



Doing Business in Guatemala: 2013 Country

Commercial Guide for U.S. Companies

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

[Return to table of contents](#)

Chapter 1: Doing Business In Guatemala

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

Market Overview

[Return to top](#)

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

The United States is Guatemala's main trading partner whereas Guatemala ranks as the 40th largest export market for U.S. exports. Principal U.S. exports to Guatemala in 2012: oil (33%); machinery (9%); cereals (6%); electrical machinery (95%); cereals (5%) and plastics (4%).

Guatemalan GDP reached an estimated USD 50.3 billion in 2012 and exports from the United States to Guatemala were estimated at USD 5.9 billion, up about 24 percent from 2011. Export growth is expected to continue in 2013 and beyond. U.S. products and services enjoy strong name recognition in Guatemala, and U.S. firms have a good reputation in the Guatemalan marketplace. It is estimated that approximately 175 U.S. firms have a presence in the market. As a result, more than one third of all Guatemalan imports come from the United States.

Guatemala can also offer opportunities for foreign investment. Despite some persistent challenges foreign investment increased 17.64% in 2012, reaching USD 1.2 billion, while in 2011 foreign investment in Guatemala reached USD 1.0 billion. Guatemala's world ranking in "Doing Business" was 93 of 185 in 2013 (98 in 2012). (Editor's note: data on foreign investment cited above is more recent than that cited in Chapter 6, which was finalized earlier in 2013.)

With a population of around 14 million, Guatemala is the largest country in Central America and accounts for more than one third of the region's GDP. The capital, Guatemala City, has a population of almost 3 million and features first-class hotels and restaurants. La Aurora International Airport, which serves Guatemala City, is located just minutes from the major business and financial areas.

Market Challenges

[Return to top](#)

Otto Perez of the Patriot Party (PP) came into office on January 14, 2012. The President made a commitment to restructure the Government and to continue programs initiated by prior governments to promote foreign investment, enhance competitiveness, and expand investment in the export and tourist sectors.

Perez's administration has continued to maintain good relations with the United States while diversifying exports to Asia and Europe and the rest of Central America. The United States and Guatemala are both committed to strengthening democratic institutions, promoting trade, and improving the rule of law.

At this time, Perez faces many challenges, among them the need to address the perception that public security has decreased in the last year. Violent crime and a weak judicial system remain serious challenges; corruption in the Government, workers' rights, intellectual property protection, food security, education, social and political issues that threaten the mining industry, a decline in tax revenue, and the overuse of emergency procurement purchases in all the institutions continue to be other key challenges for the government.

On January 11, 2008, Guatemala and the United Nations established the joint International Commission against Impunity in Guatemala (CICIG). CICIG is charged with helping Guatemala to investigate and prosecute organized crime.

Most hurdles to exporting to, and investing in, Guatemala are bureaucratic in nature. Issues related to the Certificate of Origin continuously represent an obstacle for Guatemalan importers to access preferential tariffs. It is highly encouraged that they complete such documents in a thorough manner. The local currency, the Quetzal, has remained fairly steady at approximately 7.85 - 8.0 Quetzals to the U.S. dollar throughout 2012. U.S. dollars are freely available within the Guatemalan banking system. In October 2010, monetary authorities approved a regulation to establish limits for cash transactions of foreign currency. The regulation, which is aimed at reducing the risks of money laundering and terrorism financing, establishes that monthly deposits over USD 3,000 should be subject to additional requirements, including a sworn statement by the depositor stating that the money comes from legitimate activities. There are no legal constraints on the quantity of remittances or any other capital flows, and there have been no reports of unusual delays in the remittance of investment returns.

Market Opportunities

[Return to top](#)

The signing of the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) by the United States and Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua on August 5, 2004, represented a giant step toward greater economic integration between the U.S. and these Central American and Caribbean nations.

Under CAFTA-DR, about 92 percent of U.S. industrial and consumer goods enter Guatemala duty-free, with the remaining tariffs scheduled to be phased out by 2015. Nearly all textile and apparel goods that meet the agreement's rules of origin are now traded duty-free and quota-free. The agreement's tariff treatment for textile and apparel goods is retroactive to January 1, 2004.

Also under CAFTA-DR, about 89 percent of U.S. agricultural exports now enter Guatemala duty-free. Guatemala will eliminate its remaining tariffs on nearly all agricultural products by 2020 (2023 for rice and chicken leg quarters and 2025 for dairy products). For the most sensitive products, tariff rate quotas will permit some immediate duty-free access for specified quantities during the tariff phase-out period, with the duty-

free amount expanding during that period. Guatemala will liberalize trade in white corn through expansion of a Tariff Rate Quota, rather than by tariff reductions.

CAFTA-DR is the third largest Latin American market for U.S. goods, surpassed only by Mexico and Brazil. Along with reduced trade barriers, CAFTA-DR loosened restrictions that have historically locked U.S. firms into exclusive, often inefficient, distribution arrangements. CAFTA-DR member countries have further promised increased transparency in customs dealings, anti-corruption measures in government contracting and procurement, and strong legal protections for U.S. investors. In August 2009, the Guatemalan Congress approved reforms to the Government Procurement Law, which simplified bidding procedures, eliminated the fee previously charged to receive bidding documents, and provided an additional opportunity for suppliers to raise objections over the bidding process. Despite these reforms, large government procurements are often subject to appeals and injunctions based on claims of faults in the bidding process (e.g., documentation issues and lack of transparency). During 2012, several U.S. companies continued to voice their concern regarding the unfair and non-transparent tendering process by the Guatemalan government as a barrier to trade.

In July 2010, the Guatemalan Congress approved an insurance law that strengthens supervision of the insurance sector and allows foreign insurance companies to open branches in Guatemala. This law requires foreign insurance companies to fully capitalize in Guatemala. This law implements Guatemala's CAFTA-DR commitment to allow U.S. insurance companies to establish branches by July 2010. Under the CAFTA-DR, U.S. insurance companies may also establish wholly owned subsidiaries and joint ventures.

Regionalization has quickly become a fact of life for doing business in Central America. Factories and distribution facilities have been and continue to be designed to serve a regional market. Furthermore, rarely does a U.S. businessperson visit just one Central American country. New investors weigh the advantages that each country offers as they look to decide where to establish new plants. Regional managers are becoming the norm, with responsibilities for multiple countries within the Central American marketplace. Trade between the countries of Central America has also increased dramatically over recent years, a trend that was accelerated with CAFTA-DR implementation.

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

The Guatemalan economy expanded rapidly over several years, until the global recession in 2009. According to Banguat, in 2012 real GDP grew by 3.1 percent and inflation was estimated at 3.45 percent. Remittances, almost entirely from the U.S., are an important source of foreign income. In 2012, Guatemalans living in the United States sent an estimated USD4.78 billion in remittances, an 9.22 percent increase over the previous year, which accounted for approximately 9.5 percent of GDP in 2012.

During 2012, exports of traditional agricultural products (sugar, bananas, cardamom, and coffee) performed well, in addition to non-traditional agricultural exports, such as prepared food, vegetables, and fruits. The non-traditional sector, in particular, has provided more jobs and increased income for tens of thousands of people over the past ten years.

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

[Return to top](#)

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

[Return to table of contents](#)



COUNTRY FACT SHEET: GUATEMALA

PROFILE

Population in 2011 (Millions): 15
 Capital: Guatemala City
 Government: Republic

ECONOMY

	2009	2010	2011
Nominal GDP (Current Billions \$U.S.)	37.7	41.3	46.9
Nominal GDP Per Capita (Current \$US)	2,690	2,875	3,183
Real GDP Growth Rate (% change)	0.53	2.9	3.9
Real GDP Growth Rate Per Capita (% change)	-1.9	0.40	1.3
Consumer Prices (% change)	1.9	3.9	6.2
Unemployment (% of labor force)			
Economic Mix in 2011: 29.9% All Industries; 20.2% Manufactures; 29.6% Services; 40.5% Agriculture			

FOREIGN MERCHANDISE TRADE (\$US Millions)

	2009	2010	2011
Guatemala Exports to World	7,209	8,460	10,161
Guatemala Imports from World	11,521	13,830	16,611
U.S. Exports to Guatemala	3,875	4,478	6,145
U.S. Imports from Guatemala	3,148	3,193	4,714
U.S. Trade Balance with Guatemala	727	1,285	1,431
Position in U.S. Trade:			
Rank of Guatemala in U.S. Exports	42	43	39
Rank of Guatemala in U.S. Imports	53	54	47
Guatemala Share (%) of U.S. Exports	0.37	0.35	0.42
Guatemala Share (%) of U.S. Imports	0.20	0.17	0.21

Principal U.S. Exports to Guatemala in 2011:

1. Petroleum & Coal Products (31.4%)
2. Special Classification Provisions, Nesoi (9.1%)
3. Chemicals (8.6%)
4. Food & Kindred Products (8.2%)
5. Agricultural Products (7.7%)

Principal U.S. Imports from Guatemala in 2011:

1. Agricultural Products (32%)
2. Apparel & Accessories (28.6%)
3. Primary Metal Mfg (19.2%)
4. Oil & Gas (6.7%)
5. Food & Kindred Products (6%)

FOREIGN DIRECT INVESTMENT

	2009	2010	2011
U.S. FDI in Guatemala (US \$Millions)	971	1,064	1,100
FDI in U.S. by Guatemala (US \$Millions)	-61	-11	-19

DOING BUSINESS/ECONOMIC FREEDOM RANKINGS

World Bank Doing Business in 2012 Rank: 93 of 185
 Heritage/WSJ 2012 Index of Freedom Rank: 83 of 179

Source: Created by USDOC/ITA/OTII-TPIS from many sources: FDI from USDOC, Bureau of Economic Analysis. US Trade from USDOC, Census Bureau, Foreign Trade Division. Guatemala Trade with World from United Nations where available. National Macroeconomic data from IMF/World Bank databases including World Economic Outlook and World Development Indicators. .WORLD and other country aggregates are summaries of available UN COMTRADE, IMF and other data, and coverage varies over time and by source, but typically represents greater than 85 percent of world trade and production. Note: Principal U.S. Exports and Imports Are 3-digit NAICS Categories

[Return to table of contents](#)

Chapter 2: Political and Economic Environment

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

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

[Return to table of contents](#)

Chapter 3: Selling U.S. Products and Services

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

Using an Agent or Distributor

[Return to top](#)

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

Firms with valuable intellectual property to protect should take the legal steps necessary to ensure that it is protected. Firms should never delegate to a local agent, distributor or business partner the job of registering intellectual property including trademarks and trade names. It 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 can 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, enthusiasm and commitment should be weighed heavily.

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

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enter the larger Central American market, but not all potential agents and distributors will be in a position to do this well.

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

When completing an agency or distribution arrangement, U.S. exporters should make sure the agent or distributor understands clearly the terms of the relationship. The written agreement is important; however, both parties must understand it 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 (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

[Return to top](#)

Authorizations required operating an office in Guatemala:

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

Register with the Mercantile Registry (Registro Mercantil)

Registro Mercantil de Guatemala

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

Ph.: [502] 2317-3434

Fax: [502] 2334-1754

Contact: Rodrigo Valladares Molina, Registrador

E-mail: info@registromercantil.gob.gt

Website: 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 of its assets, both in Guatemala and abroad.

- A declaration that the entity recognizes the jurisdiction of the courts and laws of Guatemala, with respect to its activities and operations in the country, and that neither the entity nor its representatives and employees will seek special rights as foreigners.
- A declaration that the entity, prior to concluding operations in Guatemala, will fulfill all legal requirements in connection therewith.
- Certified copies of its latest financial statements (balance sheet and income account).

The documents must be certified by an authorized official in the country (state) of origin and must be authenticated by an appropriate Guatemalan Consular Official. For specific documentation on how to register foreign companies in Guatemala, please refer to the Mercantile Registry's website: www.registromercantil.gob.gt

Registration with the Guatemalan Internal Revenue Service – SAT:

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

Superintendencia de Administracion Tributaria – SAT

Superintendent: Carlos Muñoz
Website: www.sat.gob.gt
Call Center: 1-801-0072848

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

Franchising

[Return to top](#)

A Guatemalan Franchise Association, Asociación Guatemalteca de Franquicias -AGF, was founded in August of 2007. This association was ratified by FIAF – Federación Iberoamericana de Franquicias, located in Valencia, Spain. FIAF membership includes the following Ibero-American franchise associations: Mexico, Venezuela, Ecuador, Brazil, Argentina, Chile, Peru, Portugal, Spain and Guatemala. According to FIAF, Guatemala is the largest franchise market in Central America, with over 200 franchise chains and 3,500 outlets that have provided more than 25,000 direct jobs. Guatemala is also the fifth largest Latin American market for franchises. Local franchise companies operate mainly in the fields of fast food restaurants, bakeries, ice cream parlors, automobile services and supplies, gas stations, advertising signs, hotels, beauty clinics, gifts, and toy shops.

Opportunities for the establishment of additional U.S. franchises in all areas of economic activity are excellent, as businesspeople are increasingly interested in new franchising possibilities. Sources from the franchise association commented that in tough economic

times, the franchise business opens opportunities for projects that offer essential products, deals and packages that make the end-user's life easier.

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

Contact:

AGF – Asociación Guatemalteca de Franquicias
Contact: Ramon Hernandez, President
Email: guatefranquicias@guatefranquicias.com
Website: www.guatefranquicias.com

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

Direct Marketing

[Return to top](#)

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

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

Joint Ventures/Licensing

[Return to top](#)

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

- General Partnerships
- Limited Partnerships
- Special Limited Liability Companies

Corporations Stock-issuing Partnerships

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

Joint Ventures

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

In a joint venture, the participants enter into a participation contract (contrato de 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 active partner operates in his own name; there is no legal relationship between third parties and the participants.

Licensing

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

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

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

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

Selling to the Government

[Return to top](#)

Sales to government agencies and corporations are best achieved through local agents, distributors and other types of representatives; in some cases it is a requirement. It is not

very practical to target government sales if a firm does not have contacts in Guatemala whom are aware of opportunities and able to assist with obtaining the specifications and meeting deadlines for submission.

The Government Procurement Law (Decree 57-92- Ley de Contrataciones del Estado de Guatemala) and its addendums, stipulate that all government purchases over 900,000 Quetzals (approximately USD116,000) must be submitted for public competitive bidding, and no fewer than five bidders must participate, except when a project is considered to be so urgent as to be declared a national emergency. In the latter case, the Government of Guatemala can forgo the bidding process and may acquire the goods or services, regardless of the amount, from local firms or through dealers by direct importation. Unless otherwise specified, all government public bidding requires foreign suppliers to meet pre-qualification requirements, and to submit bids through local established representatives. Government purchases or acquisitions are generally exempted from import duties. The period granted for submission of bids is often limited.

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

Distribution and Sales Channels

[Return to top](#)

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

Almost half of all firms selling into the Guatemalan market do so by means of a Guatemalan agent or distributor. The rest sell directly to Guatemalan buyers. 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 is conducted in Guatemala based on personal relationships. Guatemalan business executives and government officials place great importance on personal contacts with suppliers. U.S. suppliers should be prepared to travel to Guatemala often and have a local representative or distributor. U.S. businesspersons are often surprised at the accessibility of key decision makers and the openness and frankness of local buyers.

Selling Factors/Techniques

[Return to top](#)

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

Direct sales by U.S. exporters to end-users, importers, wholesalers and retailers are usually most successful when the product is well-known within the market or when a limited number of (usually large) buyers exist. Direct sales are often supported by local

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

Electronic Commerce

[Return to top](#)

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

The e-commerce industry is growing rapidly. Large companies have been the first to take advantage of this tool. It will take some time for smaller firms to adapt. Examples of some users of e-commerce are: www.amchamguate.com, <http://www.negociosenguatemala.com>, www.industriaguatemala.com, www.prensalibre.com, www.guatecompras.gob.gt, www.bi.com.gt, www.cinepolis.com.gt

Field Code Changed

In September 2008, an E-commerce bill was approved by Congress. This bill is called "Law for the Recognition of Communications and Electronic Signatures", and provides a secure environment for the transmission of electronic messages, addresses the validity and efficiency of documents and electronic signatures and contains other E-commerce specific matters.

Trade Promotion and Advertising

[Return to top](#)

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

American Chamber of Commerce of Guatemala (AMCHAM)

Contact: Carolina Castellanos, Director
Jeffrey S. Paul, President

E-mail: director@amchamguate.com

Web page: www.amchamguate.com

Camara de Comercio de Guatemala
(Guatemalan Chamber of Commerce)
Contact: _____ Juan Jose Cabrera Alonzo, General Manager
Contact: _____ Jorge Briz Abularach, President
E-mail: _____ info@camaradecomercio.org.gt,
gerencia@camaradecomercio.com
Web page: _____ www.negociosenguatemala.com/

Cámara de Industria de Guatemala
(Chamber of Industry)
Contact: _____ Andres Castillo, President
Javier Zepeda, Executive Director
E-mail: _____ cig@industriaguatemala.com
Web page: _____ www.industriaguatemala.com

Cámara Empresarial de Comercio y Servicios
(Chamber of Commerce and Services)
Contact: _____ Guillermo González, President
Maria Elisa de Escobar, Administrative Manager
E-mail: _____ cecoms@gmail.com
Web page: _____ www.cecoms.com

Local Guatemalan trade events scheduled for 2013 include:

Apparel Sourcing Show May 21-23, 2013
<http://apparelexpo.com/2013/>
Feria de la Proveeduría April 18-20, 2013
<http://www.promueblecentralamerica.com>

Expomueble July 30-August 4, 2013
<http://www.expomueblecentralamerica.com/>

Visit USA International Trade Show 2013 August 22-23, 2013
www.visitusaguatemala.org

Organizers of these and other fairs:

COPEREX
Contact: _____ Roberto Gonzalez
E-mail: _____ info@copere.com
Web page: _____ www.coperex.com.gt

Osmosis, Impulso y Desarrollo
Contact: _____ Carlos Rafael Anzueto, General Manager
E-mail: _____ ventas@osmosisconsultores.com
Web page: _____ www.osmosisconsultores.com

The Commercial Service in Guatemala can assist U.S. exporters in promoting their materials at some of the events mentioned above. More information may be obtained at:

U.S. Embassy in Guatemala, Commercial Service

Ph.: [502] 2326-4259

Fax: [502] 2331-7373

E-mail: Guatemala.Office.Box@trade.gov

Web page: www.export.gov/guatemala

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

Union Guatemalteca de Agencias de Publicidad - UGAP

(Guatemalan Association of Advertising Agencies)

Contact: Carolina Ladd, Executive Director

E-mail: director@ugap.com, ugap@ugap.com

Web page: www.ugap.com

Major Newspapers

The leading newspapers in Guatemala include the following:

Prensa Libre

Contact: Luis Enrique Solorzano, General Manager

Miguel Angel Méndez, Editorial Director

E-mail: nacionales@prensalibre.com.gt

Web page: www.prensalibre.com

Siglo Veintiuno

Contact: Carlos Castañaza, Executive Director

Luis Eduardo Marroquin General Director

E-mail: servicios@siglo21.com.gt

Web page: www.s21.com.gt

El Periódico

Contact: Rodolfo M6vil, Director

E-mail: opinion@elperiodico.com.gt

Web page: www.elperiodico.com.gt

Nuestro Diario

Contact: Jorge Springmuhl, General Manager

E-mail: opinion@nuestrodiario.com.gt

Web page: www.nuestrodiario.com

La Hora

Contact: Oscar Clemente Marroquin, Director

E-mail: lahora@lahora.com.gt

Web page: www.lahora.com.gt

Television Channels/Companies:

The following are the major television channels in Guatemala:

Canal 3 de Television (Channel 3)

Contact: Juan Carlos Gonzales, President
E-mail: canal3@canal3.com.gt
Web page: www.canal3.com.gt

Televisiete (Channel 7)

Contact: Pedro Sánchez, General Director
E-mail: pedro.sanchez@canal7.com
Web page: www.canal7.com.gt

TELE ONCE (Channel 11)

Contact: Juan Carlos Gonzales President
E-mail: katlyn.ruiz@canal3.com.gt
Web page: www.canalonce.tv/programacion11.html

TRECEVISION (Channel 13)

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

GuateVision (Channel 25)

Contact: Jaime Torres, General Manager
E-mail: jtorres@guatevision.com
Web page: www.guatevision.com

Mayacable/Comtech

Contact: Edgar Ponce Operations Manager
E-mail: clientes@claro.com.gt
Web page: www.claro.gt/tv.aspx

Canal Antigua-

Contact: Karla Ortiz de Archila General Manager
E-mail: info@canalantigua.com
Web page: www.canalantigua.com

Radio Stations:

To listen to Guatemalan radio on the Internet, visit
www.surfmusic.de/country/guatemala.html

For a list and description of Guatemalan radio stations, visit:
http://radiotime.com/region/c_100350/Guatemala.aspx

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

Emisoras Unidas

Contact: Marco Chávez, General Manager

Luis Felipe Valenzuela, Director
E-mail: emisorasunidas@emisorasunidas.com
Web page: www.emisorasunidas.com
Note: Emisoras Unidas is the largest radio network throughout Guatemala.

Cadena Azul de Guatemala
Radio Mundial
Contact: Fredy Azurdia Marroquin, General Manager
E-mail: cadenaazul@hotmail.com
Web Page: www.radiomundial.com.gt

Radio Punto
Contact: Helen Liu de Sanchez, General Manager
E-mail: info@grupoalius.com
Web page: www.radiopunto.com

Radio Sonora
Contact: Arnulfo Agustin Guzman, Director
E-mail: repcion@sonora.com.gt
Web page: www.sonora.com.gt

Grupo Nuevo Mundo
Contact: Alfredo Gonzalez Gamarra, General Manager
E-mail: info@nuevomundoradio.com
Web page: www.nuevomundoradio.com

Magazines and Business Journals:

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

Revista Gerencia
Asociación de Gerentes de Guatemala
Contact: Ileana López, Manager
E-mail: gileana@agg.org.gt
Web page: www.agg.org.gt

Revista Industria
Cámara de Industria de Guatemala
Contact: Hernan Guerra, Editor
E-mail: revistacig@industriagate.com
Web page: www.revistaindustria.com

Mundo Comercial
Cámara de Comercio de Guatemala
Contact: Jeannette Balcarcel y Cristian Mayorga, editors
E-mail: jbalarcel@camaradecomercio.org.gt;
cmayorga@camaradecomercio.org.gt
Web page: www.negociosenguatemala.com/

Doing Business in Guatemala
American Chamber of Commerce of Guatemala

Contact: Lourdes Monterroso, Publishing Department
E-mail: mercadeo@amchamguate.com
Web page: www.amchamguate.com

Pricing

[Return to top](#)

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

- a) Product F.O.B. cost
- b) Product freight and/or transportation cost
- c) Product insurance cost
- d) Consular fees (in some cases; however, CAFTA-DR members including the United States are except from consular fees)
- e) Import duties
- f) Value added tax, 12 percent

Sales Service/Customer Support

[Return to top](#)

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 the case with items such as household appliances, electronic consumer goods, telecommunications and computer equipment, other electronic equipment and industrial machinery. There are no provisions in the law regarding product guarantees. However, most retailers provide some sort of guarantee that covers problems which occur under normal conditions of use.

Protecting Your Intellectual Property

[Return to top](#)

Protecting Your Intellectual Property in Guatemala

Several general principles are important for effective management of intellectual property ("IP") rights in Guatemala. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Guatemala than in the U.S. Third, rights must be registered and enforced in Guatemala, under local laws. Your U.S. trademark and patent registrations will not protect you in Guatemala. There is no such thing as an "international copyright" that will automatically protect an author's writings

throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Guatemalan market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Guatemala. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Guatemalan law. The U.S. Commercial Service can provide a list of local lawyers upon request <http://export.gov/guatemala/businessserviceproviders/index.asp>

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Guatemala require constant attention. Work with legal counsel familiar with Guatemalan laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

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

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

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

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

IPR Climate in Guatemala

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

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

Intellectual Property Registry

In 1973, Guatemalan Congressional Decree No. 26-73 ratified the Central American Agreement for Intellectual Property Protection followed by ratification of its protocol through Guatemalan Decree No. 60-2000 in 2000. This Agreement and its Protocol established a uniform legal framework for all Central American countries regarding trademarks, trade names and expressions or advertising jingles and signs. Decree No. 57-2000 established Guatemala's "Law of Industrial Property." Regulations associated with the "Law of Industrial Property" can be found in governmental accord #89-2002, dated March 19, 2002.

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

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

Detailed information on the registration of trademarks or intellectual property can be accessed at: <https://www.rpi.gob.gt/>

The Intellectual Property Registrar may be contacted at:

Registro de la Propiedad Intelectual
Contact: Ileana Aguilar de Benitez, Registrar
E-mail: ileanadebenitez@rpi.gob.gt
Web page: <https://www.rpi.gob.gt/>

Due Diligence

[Return to top](#)

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

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

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: <http://export.gov/guatemala/servicesforu.s.companies/index.asp>

Local Professional Services

[Return to top](#)

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:

<http://export.gov/guatemala/businessserviceproviders/index.asp> to find a list of Business Service Providers. The U.S. Government cannot recommend any particular attorney or professional.

Web Resources

[Return to top](#)

- Advertising Association: www.ugap.com
- Agritrade: <http://www.agritradecentralamerica.org/>
- American Chamber of Commerce: www.amchamguate.com
- Apparel Show: <http://apparelexpo.com/2013/>
- ~~<http://www.apparelexpo.com/gt/>~~
- Canal Antigua: www.canalantigua.com
- Chamber of Construction: www.construguate.com
- COPEREX Trade Fairs: www.coperex.com.gt
- El Periodico (newspaper): www.elperiodico.com.gt
- Expomueble (furniture): ~~<http://www.export.com.gt>~~
- Export association: www.export.com.gt
- Guatemalan Chamber of Commerce: www.negociosenguatemala.com/
- Guatemala Chamber of Industry: www.industriaguate.com
- Guatemala Managers Association: www.agg.org.gt
- Guatemala Procurement Office: www.guatecompras.gob.gt
- Guatemala Radio Stations: http://radiotime.com/region/c_100350/Guatemala.aspx
- GuateVision: www.guatevision.com
- InduExpo: <http://www.industriaguate.com/>
- Prensa Libre (newspaper): www.prensalibre.com
- Siglo XXI (newspaper): www.sigloxxi.com
- Superintendent of Tax Admin/SAT: <http://portal.sat.gob.gt/sitio/>
- U.S. Embassy Guatemala: <http://guatemala.usembassy.gov/>
- Superintendent of Banks: <http://www.sib.gob.gt/web/sib/inicio>

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[Return to table of contents](#)

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

Commercial Sectors

- [Automotive: Accessories, Auto Parts, and Service Equipment AUT](#)
- [Security and Safety Equipment SEC](#)
- [Travel and Tourism TRA](#)
- [Forestry and Woodworking Machinery FOR](#)

Automotive: Accessories, Auto Parts, and Service Equipment AUT

Overview

[Return to top](#)

Unit: USD Millions

	2011	2012 ⁽¹⁾	2013 (estimated)	2014 (estimated)
Total Market Size	422	395	406.3	418
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	23	25	25.7	26.4
Total Imports	399	370	381.1	392.5
Imports from the U.S.	134	132	136.9	141
Exchange Rate: 1 USD	7.85	7.85	7.85	7.85

Data Sources: SIECA, Banco de Guatemala, Industry Sources

Note: Data was estimated because statistics are available for/until October 2012 ⁽¹⁾

Total Local Production: n/a
Total Exports: USD 25 Million
Total Imports: USD 370 Million
Imports from U.S.: USD 133 Million

Guatemala continues to be an important market for automotive parts and accessories. On average, Guatemalans keep their automobiles for 5-7 years before purchasing a newer model. There is a large market of importers who buy damaged cars at auctions in the U.S. These automobiles are repaired and refurbished locally for later re-sale. The vehicle park in Guatemala exceeds 2.3 Million units, including motorcycles. These 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 has stimulated the need for this type of equipment. Automotive parts importers must supply the demand from local importers of used cars, who need parts to repair sometimes severely damaged cars.

Thirty five percent of all automotive parts, accessories and service equipment are imported from the U.S. with the remaining percentage of imports coming from Asia (mostly Korea, Japan and China), Brazil and Europe. Asian manufacturers are present in the market with low priced products. It is estimated that almost seventy five percent of the cars circulating in Guatemala represent Asian brands.

Customs records for Guatemala report that the U.S. has approximately thirty five percent market share.

In 2012, Congress approved a law to double the Guatemalan vehicle road tax. In early 2013, there are reports that indicate that vehicle imports have dropped over 30% already

due to the high impact that the law has on the economy of those who were interested in changing their vehicles for a newer model.

The new law also prohibits the import of vehicles older than 10 years. Because of the decrease in vehicle imports, the current vehicle park will grow older in the market and need maintenance parts to continue working for more years before owners are ready to purchase newer models.

There is a great opportunity for U.S. exporters of automotive parts and accessories that will help maintain the current vehicle volume.

Sub-Sector Best Prospects

[Return to top](#)

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

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

Opportunities

[Return to top](#)

There are more than one hundred spare parts and service agents in Guatemala due to the large demand for aftermarket products, service tools and equipment. The majority of agents and distributors, whether they are large companies or small entrepreneurs, are always open to look at new alternatives to offer their customers. It is very important to note that this market is completely price driven and that Asian brands are well positioned in the market. Innovative, unusual products are a good opportunity for U.S. manufacturers as long as the prices remain competitive. For additional information, please contact Ana.Polanco@trade.gov

Market Size: 2,389,240 vehicles (2012)

U.S. Auto Parts Exports: USD 133 million in 2012

Impact of Tariff Reduction: Free duty entrance for automotive parts under CAFTA - DR, which had ranged from one to twenty percent, provides immediate cost savings.

Other Trade Agreement Impacts:

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

Web Resources

[Return to top](#)

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

• Statistical information: www.sieca.int/site/inicio.aspx

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Security and Safety Equipment (SEC)

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Overview

[Return to top](#)

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	498,682	537,197	551,198	580,458
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	20,163	12,269	15,384	17,884
Total Imports	518,845	549,466	566,582	598,342
Imports from the U.S.	303,445	289,870	296,567	305,468
Exchange Rate: 1 USD	8	8	8	8

(Statistics based on HS codes : 8424, 8471, 8521, 8525, 8528, 8530, 8531, 8536, 8541, 8523, 8543, 9022.)

Note: Data was estimated because statistics are available for/until October 2012 ⁽¹⁾

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

Data Sources:

Total Local Production: n/a

Total Exports: Sieca

Total Imports: Sieca

Imports from U.S.: Sieca

Guatemala has increasing insecurity due to the expansion of drug cartels, organized crime, gangs and lack of prosecution and conviction, and an ineffective and insufficient police force.

Robberies of all types are committed daily and the general perception is that four key institutions: the courts, Prosecutors office, the army and the police government agencies, as well as processes initiated by the International Commission Against Impunity in Guatemala and the selection of judges of different instances have been infiltrated by the cartels and organized crime. The general public has little or no confidence in law enforcement agencies believed to be corrupt.

Citizens also recognize the lack of the ability of the police to protect private property and companies. Companies as well as individuals are taking security into their own hands hiring private security and demanding more security systems. The country roughly has 28,000 active police officers and 100,000 to 120,000 private guards.

According to security statistics in Guatemala:

- In 2012 Guatemala ranked 5th in Latin America with a rate of 39 murders for every 100,000 citizens, while in 2011 it ranked 4th with 42 murders/ 100,000 citizens
- There are currently 182 companies in the security business
- More than 454,000 registered guns and approximately 1.5 million illegal guns in the country

Sub-Sector Best Prospects

[Return to top](#)

According to the Security Chamber of Guatemala, private companies invest between 10 to 15 percent of their annual budget in security products and services.

The demand of security and safety products in Guatemala has grown each year as the security in the country gets worse and citizens and private companies demand and spend more in this industry.

U.S. products have the majority of market share with 47.24% and compete with Mexico, Asia and Germany. 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.

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

Opportunities

[Return to top](#)

Personal security products, protection products and high tech solutions and services have the most significant opportunities. All security products are imported and there's no local production. Import taxes for these products range from 0 to 15 percent plus the VAT of 12 percent.

CS Guatemala is in constant contact with security and safety equipment importers as well as the Security Chamber of Guatemala, to keep track of market trends, and importers interested in U.S. made products. CS promotes and sends a delegation of importers each year to the ISC Expo in Las Vegas, Nevada.

Web Resources

[Return to top](#)

- Secretariat for the Central American Economic Integration : www.sieca.int
- Guatemalan Government Purchasing Website : www.guatecompras.gt
- Security Chamber of Guatemala : www.camaradeseguridad.com.gt

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Travel and Tourism TRA

Overview

[Return to top](#)

The United States is one of the top three destinations for Guatemalan travelers along with the Central American neighboring countries and Mexico. At least half of the traveling community chooses to travel to destinations such as Dallas, Los Angeles, Miami, Orlando, New York and Chicago. These are in great demand due to the convenience of non-stop flights, the belief that they offer the best family entertainment experience, and/or because family and friends live in these locations. It is estimated that 1.4 million Guatemalans live in the United States.

Growing destinations for Guatemalan visitors are Boston, Massachusetts, Texas; Las Vegas, Nevada, Washington DC, San Francisco, California, and Atlanta, Georgia. Business people or attendees to trade events constitute an important category among travelers. Guatemalans distinguish themselves by taking advantage of the opportunities they have while traveling on business and will take time to conduct tourist activities.

Airlines serve the Guatemalan market with over 75 direct flights per week to the United States. The following airlines offer daily non-stop flights from Guatemala to the United States: American Airlines, Continental Airlines, Delta Airlines, Spirit and Avianca. Other airlines also service the Guatemalan market offering flights to the U.S. and multiple destinations, such as Copa Airlines, Iberia Aeroméxico and Lacsá.

Carriers offer flights to Atlanta, Chicago, Fort Lauderdale, Dallas, Houston, Los Angeles, Miami, Newark, New York, Orlando and Washington D.C. The duration of these flights ranges from two to four hours maximum, which makes it very attractive for Guatemalans to plan their vacations or business trips. From these major cities, airlines offer a significant number of connections to the rest of the United States and the world.

Sub-Sector Best Prospects

[Return to top](#)

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

- family attractions
- family friendly hotels
- shopping venues (outlets and discount stores)
- entertainment shows
- sports events
- cruise trips

Many Guatemalans look forward to sending their children to enhance their English speaking skills through exchange programs. There is also a market for Colleges and Post graduate schools to offer their programs to Guatemalan students.

Opportunities

[Return to top](#)

CS Guatemala is active in promoting U.S. Travel and Tourism destinations. CS actively supports the Visit USA Committee's activities in the country, recruits delegations to attend important tourism trade events such as "Pow Wow" (<http://www.ipw.com>), and maintains active contacts with the local media in order to feed them information on U.S. destinations for later distribution, printing and/or advertising.

The Visit USA Committee in Guatemala organizes a targeted International Trade Show every year to promote 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. Interested parties may contact Senior Commercial Specialist, Ana.Polanco@Trade.gov (ana.polanco@trade.gov) at the U.S. Commercial Service Office in Guatemala This event which will take place on August 22-23, 2013.

Web Resources

[Return to top](#)

- U.S. Travel Association: www.ustravel.org/
- Visit USA Committee Guatemala: <http://visitusaguatemala.org>
- US Commercial Service in Guatemala: www.buyusa.gov/guatemala

Forestry and Woodworking Machinery (FOR)

Overview

[Return to top](#)

Unit: USD thousands

	2011	2012 ⁽¹⁾	2013 (estimated)	2014 (estimated)
Total Market Size	17,367	17,956	18,416	19,592
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	901	749	832	865
Total Imports	18,268	18,705	19,248	20,457
Imports from the U.S.	6,593	5,886	6,617	6,812
Exchange Rate: 1 USD	8	8	8	8

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

Note: Data was estimated because statistics are available for/until October 2012 ⁽¹⁾

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

Data Sources:

Total Local Production: n/a

Total Exports: Sieca

Total Imports: Sieca

Imports from U.S.: Sieca

Guatemala exported USD 92.7 million of furniture and forestry products in 2012 a 15.29% increase from 2011 and will continue this trend as companies diversify and reaches other markets.

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

[Return to top](#)

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

[Return to top](#)

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 International Buyer Program 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

[Return to top](#)

- Secretariat for the Central American Economic Integration : www.sieca.int

- National Forest Institution : www.inab.gob.gt
- Forest Trade Union : www.gremialforestal.com
- Guatemalan Exporters Association : www.agexport.com.gt
- Expomueble: www.expomueblecentralamerica.com
- Promueble: www.promueblecentralamerica.com

Agricultural Sectors

[Return to top](#)

Fresh Fruits

Overview

[Return to top](#)

<i>Tariff Code 080</i>	<i>Value (in million USD)</i>			
	<i>1(e)</i>	<i>2(e)</i>	<i>3(f)</i>	<i>2014(f)</i>
Total Exports	683.5	835.8	880.3	927.2
Total Imports	43.8	52.0	60.2	62.1
Imports from the U.S.	25.3	27.8	29.3	30.9

Since the implementation of the CAFTA-DR, U.S. fresh fruits enter duty-free and without quotas. U.S. apples, grapes and pears are the main imports and are very competitive with imported products from Chile, which is the second largest exporter of fresh fruits to Guatemala capturing around 24 percent of the total market share. Although, Guatemala ratified the Free Trade Agreement with Chile in 2009, the U.S. is still the main supplier of most fresh fruits and this is mainly because U.S. suppliers have a very aggressive marketing strategy for apples, grapes and pears, trying to make these products available in the supermarkets and open-air markets year round.

Generally, in the Central American markets, two or three importers dominate each market. Importers sell to retailers and wholesalers that also supply the street vendors. In Guatemala, only 40 percent of U.S. fresh fruits are sold by retailers and 60 percent sales occur on the street markets.

As of November 2011, all U.S. exports to Guatemala of horticultural products and by products require a certificate of self- attestation in order to comply with local sanitary regulations.

Best Products/Services

[Return to top](#)

For apples, the most popular imported varieties include Red Delicious, Granny Smith, Fuji, and Gala. For the past three years, other varieties including Golden Delicious, Honey Crisp and Jonagold are found during the Christmas season at the upper scale supermarkets.

For grapes, the most popular varieties imported into the country are Autumn Royal, Red Globe and Thompson seedless grapes. U.S. exports of grapes continue to have great growth potential in the Guatemalan market and there is an opportunity to introduce new varieties.

For pears, while the Green and Red Anjou, Bartlett and Bosc varieties are the most popular varieties, the market is still at a very early stage for other varieties.

Other fruits including peaches, plums, oranges, mandarins, cherries and kiwis have potential growth especially in the retail market where a wider variety of imported fruits

are found and consumers have the purchasing power to pay higher prices for quality products.

Opportunities

[Return to top](#)

Because of the cultural similarities of the Central American countries, most U.S. Cooperators (U.S. agricultural export associations supported by USDA) view Guatemala as part of a Central American marketing region. Spanish is the first language and Central American countries have the same peak sales periods. All are serviced by only two or three importer/buyer groups. Most consumer activities are done at the point of purchase. Activities are exemplified by in-store sampling, chef demonstrations and the displaying of point-of-sale materials. However, a small public relations and advertising program exists to gain additional visibility, primarily during the Seasonal Holidays and New Year's celebration. The implementation of back-to-school promotions in January has proved to be an effective strategy which has helped maintain imported fruits preference at the retail level and increase sales in the Guatemalan market.

Resources

[Return to top](#)

- U.S. Department of Agriculture: Foreign Agricultural Service in Guatemala: www.fas.usda.gov
- Search engine for FAS Reports 2012: <http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>
- Statistical information: www.sieca.int/site/inicio.aspx; www.fas.usda.gov/gats/bicoreport.aspx
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Red Meats (fresh, chilled, frozen)& Meat Offals

Overview

[Return to top](#)

Tariff Code 02	Value (in million USD)			
	2011 (e)	2012 (e)	2013 (f)	2014 (f)
Total Exports	18.29	15.5	17.3	17.8
Total Imports	36.7	46.3	50.7	55.5
Imports from the U.S.	30.8	38.0	44.3	48.8

CAFTA-DR ratification and implementation opened the market for USDA prime and choice beef cuts given their duty-free access status. Local beef production is consumed domestically and exported to other Central American countries. Local production is of irregular quality and supply, which is a problem for hotels and fine restaurants that need a consistent supply of high-quality beef.

U.S. pork is recognized by consumers as being safe and healthy in comparison to locally produced pork. In 2011 and 2012, Guatemala had some cases of classical swine fever and therefore, local exports to Mexico and other Central American countries stopped and represented a loss of almost US\$1 million in exports to those markets.

The U.S. Meat Export Federation (USMEF) is working closely with distributors and Hotel Restaurant and Institutional (HRI) outlets to raise awareness about U.S. beef value cuts as an alternative to lower grade meats.

Best Products/Services

[Return to top](#)

High quality meat cuts (choice and prime) are imported duty-free throughout the CAFTA-DR region and are an important source of meat for hotels, restaurants, and upscale consumers. Also, beef variety meats are largely consumed by the middle and upper classes. This creates an opportunity to increase sales of these commodities.

Opportunities

[Return to top](#)

The U.S. Meat Export Federation has an on-going educational program addressed to the major Guatemalan foodservice companies that sell high-quality meat cuts to the hotel and restaurant sectors. This program includes learning about the profitability of U.S. beef value cuts by leveraging consumers' positive perception of U.S. brands.

U.S. pork imported into Guatemala is mainly used by the processing sector as a raw material to produce sausages, pork rinds, hot dogs and hams. Other pork variety meats are largely consumed by middle and upper classes.

Pork variety meats are consumed as a protein source and therefore, there is an opportunity to add value to these products through packaging and cutting to

specifications. In addition, there are opportunities for U.S. pork feet and jowls that are consumed by medium-low and medium income groups in the country. This creates an opportunity to increase sales of these commodities.

Resources

[Return to top](#)

- U.S. Department of Agriculture
Foreign Agricultural Service in Guatemala: www.fas.usda.gov
Search engine for FAS reports 2012:
<http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>
- Statistical information: www.sieca.int/site/inicio.aspx

Poultry

Overview

[Return to top](#)

Tariff Code 0207	Value (in million USD)			
	2011 (e)	2012 (e)	2013 (f)	2014 (f)
Total Exports	5.85.8	5.8	6.1	6.3
Total Imports	76.3	93.2	100.2	107.7
Imports from the U.S.	475.9	92.1	99.6	107.3

Guatemala is a major importer of U.S. poultry and is one of the three largest markets in the region. It imposes few import restrictions on poultry, and imports large amounts of U.S. brand-name frozen chicken cuts. Under CAFTA-DR, tariffs are being phased out within five years to ten years, depending on the product. The exception is chicken leg quarters (CLQ), which enter duty-free under a tariff-rate quota (TRQ) and have an out-of-quota duty of up to 164.4 percent. However, bowing to domestic pressure, Guatemala set the out-of-quota duty in 2006 at only 15 percent, in contrast to the other CAFTA-DR countries which set the CLQ tariff at the allowed maximum rate.

Best Products/Services

[Return to top](#)

Chicken leg quarters represent an inexpensive, popular meat that is largely imported from the United States since the domestic industry cannot meet the demand. Also, there is a market for U.S. exports of mechanically deboned meat (MDM) for the food processing industry which produces sausages, franks, and other processed meats.

Opportunities

[Return to top](#)

Other value-added products such as nuggets, sausages and chicken patties have good prospects in Guatemala. While these products are already available in supermarkets and are increasing in popularity with consumers, there is still much potential to be tapped. U.S. poultry products are very price competitive.

Resources

[Return to top](#)

- U.S. Department of Agriculture
Foreign Agricultural Service in Guatemala: www.fas.usda.gov
Search engine for FAS reports 2012:
<http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>
- Statistical information: www.sieca.int/site/inicio.aspx

Processed Foods

Overview

[Return to top](#)

This is one of the fastest growing sectors in Guatemala, offering U.S. food exporters huge opportunities to capture market share by supplying raw materials. Most food processors import their ingredients directly, others rely on importers and distributors to acquire their raw materials, and some buy their inputs from the local market. The advantage that processors find in buying their raw materials from local suppliers is that more technical assistance is provided and more options for financing are available to them.

Best Products/Services

[Return to top](#)

Deli meats: Mechanically deboned meat (MDM); boneless picnic meats; pork bellies, trimmings and offal; flours (fillers)

Beverages: Fruit concentrates and nectars; drink bases and syrups; soy flakes and soy powder; artificial fruit flavors

Baking: Pancake mixes; pre-mixes; bulk cake flours

Snacks: Dehydrated potato flakes and powder; soy flakes; nuts; fruit fillings; raisins; pork skin pallets; whey powder, protein concentrates

Soups and Broths: Dehydrated potato flakes and powder; soy flakes; dehydrated vegetables; condiments

U.S. products such as beef, pork, wheat, soybeans, and vegetables, as well as other food items, can easily be introduced to improve the quality of the goods being processed in the above-mentioned sectors. Many of these plants already use U.S. raw materials' however, there are still many opportunities.

Opportunities

[Return to top](#)

Local processors are increasing their capacity to export to the U.S. as a result of CAFTA-DR. As Guatemalan consumers become more sophisticated, opportunities for higher value added products increase. Many local companies are taking advantage of their lower costs to fill market niches normally occupied by imported products.

Resources

[Return to top](#)

- U.S. Department of Agriculture, Foreign Agricultural Service in Guatemala:
www.fas.usda.gov
Search engine for FAS reports 2012:
<http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>
- Statistical information: www.sieca.int/site/inicio.aspx

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[Return to table of contents](#)

Chapter 5: Trade Regulations, Customs and Standards

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

Import Tariffs

[Return to top](#)

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

Under the Dominican Republic-Central American-United States– Free Trade Agreement (CAFTA-DR), about 92 percent of U.S. industrial and consumer goods enter Guatemala duty-free, with the remaining tariffs scheduled to be phased-out by 2015. Nearly all textile and apparel goods that meet the agreement's rules of origin are now traded duty-free and quota-free, promoting new opportunities for U.S. and regional fiber, yarn, fabric and apparel manufacturing. The agreement's tariff treatment for textile and apparel goods is retroactive to January 1, 2004. Guatemala is open to U.S. agricultural products. Prior to CAFTA-DR, Guatemala was already complying with its WTO tariff bindings, and duties were relatively low.

During the 1990's, Guatemala made major strides to open its borders to imports by greatly reducing duties. Guatemala was scheduled to finish the liberalization of its duties by 2004, according to its WTO commitments. However, it completed the process in 1999 ahead of schedule. All agricultural products have had applied duties of 0, 5, 10, or 15 percent as of 2001, including products with tariff rate quotas (TRQs).

Tariff-rate Quotas (TRQs)

The CAFTA-DR set TRQs on 12 products and product categories, which is managed by DACE, the Administration of Foreign Commerce / Ministry of Economy, who has implemented a well-functioning system for distributing quota and reporting on quota allocation. To obtain updated information on quota allocation procedures, advisory committee meetings, and quota utilization status by commodity, please visit their website at: (<http://dace.mineco.gob.gt/seleccioncontingentes.php?idtratado=5>).

Table 2 presents information on quota assignment and use by commodity. “TRQ” is the calendar year CAFTA quota for Guatemala. “Used” is the amount of product actually imported under the CAFTA TRQ. All volumes are in metric tons.

Table 2
TRQ Use in Guatemala since CAFTA-DR implementation

GUATEMALA TRQ USE						
Commodity	2009		2010		2011	
	Volume (MT)	Used	Volume (MT)	Used	Volume (MT)	Used
Rough Rice	62,400	93%	65,000	99%	67,600	98%
White Rice	12,000	46%	12,500	25%	13,000	94%
Beef	1,240	17%	1,300	31%	1,360	95%
Pork	4,740	84%	4,938	86%	5,135	81%
Chicken Leg Quarters	19,179	67%	17,683	68%	16,548	59%
Ice Cream	175	16%	180	22%	204	56%
Milk	463	69%	486	63%	511	98%
Yellow Corn	600,000	85%	625,000	76%	650,000	90%
White Corn	21,600	92%	22,000	82%	22,400	57%
Butter	116	17%	122	66%	128	100%
Other Dairy Products	211	0%	221	0%	232	0%
Cheese	521	47%	547	84%	574	99%

The TRQ use shows interesting patterns according to commodity. Rough rice quota has been used almost entirely along time. Pork quota use has kept steady too. White rice quota use experience a severe drop in 2010, but recovered and practically reached record high in 2011. Beef quota had also been on the upswing, reaching highest fill in 2011. Similar trends have followed milk, yellow corn, butter, ice cream, and cheese. Unfortunately, the TRQ for other dairy products has not been used yet, mainly due to more competitive prices of Costa Rican (Dos Pinos brand), Honduran (Sula brand), and Mexican (Lala brand) products.

TRQ use for white corn is dropping, though U.S. exports of white corn have practically doubled from 2010 to 2011. Ministry of Economy in Guatemala has opened TRQ for both white and yellow corn within WTO quota system, which represents a straightforward mechanism to import food and products with zero tariffs, as CAFTA-DR, but with the added value that the importer doesn't have to demonstrate historical assignment or fulfilling of quotas.

Trade Barriers

[Return to top](#)

Although agricultural trade with Guatemala is not plagued by tariff and non-tariff barriers, there are still some common issues which importers of U.S. agricultural and food products often encounter. These issues include: 1) Customs Issues; 2) Phytosanitary Issues; 3) Product Fortification Requirements; and 4) Product Samples.

Customs Issues

Since 2009, importers of U.S. food and agricultural products have encountered increased issues resulting from the denial of preferential treatment for U.S. origin goods, as well as customs classification and evaluation issues. These problems have been characterized by the denial of preferential treatment when such a denial results in a higher tariff rate, re-classifying goods afflicting them to a higher tariff rate, and customs authorities who have difficulties understanding variations in commodity spot prices between shipments. Exporters who are aware of shipments encountering such problems should contact the Office of Agricultural Affairs at U.S. Embassy Guatemala; however, problems of this nature have been difficult to resolve with the Guatemalan Superintendence of Tax Administration (SAT) and the Ministry of Economy (MOE).

Phytosanitary Concerns

Importers of U.S. plant products have encountered difficulties at ports-of-entry with non-science based phytosanitary import inspection and quarantine actions by local authorities. All phytosanitary import inspections in Guatemala are carried out by the Regional International Office for Animal and Plant Health Services (OIRSA) who is the authorized entity by the local government to conduct fumigations at ports. OIRSA practices a “zero tolerance” for non-quarantine pests, even if the pest is dead. Once OIRSA flags a shipment, the shipment must remain in port from two to seven days in order for lab results to be gathered and fumigations to occur. In many ways the fumigations act as an additional import tax.

Additionally, Guatemala’s phytosanitary restrictions are constantly changing and are not based on a national phytosanitary surveillance system. These changes at times may affect U.S. exports resulting in delays at ports and occasional denials. Exporters who are aware of shipments encountering such problems should contact the Office of Agricultural Affairs at U.S. Embassy Guatemala.

Product Fortification Requirements

Requirements for product fortification have been in place for many years. The requirements are, on paper at least, part of nutritional efforts carried out by the GOG. The Central American and Panama Nutrition Institute (INCAP) oversees fortification standards for the region.

Product Samples

Guatemalan law prohibits the importation of samples over a certain weight, unless they are specifically sent for the purpose of product registration. At the same time, the law specifies that all processed food products must be registered before they enter the country. This limits the opportunity for possible buyers to sample new products and to test their market potential; it also restricts the presence of U.S. samples in Guatemalan trade shows. Small samples up to 25 kilograms are allowed, however, many Guatemalan importers are reluctant to import new products that cannot be previously tested in the market if the product has to be registered first. Additionally, as of 2010, the GOG has been requiring registration of primary food processed products (additives are the only exception, unless needed for the fortification program).

There are four main clearly defined trade barriers faced by U.S. agricultural exports to Guatemala: 1) the denial of preferential treatment for U.S. products under CAFTA-DR; 2) delayed shipments resulting in heightened demurrage charges and refused product due to unsound phytosanitary inspections at ports-of-entry; 3) required fortification of all imported flours, salts, and sugars; and 4) prohibition against food samples, especially for food shows.

In early 2011, importers had problems with the Superintendence of Tax Administration (SAT) and the Ministry of Economy (MOE) regarding the Certificates of Origin (COOs) which did not comply with the CAFTA-DR Rules of Origin. As of November 21, 2011, USTR signed “common directives” with CAFTA-DR countries and U.S. exports have been granted CAFTA-DR preferential tariffs even if there are mistakes in the COOs.

As of 2012, U.S. exports have been experiencing other problems including: a) the denial of CAFTA-DR preferential tariffs due to HS tariff codes re-classifications; b) adjustment of tariff rates at the port of entry, based on re-classification issues; c) and adjustment of the import taxes because of questions on the prices declared in the invoices.

SPS and TBT Commitments

Sanitary and Phytosanitary

With regards to SPS obligations, Guatemala has made efforts to meet U.S. trading requirements. Guatemala granted the U.S. meat inspection system equivalency as part of CAFTA-DR. Additionally, on July 28, 2006, Guatemala opened its market for all U.S. live cattle and beef products in exchange for modifications to U.S. beer access to the Guatemalan market. Guatemala accepts the USDA-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, therefore eggs and other animal products are still fighting to get access to the Guatemalan market. At present, hatching eggs and table eggs are subject to the same sanitary requirements, counter to OIE standards allowing for lower standards for table eggs, as compared to hatching egg. During 2012, Guatemala approved the MOU between FGIS/GIPSA/USDA and FDA, accepting the U.S. “Export Certificate of Grains” as valid to comply with Guatemalan food safety regulations. As for horticultural products, U.S. exporters need to provide a self-attestation declaring food safety compliance with U.S. regulations, in addition to the phytosanitary certificate, to clear Guatemalan customs.

Phytosanitary restrictions have been partially eliminated as they arise; however, horticultural imports from Florida and California are still restricted due to the presence of the Pink Hibiscus Mealy bug.

Import Requirements and Documentation

[Return to top](#)

The Division of Registration and Control of Medicines and Foods of the Ministry of Health, here after referred to as Food Control, is the main authority for food products legally imported or manufactured in Guatemala. Government Decree # 45-79 established the Health Code in 1979, later published and updated under Government Decree 90-97. Chapter Five of the Health Code refers to food products. Food Control, under the authority of Ministerial Decree 969-99 (which replaces Decree 132-85), is

responsible for upholding food product norms set by the Guatemalan Ministry of Economy's National Quality System, which is governed by Law 78-2005. Under the National Quality System, administered by the Ministry of Economy, three offices operate: The Standard Commission, COGUANOR; the Guatemalan Accreditation Office (OGA), and the National Metrology Center (CEME)
<http://www.mineco.gob.gt/mineco/calidad/direccioneng.htm>.

The COGUANOR office, prior to December 17, 2005, was the sole entity responsible for setting obligatory standards regarding processed food, but after the establishment of the National Quality System, COGUANOR kept the mandate exclusive to voluntary standards. The National Quality System has approved standards since December 17, 2005; prior to which standards were not modified and appeared as COGUANOR norms. The OGA, (governed by Presidential Decree 145-2002,) is responsible for accreditation of laboratories, certifying entities and inspecting organizations.

Presidential Decree 78-2005 establishes official tariffs for the services provided by the OGA, which is a signatory to the "Multilateral Recognition of the Inter American Cooperation for Accreditation" (IAAC) and has been accepted in the "Mutual Agreement of Recognition of the International Accreditation for Laboratories" (ILAC).

There are many specifications, rules, laws and other requirements regulating food products. Decree 969-99 details various regulations related to food safety. Standards for both local and imported products are exactly the same, except for public markets and other food serving locations that require sanitary licenses but no product registration. Any producer, processor, packer, or distributor needs to operate under a sanitary license issued by Food Control. Importers need to be legally registered with an active sanitary license of operations and imported products need to be registered as well, both primary as well as end processed food products. 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. A retailer who violates the food laws as interpreted by Food Control can be fined up to half the value of the previous day's total sales. Furthermore, there have been situations where imports have had difficulty clearing customs when the labels have not been in Spanish.

Product Registration is required for all primary and final processed food products in Guatemala. Food Control is responsible for all registrations. Regulations and registration procedures and requirements can be consulted on-line at: http://portal.mspas.gob.gt/index.php?option=com_content&view=article&id=221&Itemid=111. As of 2010, the Government of Guatemala is requesting registration of primary processed food products under the same procedure that applies for registration of end processed food products; additives do not need to be registered. The Government of Guatemala has also set in place a mechanism known as "sanitary inscription for registered products," which allows for an extension option of already existing registries, for different companies. For example, if company 1 registers brand "x", and the registration number 1520-1 is assigned, company 2 can register the same brand "x" under the 1520-2 registration number. This mechanism allows for: a) title of ownership of the registered product, but not over the brand, allowing for different importers/distributors to commercialize the same product (exclusive distribution is left in the hands of commercial interests and not for regulatory purposes); and b) title of ownership of the registration and sole responsibility for the registration. For example, if for any reason, registration number 1520-1 has any specific issue (labeling, license

status of the importer, food safety or other), only company 1 is affected. Besides the title of the ownership component, the "sanitary inscription for registries" also expedites the registration process -especially in the case of animal products- since the extension is granted immediately given the fact that the first registration number has already passed the laboratory analysis. The registration, in this case number 1520, is valid for five years, independent of when the extension was granted, and all extensions of this registration must be renewed every five years.

Food Control issues a sanitary registration number after a laboratory test has been performed on animal products. This registration number is valid for five years and in the case of animal products, takes about six weeks to be issued. For other processed products, it takes approximately 7-10 days to obtain the registration number and laboratory tests will take place routinely and one scheduled annually according to product category. If products do not comply with labeling standards or food safety parameters, importers will be notified as necessary. Non animal products do not require a phytosanitary or sanitary certificate; a Certificate of Free Sale applies in this case. The Certificate of Free Sales is required for registration purposes only, and can be a federal or state document, or can be issued by a chamber of industry or chamber of commerce. The objective of the Certificate of Free Sales is to verify that the product is fit for human consumption in the country where it is processed.

For registration purposes, the sample must come with the following documentation: a) Certificate of Free Sales, b) Bill of Lading, and c) Invoice (with any negligible quantity) specifying it is only a sample.

In addition to the laboratory analysis done (for the wholesomeness of the product) to the product at the time of registration, for animal products, 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 USD215, independent of its category, and independent of registering it for the first time or requesting an extension of an already existing registration.

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

- a) Certificate of Origin for Sanitary Purposes:
 - i. plant health certificate (phytosanitary certificate) issued by APHIS if it is a fresh plant food product;
 - ii. 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
- b) Certificate of Free Sale if it is a processed food product, either primary or end, which is not a meat product;
- c) Commercial invoice;
- d) Bill of lading
- e) Certificate of Origin for customs and tariff purposes. The Dominican Republic - Central American Free Trade Agreement (CAFTA-DR) certificate of origin fulfills customs requirements so that preferential tariffs can be applied.
- f) 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, as long as 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.

The Unit of Norms and Regulations (UNR) of the Ministry of Agriculture, Livestock and Food Security (MAGA) control all of these requirements and issues the import permit. Import procedures are readily available on-line at: <http://visar.maga.gob.gt/?p=722>. Please verify that the attestations in the sanitary and phytosanitary certificates comply with Government of Guatemala requirements, consulting the "vudi" system, <http://portal.maga.gob.gt/vudi-web/>.

If the certificate cannot attest against specified quarantine pests, it might not be considered valid and the shipment might not receive an import permit or worse, its entry might be forbidden, even if the shipment has arrived at a Guatemalan port. Please ask the importer to double check if the "vudi" requirements have been updated or are in accordance with hard copies of specific requirements available at the "ventanilla unica".

Microbiological - On July 19, 2009, the Government of Guatemala (GOG) published their Central American Technical Ruling (CATR): 67.04.50:08. This ruling establishes the maximum level of food borne pathogens permitted in processed and unprocessed food and agricultural products. The following website has further information: http://portal.mspas.gob.gt/index.php?option=com_content&view=article&id=106:resoluciones-comieco-alimentos&catid=10&Itemid=14

Compliance with the microbiological criteria spelled out in the CATR started being enforced on November 19, 2009. Compliance with the microbiological parameters will be determined during the registration process or during surveillance using laboratory analysis. Most plants in the U.S. already have systems in place to measure microbiological profiles as part of their Hazard and Critical Control Points (HACCP) programs. It is recommended to send the most recent report with the sample that will be used for registration purposes.

Under CAFTA-DR, the U.S. meat and poultry inspection system was recognized as equivalent by MAGA, so FSIS Certificate of Wholesomeness (FSIS 9060-5) is accepted by the Government of Guatemala as either a Certificate of Free Sale and/or Sanitary Certificate, according to the specific case of a meat processed product and/or fresh meat product.

CAFTA-DR CERTIFICATE OF ORIGIN

The Government of Guatemala has asserted that a CAFTA-DR Certificate of Origin must accompany the shipment in order to receive CAFTA-DR preferences. Both the Ministry of Economy (MINECO) and the Superintendency of Tax Administration (SAT) have denied the preferential tariff under any of the following circumstances: http://dace.mineco.gob.gt/mineco/cafta/doctos_cafta/Certificado%20de%20Origen%20DR-CAFTA%20.pdf

1. Errors and/or mistakes in the Certificate of Origin. If the Certificate of Origin makes references to other commercial agreements that are not CAFTA-DR (e.g. NAFTA), they will not accept the Certificate of Origin and will not grant the preferential tariff. No scratch-outs or corrections or liquid paper are allowed. Be sure that all the fields in the certificate form are correctly filled in, including date and signature. Please carefully proofread all work before submitting it.
2. Double check that the correct Harmonized System (HS) tariff code is listed. If the product is mistakenly coded, for example, if the product has the Harmonized System (HS) tariff code for refrigerated product instead of frozen, the preferential criteria will be denied.
3. Double check that the correct "preferential criteria" is included in space # 7 of the form. Importers have been denied the preferential tariff for incorrect criteria designation.

The preferential criterion corresponds to letters "a", "b", or "c", according to Chapter 4 - Rules of Origin (please read attachment CAFTA-DR rules of origin.pdf). If either the exporter or the importer does not know which criterion applies, the Ministry of Economy is willing to review the product description with the importer to determine the correct criterion.

Please note that either the importer or exporter can fill out the Certificate of Origin; therefore errors by the U.S. exporter could lead to extra costs and a delay in clearance.

For rules regarding how to complete the CAFTA-DR Certificate of Origin, please refer to the Directorate of Administration of Foreign Commerce (DACE) of the Ministry of Economy, <http://dace.mineco.gob.gt/portal/paginaOrigen.php>, or read the attachment "Instructivo Cert Origen.xls" (Spanish only).

Medical Devices and Pharmaceutical Products

The Ministry of Health issues import permits for medical devices and pharmaceutical products. Some medical devices require an inscription (registration) at the registration office of the Ministry of Health. These inscriptions need to be renewed every five years. Surgical devices that require an inscription are those defined as 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.

Registration Requirements for Pharmaceutical Products and Medical Devices:

Form F-MC-g-011 has to be filled out in original and duplicate, in the following order:

1. Product formula and composition (mention both common and scientific names: (use form F-JE-d-007)
2. Sanitary license, valid or prior license (usually from FDA or PAHO)
3. Legalized copy of the Trade Mark registry
4. Free Sale Certificate from the country of origin; CBL approved by a recognized organization such as the OMS
5. Monograph study, when it is a new product
6. Product description
7. Product specifications
8. Method of analysis used

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

For more information please refer to:

Dirección General de Regulación, Vigilancia y Control de la Salud,
 Depto. Regulacion y Control de Productos Farmaceuticos, Higienicos, Quirurgicos y
 Cosmeticos

Contact: _____ Elizabeth Cesino de Pozada
 E-mail: _____ drcpfa.jefatura@gmail.com
 Web page: _____ www.mspas.gob.gt

U.S. Export Controls

[Return to top](#)

The U.S. Government requires firms to obtain an export permit to export all arms, ammunition and related products to Guatemala. For more information, U.S. exporters should contact the Bureau of Industry and Security (BIS) at the U.S. Department of Commerce, Ph.: (202) 482-4811 or the Trade Information Center: 1-800-USATRAD. . If the product for which an export permit is being sought is listed on the U.S. Munitions List (USML) the product will be subject to export controls administered by the U.S. Department of State, rather than the Department of Commerce, under the Arms Export Control Act and the International Traffic in Arms Regulations (ITAR). More information can be found at: <http://www.pmdtc.state.gov/>. A Guatemalan law on firearms was passed in March 2009 which established new requirements for firearm possession in Guatemala. For more information on the law, go to: www.digecam.mil.gt

Temporary Entry

[Return to top](#)

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

Labeling and Marking Requirements

[Return to top](#)

The Central American Technical Rule RTCA 67.04.60:10 http://members.wto.org/crnattachments/2011/tbt/CRI/11_0530_00_s.pdf regulates nutritional labeling. The rule allows for complimentary labels in Spanish, which can be stick-on labels, for labels in another language. Complimentary labels need to provide the following information written in Spanish:

- Product definition/description (including health declarations)

- Name of the product (This should be the official name as noted on the U.S. Certificate of Free Sale)
- Physical characteristics, including ingredients (This has to be a qualitative composition, which was indicated in the back of the registration form). If this information is in English, please translate literally.
- Net weight/volume
- List of ingredients (including allergens) and additives and the percentage of total for each
- Name, address and telephone number of the Guatemalan distributor
- Food Control registration number (D.G.S.S.-D.R.C.A. _____-Sanitary license obtained at a Center of Sanitation); the original license has to be presented. Approximate cost for each product: Q. 1,650.00 (Q=quetzal, the national currency).
- Country of origin
- Lot production identification
- Expiration date
- If applicable “Keep Frozen” or “Form of Preparation”

Prohibited and Restricted Imports

[Return to top](#)

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

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 and Contact Information

[Return to top](#)

Name: ~~Lieda-~~ Gladys Arreola

Title: Director

Institution: Food Control Unit/Ministry of Health (MSPAS)

Address: 3 Calle final, 2-10 Zona 15. Valles de Vista Hermosa. Guatemala

Telefax: (502) 2369-8784 / 6

Website:

http://portal.mspas.gob.gt/index.php?option=com_content&view=article&id=95:leyes-que-regulan-la-seccion-de-alimentos&catid=4:regulacion-y-control-de-alimentos&Itemid=59

Name: Guillermo Ortiz
Title: Plant Health Director
Institution: Norms and Regulations Unit/Ministry of Agriculture (MAGA)
Address: ___ 7 Avenida 3-67 Zona 13, Guatemala City, Guatemala
Telephone: ___ (502) 2413-7389
Website: ___ <http://visar.maga.gob.gt/>

Name: Otto Maldonado
Title: Food Safety Director
Institution: Norms and Regulations Unit/Ministry of Agriculture (MAGA)
Address: ___ 7 Avenida 3-67 Zona 13, Guatemala City, Guatemala
Telephone: ___ (502) 2413-7389
Website: ___ <http://visar.maga.gob.gt/>

Name: Oscar Humberto Maldonado
Title: Animal Health Director
Institution: Norms and Regulations Unit/Ministry of Agriculture (MAGA)
Address: ___ 7 Avenida 3-67 Zona 13, Guatemala City, Guatemala
Telephone: ___ (502) 2413-7389
Website: ___ <http://visar.maga.gob.gt/>

Name: Dr. Julio Cabrera
Title: Director OIRSA-SEPA-SITC
Institution: Inter-Regional Organism for Plant and Animal Health/Ministry of Agriculture (MAGA)
Address: ___ 21 Avenida 3-12, Zona 15, Guatemala
Telephone: ___ (502) 2369-5900
Fax: ___ (502) 2334-0646
Website: ___ <http://www.oirsa.org/portal/Default.aspx>

Name: Lic. Alejandro Cutz
Title: CAFTA-DR Administrator
Institution: Foreign Commerce Administration Direction/Ministry of Economy
Address: ___ 6 Avenida 10-43 Zona 1, Guatemala
Telephone: ___ (502) 2412-0200
Website: ___ <http://www.mineco.gob.gt/>

For information on Customs Regulations and a list of Business Service Providers in Guatemala, please refer to the following website: <http://export.gov/guatemala/businessserviceproviders/index.asp>, or contact Commercial Service in Guatemala's offices at 011-502-2334-3147.

Name: Cristian Giron
Title: Director of Operations Unit
Institution: Superintendence of Tax Administration (SAT)/Customs Authority
Website: <http://portal.sat.gob.gt/sitio/>

Standards

[Return to top](#)

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

Overview

[Return to top](#)

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

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

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

Standards Organizations

[Return to top](#)

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

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

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

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

NIST Notify U.S. Service

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

Conformity Assessment

[Return to top](#)

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

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

Product Certification

[Return to top](#)

Any commercially-sold food products imported into Guatemala must present a phytosanitary and/or zoo-sanitary certificate, certificate of origin, commercial invoice, free sale certificate and bill of lading to receive an import license. Effective July 2006, in accordance with Article 3.10.2 of CAFTA-DR, the Guatemalan authorities at the Ministry of Health and Ministry of Agriculture no longer require that commercial invoices, bills of lading, certificates of free sale, sanitary and microbiological certificates and product-specific laboratory testing for pathogens of products exported to Guatemala be authenticated at the Guatemalan Embassy or one of its Consulates in the United States.

All documents can be written in English. In addition, all packaged food products require product registration from the Division of Registration and Control of Medicines and Foods and must obtain a sanitary import certificate from the Ministry of Health.

Guatemalan norms regarding food additives are based on the Codex Alimentarius' food additives list. Any additives for placement on this list must be approved by COGUANOR's executive advisory committee. The approval process can take six months or longer.

Pesticides are regulated by the Technical Directorate of Vegetable Health of the Ministry of Agriculture. They maintain a list of prohibited pesticides. See www.maga.gob.gt for details.

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

Accreditation

[Return to top](#)

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

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

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

Publication of Technical Regulations

[Return to top](#)

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

Labeling and Marking

[Return to top](#)

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

Guatemalan law requires that food products sold in the domestic market be tested, registered and labeled in Spanish. While labeling standards for domestic food products

are very strict, importers negotiated with COGUANOR and reached an agreement for the use of stick-on labels. Products sold in bulk are exempt from the labeling requirements unless they are to be sold at the retail level. Enforcement of product registration and labeling requirements has been inconsistent but is improving. See: www.mspas.gob.gt

Food Labeling

Labeling requirements are set by COGUANOR Labeling Standard #34039. It establishes 40 requirements with respect to the appearance of the label. The specified information must be written on the label, and in the Spanish language. However, importers negotiated with COGUANOR and reached an agreement for a stick-on label to be used with the following information written in Spanish:

1. Product definition/description
2. Name of the product (This should be the official name as noted on the U.S. Certificate of free sale)
3. Physical characteristics, including ingredients (This has to be a qualitative composition, which is indicated on the back of the registration form). If this information is in English, it must be fully and correctly translated.
4. Net weight/volume
5. List of ingredients (including allergens) and additives and the percentage of total for each
6. Name, address and telephone number of Guatemalan distributor
7. Food Control registration number (D.G.S.S.-D.R.C.A. _____-Sanitary license obtained at a Center of Sanitation). The original license has to be presented. Approximate cost for each product: Q1,650 (USD 206)
8. Country of origin
9. Lot production identification number
10. Expiration date
11. If applicable, "Keep Frozen" or "Form of Preparation"

Sample:

<p>Nombre del Producto: Puré para bebés; postre, sabor chocolate Ingredientes: Harina de trigo, leche entera reconstruida, azúcar, vitaminas, colorantes naturales, cocoa. 12 oz. Netas Distribuidor: Importaciones Guatemala, S.A. Dirección: Avenida Las Estrellas, 0-01, Zona 24, Guatemala, Ciudad Teléfono: (502) 555-1212 y (502) 555-2121 D.G.S.S.-D.R.C.A. 123-456-789 Fecha de vencimiento: 31-02-02</p>

Contacts

[Return to top](#)

- COGUANOR – Standards Commission: www.coguanor.gob.gt
-Licenciado, Hector Herrera, Secretario Ejecutivo: mbeteta@mail.mineco.gob.gt
- DIACO – Consumer Assistance Center: www.diacogob.gt
-Licenciado, Monica Gramajo, Directora: diacoquejas@mail.mineco.gob.gt

- OGA - Accreditation Office: http://oga.org.gt/ambito_internacional.html
-Sistema Nacional de Calidad: info-oga@mineco.gob.gt
- National Gazette -Diario de Centro America: www.diariodecentroamerica.gob.gt
-Ana Maria Rodas, Directora: lborrayo@dca.gob.gt, info@dca.gob.gt
- PROAM- Healthcare Services: www.mspas.gob.gt
- Agriculture: www.maga.gob.gt
- Import procedures at the Ministry of Agriculture: www.maga.gob.gt/

Trade Agreements

[Return to top](#)

The United States, the Dominican Republic and five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua), signed the Dominican Republic-Central American-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.

Aside from CAFTA-DR, Guatemala has signed, bilaterally or in conjunction with other Central American countries, free trade agreements with Chile, Mexico, Colombia, Taiwan, Panama, the European Union, and Peru and is currently negotiating a free trade agreement with Canada and the European Free Trade Association countries. Guatemala has also signed partial scope agreements with Belize, Ecuador, Cuba and Venezuela and is currently negotiating a partial scope agreement with Trinidad and Tobago. The agreements with the European Union and Peru are pending Congressional approval.

Central America established a common external tariff schedule in 1998. Six Central American countries signed a revised protocol for economic integration and macroeconomic coordination in October 1993. The integration protocol allows Central American countries to advance at varying rates toward more open trade. The “Northern Triangle” countries (Guatemala, El Salvador and Honduras) have moved the most rapidly to eliminate trade barriers among themselves. In January 2009, the Presidents of Guatemala and El Salvador signed an amendment to the framework agreement that facilitates the establishment of a customs union between the two countries. Honduras joined the agreement in May 2009. Guatemalan ratified the amendment to the framework agreement in February 2011, but it is pending ratification from El Salvador and Honduras. The three countries need to ratify the agreement before it is implemented.

For more information on how U.S companies can take advantage of those agreements please consult the links listed below.

- Guatemalan Superintendence of Tax Administration: www.sat.gob.gt
- Guatemalan Ministry of Economy: www.mineco.gob.gt
- Secretariat for Central American Economic Integration: www.sieca.int
- Office of the United States Trade Representative: <http://www.ustr.gov>
- Foreign Agricultural Service: www.fas.usda.gov
- Guatemalan Administration of International Commerce: <http://dace.mineco.gob.gt/mineco/tlc/index.htm>
- Guatemalan Investment Office: www.investinguatemala.org
- Guatemalan e-procurement system: <http://www.guatecompras.gt>
- Guatemalan Exporters' Association: <http://www.export.com.gt>
- Guatemalan Chamber of Commerce: <http://www.negociosenguatemala.com>
- Guatemalan Chamber of Industry: <http://www.industriaguatemala.com>
- American Chamber of Commerce: <http://www.amchamguatemala.com>
- Ministry of National Defense of Guatemala: www.digecam.mil.gt

Chapter 6: Investment Climate

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

Openness to Foreign Investment

[Return to top](#)

Inaugurated in January 2012, President Otto Pérez Molina continued programs initiated by prior administrations to promote foreign investment, enhance competitiveness and expand investment in the export, energy, and tourist sectors. In the World Bank's 2013 Doing Business Report, Guatemala improved five positions. The Report also listed Guatemala as one of the top 50 improvers in the world and one of the top six improvers in the Latin American and Caribbean region since 2005. President Pérez Molina and his key economic staff have frequently called attracting greater investment, including foreign direct investment, a high priority for his administration.

According to preliminary data from the Guatemalan Central Bank (Banguat), the flow of foreign direct investment (FDI) in 2011 was USD 984.6 million, a 22% increase compared with 2010. FDI is estimated to have increased 26.7% in 2012 to USD 1.2 billion.

Hundreds of U.S. and other foreign firms have active investments in Guatemala. Guatemala passed a foreign investment law in 1998 to streamline and facilitate foreign investment. The Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) entered into force in Guatemala on July 1, 2006. CAFTA-DR established a more secure and predictable legal framework for U.S. investors operating in Guatemala. Under CAFTA-DR, all forms of investment are protected, including enterprises, debt, concessions, contracts and intellectual property. U.S. investors enjoy, in almost all circumstances, the right to establish, acquire and operate investments in Guatemala on an equal footing with local investors. The U.S. Embassy in Guatemala places a high priority on improving the investment climate for U.S. investors.

As part of the CAFTA-DR implementation process, the Guatemalan Congress approved a law that strengthened existing legislation on intellectual property rights (IPR) protection, government procurement, trade, insurance, arbitration, and telecommunications, as well as the penal code, to ensure compliance with CAFTA-DR. An e-commerce law was approved by Congress in August 2008, which provides legal recognition to communications and contracts that are executed electronically; permits electronic communications to be accepted as evidence in all administrative, legal and private actions; and allows for the use of electronic signatures.

The United States raised concerns with the Government of Guatemala's adherence to its CAFTA-DR obligations with respect to the effective enforcement of both its labor laws and its environmental laws. Regarding the labor law case, an arbitral panel was established, pursuant to the CAFTA-DR procedures, to consider whether Guatemala is conforming to its obligations to effectively enforce its labor laws. On April 2013, after lengthy negotiations, the United States and Guatemala have agreed to an ambitious and comprehensive Enforcement Action Plan that includes significant, concrete actions that the Guatemalan government will implement within specified time frames to improve enforcement of labor laws. A copy of the Plan can be found at: <http://www.ustr.gov/sites/default/files/04292013%20Guatemala%20Enforcement%20Plan.pdf>. Under this Enforcement Plan, the United States and Guatemala also agreed to request that the CAFTA-DR arbitral panel suspend its work for a period of six months from the signing of the Enforcement Plan. Regarding the environmental case, following a 2011 request by the U.S. Government, the CAFTA-DR Secretariat for Environmental Matters is conducting a fact-finding investigation on the extension of an oil exploitation concession in the Maya Biosphere Reserve in northern Peten department.

Complex and confusing laws and regulations, inconsistent judicial decisions, bureaucratic impediments and corruption continue to constitute practical barriers to investment. Complicated tax regulations meant to reduce tax evasion result in foreign and domestic companies incurring high costs to comply with tax laws. There is no law regulating monopolistic or anti-competitive practices.

There are no impediments to the formation of joint ventures or the purchase of local companies by foreign investors. The absence of a developed, liquid and efficient capital market, in which shares of publicly-owned firms are traded, makes equity acquisitions in the open market difficult. Most foreign firms, therefore, operate through locally incorporated subsidiaries.

There are no restrictions on foreign investment in the telecommunications, electrical-power-generation, airline, or ground-transportation sectors. The Government of Guatemala (GoG) privatized a number of state-owned assets in industries and utilities in the late 1990s including: power generation and distribution, telephone services, and grain storage. The Foreign Investment Law removed limitations to foreign ownership in domestic airlines and ground-transport companies in January 2004.

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

Some professional services may only be supplied by professionals with locally-recognized academic credentials. Public notaries must be Guatemalan nationals. Foreign enterprises may provide licensed, professional services in Guatemala through a contract or other relationship with a Guatemalan company. In July 2010 the Guatemalan Congress approved a new insurance law, which allows foreign insurance companies to open branches in Guatemala, a requirement under CAFTA-DR. This law requires foreign insurance companies to fully capitalize in Guatemala.

Mining has historically been a sensitive issue in Guatemala, and operations in Guatemala have been subject to protests. Subsurface minerals and petroleum are the property of the state. The Ministry of Energy and Mines is in charge of approving mining licenses. For mining, an initial exploration license is issued for three years, which can be extended for two additional two-year periods if needed. After completing the exploration phase, a company may then apply for a separate exploitation license. Mining exploitation licenses are granted for twenty-five years and can be extended for an additional twenty-five years. In January 2012 the extractive industries association signed a voluntary agreement with the GoG to pay higher royalties than those established in the mining law. In October 2012 the Minister of Energy and Mines submitted to Congress a draft law to reform the mining law, which includes among other changes, a provision to increase royalties to percentages similar to those included in the voluntary agreement. Allegations in 2010 that the GoG attempted to cancel and resell a long-standing nickel concession in Izabal raised concerns among investors; the Canadian holders of that concession sold their interest to a Russian firm in 2011.

Petroleum contracts are granted through a public tender process. One contract is awarded covering both exploration and exploitation. This contract is granted for a period of twenty-five years and can be extended for an additional fifteen years. Contracts for petroleum extraction are typically granted through production-sharing agreements.

Over the past year, a number of U.S. companies have had significant at-risk investments in the mining and petroleum sectors that required the approval of contracts or exploitation licenses by Guatemalan government regulatory bodies, particularly the Ministry of Energy and Mines (MEM), in order to realize any return on their investments. One such company just recently received its approved license, but after more than a year of delays by the MEM. Another continues to suffer delays, now lasting more than one year, despite having satisfied all legal requirements to move forward. In addition, another U.S. mining investment, which received an exploitation license in 2011, has been significantly delayed by pending social conflicts. The government has made some efforts to provide security for the projects and accurate information to project opponents, but those efforts have not yet been sufficient to permit the projects to go forward. The future of these sunk investments is not guaranteed. A more active presence by MEM, environmental and other government authorities in the project areas, and government dialogue with local communities, likely will be crucial for the success of these investments.

Domestic and foreign firms must publish their intent to conduct business, agree to Guatemalan legal jurisdiction and register with the Ministry of Economy in order to incorporate formally in Guatemala. Foreign firms are subject to additional, time-consuming requirements, including: demonstrating solvency, depositing operating capital in a local bank, supplying financial statements, contractually agreeing to fulfill all legal obligations before leaving the country and appointing a Guatemalan citizen or foreign

resident (who must have a Guatemalan work permit) as legal representative. The requirements are not used specifically to screen or discriminate against foreign companies, but the procedures can serve as a disincentive to investment.

Economic Indices

Measure	Year	Index/Ranking
Transparency Int'l Corruption Index	2012	(33/100) 113/176
Heritage Economic Freedom	2013	(60.0/100) 85/177
World Bank Doing Business Report	2013	93/185
MCC Government Effectiveness	FY 2013	28%
MCC Rule of Law	FY 2013	9%
MCC Control of Corruption	FY 2013	50%
MCC Fiscal Policy	FY 2013	57%
MCC Trade Policy	FY 2013	93%
MCC Regulatory Quality	FY 2013	69%
MCC Business Start Up	FY 2013	16%
MCC Land Rights and Access	FY 2013	57%
MCC Natural Resource Management	FY 2013	72%

(Note: MCC is the Millennium Challenge Corporation)

Conversion and Transfer Policies

[Return to top](#)

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

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

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

Expropriation and Compensation

[Return to top](#)

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

In June 2007, a U.S. company operating in Guatemala filed a claim under the investment chapter of CAFTA-DR against the Government of Guatemala with the International Centre for Settlement of Investment Disputes (ICSID). The claimant alleged the Government of Guatemala indirectly expropriated the company's assets by negating a contract, and requested USD 65 million in compensation and damages from the Guatemalan Government. The ICSID court issued its ruling on this case in June 2012 and stated that the Government had breached the minimum standard of treatment under Article 10.5 of CAFTA and required the Government to pay more than \$11.3 million to the company.

Dispute Settlement

[Return to top](#)

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

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

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

Guatemalan procedures for enforcing agreements are similar to those of the United States. Guatemala's Arbitration Law of 1995 is based on the U.N. Commission on International Trade Law (UNCITRAL) Model Law for International Commercial Arbitration and regulations are in line with the New York Convention. Default awards and arbitral agreements are fully enforceable in Guatemala. In addition, CAFTA-DR added an additional dispute resolution mechanism for investors. The first claim under that system was filed in June 2007, as described in the previous section, and the Government of Guatemala followed all procedures required of it under the process. In October 2010, a

U.S. company operating in Guatemala filed the second U.S. claim under the investment chapter of CAFTA-DR against the Government of Guatemala with the ICSID (a Spanish firm filed a claim in 2009). Through this claim, the U.S. company is seeking to resolve a dispute with the Government of Guatemala regarding the regulation of electricity rates. The case remains pending before the ICSID.

Performance Requirements and Incentives

[Return to top](#)

Guatemala's 1998 Foreign Investment Law eliminated trade-related investment restrictions and ensured Guatemala was compliant with World Trade Organization (WTO) obligations under the Agreement on Trade Related Investment Measures (TRIMS). In 1999, Guatemala notified the WTO that it was TRIMS compliant.

Guatemala does not impose performance; purchase or export requirements other than those normally associated with free trade zones and duty drawback programs. Companies are not required to locate operations in specific geographic areas or include local content in production.

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

The major Guatemalan incentive program, the Law for the Promotion and Development of Export Activities and Drawback, is aimed mainly at "maquiladoras" – mostly garment manufacturing and assembly operations – in which over half of production inputs/components are imported and the completed products are exported. Investors in this sector are granted a 10-year exemption from both income taxes and the Solidarity Tax, Guatemala's temporary alternative minimum tax. Additional incentives include an exemption from duties and value-added taxes on imported machinery and a one-year suspension (extendable to a second year) of the same duties and taxes on imports of production inputs and packing material. Taxes are waived when the goods are re-exported. The waiver for customs duties, value-added tax and income tax was scheduled to expire on December 31, 2007, with a phase out period of two years. However, in July 2007 the WTO adopted a decision that allows the WTO Subsidies Committee to continue to grant annual extensions of the transition period of export subsidies to Guatemala and other countries until the end of 2013, with a final phase out period of two years.

Property owners who engage in reforestation activities may qualify for government incentives through the National Institute of Forests (INAB). This incentive program (PINFOR) is scheduled to run through 2016.

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

Under CAFTA-DR, 100 percent of U.S. industrial trade will enter Guatemala duty-free by 2015. Nearly all textile and apparel goods that meet the agreement's rules of origin are now traded duty-free and quota-free, promoting new opportunities for U.S. and regional fiber, yarn, fabric and apparel manufacturing.

Under CAFTA-DR, more than half of U.S. agricultural exports now enter Guatemala duty-free. Guatemala will eliminate its remaining tariffs on nearly all agricultural products by 2020 (2023 for rice and chicken leg quarters and 2025 for dairy products). For the most sensitive products, Tariff Rate Quotas (TRQs) permit some duty-free access for specified quantities during the tariff phase-out period, with the duty-free amount expanding during that period. Guatemala will liberalize trade in white corn through expansion of a TRQ, rather than by tariff reductions.

Right to Private Ownership and Establishment

[Return to top](#)

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

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

There are no impediments to the formation of joint ventures or the purchase of local companies by foreign investors. The absence of developed, liquid and efficient capital markets, in which shares of publicly-owned firms are traded, makes equity acquisitions in the open market difficult. Most foreign firms therefore operate through locally-incorporated subsidiaries.

Protection of Property Rights

[Return to top](#)

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

Mortgages are available to finance homes and businesses, and about half of the banks offer mortgage loans with terms as long as 15-20 years for residential real estate.

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

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

Purposes of Patent Procedure. Also in June 2006, the Guatemalan Congress approved the International Convention for the Protection of New Varieties of Plants (UPOV Convention); however, implementing legislation that would allow Guatemala to become a party to the convention remains pending.

The Guatemalan Congress passed legislation in August 2000, to bring the country's intellectual property rights laws into compliance with the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement. This legislation was modified in 2003 to provide pharmaceutical test data protection consistent with international practice, and in 2005 the law was again amended to comply with IPR protection requirements in CAFTA-DR. CAFTA-DR provides for improved standards for the protection and enforcement of a broad range of IPR, which are consistent with U.S. standards of protection and enforcement as well as emerging international standards. A law to prohibit the production and sale of counterfeit medicine was approved by Congress in November 2011. Enforcement of IPR laws, however, has been inconsistent. A number of raids, cases and prosecutions have been pursued; however, resource constraints and lack of coordinated government action impede efficient enforcement efforts. Piracy of works protected by copyright and infringement of other forms of intellectual property, such as trademarks including those of some major U.S. food and pharmaceutical brands, remains problematic in Guatemala.

Transparency of Regulatory System

[Return to top](#)

Tax, labor, environment, health and safety laws do not directly impede investment in Guatemala. Bureaucratic hurdles are common for both domestic and foreign companies, including lengthy processes to open and close a business, obtain permits and licenses and receive shipments. The legal and regulatory systems are confusing and not transparent. Regulations often contain few explicit criteria for government administrators, resulting in ambiguous requirements that are applied inconsistently by different government agencies and the courts. While there is no apparent systematic discrimination against foreign companies in these processes, these inconsistencies can favor local firms who are more familiar with these challenges.

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

Laws that are being debated in Congress are placed on the institution's public website; however, last-minute amendments often are not publicly disclosed before Congressional decisions. Final versions of laws, once signed by the President, must be published in the official gazette before taking effect.

Efficient Capital Markets and Portfolio Investment

[Return to top](#)

Guatemala's capital markets are weak and inefficient. There is no securities regulator, but rather only a registry, which lacks regulatory authority. The one principal commercial exchange (Bolsa Nacional de Valores) deals almost exclusively in commercial paper, repurchase agreements (repos) and government bonds. A new capital markets law is being drafted by Banco de Guatemala and the Superintendence of Banks with technical assistance from the U.S. Treasury and the Securities Exchange Commission. Notwithstanding the lack of a modern capital markets law, the government debt market

has continued to develop: domestic treasury bonds now represent 42% of total public debt. Guatemala also made strides in the international bond market with the issuance of a benchmark US\$700 million, 10-year Eurobond in 2013, targeted mostly to foreign institutional investors.

There is no market in publicly-traded equities, the absence of which raises the cost of capital and complicates mergers and acquisitions. As of October 2012, borrowers faced a weighted average annual interest rate of 16 percent, with some banks charging over 50 percent on consumer or microcredit loans. Foreigners rarely rely on the local credit market to finance investments.

In April 2002, the Guatemalan Congress passed a package of financial sector regulatory reforms that increased the regulatory and supervisory authority of the Superintendent of Banks (SIB), which is responsible for regulating the financial services industry. These reforms brought local practices more in line with international standards and spurred a round of bank consolidation and restructuring. The 2002 reforms required that non-performing assets held offshore be included in loan-loss-provision and capital-adequacy ratios. This forced a number of smaller banks to seek new capital, buyers or mergers with stronger banks. From October 2006, to October 2009, seven bank mergers and acquisitions were completed.

The Guatemalan Congress has been actively working on new laws in the business and finance sector. In July, 2010, the Guatemalan Congress approved a new insurance law, which strengthens supervision of the insurance sector and allows foreign insurance companies to open branches in Guatemala. In August 2012, the Guatemalan Congress approved reforms to the banking and financial groups law and to the Central Bank Organic Law that should strengthen supervision and prudential regulation of the financial sector and resolution mechanisms for failed or failing banks.

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

Guatemala's 18 commercial banks had an estimated USD 25.2 billion in assets among them in 2012. The five largest banks control about 80 percent of total assets. In addition, there are 14 non-bank financial institutions, which perform primarily investment banking and medium- and long-term lending and two exchange houses.

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

As part of its effort to fortify the domestic financial system against global financial turmoil, monetary authorities issued a resolution in December 2008, which required financial

groups to increase their reserve requirements to 100% for all non-performing loans as of June 30, 2011.

Competition from State Owned Enterprises

[Return to top](#)

The Government of Guatemala (GoG) owns 30% of the shares of the Bank of Rural Development (BanRural), the third largest bank in Guatemala, and it is allotted 3 out of 10 seats on the board of directors. The GoG also appoints the director of GUATEL, the former state-owned telephone company dedicated to providing rural and government services that were split off from the fixed-line telephone company during its privatization in 1998. GUATEL's operations are small, and it continuously fails to generate sufficient revenue to cover expenses. The GUATEL director reports to the Guatemalan President and to the board of directors. GUATEL is required by law to publish annual reports. The National Electricity Institute (INDE) is a state-owned electricity company responsible for expanding the provision of electricity to rural communities. INDE generates about 40% of the hydroelectric power produced in Guatemala, and it participates in the wholesale market under the same rules as its competitors. It also provides a subsidy for the first 100 kilowatt-hours (kWh) to consumers of less than 300 kWh per month. The board of directors comprises representatives from the government, municipalities, business associations and labor unions. The general manager is appointed by the board of directors.

Corporate Social Responsibility

[Return to top](#)

There is a general awareness of Corporate Social Responsibility (CSR) on the part of producers and service providers as well as Guatemalan business chambers. The American Chamber of Commerce in Guatemala (AmCham) and a local organization called the Center for Socially Responsible Corporate Action in Guatemala (CentraRSE) annually award companies for their CSR activities. U.S. companies such as McDonald's, Starbucks and Denimatrix have been recognized for their CSR programs that aim to foster a safe and productive workplace as well as provide health and education programs to aid workers, families and communities. Many international companies have found that CSR programs targeted to the local communities they serve help to build trust and are generally expected to be provided given the low level of government funds available for investment in health, education and infrastructure.

Political Violence

[Return to top](#)

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

Guatemala, however, has one of the highest violent crime rates in Latin America. The murder rate in 2012 was 34 per 100,000, making Guatemala one of the most dangerous countries in the world even if the rate declined from 38.5 in 2011 (according to an independent private sector consultant group, the rate was 34 per 100,000 in 2012 and 39 in 2011). Rule of law is lacking as the judicial system is weak, overworked and inefficient and the police understaffed and often corrupt. The impunity rate for homicides

in Guatemala City declined from 97% in 2010 to 70% in 2012 according to a report issued by the Public Ministry.

Given the weak rule of law, violent common crime is a major problem in Guatemala. Gangs are a constant concern in urban areas and gang members are often well-armed, sometimes with military weapons. Widespread narcotics and alien smuggling activities make some remote areas dangerous, especially along Guatemala's border with Mexico. Security, therefore, remains a widespread concern; however, foreigners are not usually singled out as targets of crime.

Guatemala has an approximately 180-year-old border dispute with Belize and territorial sea disputes with Belize and Honduras. Guatemala and Belize are each scheduled to hold referenda in October 2013 to ask their citizens to vote whether to refer to the International Court of Justice resolution of their border dispute. A Guatemala remains committed to resolving these disputes through diplomatic means but as of April 2013 was seeking to postpone the date of the Belize referendum.

Corruption

[Return to top](#)

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the

FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Guatemala is a party to the UN Convention against Corruption and to the Inter-American Convention against Corruption, but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of December 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Guatemala is not a party to the OECD Antibribery Convention.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 148 parties to it as of December 2010 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Guatemala ratified the UN Convention against Corruption in November 2006.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2010, the OAS Convention has 33 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) Guatemala ratified the Inter-American Convention against Corruption in July 2001, but has not implemented all of its provisions, such as criminalizing illicit enrichment; a new law taking effect in June 2011 provides for seizure of assets obtained with illicit funds. Changes in the law, however, made government officials who benefit from narcotics trafficking activities subject to criminal penalties.

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 46 member States (45 European countries and the United States). As of December 2010, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco.) Guatemala is not a party to the Council of Europe Conventions.

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and transnationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Guatemala, together with the other Central American countries and the Dominican Republic have a free trade agreement in place with the United States (CAFTA-DR), which entered into force in Guatemala on July 1, 2006.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice

Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html.

More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Bribery is illegal under the penal code; however, corruption remains a serious problem that companies may encounter at many levels. Guatemala's score on the Transparency International 2012 Corruption Perceptions Index was 33 points out of 100, ranking it 24th out of 32 countries in the region.

Guatemala ratified the U.N. Convention against Corruption in November 2006, and the Inter-American Convention against Corruption in July 2001, but had not implemented all of the latter document's provisions, such as criminalizing illicit enrichment. In October 2012, the Guatemalan Congress approved an anti-corruption law that increases penalties for existing crimes and adds new crimes such as illicit enrichment, trafficking in influence, and illegal charging of commissions. Guatemala enacted measures to reverse the perceived increase in government corruption that occurred under the Portillo administration (2000-2003). Various senior officials who served during the Portillo administration were investigated and sentenced for their role in corruption scandals including the former Superintendent of Tax Administration (SAT), Minister of Interior, Comptroller General and Minister of Finance. However, six of these individuals were released from jail and placed under home arrest in 2008. One former president of Congress was sentenced to three years in prison for his involvement in a 2008 embezzlement scandal and a second former president of Congress will face trial on the same case. Former President Alfonso Portillo was tried in Guatemala for embezzlement and was acquitted by a first instance court. Portillo is also fighting an extradition request from the United States for charges of conspiracy to engage in money laundering. On August 29, 2012, the Constitutional Court rejected a request from Portillo's lawyers for an injunction against former President Colom's administrative approval of the extradition. As of mid-April 2013, Portillo's extradition was pending possible appeals of his acquittal by a Guatemalan second instance court on domestic embezzlement charges, as well as other injunction requests which may be filed by his attorneys.

In December 2012, the Guatemalan Government created a temporary Presidential Commission for Transparency and Electronic Government (COPRET by its Spanish acronym) to coordinate Executive Branch efforts on transparency, anti-corruption, electronic government, and open government issues. This Commission replaced the Transparency and Control Secretariat created by the Guatemalan Government in February 2012, but which subsequently was declared invalid by the Constitutional Court

in November 2012. The Guatemalan Government's official anti-corruption entity is the Office of the Comptroller General (the Contraloría General de Cuentas), but its effectiveness is limited by resources and legal authority.

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

Guatemala's Government Procurement Law requires most government purchases over 900,000 Quetzals (approximately USD 115,000) to be submitted for public competitive bidding. Since March 2004, Guatemalan government entities have been required to use Guatecompras, an Internet-based electronic procurement system, which has improved transparency in the government procurement process. Guatemalan government entities must also comply with Guatemalan government procurement commitments under CAFTA-DR. Some government agencies continue to use other procurement modalities, such as direct purchases or purchases by exception, to avoid the lengthier but also more transparent public bidding process. The use of these modalities can put U.S. companies bidding for government contracts at a disadvantage or discourage their participation due to concern that the bidding process will not be fair and transparent. In August 2009, the Guatemalan Congress approved reforms to the Government Procurement Law, which simplified bidding procedures, eliminated the fee previously charged to receive bidding documents, and provided an additional opportunity for suppliers to raise objections over the bidding process. Despite these reforms, large government procurements are often subject to appeals and injunctions based on claims of faults in the bidding process (e.g., documentation issues and lack of transparency).

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.

- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 212 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See http://info.worldbank.org/governance/wgi/sc_country.asp. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/drl/rls/hrrpt/>

Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 92 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

[Return to top](#)

In 2004, the United States, the Dominican Republic, Guatemala, Costa Rica, El Salvador, Honduras and Nicaragua signed the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR). The agreement entered into force in Guatemala on July 1, 2006. CAFTA-DR contains a chapter on investment similar to a Bilateral Investment Treaty with the United States. The United States and Guatemala do not have a bilateral taxation agreement due to the prevalence of corporate bearer shares. However, a seized asset law, which took effect in June 2011, requires all newly-formed companies to issue nominative shares only and for bearer shares to be converted to nominative shares by June 2013.

Guatemala has bilateral investment agreements with Argentina, Belgium, Cuba, Chile, Finland, France, Germany, Israel, Italy, South Korea, Spain, Sweden, Switzerland, Taiwan, the Czech Republic and The Netherlands.

In addition to CAFTA-DR, Guatemala has signed bilateral or regional free trade agreements with Chile, the European Union, Peru, Mexico, Colombia, Taiwan and Panama, and is currently negotiating a free trade agreement with Canada and the European Free Trade Agreement (EFTA) countries. The agreements with the European Union and Peru are pending Congressional approval. Guatemala has also signed partial-scope agreements with Belize, Cuba, Ecuador and Venezuela, which cover a reduced number of products and do not include chapters beyond trade. The agreement with Ecuador is pending Congressional approval. It is currently negotiating a partial scope agreement with Trinidad and Tobago.

OPIC and Other Investment Insurance Programs

[Return to top](#)

Guatemala ratified the Multilateral Investment Guarantee Agreement (MIGA) in 1996. The Overseas Private Investment Corporation (OPIC) is active in Guatemala, providing both insurance and investment financing. OPIC applicants have generally been able to quickly obtain Foreign Government Approval (FGA). For more information on OPIC programs, U.S. investors should contact OPIC headquarters in Washington, D.C. at (202) 336-8799 or go to www.opic.gov.

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According to the Central Bank of Guatemala, the reference exchange rate of Quetzals to the U.S. Dollar remained relatively stable during 2012 with a high of 8.01 and a low of 7.67.

Labor

[Return to top](#)

An estimated 1.5 million individuals in the formal sector workforce are augmented by about 4.5 million more who work in the informal sector, including some who are too young for formal sector employment. In rural areas in particular, child labor remains a serious problem in certain industries, according to the 2012 Survey on Employment and Income. The availability of a large, unskilled and inexpensive labor force has led many employers, such as construction and agricultural firms, to use labor-intensive production methods. Over a quarter of the overall workforce is illiterate. In developed urban areas, however, education levels are much higher, and a workforce with the skills necessary to staff a growing service sector has emerged. Even so, highly capable technical and managerial workers remain in short supply, with secondary and tertiary education focused on social science careers.

No special laws or exemptions from regular labor laws are provided for the export processing zones. Managers of Guatemalan companies must be either Guatemalan citizens or resident aliens with work permits. Employer responsibilities regarding working conditions, especially health and safety standards, benefits, severance pay, premium pay for overtime work, minimum wages, and bonuses are specified in the labor code. Mandatory benefits, bonuses, and employer contributions to the Social Security system can add up to over 60 percent of an employee's base pay. Many workers, however, especially in agriculture, do not receive the full compensation package mandated in the labor law. The Constitution guarantees the right of workers to unionize and to strike and commits the state to support and to protect collective bargaining, as well as to respect international labor conventions. A combination of inadequate allocation of budget resources to the Ministry of Labor and other relevant state institutions, and inefficient administrative and justice sector processes act as significant impediments for more effective enforcement of labor laws to protect these workers' rights. As a result,

investigating, prosecuting, and punishing employers who violate these guarantees remain a challenge. In 2010, a U.S. interagency delegation engaged in formal consultations under Chapter 16 of the CAFTA-DR Free Trade Agreement with the Government of Guatemala regarding its apparent systematic failure to investigate alleged labor law violations, to take enforcement action once labor law violations have been identified, and to enforce labor court orders in cases of labor violations. An arbitral panel was established to consider whether Guatemala is conforming to its CAFTA-DR obligations to effectively enforce its labor laws. On April 2013, after lengthy negotiations, the United States and Guatemala have agreed to an ambitious and comprehensive Enforcement Action Plan that includes significant, concrete actions that the Guatemalan government will implement within specified time frames to improve enforcement of labor laws. A copy of the Plan can be found at:

<http://www.ustr.gov/sites/default/files/04292013%20Guatemala%20Enforcement%20Plan.pdf>. Under this Enforcement Plan, the United States and Guatemala also agreed to request that the CAFTA-DR arbitral panel suspend its work for a period of six months from the signing of the Enforcement Plan. The rate of unionization in Guatemala is very low. According to statistics from the Ministry of Labor, approximately eight percent of the country's formal labor sectors were union members in 2006, the last year reported.

Foreign-Trade Zones/Free Ports

[Return to top](#)

Guatemalan law permits the establishment of free trade zones (FTZs). As of December 2012, nineteen of twenty-seven authorized FTZs were operational. Commercial activities and apparel assembly operations are the main beneficiaries of Guatemala's free trade and "maquiladora" (in-bond assembly) laws. Investment incentives are specified in law and are available, with few exceptions, to both foreign and Guatemalan investors without discrimination.

Foreign Direct Investment Statistics

[Return to top](#)

According to preliminary data from the Guatemalan Central Bank (Banguat), the flow of foreign direct investment (FDI) totaled USD 984.6 million in 2011 (2.1% of GDP) and is estimated to have increased 26.7% in 2012 to USD 1.2 billion (2.47% of GDP) (confirmed 2012 data are not yet available). There is no reliable data on the stock of FDI.

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

- 3M Company
- ACS/BPS
- American International Group
- Ashmore Energy
- Bristol Myers Squibb
- Cargill
- Chevron Corporation
- Chiquita Brands International
- Citibank
- Duke Energy International
- Federal Express
- Frito Lay
- Kimberly Clark Corp.

- Microsoft Corporation
- Pepsi-Co Bottling Co.
- Pfizer Warner Lambert Co.
- Procter & Gamble Co.
- Ralston Purina
- Sears
- Sherwin Williams
- WalMart
- Westin Hotels and Suites
- Xerox Corporation

Web Resources

[Return to top](#)

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

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 7: Trade and Project Financing

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

How Do I Get Paid (Methods of Payment)

[Return to top](#)

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

How Does the Banking System Operate

[Return to top](#)

Capital markets in Guatemala are weak and inefficient, though there has been some consolidation and restructuring as a result of financial reforms approved in 2002. The Guatemalan banking system comprises eighteen commercial banks, which held an estimated USD 25.2 billion in assets in 2012. The five largest banks control about 80 percent of total assets. In addition, there are fourteen non-bank financial institutions specializing in investment operations, two licensed exchange houses, twenty seven insurance companies, six credit card issuers, fifteen bonded warehouses, and seven offshore banks which, by law, are affiliated with domestic financial groups. The Superintendent of Banks is charged with regulating the financial services industry.

Financial regulations passed by the Guatemalan Congress in April 2002 have increased the scope of supervision and brought local practices more in line with international standards. The 2002 regulations included Banking and Financial Groups Law, a Financial Supervision Law and a Central Bank Law. In August 2012, the Guatemalan Congress approved reforms to the Banking and Financial Groups Law and to the Central Bank Organic Law that should strengthen supervision and prudential regulation of the financial sector and resolution mechanisms for failed or failing banks.

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

Foreign-Exchange Controls

[Return to top](#)

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

U.S. Banks and Local Correspondent Banks

[Return to top](#)

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

Project Financing

[Return to top](#)

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

Web Resources

[Return to top](#)

- Guatemalan Superintendence of Banks: <http://www.sib.gob.gt/web/sib/inicio>
- Export-Import Bank of the United States: <http://www.exim.gov>
- Country Limitation Schedule:
http://www.exim.gov/tools/country/country_limits.html
- OPIC: <http://www.opic.gov>
- Trade and Development Agency: <http://www.tda.gov/>
- SBA's Office of International Trade: <http://www.sba.gov/oit/>
- USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>
- U.S. Agency for International Development: <http://www.usaid.gov>
- Inter-American Development Bank: <http://www.iadb.org/>

| [Return to table of contents](#)

[Return to table of contents](#)

Chapter 8: Business Travel

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

Business Customs

[Return to top](#)

Guatemala, with a population of over 14 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 at the accessibility to key decision-makers and by the openness and frankness of local buyers.

U.S. executives interested in pursuing business in Guatemala should approach local business people in the same manner 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. If planning to visit factories or plants; blazers and khakis are acceptable, but no shorts or sandals. If this is a first business meeting, it is better to err on the side of more formal attire. It is advisable to exchange business cards.

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

Travel Advisory

[Return to top](#)

The U.S. Embassy in Guatemala provides travel information to U.S. citizens through the Country Specific Information Sheet which is updated approximately every six months and can be accessed through www.travel.state.gov.

In addition, the U.S. Embassy 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 on-line [Smart Traveler Enrollment Program \(STEP\)](#).

Visa Requirements

[Return to top](#)

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 after arrival to Guatemala.

An American citizen who is married to a Guatemalan, or who has a child who is a Guatemalan citizen, is eligible to apply for Guatemalan residency. The application process typically takes about five months.

The following documents are among those required to extend a stay or apply for a permanent visa:

1. A valid U.S. passport.
2. An affidavit of support, duly witnessed by a lawyer, stating the applicant's name, address, telephone number, nationality, passport number, and statement of commitment and ability to pay for travel. A certified photocopy of the applicant's passport must be attached.
3. An international credit card, bank card, or traveler's check in the applicant's name.
4. Two most recent bank statements from the applicant or guarantor.

A full list (in Spanish) of documents required to apply for permanent residency can be found at: <http://www.migracion.gob.gt/>
<http://www.migracion.gob.gt/es/images/stories/03resperf.pdf>.

U.S. companies that require travel of foreign businesspersons to the United States should be aware that visa issuance is handled by the U.S. Department of State. The following links provide more information on U.S. visa policy:

U.S. Department of State Visa Information for Temporary Visitors:

http://www.travel.state.gov/visa/temp/temp_1305.html

U.S. Embassy Guatemala Nonimmigrant Visa Services:

[Nonimmigrant Visas | Embassy of the United States Guatemala](#)

Telecommunications

[Return to top](#)

Internet access is widely accessible, by computers or laptops. Hotels offer Internet telephone service and cellular phone systems can be used in Guatemala City. Cell phones have to be programmed for roaming to Guatemala; once programmed, calls can be placed to the U.S. without any problems. Calls can also be placed through hotel

operators or directly with AT&T, MCI, or Sprint calling cards, or collect. Claro, Telefónica and other international companies compete in the market and provide telecommunications services, including Internet.

Transportation

[Return to top](#)

Several airlines offer direct flights to Guatemala from the United States, including American, Delta, Continental, and Spirit. Other airlines operating in Guatemala include TACA, COPA, and Iberia. There are direct flights between Guatemala and Atlanta, Chicago, Dallas, Ft. Lauderdale, Houston, Los Angeles, Miami, 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) 2332-1515. (Agents speak only Spanish.) Public bus transportation is unsafe and is not recommended.

Language

[Return to top](#)

Spanish is the official language of Guatemala. 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

[Return to top](#)

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 illness 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 by calling 1-800-232-4636 or visiting CDC's Internet site at wwwnc.dcd.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 <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 [Return to top](#)

Local Time:

The time in Guatemala is one hour behind Eastern Standard Time. For example:

Guatemala: 2:00 p.m. Chicago: 2:00 p.m. Miami: 3:00 p.m.

This difference changes to 2 hours during Daylight Savings Time.

Business Hours:

Business hours for commercial and industrial offices are generally between 8:00 a.m. and 6:00 p.m., Monday through Friday. Operating hours at manufacturing plants and construction sites are generally 7:00 a.m. to 4:00 or 5:00 p.m. Banks are open to the public at 9:00 a.m. and close at 6:00 p.m. Drive-through banking closes at 8:00 p.m. Some banks have automatic tellers that are open all night; however, travelers are discouraged from using ATMs after dark due to the threat of crime.

In 2013, the U.S. Embassy will observe the following holiday schedule (A for U.S. holiday, G for Guatemalan holiday).

January 1	Tuesday	New Year's Day	(A)
January 21	Monday	Martin Luther King's Birthday	(A)
February 18	Monday	Presidents' Day	(A)
March 28	Thursday	Holy Thursday	(G)
March 29	Friday	Good Friday	(G)
May 1	Wednesday	Guatemalan Labor Day	(G)
May 27	Monday	Memorial Day	(A)
June 30	Sunday	Army Day	(G)
July 4	Thursday	U.S. Independence Day	(A)
August 15	Thursday	Feast of the Assumption	(G)
September 2	Monday	U.S. Labor Day	(A)
September 15	Sunday	G. Independence Day	(G)
October 14	Monday	Columbus Day	(A)
October 20	Sunday	Revolution Day	(G)
November 1	Friday	All Saints Day	(G)
November 11	Monday	Veterans Day	(A)
November 28	Thursday	Thanksgiving Day	(A)
December 24	Tuesday	Christmas Eve – Half Day	(G)
December 25	Wednesday	Christmas Day	(A&G)
December 31	Tuesday	New Year's Eve – Half Day	(G)

Temporary Entry of Materials and Personal Belongings

[Return to top](#)

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.

Web Resources

[Return to top](#)

- U.S. Department of State Country Specific Information Sheet: http://travel.state.gov/travel/cis_pa_tw/cis/cis_1129.html
- State Department Visa Information: http://travel.state.gov/visa/visa_1750.html
- U.S. Bureau of Consular Affairs Travel Information: <http://travel.state.gov>
- Visa Information from the U.S. Embassy in Guatemala: http://guatemala.usembassy.gov/non-immigrant_visas.html
- World Health Organization: www.who.int/en
- Guatemalan Ministry of Foreign Affairs (in Spanish): <http://www.minex.gob.gt>
- Travel, Immigration, and Customs Information: <http://www.cbp.gov/xp/cgov/travel/>
- U.S. Embassy in Guatemala: <http://guatemala.usembassy.gov/>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 9: Contacts, Market Research and Trade Events

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

Contacts

[Return to top](#)

Oficina Guatemalteca de Acreditacion (OGA)

Contact: _____ Alexander Pineda, Director

E-mail: _____: _____ info@oga.org.gt

Web page: www.oga.org.gt

National Quality Systems Direction

Contact: _____ Franky Eduardo Reyes, Director

Email: _____ freyes@mineco.gob.gt

Web page: www.mineco.gob.gt/mineco/calidad/direccion.htm

National Center of Metrology

Contact: Eduardo Bances Director

Email: ebances@mineco.gob.gt

Web page: www.mineco.gob.gt/mineco/calidad/metrologia.htm

Guatemalan Standards Commission (COGUANOR)

Contact: Hector Herrera, Executive Secretary

Email: Herrera@mineco.gob.gt

Web page: www.coguanor.gob.gt

Consumer Service and Support Board (DIACO)

Dirección de Atención y Asistencia al Consumidor

Contact: _____ Silvia Escobar Santos, Executive Director

Email: diacoquejas@mineco.gob.gt or sescoba67@gmail.com

Web page: www.diacogob.gt

Ministry of Agriculture

Unidad de Políticas e Información Estratégica, Area de Información

Contact: Cesar Adolfo Pernillo

E-mail: cpernillogt@yahoo.com

Web page: www.maga.gob.gt

Ministry of Public Health

Ministerio de Salud Pública y Asistencia Social de Guatemala

Contact: -Jorge Villavicencio, Minister

Email: info@mispas.gob.gt

Web page: www.mispas.gob.gt

Valuables and Merchandise Registry (Ministry of the Economy)

Registro de Valores y Mercancías

Contact: Lucrecia Bermejo

Email: lbermejo@mineco.gob.gt

Web page: www.mineco.gob.gt/mineco/rmvm/index.htm

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

OIRSA - Guatemala

Contact: Efrain Medina, Representative in Guatemala

E-mail: emedina@oirsa.org.gt

Web page: <http://www.oirsa.org/portal/Default.aspx>

OIRSA – El Salvador

Contact: Guillermo Alvarado, Executive Director

Email: dejecutiva@oirsa.org

Web page: www.oirsa.org/portal/R_ElSalvador.aspx

Major Hotels

Hotel Clarion Suites

Contact: Omar Martinez, General Manager

E-mail: reservas@clarionguatemala.com

Web page: <http://www.clarionguatemala.com/>

Hotel Westin Camino Real

Contact: Juan Gurrola, General Director

E-mail: reservaciones@caminoreal.com.gt

Web page: www.caminoreal.com.gt

Hotel Barceló Guatemala

Contact: Angel Rodriguez, General Manager

E-mail: guatemalacity.dir@barcelo.com

Web page: www.barcelo.com/BarceloHotels/en-GB/Hotels/Guatemala/GuatemalaCity/GuatemalaCity/Home

Hotel InterContinental

Contact: Pierre Berthier, General Manager

E-mail: inter.gua@gruporeal.com

Web page: www.ichotelsgroup.com/intercontinental/en/gb/locations/guatemalacity

Hotel Princess Reforma

Contact: Alejandro Estrada General Manager

E-mail: reservaciones@hotelesprincess.com

Web page: www.hotelesprincess.com

Hotel Crowne Plaza Guatemala

Contact: Estuardo Gudiel, General Manager
E-mail: reservas@cpguatemala.com.gt
Web page: www.crowneplaza.com

Hotel Radisson & Suites

Contact: Teresa Monroy, General Manager
E-mail: radisson@radissonguatemala.com
Web page: www.radisson.com

Hotel Tikal Futura Guatemala

Contact: Jose Antonio Mendez, General Manager
E-mail: jamendez@grandtikalfutura.com.gt
Web page: www.grandtikalfutura.com.gt/

Hotel Vista Real

Contact: Mariano Beltranena, General Manager
E-mail: info@vistareal.com
Web page: www.vistareal.com/

Hotel Holiday Inn Guatemala

Contact: Carlos Roesch, General Manager
E-mail: reservaciones@hinn.com.gt
Web page: www.hinn.com.gt

Hotel Mercure Casa Veranda

Contact: Vinicio Bobadilla, General Manager
E-mail: reserves@mercurecasaveranda.com.gt or casaveranda@accor.com
Web page: www.mercure.com

U.S. Embassy Trade-Related Contacts

Barnett Sporkin-Morrison
Senior Commercial Officer (Acting)
Guatemala
Barnett.Sporkin-Morrison@fas.usda.gov

Henry Schmick
Regional Agricultural Counselor
Henry.Schmick@fas.usda.gov

Karla Tay
Agricultural Marketing Specialist
Karla.Tay@fas.usda.gov

Terry Steers-Gonzalez
Political and Economic Counselor

Steers-GonzalezT@state.gov

(arriving early July 2013)

William Ayala
Economic Officer

AyalaWM@state.gov

Kevin Kelly
Director, USAID
Kkelly@usaid.gov

Country Trade or Industry Associations in Key Sectors

American Chamber of Commerce of Guatemala, AMCHAM

Contact: Licenciado Jeff Paul, President
Licenciada Carolina Castellanos, Executive Director

E-mail: director@amchamguate.com

Web page: www.amchamguate.com

Asociación de Gerentes de Guatemala - AGG
(Guatemalan Managers Association)

Contact: Alvaro Urruela, Executive Director
Roberto Way, President

E-mail: presidencia@agg.org.gt

Web page: www.agg.org.gt

Asociación Gremial de Exportadores de Productos No Tradicionales
AGEXPORT- (Association of Exporters of Non-Traditional Products)

Contact: _____ Fanny de Estrada, Executive Director
-Estuardo Castillo, President

E-mail: informacion@agexport.org.gt; nevi.lemus@agexport.org.gt

Web page: www.export.com.gt

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

Contact: Roberto Ardon, Executive Director
-Jose Santiago Molina, President

E-mail: -secretaria@cacif.org.gt presidencia@cacif.org.gt

Web page: www.cacif.org.gt

Cámara de Industria de Guatemala
(Guatemalan Chamber of Industry)

Contact: Andres Castillo

President E-mail: Asistente: Gladys Fuentes
[gfuentes@industriaguatemala.com](mailto:g fuentes@industriaguatemala.com)

Web page: www.industriaguatemala.com

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

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Contact: Jorge Briz Abularach, President
E-mail: info@camaradecomercio.org.gt
Web page: www.negociosenguatemala.com

Cámara Empresarial de Guatemala (CAEM)
(Entrepreneurial Chamber of Guatemala)
Contact: Cesar Zamora, Executive Director
E-mail: cencit@cencit.org czamora@cencit.org
Web page: www.cencit.org

Cámara Guatemalteca de la Construcción
(Guatemalan Construction Industry Chamber)
Contact: Paola van der Beek de Andrino, Executive Director
E-mail: info@construguate.com or pandrino@construguate.com
Web page: www.construguate.com.gt

Asociación Nacional del Café (ANACAFE)
(National Coffee Association)
Contact: Nils Leporowski, President
E-mail: patriciac@anacafe.org
Web page: www.anacafe.org

Country Government Offices

Ministerio de Economía
(Ministry of Economy)
Contact: Sergio de La Torre, Minister
Amelia de Paredes, Assistant
E-mail: aparedes@mineco.gob.gt
Web page: www.mineco.gob.gt

Ministerio de Finanzas Públicas
(Ministry of Public Finances)
Contact: Pavel Centeno, Minister
E-mail: pcenteno@minfin.gob.gt
Web page: www.minfin.gob.gt

Ministerio de Comunicaciones, Infraestructura y Vivienda
(Ministry of Communications, Transportation and Public Works)
Contact: Alejandro Sinibaldi, Minister
E-mail: comunicaciones@comunicaciones.gob.gt
Web page: www.civ.gob.gt

Ministerio de Trabajo y Previsión Social
(Ministry of Labor and Social Welfare)
Contact: Carlos Contreras, Minister
E-mail: ministro@mintrabajo.gob.gt
Web page: www.mintrabajo.gob.gt

Ministerio de Relaciones Exteriores

(Ministry of Foreign Affairs)

Contact: -Fernando Carrera, Minister
E-mail: webmaster@minex.gob.gt
Web page: www.minex.gob.gt

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

Contact: Erick Archilla Dehesa, Minister
E-mail: relapubli@mem.gob.gt
Web page: www.mem.gob.gt

Ministerio de Agricultura, Ganadería y Alimentación
(Ministry of Agriculture, Livestock and Nutrition - MAGA)

Contact: -Elmer Lopez, Minister
E-mail: magadest@intelnet.net.gt
Web page: www.maga.gob.gt

Ministerio de Gobernación
(Ministry of Government)

Contact: Mauricio López Bonilla, Minister
E-mail: mingober@intelnet.net.gt
Web page: www.mingob.gob.gt

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

Contact: -Jorge Villavicencio, Minister
E-mail: sigsa@mspaspas.gob.gt
Web page: www.mspaspas.gob.gt

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

Contact: Roxana Sobenes, Minister
E-mail: mcastillo@mam.gob.gt, acampos@marn.gob.gt
Web page: www.mam.gob.gt/

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

Contact: Pedro Duchez Meyer, Executive Director
E-mail: info@inguat.gob.gt
Web page: www.visitguatemala.com/web/index/php

Banco de Guatemala (BANGUAT)
(Bank of Guatemala)

Contact: Edgar Barquín, President
Sergio Recinos, General Manager
E-mail: crga@banguat.com.gt
Web page: www.banguat.gob.gt

Intendencia de Aduana
(Central Customs)

Contact: -Filadelfo Reyes Cáceres

E-mail: -Assistant: Maria de los Angeles Salazar mdasalazar@sat.gob.gt
Web page: www.sat.gob.gt

Registro Mercantil (Mercantile Registry)
Contact: Rodrigo Valladares Molina, Director
E-mail: info@registromercantil.gob.gt
Web page: www.registromercantil.gob.gt

Guatemala Trade & Investment
Contact: -Luis David, Executive Director
E-mail: -ldavid@investinguatemala.org
Web Page: www.investinguatemala.org

Instituto Nacional de Electrificación (INDE)
(National Electrification Institute)
Contact: -Erick Archila Dehesa, President
E-mail: gerenciaservicios@inde.gob.gt
Web page: www.inde.gob.gt/

Telecomunicaciones de Guatemala, S.A. (TELGUA)
Contact: Julio Carlos Porras, General Manager
E-mail: carmen.palmieri@claro.com.gt
Web page: <http://www.claro.com.gt/Movil.aspx>

Country Market Research Firms

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

Ernst & Young, S.A.
Contact: Braulio Salazar, Partner
E-mail: braulio.salazar@gt.ey.com
Web page: www.ey.com
Languages: English-Spanish
Accounting Specialization: Auditing, Financial Advisor, Consultants, Income Tax, Economic Feasibilities

KPMG Guatemala
Contact: Felipe Gómez, Partner Director
E-mail: gt-fmkpmg@kpmg.com
Web page: www.kpmg.com

PriceWaterHouse Coopers, S.A.
Contact: Ricardo Molina, Partner
E-mail: ricardo.molina@gt.pwc.com
Web page: www.pwc.com

Lara, Aranky, Ramos & Asociados, S.C. -Deloitte-
Contact: Licenciado Rolando Lara, Partner
E-mail: rlara@deloitte.com

Web page: www.deloitte.com

Horwath de Guatemala, S.A.
Contact: Herber Ramirez, Partner
E-mail: hramirez@horwath.net.gt
Web page: www.crowehorwath.com.net.gt

Country Commercial Banks

BAM
Contact: Christian Roberto Schneider, General Manager
E-mail: fabiola.mendez@bam.com.gt
Web page: www.agromercantil.com.gt

Banco G&T Continental
Contact: Licenciado Flavio Montenegro, General Manager
E-mail: sponciano@gytcontinental.com.gt
Web page: www.gytcontinental.com.gt

Banco de Occidente, S.A.
Contact: Pedro Aguirre, Presidente
E-mail: occidente@occidente.com.gt
Web page: www.occidentecorp.com.gt, www.occidente.com.gt

Banco Industrial, S.A.
Contact: Diego Pulido, General Manager
E-mail: dpulido@bi.com.gt
Web page: www.bi.com.gt

Banco Inmobiliario, S.A.
Contact: Carlos Estrada, General Manager
E-mail: carlos_estrada@bcoinmob.com.gt
Web page: <http://www.bancoinmobiliario.com.gt/index.php>

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Banco Internacional, S.A.
Contact: Francisco Naranjo, General Manager
E-mail: gerencia@bancointernacional.com.gt
Web page: www.bancointernacional.com.gt

Banco de Desarrollo Rural, S.A. (BANRURAL)
Address:
Contact: Samuel de La Cruz, General Manager
E-mail: antonieta.samayoa@banrural.com.gt
Web page: www.banrural.com.gt

Banco Promérica, S.A.
Contact: Edgar Bran, Gerente General
Asistente: Silvia Pineda
E-mail: Silvia.castellan@bancopromerica.com.gt
Web page: www.bancopromerica.com.gt/

ViviBanco, S.A.

Contact: Giovano Contreras, Manager
E-mail: scontreras@vivibanco.com.gt
Web page: www.vivibanco.com

Banco de los Trabajadores

Contact: Ronald García, General Manager
E-mail: garciar@bantrab.net.gt
Web page: www.bantrab.com.gt

Citibank Guatemala

Contact: Bernardo Chacin, General Manager
E-mail: and karina.sagastume@citigroup.com
Web page: www.latinamerica.citibank.com/guatemala/index.html

Banco de América Central

Contact: Juan Jose Viaud, General Manager
E-mail: bacinfo@bac.com.gt
Web page: www.bac.net/guatemala/esp/banco/index.html

Banco Centro Americano de Integración Económica (BCIE)

Contact: Hazel Cepeda, Regional Manager
E-mail: hcepeda@bcie.org
Web page: www.bcie.org

Banco de Antigua

Contact: [_____](#); [_____](#) Jose Iturriaga, General Manager
E-mail: jiturriaga@bantigua.com.gt
Web page: www.bantigua.com.gt

Banco Reformador

Contact: Raymond Puccini Riusti, General Manager
E-mail: bancoreformador@bancoreformador.com
Web page: www.bancoreformador.com/

Multilateral Development Bank Offices

Inter-American Development Bank (IADB)

Contact: Juan Jose Taccone, Representative
E-mail: bidguatemala@iadb.org
Web page: www.iadb.org

World Bank (WB)

Contact: Oscar Ovalle, Country Manager
E-mail: Mariela.Alpirez@worldbank.org
Web page: www.worldbank.org

Washington-Based USG Country Contacts

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

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Ph.: 1-800-USA-TRADE

U.S. Department of Commerce
International Trade Administration
Office of North and Central America and the Caribbean
Contact: Mark Siegelman, Guatemala Desk Officer
E-mail: Mark.Siegelman@trade.gov
Web page: www.ita.doc.gov

U.S. Department of State
WHA/Office of Central American Affairs
Contact: Brett Hamsik, Guatemala Desk Officer
E-mail: HamsikBC@state.gov
Web page: www.state.gov

Export-Import Bank of the United States (EXIMBANK)
International Business Development
Contact: Kate Bishop, Business Development Officer
E-mail: kate.bishop@exim.gov
Web page: www.exim.gov

U.S. Trade and Development Agency (TDA)
Contact: Keith M. Eischeid, Country Manager for Central America & Mexico
E-mail: KEischeid@ustda.gov or info@tda.gov
Web page: www.ustda.gov

U.S. Overseas Private Investment Corporation (OPIC)
Web page: www.opic.gov

Market Research

[Return to top](#)

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

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

Trade Events

[Return to top](#)

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

<http://www.export.gov/tradeevents/index.asp>

Local Guatemalan trade events scheduled for 2013 include:

Apparel Sourcing Show May 21-23, 2013
<http://apparelexpo.com/2013/>

Feria de la Proveeduría April 18-20, 2013
<http://www.promueblecentralamerica.com/>

Business Future of the America's June 10-11, 2013
<http://www.bfa2013.com/en>

| Opportunities in Central America Business
Development Conference & Trade Mission July 15-19, 2013
<http://export.gov/tradeamericas/tradeevents/trademissions/centralamericajuly2013/index.asp>

Expomueble July 30-August 4, 2013
<http://www.expomueblecentralamerica.com/>

Visit USA International Trade Show 2013 August 22-23, 2013
www.visitusaguatemala.org

| [Return to table of contents](#)

[Return to table of contents](#)

Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities and support them once they do have exporting opportunities.**

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center at (800) USA-TRAD(E).**

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

[Return to table of contents](#)

