges from zero to 15% for most agricultural and industrial goods, though there are exceptions of up to 40% for alcoholic beverages and up to 20% for cigarettes with tobacco content, various types of vehicles, and firearms. The average applied rate on all products is approximately 2.4%.

Under CAFTA-DR, about 5,263 of a total 6,307 HS codes for U.S. industrial and consumer goods enter Guatemala duty-free, with the remaining 1,044 tariffs scheduled to be phased-out by 2026.

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.

Guatemala is open to U.S. agricultural products, where 98% of the products already have zero tariff. Prior to CAFTA-DR, Guatemala was already complying with its WTO tariff bindings, and duties were relatively low.

## **Tariff-rate Quotas (TRQs)**

The CAFTA-DR set TRQs on 12 agricultural products and product categories, which are managed by DACE, a department of the Administration of Foreign Commerce / Ministry of Economy. DACE has implemented a well-functioning system for distributing quotas and reporting on quota allocation.

The 12 products include rough rice, white rice, beef, ice cream, milk, white corn, butter, cheese, and other dairy products. The TRQ for yellow corn was phased out in 2015. The TRQ for chicken leg quarters was eliminated in 2017 when the tariff was set to zero. The TRQs for pork and for whole black beans were phased out in 2020. The rice TRQ will phase out in 2023. The powdered milk TRQ will phase out in 2025. White corn is protected, with a TRQ of 26,000 MT in 2020, growing by 2% annually into perpetuity.

To obtain updated information on quota allocation procedures, advisory committee meetings, and [quota utilization status by commodity](#), please contact Agricultural Specialist Karla Tay at [KayTM@state.gov](mailto:KayTM@state.gov)

## **Import Requirements and Documentation**

### **Agricultural Products**

Under CAFTA-DR, a certificate of origin is not required. However, the GOG has asserted that a [CAFTA-DR Certification of Origin](#) must accompany the shipment to receive CAFTA-DR preferences and provides a suggested form and filing instruction.

Standards and regulations for both local and imported products are the same, except for public markets and other food serving locations that require sanitary licenses but no product registration.

Any local producer, processor, packer, or distributor needs to operate under a sanitary license issued by Food Control at the Ministry of Health. Importers need to be legally registered with an active sanitary license of operations and imported products need to be registered as well.

Labeling is required and imported food products are marketed in Guatemala with a Spanish-language label in accordance with the food law.

MAGA maintains lists of [approved companies](#) (not plant facilities) that can export to Guatemala non-processed food products such as poultry, meats, and seafood. The pre-approved facilities' requirement does not apply to the United States. For the United States, the list of exporting companies is constructed and updated as exports come to the country, since the United States was granted food safety equivalence through CAFTA-DR. Not all importers are aware of this, so please clarify with your importer.

MAGA accepts the export certificates issued by the Food Safety Inspection Service (FSIS), which is the FSIS 9060-5 form for poultry, meat, and meat products. Guatemala recently granted the United States market access for table eggs and egg products. FSIS also issues export certificates for pasteurized eggs and related products. The Agricultural Marketing Service (AMS) issues export certificates for table eggs and processed products like omelets; AMS also issues dairy export certificates. The National Oceanographic and Atmospheric Agency (NOAA) issues the negotiated Codex certificate to export seafood and products to Guatemala. All exports certificates are available online.

The Ministry of Health (MSPAS) requires that all processed food products be registered in Guatemala. The registration is unique for each product and importer; therefore, the same product can be registered by different importers, unless there is a previous legal representation established. For registration, MSPAS requires samples of the product and a government Certificate of Free Sales (CFS). This certificate does not need to be federal and can be issued at the state level by different government agencies, depending on the product. However, some states like Florida, are no longer issuing those certificates. Please note that the Food and Drug Administration (FDA) issues export certificates online. A new CFS is needed every 5 years, which is the period that the registration is valid. This document is a commercial document and does not need to have consular stamps.

MSPAS issues a sanitary registration number after a laboratory test has been performed on animal products. This registration number is also valid for five years and in the case of animal products, takes at least 8 weeks to be issued. For other processed products not of animal origin, the registration takes approximately 3 weeks. Laboratory tests will take place routinely and are scheduled once a year per product category. If products do not comply with labeling standards or food safety parameters, importers will be notified, as necessary.

In addition to the laboratory analysis for animal products, (for the wholesomeness of the product) the law requires inspections at the point of entry, wholesale and retail levels. Non-processed foods and food additives do not require registration. There is no environmental legislation that affects the importation of food products. The cost of registration and analysis of a product is about USD 215, independent of its category, and independent of registering it for the first time or requesting an extension of an already existing registration.

To receive an import permit, all imported foods of animal or vegetable origin, fresh or processed, must comply with the following requirements:

- 1) Certificate of Origin for [Sanitary](#) Purposes:
  - Plant health certificate ([phytosanitary certificate](#)) issued by APHIS if it is a fresh plant food product;
  - Sanitary certificate issued by the [Food Safety Inspection Service \(FSIS\)](#) of the U.S. Department of Agriculture (USDA), if it is meat product, either fresh or processed
  - [Agricultural Marketing Service \(AMS\)](#) Export Certificate for table eggs, low egg content process products (like omelets), and milk and dairy products.
  - [National Oceanographic and Atmospheric Agency \(NOAA\)](#) seafood and fisheries Export Certificate.
- 2) State Issued Certificate of Free Sale or [Food and Drugs Administration \(FDA\) export certificate](#) if it is a processed food product, either primary or end, which is not a meat product;
- 3) Commercial invoice.
- 4) Bill of lading
- 5) Certification of Origin for customs and tariff purposes. The CAFTA-DR proposed certificate of origin b the Government of Guatemala fulfills customs requirements so that preferential tariffs can be applied.
- 6) Re-Export Certificate if the product is re-exported from the country, but please note that it still requires the original sanitary or phytosanitary certificate.

The Certificate of Free Sale can include a list of products to be registered, if all the products in that list are registered simultaneously. For example, if twenty products are to be registered at the same time, Food Control allows for one original certificate and nineteen copies to accompany the rest of the products, since one complete file is kept per registered product.

Central American Technical Regulations (RTCA) – As part of the Central American harmonization process, Ministries of Economy have published the RTCAs that spell out technical regulations for packaging, labeling, liquors and spirits, approved additives, infant food, sanitary license and registration of products. Though the regulations are the same for all Central America, their implementation varies from country to country. Please, refer to [Central American Technical Regulations](#) to verify compliance.

### **Information**

Interested parties may contact Agricultural Specialist Karla Tay at [KayTM@state.gov](mailto:KayTM@state.gov)

### **Medical Devices, Pharmaceutical Products and Cosmetics**

The Division of Registration and Control of Medicines and Foods of the Ministry of Health issues import permits for medical devices, pharmaceutical products and cosmetics.

Some products require an inscription (registration) at the registration office of the Ministry of Health. The approximate amount of time for the registration of a medical device is between 2-3 weeks and for pharmaceuticals and 4-6 months for cosmetics. These inscriptions need to be renewed every five years.

Surgical devices that require an inscription are intended for cutting the skin or a membrane, or which touch blood, such as syringes or finger pricks. 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 clearance procedures.

The Central American Technical Regulations, CATR (RTCA in Spanish) have been recently issued and published for processed food products, pharmaceuticals and cosmetics, among others. The CATR established unified standards and requirements for commercializing agricultural products, pharmaceuticals, cosmetics, healthcare

products and others within the Central America and Panama region. Compliance with these technical regulations assures that products may be imported without major complications.

### **Information**

Interested parties may contact Commercial Specialist Antonio Prieto at [antonio.prieto@trade.gov](mailto:antonio.prieto@trade.gov)

### **Registration Requirements for Pharmaceutical Products:**

Pharmaceutical products, including but not limited to specialty pharmaceuticals, homeopathic, radiopharmaceutical, supplements, biological, biotechnology and allergens require a sanitary permit to be imported and commercialized in Guatemala.

Details and registration forms for pharmaceutical products and renewal process may be found in the following link: [here](#).

A simplified list of requirements for obtaining a sanitary permit is below: \*

1. Fill and submit the appropriate forms in original and duplicate
2. Product formula and composition (mention both common and scientific names) (using appropriate form)
3. Sanitary license, valid or prior license (usually from FDA or PAHO)
4. Legalized copy of the Trademark registry
5. Free Sale Certificate from the country of origin; CBL approved by a recognized organization such as the OMS
6. Monograph study, when it is a new product
7. Product description
8. Product specifications
9. Method of analysis used
10. Packaging materials used (a sample), originals and copy
11. Instructions on label in Spanish
12. Copy of contract (in case of manufacture under drawback or “maquila” law)
13. Stability study for products with 24 months life expectancy or more, according to product
14. Samples
15. Bio-equivalence study, when applied
16. Standard of raw material of active principle/s for new molecules
17. Copy of the Sanitary License of the local distributor
18. All foreign language documents must be legally translated into Spanish.

\*This is a simplified guide; it is recommended that the U.S. Company visits the appropriate links to obtain updated and specific guidance on how to register products.

### **Information**

Interested parties may contact Agricultural Specialist Karla Tay at [KayTM@state.gov](mailto:KayTM@state.gov) or Commercial Specialist Antonio Prieto at [antonio.prieto@trade.gov](mailto:antonio.prieto@trade.gov)

### **Cosmetics**

Authorization to commercialize cosmetic products in Guatemala is required.

In Guatemala, the owner of the sanitary registration must be a local company. It is recommended that the U.S. exporter find local representation to take care of the ownership of its sanitary registrations.



When products are registered under a distributor's name, and the U.S. Company determines that there is a need to change the distributor, it is necessary to present a document or contract, signed by both parties to the Ministry of Health.

If the U.S. Company owns the sanitary registrations through a local representative or company and chooses to change a distributor, such change must be notified to the Ministry of Health; this is a simple procedure.

### **Information**

Interested parties may contact Commercial Assistant Karla Salas at [karla.salas@trade.gov](mailto:karla.salas@trade.gov)

### **Labeling and Marking Requirements**

Any local producer, processor, packer, or distributor needs to operate under a sanitary license issued by Food Control at the Ministry of Health. Importers need to be legally registered with an active sanitary license of operations and imported products need to be registered as well. Labeling is required and imported food products are marketed in Guatemala with a Spanish-language label in accordance with the food law.

Stickers are also allowed. Stickers would be required to declare name of the product, list of ingredients, and nutritional label if appropriate. Please ensure that the Spanish sticker is legible but does not block the front package or the ingredients list or the preparation instructions.

SIECA is the technical and administrative unit that guides and coordinates the economic integration agenda, in which technical regulations are analyzed and resolved. Central American Technical Regulations, (RTCA in Spanish) have been issued and published for processed food products, and include:

- General labeling: [RTCA 67.01.07:10](#)
- Nutritional labeling: [RTCA 67.01.60:10](#)
- Additives: [RTCA 67.04.54:10](#)
- Sanitary licenses and Product registration: [RTCA 67.01.31:07](#)
- Liquor labeling: [RTCA 67.01.05:11](#)
- Microbiological criteria: [RTCA 67.04.50:17](#)
- Fruit nectars: [RTCA 67.04.48:08](#)
- Dairy and Cheeses: [RTCA 67.04.73:17](#)

The RTCAs apply to all Central American countries, though the extent of the implementation and interpretation may vary from country to country. For more information, please visit:

<https://www.sieca.int/?s=RTCA&lang=en>

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

The United States imposes export controls to protect national security interests and promote foreign policy objectives. BIS's Export Enforcement (EE) is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure. In accordance with the EAR, BIS officials conduct site visits, also known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR, to verify compliance.

An EUC is an on-site verification of a party to a transaction to determine whether it is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if

items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of recipient(s) of items subject to the EAR, to include: confirming their legitimacy and reliability relating to the end use and end user; monitoring their compliance with license conditions; and ensuring such items are used and/or re-exported or transferred (in-country) in accordance with the EAR.

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "[red flags](#)", or warning signs, intended to discover possible violations of the EAR.

Also, BIS has "[Know Your Customer](#)" guidance.

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars and focus on the basics of exporting as well as more advanced topics. Check a [list of upcoming seminars and webinars](#).

BIS also provides [online training](#).

The EAR does not regulate transactions involving all U.S. goods, services, and technologies. Other U.S. Government agencies regulate more specialized exports. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the [e-CFR](#) (Electronic Code of Federal Regulations).

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates a number of smaller lists of restricted parties that are maintained by a variety of U.S. Government agencies, including the Department of Commerce, as an aid to industry in conducting electronic screens of potential parties to regulated transactions.

### **Temporary Entry**

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 to process these drawback refunds.

Drawback law, also known as "Ley de Maquilas":

Click [here](#).

## **Prohibited and Restricted Imports**

### **Arms and Ammunition**

The Guatemalan Ministry of Defense's Department for the Control of Arms and Munitions (DECAM) enforces a law which virtually prohibits the import of high-powered weapons, as well as a range of military weapons and hardware except for use by the Guatemalan government.

### **Pharmaceuticals**

Pseudoephedrine and any products containing pseudoephedrine are banned from importation or sale within Guatemala as of April 2009.

### **Food Products**

The Technical Directorate of Plant Health of MAGA, (Plant Health), regulates pesticides. The Office of Vegetable Health was established by Government Decree #43-74 and regulates all agriculturally related chemical use by authority of Ministerial Decree 377-90. Plant Health maintains a list of pesticides that are not permitted in Guatemala. This list is based on standards set by the Environmental Protection Agency (EPA), Codex Alimentarius, and the United Nations Food and Agriculture Organization (FAO), among others. All pesticides must be registered with Plant Health.

### **Customs Regulations**

Check information on [Customs Regulations and a list of Business Service Providers in Guatemala](#) or contact Commercial Specialist Antonio Prieto at [antonio.prieto@trade.gov](mailto:antonio.prieto@trade.gov)

### **Standards for Trade**

In general, U.S. standards set the pace for Guatemalan standards. Many products made in the U.S. already meet Guatemala's standards. The main area of difference is found in items intended for human consumption, such as pharmaceuticals and food. In Guatemala, registration and labeling requirements for these cases require U.S. exporters to follow strict local guidelines.

The United States actively serves as a resource to assist Guatemala in developing or streamlining standards. The objectives of Chapter 7 (Technical Barriers to Trade) in the CAFTA-DR agreement are to: increase and facilitate trade through improvement to the Technical Barriers to Trade (TBT) agreement and eliminate unnecessary barriers and enhance bilateral cooperation. Read more on [Technical Barriers to Trade under CAFTA-DR](#).

### **Food Products:**

Products labeled as "diet supplements", "homeopathic", "and prophylactic" or "phyto-therapeutic" must be registered as medicines. All products that apply for registration must be tested by the Health National Laboratory (LNS), which is the Ministry of Health's only laboratory. Product samples must be provided at time of registration.

RTCA 67.01.15:07 rules fortified wheat flour, providing specifications and approved additives for wheat flour, (click [here](#))

## **Testing, Inspection and Certification**

“Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify the WTO of proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. ([www.nist.gov/notifyus](http://www.nist.gov/notifyus)) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected countries and industry sectors of interest, and can also request full texts of regulations. This service and its associated website are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.”

## **Information**

Interested parties may contact Agricultural Specialist Karla Tay at [KayTM@state.gov](mailto:KayTM@state.gov) or Commercial Specialist Antonio Prieto at [antonio.prieto@trade.gov](mailto:antonio.prieto@trade.gov)

## **Trade Agreements**

The United States, the Dominican Republic, and five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua), signed the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) in August 2004. The Agreement entered into force in Guatemala on July 1, 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 regional integration. It also requires the Central American 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.

Under CAFTA-DR, all U.S. consumer and industrial goods enter Guatemala duty free (for goods that meet the country of origin requirements) as of January 1, 2015. In addition, nearly all textile and apparel goods that meet the Agreement’s rules of origin enter Guatemala duty free and quota free.

Under CAFTA-DR, nearly all U.S. agricultural exports enter Guatemala duty free. Guatemala will eliminate its remaining tariffs on rice by 2023 and on dairy products by 2025. In 2017, Guatemala eliminated its out-of-quota tariff for chicken leg quarters, five years early. For certain agricultural products, tariff-rate quotas (TRQs) permit some duty-free access for specified quantities during the tariff phase-out period, with the duty-free amount expanding during that period.

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.

Guatemala, El Salvador and Honduras have moved the most rapidly towards eliminating trade barriers among themselves. In February 2015, the presidents of Guatemala and Honduras signed a general framework agreement to establish a customs union between the two countries.

In January 2016, the Guatemalan Congress approved the protocol to enable a customs union with Honduras, which has allowed for the free movement of people and goods between the two countries. Guatemala’s protocol to enable the customs union with Honduras went into force in May 2016. After completing regulatory,

technical, and administrative procedures, the two countries implemented the first stage of the customs union process in June 2017.

El Salvador began negotiations to join the customs union between Guatemala and Honduras in October 2017 and deposited its instrument of adhesion to the customs union between Honduras and Guatemala with the General Secretariat of the Central American Integration System (SICA) in August 2018. El Salvador signed a resolution to join the customs union process on legal and administrative aspects with Guatemala and Honduras in November 2018.

### **Licensing Requirements for Professional Services**

U.S. professional services providers interested in offering their services in country need to ask for a work permit with the Ministry of work and confirm their professional title with the Ministry for all legal, accounting and consulting professionals. For more information: click [here](#).

## **Selling US Products and Services**

### **Distribution & Sales Channels**

Guatemalan businesspeople are accustomed to doing business with the United States and key contacts in the large corporations are fluent in English. Most Guatemalan importers have traveled extensively to the United States and/or have done business with U.S. firms. Nevertheless, to maximize the probability of success in the Guatemalan market, U.S. exporters should be aware that when the time comes to formalize a business relationship, for example, through a contract or writing materials, it is most recommended that such formalities are conducted in Spanish.

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. In general, 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 conducted in Guatemala is 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 travel to Guatemala often and have a local representative or distributor. U.S. businesspersons are often surprised by the accessibility of key decision makers and the openness and frankness of local buyers.

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

### **Using an Agent or Distributor**

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.

Firms with valuable intellectual property should take the legal steps necessary to ensure that it is protected. Firms should never delegate the job of registering intellectual property, such as trademarks and trade names, to a local agent, distributor or business partner. This should be done directly by the U.S. firm, with the assistance of a Guatemalan attorney. Careful attention to Intellectual Property Rights (IPR) issues initially will prevent problems later.

Selection of the appropriate agent or distributor requires time and effort. The same high standards used when selecting a representative 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, 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 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 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 able to do this properly.

When 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.

While finalizing 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 must understand the terms completely to avoid future problems. Exclusivity is understood unless the agreement specifically states otherwise.

Formal agency or distribution agreements should be reviewed by a Guatemalan attorney hired by the U.S. exporter. The attorney should be 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.

### **Establishing an Office**

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. Avenida 7-51, Zona 4  
01004 Guatemala  
Ph.: [502] 2317-3434  
Fax: [502] 2334-1754  
Contact: Jose Adolfo Flamenco, Registrador  
E-mail: [info@registromercantil.gob.gt](mailto:info@registromercantil.gob.gt)  
Website: [www.registromercantil.gob.gt](http://www.registromercantil.gob.gt)

Documents for submission 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 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. For specific documentation on how to register foreign companies in Guatemala, please refer to the Mercantile Registry's website: <http://www.registromercantil.gob.gt>

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

Superintendent: Marco Livio Dias Reyes

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

Telephone: [502] 2329-7070

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 Mercantile Registry. Registration under the Value Added Tax (Decree 27-92) is also necessary. This registration can also be made at the SAT.

### **Franchising**

The country has experienced the introduction of many world known franchises and has begun creating and developing local capital franchises that now have presence in the U.S., Europe, South America, and Asia. This trend has enhanced the confidence of potential investors or franchisees interested in Guatemala. According to the Guatemalan Franchise Association (AGF), fast food is the most popular subsector with 43% market share; followed by services with 33%, retail 11%, clothing 6%, and “other” 7%.

According to “Federación Iberoamericana de Franquicias” (FIAF), Guatemala is the largest franchise market in Central America, with over 300 franchise brands and 3,500 sales locations, which provide more than 25,000 direct jobs. Guatemala is also the fifth largest Latin American market for franchises - 80% of the franchises operated in Guatemala are of foreign origin, and 20% of local origin. FIAF estimates that 45% of the foreign franchises are from the United States, and the rest from Mexico, Spain, Brazil, Colombia, and others.

Local franchise companies operate mainly in the fields of fast food restaurants, bakeries, ice cream shops, automobile services and supplies, gas stations, advertising signs, hotels, beauty clinics, gifts, and toy shops.

There is a high concentration of franchise retailers in Guatemala City as it is the most populated city in the country with approximately 4 million people. Other cities like Quetzaltenango, Antigua, Huehuetenango, Cobán, and Escuintla have also shown growth in franchising.

The CAFTA-DR Free Trade Agreement provides full market access to franchising. Trademark provisions protect the franchisor’s name, and tariff liberalization allows lower-cost exports of key equipment required to supply the franchisee.

A current trend not only in Guatemala, but in the region, is that a group or local company owns one or more franchises and continues to include others as they grow. This is the case with many U.S. franchises in Guatemala, who are owned by one Guatemalan group or even more frequently, owned by Salvadorian or Honduran groups based in their respective countries.

Successful U.S. franchises operating in Guatemala:

McDonalds, Wendy’s, Burger King, Subway, The Orange Theory, Applebee’s, PF Chang’s, Kentucky Fried Chicken, Chili’s, Friday’s, Sky Zone, Hooters, IHOP, Pizza Hut, Dominos, Taco Bell, Dairy Queen, Dunkin Donuts, The Vitamin Shoppe, Charley’s Grilled Subs, Tony Roma’s, Papa John’s, Little Caesar’s, Cinnabon, My Yogurt, Sbarro, China Wok, Panda Express, Little Cesar’s, Which Wich, Carl’s Junior, Curves, GNC, Tutor Doctor, Home Care Watch Givers, Sir Speedy, Krispy Kreme and Starbucks.



Opportunities may be to target the well-off, well-educated elites, which are natural markets for goods and services from the U.S. These groups may also become business partners and valuable contacts within the country and region.

Guatemalan investors are very selective when showing interest in brands that are well-known and successful. We have found that there is little interest in developing unknown brands, or concepts, because they would have to struggle to compete and stay afloat with the existing strong brands. Competition in the industry – specially among food concepts has increased significantly.

Due to COVID-19, franchises are other businesses that faced declines in sales and total or partial closures of their establishments due to the suspension of operations imposed by the government. According to a survey carried out by Francorp and AGF, 25% of the brands predict that in the future they can close up to 25% of the number of establishments they own. Regarding recovery expectations, the sector is being a bit optimistic since 40% think that the recovery will take between 4 to 6 months, 24% consider that it will take 6 to 12 months and only 10% consider that it will take them more than a year.

### **Contact**

AGF – Asociación Guatemalteca de Franquicias

Contact: Fiorella Perini, President mail: [infoquatefranquicias@guatefranquicias.org](mailto:infoquatefranquicias@guatefranquicias.org)

### **Market Entry**

The most effective way to enter the Guatemalan market is through one of the U.S. Department of Commerce's Gold Key Service. This is designed to provide U.S. companies with the advantage of local expertise and to schedule meetings with pre-screened business contacts.

### **Information**

Interested parties may contact Commercial Assistant Karla Salas at [karla.salas@trade.gov](mailto:karla.salas@trade.gov)

### **Direct Marketing**

Approximately one half of all imports from the United States are the result of direct sales. Many of these result from Guatemalan business people 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 group of local buyers is relatively small and easily identifiable, such as sugar mills. It is recommended that U.S. exporters maintain close sales contacts in Guatemala to call on existing and potential customers.

Internet penetration in Guatemala is 65%, which means that 9.7 million habitants have access to online retail. Guatemalans are now used to buying online not only in Guatemala, but more so from the U.S. which because of the proximity is relatively easy. Many orders are placed via the Internet and most of the merchandise ordered, except for heavy machinery, is processed via electronic orders. Guatemalan business people access websites and search for specialized merchandise.

Daily internet access in Guatemala has grown during the last decade. With the spread of cell phones, the internet has become a more important news outlet than radio and newspapers, particularly among younger citizens.

The most used sites in Guatemala are: Facebook, YouTube, Twitter, LinkedIn, Instagram, Amazon, and Google. Facebook ranges from 25 to 40% of overall internet usage. That figure is much higher among the Guatemalan youth, approximately 60%.

There are two companies in Guatemala that offer mobile phone service, and there are 20.8 million lines. This is an increase of 400,000 lines in 2019.

### **Joint Ventures/Licensing**

Commercial companies in Guatemala are governed by the Commerce Code (Congressional Decree No. 2-70) of January 28, 1970.

Article 10 of this Code is specific with respect to the type of corporative organization which is acknowledged under the category of "Commercial Company", therefore the only collectively considered Merchant as per the Guatemalan Law (Art. 3 of the Commerce Code):

Corporations (Sociedad Anónima) The most commonly used business vehicle in Guatemala:

- General Partnerships
- Limited Partnerships
- Limited Liability Companies
- Public Partnership Companies

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 of corporate organization and operation by the provisions of the Commerce Code, specifically to the extent not governed by special Laws and Regulations.

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.

### **Participation Agreements**

Participation Agreements ("Negocios en Participación") are regulated by Articles 861 to 865 of the Commerce Code as contracts, not as companies or collective entities.

In a participation agreement, the participants enter into a contract ("Contrato de Participación"), 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 main element of a Participation Agreement is the Contribution of the Participants.

The active partner operates in his own name and assuming the risk of the joint operation. There is no legal relationship between third parties and the participants.

Participation Agreements are typical contractual forms according to Guatemalan Law and constitute a special case of Tax Payer, obliged to comply with all formal and material Tax Obligations as per Guatemalan Tax Legislation, holding the Active Partner responsible for Tax Liabilities of the Joint Operation.

## **Joint Ventures**

Joint Ventures (distinct from Participation Agreements) are not regulated by Guatemalan Law.

These are flexible contractual forms based expressly on Contracting Freedom Rights acknowledged by Guatemalan Law (Art. 681 of Commerce Code).

Joint Ventures are Associative Business models, which do not constitute a Partnership or a Participation Agreement or any other Merchants Collectively Organized, but are customized for the specific business collaboration tasks to be performed by the parties.

Joint Ventures are not deemed as special cases of Tax Payers, therefore each of the contractual parties is responsible for the compliance of its respective formal and material Tax Obligations.

## **Foreign Companies**

Any foreign company that is legally incorporated in its Country of Origin, can conduct business in the Republic of Guatemala. Foreign companies will still need to open a branch or an agency in the Republic of Guatemala, with the Authorization of the Commerce Register of Guatemala. Locally incorporated corporations can be wholly owned by U.S. individuals or entities. It is thus uncommon for foreign companies to register in Guatemala, instead they tend to establish themselves as wholly owned and managed local corporations.

To open such branch or agency the Company should have:

1. An Attorney-In-Fact who resides under permanent basis in Guatemala with sufficient faculties to represent the company along with judicial representation powers. If the Attorney-In-Fact does not have such faculties, by law it will be deemed as vested with the same.
2. Credit that it is dully incorporated in its Country of Origin
3. Certified Copy of its Articles of Incorporation
4. Insurance policy in favor of any third party for an amount equivalent to USD 50,000.00, which should be in force during all the time the branch or agency operates in Guatemala
5. Expressly waive to the jurisdiction of the Courts of its Country of Origin and to any right of Alien Status
6. Expressly commit to fulfill all legal requirements to withdraw from Guatemala
7. Certified copy of the last General Balance and Income Statement
8. Records of all business operations conducted in Guatemala, held according to Guatemalan Laws and Regulations

There is no need to request any authorization from the Government for a Foreign Company to:

1. Be represented in a Court of Law
2. Open Bank Accounts with Guatemalan Banks
3. Sell or purchase with authorized commerce agents in the Republic of Guatemala
4. Place Purchase Orders with authorized commerce agents in the Republic of Guatemala as long as the products' final destination is abroad
5. Grant loans or credits or to receive promissory notes or trade with such credit documents
6. Purchase any real property, unless such real property is an element of a commercial enterprise or if the foreign company regularly trades with real property

## **Express Delivery**

All major shipping companies (UPS, Fedex and DHL) as well as local companies offer express shipping between Guatemala and the U.S. with door to door service of 2-3 business days. The service is feasible for documents, samples or personal effects.

## **Due Diligence**

Performing due diligence in Guatemala can be challenging and time-consuming. There are very few sources of independently verifiable information about companies and individuals. Guatemalan companies are not publicly-listed and they rarely publish information regarding officers, sales or financials. Most companies are sole proprietorships and partnerships, and business is generally conducted based on personal reputation and contacts.

Companies should request bank and trade references from potential agents and customers. Companies should also consult their own U.S. banks for information on Guatemalan banks, most of which have correspondent banking relationships with banks in Florida.

The U.S. Commercial Service in Guatemala offers an International Company Profile report to U.S. companies, in which in depth information about the local Guatemalan company may be obtained, depending on the source availability. For more information, please refer to: [here](#).

## **eCommerce**

E-commerce is growing rapidly in the Guatemalan market. Guatemala has begun to use e-commerce among its chambers and associations, large banks, supermarkets, and the Exporters Guild among others. Some Government agencies, for example SAT (equivalent to IRS), the Government procurement office, and the Trade Mark Registry have recently launched new web pages offering interactive services.

Culturally, Guatemalans prefer face to face engagements, but new generations are embracing technology and moving away from the traditional retail model. Business people, associations, and the Government acknowledge that e-commerce is a very important electronic tool in doing business.

Guatemala is currently in the early stages of e-commerce development, and most purchases are conducted internationally. Many significant Guatemalan businesses have postal boxes in Miami. According to the Guatemalan Association of E-Commerce, in 2019 Guatemalan internet purchases reached \$900 million from foreign and local suppliers. Arrangements for the shipping of merchandise to Guatemala are made by ordering companies, which lower transportation fees.

However, e-commerce in Guatemala has grown in spite of considerable challenges such as the large amount of unbanked citizens, relatively low %age of credit card holders, and difficulties with both cross-border transactions and delivery of products.

## **Internet users**

There were 11.54 million internet users in Guatemala as of January 2020. The number of internet users increased by 217,000 (+1.9%) between 2019 and 2020. Internet penetration in Guatemala stood at 65% in January 2020.

## **Social media users**

There were 7.9 million social media users in Guatemala in January 2020. The number of social media users in Guatemala increased by 534,000 (+7.2%) between April 2019 and January 2020. Social media penetration in Guatemala stood at 45% in January 2020.

### **Mobile connections**

There were 21.12 million mobile connections in Guatemala in January 2020. The number of mobile connections in Guatemala increased by 369 thousand (+1.8%) between January 2019 and January 2020. The number of mobile connections in Guatemala in January 2020 was equivalent to 119% of the total population. Meaning there are more phone lines than people.

### **Online platforms**

Facebook is the most used social media tool for promotion and sales. Large companies have become pioneers within the industry, and it will take some time for smaller firms to adapt. The total number of Facebook users for Guatemala in January 2020 is 7.9 million. 92% of these users are accessing the platform via a mobile device. Other popular social platforms used are: FB Messenger, WhatsApp, YouTube, Instagram, Twitter, Skype, Pinterest, and LinkedIn.

### **Online Payment**

Guatemala offers new payment methods that facilitate the development of e-commerce, not only in Guatemala but throughout the Central American Region. The most common forms of payment are personal debit and credit cards (VISA, MasterCard and American Express), PayPal Latin America, Apple Pay and wire transfers. E-commerce has allowed many small and medium-sized entrepreneurs to trade their products locally, and internationally.

### **The Covid-19 Effect**

Due to the confinement in home mandates that began in March 2020 due to the Covid-19 pandemic crisis consumers disappeared from physical stores and have migrated to a digital platform to buy products.

The Guatemalan Chamber of Commerce reports that e-commerce activity grew 27% since March 2020. Current sectors favored in online shopping are cleaning and personal hygiene products, followed by cosmetics and perfumes, car and motorcycle accessories, food and beverages, and construction materials and tools.

According to the Guatemalan Electronic Commerce Union (Grecom), before the Covid-19 pandemic, Guatemala reported an annual average growth of 20%. During the mandated confinement Grecom estimates that between 1,500 and 2,000 companies joined e-commerce platforms.

Many experts state that in this new post-Covid commercial reality the interaction between consumers and brands is changing. The move to online shopping could be perpetuated in the medium and long term, as new digital habits are expected to be maintained, even after the crisis is over.

### **Government Initiative**

Guatemala has also begun participating in the “eTrade for All” initiative led by UNCTAD. UNCTAD focuses on the development of e-commerce in developing countries by:

1. Strengthening of the regulatory framework
2. Protecting the consumer
3. Protecting data
4. Strengthening capacities to innovate

For more information:

<https://etradeforall.org/about/the-etradefor-all-initiative/>

### **Domestic e-commerce (B2C)**

There is a trend of purchasing products from the United States, considering the ease of conducting business, and the well-established delivery companies found in Guatemala. Guatemalan consumers also buy from the European and Mexican eMarkets.

Some of the most popular products Guatemala purchase overseas are electronics, clothing, car spare parts, household items, gifts, decorations, books, online courses.

According to experts in e-commerce, the greatest challenges of buying from the U.S are:

1. Some U.S. vendors only accept credit cards with a U.S. billing address
2. Guatemalan Customs Authorities will open and verify all packages from the U.S. This practice is subject to the Customs agent's discretionary rulings, and therefore some products may end up paying more import duties than they should.

Despite the attractiveness and growth of e-commerce, Guatemalan consumers and small business, can still be reluctant to purchase goods and services online due to lack of trust in the system.

Another factor that concerns Guatemalans is the lack of information and certainty of privacy protections, personal identification information, and insecurity of online transactions.

As a result, some courier and delivery companies offer to pay customer's purchases with their company's credit card for a small fee (1-3% of the total purchase).

Larger companies have IT offices within their organizations to manage commercial services on their webpages. Others subcontract from local firms that specialize in developing and managing e-commerce sites. These companies will provide software to the hiring firm such as site-building tools and templates, database features and methodologies for best practices, plus transaction software.

Product supply and procurement exchanges represent another aspect of online commerce. These sites serve a range of industries and often focus on a niche market. A company purchasing agent can purchase supplies from vendors, request proposals and even make bids for purchases at specific prices. These B2B websites enable the exchange of product supplies and procurement.

### **Intellectual Property Rights**

Guatemala is a signee of the WTO agreement on Intellectual Property Rights (IPR), and is under Guatemalan legislation as a result of the ratification of the Marrakesh Agreement. However, Guatemala tends to ignore IPR when it comes to e-commerce.

Guatemala has recently taken legal and administrative steps to facilitate the protection of the rights of intellectual property, enacting new laws related to copyright and industrial property. The Guatemalan Minister of Economy is in talks with WTO to further address these issues.

### **Selling Factors & Techniques**

Guatemalan purchasing decisions are primarily based on price, service, and quality.

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 large buyers exist. Direct sales are often supported by local advertising, sales promotion campaigns, technical or illustrative brochures, visits by salespeople, and in some cases, samples.

Sales via local agents and distributors are usually the most effective means of penetrating the market. 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 do not have the time or experience to import directly, which involves handling customs clearance.

If a U.S. firm signs a representation contract, it is important to know that such will be subject to the Agency, Distribution and Representation Law, contained in Congressional Decree No. 8-98, of February 4, 1998.

According to this law, in Article 290, there are five instances by which a contract may be cancelled;

1. As a result of mutual consent
2. As per expiration date, if indicated in the contract
3. As per the local agent's decision, as long as it provides three-month notice. In such case, the agent is subject to responding to all pending settlements according to the contract
4. As per the principal's decision, in which case it will be responsible for all damages to the agent, as a result of the termination
5. As per fair cause, which includes all sorts of situations common to the termination of a commercial relationship

The law presents details on each situation. It is recommended that an attorney, other than the one representing the local firm, is consulted for the signing of these agreements.

### **Trade Promotion and Advertising**

The Commercial Services office 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 can also provide guidance, information and/or assistance to companies planning trade promotion events, which may include product demonstrations, seminars, conferences, etc.

American Chamber of Commerce of Guatemala (AMCHAM)

Contact: Juan Pablo Carrasco, President

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

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

Cámara de Comercio de Guatemala (Guatemalan Chamber of Commerce)

Contact: Jorge Briz Abularach, President

E-mail: [info@cameradecomercio.org.gt](mailto:info@cameradecomercio.org.gt)

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

Cámara de Industria de Guatemala (Chamber of Industry)

Contact: Eduardo Alberto Girón Benford, President

E-mail: [info@industriaguade.com](mailto:info@industriaguade.com)

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

Cámara Empresarial de Comercio y Servicios (Chamber of Commerce and Services)

Contact: Guillermo González, President

E-mail: [administracion@cecoms.org](mailto:administracion@cecoms.org)  
Web page: [www.cecoms.org](http://www.cecoms.org)

## **Advertising**

Advertising in Guatemala is usually done through the local media, such as newspapers, magazines, radio and television. In recent years, the use of billboards displayed along highways has proliferated. In addition, web based advertising, such as Facebook, Instagram and Twitter, are becoming more popular every day.

Emerging trends in Latin America show an exponential growth in the online audience. Mobile phones and tablets continue to account for the growth in online traffic. This shift in the digital media landscape has changed the way marketers are communicating. Digital marketing is now at the core of the marketing mix in Latin America where consumer insights and channel selection are essential to creating successful marketing strategies. There are local and international companies offering digital marketing campaigns tailored to different budgets and needs.

Firms interested in advertising in Guatemala may wish to contact the following association for guidance and referrals to Guatemalan advertising firms:

Unión Guatemalteca de Agencias de Publicidad - UGAP (Guatemalan Association of Advertising Agencies)

Contact: Carolina Ladd, Executive Director  
E-mail: [director@ugap.com](mailto:director@ugap.com) , [ugap@ugap.com](mailto:ugap@ugap.com)  
Web page: [www.ugap.com](http://www.ugap.com)

## **Major Newspapers**

The leading newspapers in Guatemala include the following:

Prensa Libre

Contact: Luis Enrique Solórzano, General Manager  
Miguel Angel Méndez, Editorial Director  
E-mail: [nacionales@prensalibre.com.gt](mailto:nacionales@prensalibre.com.gt)  
Web page: [www.prensalibre.com](http://www.prensalibre.com)

El Periódico

Contact: Rodolfo Móvil, Director  
E-mail: [rmovil@elperiodico.com.gt](mailto:rmovil@elperiodico.com.gt) / [opinion@elperiodico.com.gt](mailto:opinion@elperiodico.com.gt)  
Web page: [www.elperiodico.com.gt](http://www.elperiodico.com.gt)

Nuestro Diario

Contact: Jorge Springmuhl, General Manager  
E-mail: [opinion@nuestrodiario.com.gt](mailto:opinion@nuestrodiario.com.gt)  
Web page: [www.nuestrodiario.com](http://www.nuestrodiario.com)

La Hora

Contact: Oscar Clemente Marroquín, Director  
E-mail: [lahora@lahora.com.gt](mailto:lahora@lahora.com.gt)  
Web page: [www.lahora.gt](http://www.lahora.gt)



### **Television Channels/Companies:**

The following are the major television channels in Guatemala:

#### Canal 3 de Televisión (Channel 3)

Contact: Fernando Villanueva, President  
E-mail: [fernando@canal7.com.gt](mailto:fernando@canal7.com.gt)  
Web page: [www.canal7.com.gt](http://www.canal7.com.gt)

#### Telesiete (Channel 7)

Contact: Fernando Villanueva, President  
E-mail: [laura.alvarez@canal11.tv](mailto:laura.alvarez@canal11.tv)  
Web page:

#### TELE ONCE (Channel 11)

Contact: Juan Carlos Gonzáles President  
E-mail: [katlyn.ruiz@canal3.com.gt](mailto:katlyn.ruiz@canal3.com.gt)  
Web page: N/A

#### TRECEVISION (Channel 13)

Contact: Alfredo Brito, Editorial Director  
E-mail: [Alfredo.brito@telecentro.com.gt](mailto:Alfredo.brito@telecentro.com.gt)  
Web page: N/A

#### GuateVision (Channel 25)

Contact: Ing. Guillermo Bendfeldt  
E-mail: [gbendfeldt@prensalibre.com.gt](mailto:gbendfeldt@prensalibre.com.gt)  
Web page: [www.guatevision.com](http://www.guatevision.com)

#### Canal Antigua

Contact: Karla Ortiz de Archila, General Manager  
E-mail: [info@canalantigua.com](mailto:info@canalantigua.com)  
Web page: [www.canalantigua.tv](http://www.canalantigua.tv)

### **Radio Stations:**

To listen to Guatemalan radio on the Internet, visit [www.surfmusic.de/country/guatemala.html](http://www.surfmusic.de/country/guatemala.html)

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

#### Emisoras Unidas

Contact: Jaime Torres, General Manager , Luis Felipe Valenzuela, Director  
E-mail: [apatrullaje@emisorasunidas.com](mailto:apatrullaje@emisorasunidas.com)  
Web page: [www.emisorasunidas.com](http://www.emisorasunidas.com)  
Note: Emisoras Unidas is the largest radio network throughout Guatemala.

#### Radio Mundial

Contact: Fredy Azurdia Marroquín, General Manager  
E-mail: [cadenaazul@hotmail.com](mailto:cadenaazul@hotmail.com)  
Web page: [www.radiomundial.com.gt](http://www.radiomundial.com.gt)

Radio Sonora

Contact: Arnulfo Agustín Guzman, Director

E-mail: [maria.solarez@sonora.com.gt](mailto:maria.solarez@sonora.com.gt)

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

### **Magazines and Business Journals:**

Revista Gerencia

Asociación de Gerentes de Guatemala

Contact: Mario Eduardo López Salguero, General Manager

E-mail: [agg@agg.com.gt](mailto:agg@agg.com.gt)

Web page: [www.agg.org.gt](http://www.agg.org.gt)

Revista Industria

Cámara de Industria de Guatemala

Contact: Félix Colindres, Editor General

E-mail: [info@industriaguatemala.com](mailto:info@industriaguatemala.com)

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

Mundo Comercial

Cámara de Comercio de Guatemala

Contact: Jeannette Balcarcel

E-mail: [jbalscarcel@ccg.gt](mailto:jbalscarcel@ccg.gt);

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Doing Business in Guatemala

American Chamber of Commerce of Guatemala

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### **Pricing**

Price is a very important decision factor for Guatemalan businesspeople when selecting a supplier of imported goods and services. Many Guatemalan businesspeople are accustomed to purchasing directly from foreign exporters, especially when they feel that the prices 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) Import duties
- e) Value added tax, 12%

### **Sales Service/Customer Support**

One of the most important purchasing decision factors for Guatemalan importers is after-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 common with 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.

### **Local Professional Services**

Professional services involving lawyers, auditors, consultants, custom brokers, financial consultants, etc. can be 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: [export.gov/guatemala/businessserviceproviders/index.asp](https://export.gov/guatemala/businessserviceproviders/index.asp) to find a list of Business Service Providers.

The U.S. Government cannot recommend any attorney or professional.

### **Principal Business Associations**

There are several business associations in Guatemala.

The largest one, Coordinating Committee of Agricultural, Commercial, Industrial, and Financial Associations (CACIF), is the umbrella to eight chambers or associations that gather over 1,500 companies. The American Chamber of Commerce (AmCham) is also very active. All chambers accept U.S. companies as members.

These associations have an active role in advocating for rule of law, transparency, economic growth, trade, competitiveness and corporate social responsibility.

### **Limitations on Selling US Products and Services**

There are no significant limitations on selling U.S. products or services to the Guatemalan market, as long as the exporter or seller complies with the regulations and laws that apply to the specific product.

### **Trade Financing**

#### **Banking System**

Overall, the banking system remains stable. According to information from the Superintendence of Banks (SIB), the Guatemalan banking system comprises 16 commercial banks, which held an estimated USD 45.4 billion in assets in 2019. The six largest banks control about 89 % of total assets. In addition, there are 12 non-bank financial institutions specializing in investment operations, three licensed exchange houses, twenty-eight insurance companies, four credit card issuers, fourteen bonded warehouses, and four offshore banks which, by law, are affiliated with domestic financial groups. The Superintendence of Banks is responsible for regulating the financial services industry.

Guatemalan banking regulatory authorities and the Guatemalan congress have been actively working on new laws to strengthen the financial sector. In August 2012, the Guatemalan congress approved reforms to the Banking and Financial Groups Law and to the Central Bank Organic Law that strengthen supervision and prudential regulation of the financial sector and resolution mechanisms for failed or failing banks. Financial sector regulations passed by the Guatemalan congress in April 2002 increased the scope of supervision and brought local practices more in line with international standards. The 2002 regulations included Banking and Financial Groups Law, a Financial Supervision Law, and a 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 section Capital Markets and Portfolio Investment of the Investment Climate Chapter.

**Methods of Payment:** Describe most common methods of payment applicable to your country/economy, including open account, letter of credit, cash in advance, documentary collections, factoring, etc. Include credit-rating agencies in country and collection agencies. Include primary credit or charge cards used in country.

For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at [www.Export.gov/TradeFinanceGuide](http://www.Export.gov/TradeFinanceGuide).

**Foreign Exchange Controls:** Guatemala maintains an open and unrestricted exchange regime. There are no restrictions on converting or transferring funds associated with an investment into a freely usable currency at a market-clearing rate. The exchange rate moves in response to market conditions. The government sets one exchange rate as its reference, 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 the quantity of 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. In October 2010, monetary authorities approved a regulation to establish limits for cash transactions of foreign currency to reduce the risks of money laundering and terrorism financing. The regulation establishes that monthly deposits over USD 3,000 will be subject to additional requirements, including a sworn statement by the depositor stating that the money comes from legitimate activities. The reference exchange rate of Quetzals (GTQ) to the U.S. dollar (USD) has remained relatively stable since 1999.

**U.S. Banks and Local Correspondent Banks:** The Guatemalan Bank Association site has a link to most Guatemalan banks and their correspondent U.S. banks. More information at: [www.abg.org.gt](http://www.abg.org.gt).

### **Protecting Intellectual Property**

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, please link to our article on [Protecting Intellectual Property](#) and [Stopfakes.gov](http://Stopfakes.gov) for more resources.

It is critical for companies to ensure that their brands remain protected around the world and protected from trademark infringements. It is recommended to use a lawyer with expertise and knowledge of local laws and skills to conduct in-country investigations.

In Guatemala, Intellectual Property Laws confer discretionary powers and faculties to the Customs authorities to conduct investigations and retain merchandise suspected of being counterfeit. Customs is the first line of defense as it has the authority to confiscate the counterfeited goods. Unfortunately, under Guatemalan laws,

customs agents are responsible for the seizure and can only retain the merchandise for 48 hours, sometimes this is not sufficient time for the brand owners to be notified and begin legal action.

The Attorney General's office and the Customs Bureau are legally empowered to initiate investigations on intellectual property matters. However, the IPR prosecution office is small and operates with few resources. The office relies on assistance from the private sector and foreign Governments.

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

In Guatemala the entity in charge of intellectual property is the Mercantile Registry and with the support of the World Intellectual Property Organization (WIPO), launched the national strategy of intellectual property (ENPI), in mid-2015. Its main objective is to promote the use of intellectual property as a tool for economic and social development, by encouraging creativity and innovation.

Guatemala has strengthened prosecution of crimes against the intellectual property of the Public Ministry. To this end, projects have been implemented with national and international organizations that provide additional knowledge and assistance. It has also carried out exchange of experiences at an institutional level with the judiciary and the Superintendence of tax administration.

It is important to mention that Guatemalan legislation on this matter is modern and in accordance to the multilateral agreements on intellectual property such as:

- TRIPS (Trade related aspects of Intellectual Property Rights),
- Paris Convention
- Berne Convention
- Rome Convention

### **Selling to the Public Sector**

Guatemala's Government Procurement Law requires most government purchases over GTQ 900,000 (about \$116,933) to be submitted for public competitive bidding. Any government acquisition of goods supplies or services that exceeds GTQ 90,000 (approximately \$11,693) is subject to price quotation procedures, which also require public competition through Guatecompras. Since March 2004, government entities are required to use Guatecompras, an Internet-based electronic system to track GoG procurement processes. GoG entities must also comply with GoG procurement commitments under CAFTA-DR. Tender proceedings are public in the Republic of Guatemala. Any party or person can track the development of any tender process or tenders already awarded at [www.guatecompras.gt](http://www.guatecompras.gt).

It is advisable to any foreign company interested in engaging into a commercial relationship with an official or governmental entity to be associated with a local market participant. Foreign companies can participate in any government procurement modality without a local business associate, but must show that the company has provisionally registered with the Mercantile Registry. If the foreign company is awarded a public contract, it must demonstrate that it is properly registered to operate in the country through an authorized branch. Although it is technically possible to provisionally register a company during the bidding process, in practice it is hard to complete the process before the deadline for submitting a bid.

Tender proceedings only can be excluded in expressly stipulated emergency cases in the Government Procurement Law.

Government procurements executed by one government administration are occasionally challenged, breached or unpaid by the subsequent administration. In some of these cases, the Embassy of the United States of America can assist and service U.S. firms by encouraging the government to respect the legally binding executed agreements.

Guatemala is not a signatory to the WTO Agreement on Government Procurement.

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult Advocacy for Foreign Government Contracts for additional information.

### **Financing of Projects**

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.

## **Business Travel**

### **Business Customs**

Guatemala, with a population of over 17 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 are often surprised by the accessibility of key decision-makers and by the frankness of local buyers.

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

The dress code for Guatemala City business appointments depends on the type of meetings planned. For meetings in the city executives should use proper business attire but for meetings in factories, farms or plants casual attire is recommended.

Although many Guatemalans in the private sector speak and read English, promotional material should be in Spanish and emphasize U.S. origin. Guatemalans are extremely receptive to technical presentations that are educational rather than sales oriented.

### **Travel Advisory**

The U.S. Embassy in Guatemala provides travel information to U.S. citizens through the Country Information Sheet which is updated annually and can be accessed through [www.travel.state.gov](http://www.travel.state.gov).

As of February 2019, Guatemala has a Level 2 Travel Advisory in effect recommending that travelers exercise increased caution due to crime. Six departments within the country have a Level 3 Travel Advisory suggesting that travelers reconsider travel to those specific areas due to crime. A description of the Travel Advisory Levels can be found on the Country Information Sheet. In addition, the U.S. Embassy regularly shares information with U.S. Citizens in Guatemala through messages that can be accessed through the [Crime and Public Safety](#) section of the Embassy's [website](#).

All U.S. citizens traveling to or residing in Guatemala are encouraged to register with the Embassy through the online [Smart Traveler Enrollment Program \(STEP\)](#).

### **Visa Requirements**

U.S. Citizens do not need to obtain a visa before traveling to Guatemala. Upon entry into Guatemala, visitors are normally granted a temporary stay of 90 days.

Those who wish to remain longer will need to apply to extend their visa with Guatemalan immigration authorities within 90 days of their arrival in Guatemala.

Information about applying for permanent residency or extending a visa in Guatemala can be found at: <http://igm.gob.gt/>

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that each traveler will need to apply and qualify separately for a Non-Immigrant Visa. Visa applicants should go to the following links:

- State Department Visa Website: [travel.state.gov/visa/](https://travel.state.gov/visa/)
- U.S. Embassy Guatemala Nonimmigrant Visa Services: [Nonimmigrant Visas | Embassy of the United States Guatemala](#)

### **Currency**

Local currency is the “Quetzal.” The U.S. Dollar is commonly accepted in tourist transited areas such as artisan markets, certain restaurants and hotels. There is a broad presence of ATM machines throughout the capital city, but they become less available as one travels into the country’s rural areas. In general, the capital city, and areas where most famous tourist sites are located, well established hotels and restaurants will accept international credit cards. When traveling to the rural areas or smaller towns in Guatemala, it is a recommended practice to bring local cash to purchase artisan products, or food from smaller local vendors.

### **Telecommunications/Electronics**

Internet access is widely accessible by computers and smartphones. Hotels offer Internet and telephone service and cell phone systems can be used throughout most of Guatemala. Cell phones must be programmed for roaming in Guatemala; once programmed, calls can be placed to the United States without any problems. Calls can also be placed through hotel operators or directly with AT&T, MCI, or Sprint calling cards, or collect. Claro, Telefonica, Tigo, and other international companies compete in the market and provide telecommunications services, including Internet.

### **Transportation**

Several airlines offer direct flights to Guatemala from the United States, including American Airlines, Avianca, Delta, United, and Spirit. Other airlines operating in Guatemala include COPA, Interjet, Aeromexico, Iberia and Volaris. There are direct flights between Guatemala and Atlanta, Chicago, Dallas, Ft. Lauderdale, Houston, Los Angeles, Miami, Washington, Newark, New York and Orlando.

Transportation between the airport and hotels is available by hotel shuttle or taxi. Several rental car companies are represented at Guatemala City’s airport. However, traffic is often very heavy and chaotic. Additionally, Guatemala has one of the highest rates of crime in Latin America; therefore, it is recommended that travelers take taxis from the major hotels, or dispatch taxis such as Taxis Amarillos (yellow cabs). Reservations can be made at (502) 2470-1515. (Agents speak only Spanish.) Uber is also authorized. Public bus transportation is unsafe and is not recommended. Visitors should only travel between cities during daylight hours and we recommend contacting the Guatemalan Protection of Tourist Office at (502) 2421-2810 for updates on safety issues and possible security escorts for specific routes.

### **Language**

While there are over 22 languages in use in Guatemala, Spanish is the official language. Many firms are accustomed to working in English; however, correspondence should be in Spanish. Catalogs and technical literature should be provided with a careful translation.

### **Health**

Medical Facilities and Health Information: A full range of medical care is available in Guatemala City, but medical care outside the capital 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 illnesses and injuries, and many of the medical specialists staffing 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 should 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 generally not potable. Commercially available water bottled in Guatemala at the Salvavidas plant has been judged safe for consumption. Be sure the heat-molded seal on the bottleneck has not been broken. All reputable restaurants in Guatemala use commercially produced ice that is safe for consumption. Contrary to notices occasionally posted in some hotels, water from faucets 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 (CDC) by calling 1-800-232-4636 or visiting CDC's Internet site at [www.cdc.gov/travel/](http://www.cdc.gov/travel/). For information about outbreaks of infectious diseases abroad and additional health information for travelers, consult the site of the World Health Organization at [www.who.int/en](http://www.who.int/en).

Medical Insurance: The Department of State strongly urges Americans to consult with their health insurance company prior to traveling abroad to confirm whether their policy applies overseas and whether it will cover emergency expenses such as medical evacuations. Many hospitals in Guatemala require payment prior to treating patients, even if personal insurance will cover the treatment. Hospitals do not typically enter into payment plan agreements. Travelers should be aware that they may have to pay in advance and seek reimbursement.

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

Guatemala is on Central Standard Time year-round. There is no Daylight Savings Time.

Typical office hours are Monday to Friday from 8 am to 12 pm and from 1 pm to 5 pm.

#### **Temporary Entry of Materials or Personal Belongings**

The temporary entry of materials and belongings for personal use while in Guatemala (such as camera equipment, cellular telephones, laptop computers) 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.

**SAT** (Customs)

#### **Customs Management Unit, SAT**

Website: <https://portal.sat.gob.gt/portal/gobierno-abierto/>

Telephone: (502) 23297070 ext.: 3301 y 3302

**Ministry of Health** (Website: <https://www.mp.gob.gt/h>)

#### **1. Pharmaceutical, Cosmetic and Medical Devices Unit**

Website: <http://medicamentos.mspas.gob.gt/>

Address: 3 Calle Final 2-10, Zona 15  
Colonia Valles de Vista Hermosa

Telephone: (502) 2502-2503

## **2. Regulation and Control of Food Products Unit**

Website: <http://www.mspas.gob.gt/index.php/servicios>  
Address: 5ª Avenida 13-27, Zona 9 (Only paperwork submission)  
E-mail: [consultasdrca@gmail.com](mailto:consultasdrca@gmail.com)  
Telephone: (502) 2502-25022

## **3. Ministry of Agriculture**

Website: <https://www.maga.gob.gt/>  
Address: 7 Avenida 12-90 zona 13  
Telephone: (502) 2413-7000

### **Travel Related Web Resources**

- U.S. Department of State Country Specific Information Sheet: <https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/Guatemala.html>
- State Department Visa Information: <https://travel.state.gov/content/travel/en/us-visas.html>
- U.S. Bureau of Consular Affairs Travel Information: [travel.state.gov](http://travel.state.gov)
- Visa Information from the U.S. Embassy in Guatemala: <https://gt.usembassy.gov/visas/>
- World Health Organization: [www.who.int/en](http://www.who.int/en)
- Guatemalan Ministry of Foreign Affairs (in Spanish): [www.minex.gob.gt](http://www.minex.gob.gt)
- Travel, Immigration, and Customs Information: <https://www.cbp.gov/travel/international-visitors/know-before-you-visit>
- U.S. Embassy in Guatemala: [gt.usembassy.gov](http://gt.usembassy.gov)
- INGUAT -Guatemalan Institute of Tourism: <http://www.inguat.gob.gt>

## **Investment Climate Statement (ICS)**

The U.S. Department of State's Investment Climate Statements (ICS), prepared annually by U.S. embassies and diplomatic missions abroad, provide country-specific information and assessments of the investment climate in foreign markets. Topics include: Market barriers, business risk, legal and regulatory system, dispute resolution, corruption, political violence, labor issues, and intellectual property rights. To access the ICS reports, visit the U.S. Department of State's [Investment Climate Statement](#) website.

[Investment Climate Statement website.](#)

## **Political Environment**

For additional background information on the political and economic environment of Guatemala, please click on the following link: <https://www.state.gov/countries-areas/guatemala/>.