



# Forestry and Woodworking Machinery (FOR)

## A Top Export Prospect for Guatemala

September 2014

### Market Estimates

(in US\$ millions)	2012	2013 (1)	2014 (estimated)	2015 (estimated)
Total Market Size	16,836	16,978	17,592	18,037
Total Local Production	n/a	n/a	n/a	
Total Exports	869	679	730	742
Total Imports	17,705	17,657	18,457	18,745
Imports from the U.S.	5,886	6,141	6,812	7,264
Exchange Rate: 1 USD	8	8	8	8

(Statistics based on HS codes: 8202, 8203, 8461, 8464, and 8465)

Note: Data was estimated because statistics are available for/until October 2013

Total Market Size = (Total Local Production + Total Imports) - (Total Exports)

Sources: Total Local Production: N/A

Total Exports: Sieca

Total Imports: Sieca

Imports from U.S.: Sieca

### Overview

Guatemala exported USD 100.2 million of furniture and forestry products in 2013 an 8% increase from 2012 and will continue this trend as companies diversify and reach other markets.

According to the National Institute of Forestry the woods exported by Guatemala are: Pine, MDF, Teak, Mahogany, Cedar and Hickory. The finished products exported by Guatemala consist of furniture, doors, coffin, flooring and pallets.

This Industry is very well organized in Guatemala and generates 90,000 jobs in the country. Much of this market is fueled by domestic and export demand. Manufacturers in Guatemala have realized the need to modernize their woodworking machinery and shift towards mechanized mass production to fill the demand gap in the country and meet international standards of price and quality. Technology up-grades and capacity expansion are a strong focus area for woodworking today in Guatemala

Guatemala has many different microclimates throughout the country creating a perfect environment for the development of wood forests for cedar, mahogany, pine, teak and many others. According to the Forest Guild of Guatemala there are around 22 wood mills and

around 200 companies that use wood to manufacture products for construction, furniture and carpentry.

The Guatemalan Government created in 1997 the National Forest Institution (INAB) that is in charge of the promotion and execution of policies to maintain current forests and also offer incentives to large land owners to grow forests for production and conservation. These policies have been very effective since the creation of this entity, and as a result Guatemala has large areas of forest for production with many different types of wood.

The U.S. is the major exporter of wood-related equipment and accessories but has strong competition from China and Mexico that have gained market share in recent years. Most of the local importers do prefer quality products that do not wear down as fast as Chinese made products but still sometimes price can be an important issue. U.S. exporters have the advantage of exemption of import duties for wood equipment, tools and others due to CAFTA-DR.

### Sub-Sector Best Prospects

- Best prospects for forestry and woodworking sector include:
- Arch machines
- CNC Routers
- Door Machines
- Glue applicators
- Chippers
- Electric Saws
- Sanders
- Tools

This is the machinery and tools that show a large demand by furniture manufacturers carpenters and sawmills.

### Opportunities

The Guatemalan woodworking machinery industry is maturing and convinced that they need improved machinery for faster, more efficient production instead of traditional manual labor. This presents an opportunity for U.S. companies. There are no local manufacturers of machinery and tool import taxes range from 0 percent to 15 percent plus the VAT of 12 percent.

CS Guatemala has good working relationship with the different entities of this sector and is in constant watch for woodworking opportunities and matchmaking by sending every year a Guatemalan delegation to a wood working show in the US.

This industry is very well organized and because of that there are two local shows every year:

- Expomueble: an expo for furniture manufacturers
- Promueble: a show for suppliers of tools and machinery for wood.

CS is actively promoting two trade shows delegations to AWFS and IWF, both excellent U.S. shows in this sector. Each show occurs every two years and Guatemala has successfully sent Guatemalan delegations looking for new machinery to both expos in the past. For further information on the Guatemalan and U.S. shows, contact the Commercial Section.

### Web Resources

Secretariat for the Central American Economic Integration: [www.sieca.int](http://www.sieca.int)

National Forest Institution: [www.inab.gob.gt](http://www.inab.gob.gt)

Forest Trade Union: [www.gremialforestal.com](http://www.gremialforestal.com)

Guatemalan Exporters Association: [www.agexport.com.gt](http://www.agexport.com.gt)

Expomueble : [www.expomueblecentralamerica.com](http://www.expomueblecentralamerica.com)

Promueble: [www.promueblecentralamerica.com](http://www.promueblecentralamerica.com)

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