



## **Doing Business In Guatemala: The 2005 Country Commercial Guide for U.S. Companies**

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## Chapter 1: Doing Business In Guatemala

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### Market Overview

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

Guatemala is an excellent market for U.S. products. Guatemala's GDP reached an estimated USD 26.9 billion in 2004 and exports from the United States to Guatemala exceeded USD 2.5 billion. U.S. products and services enjoy high name recognition in Guatemala, and U.S. firms have a good reputation in the Guatemalan marketplace. As a result, almost half of all Guatemalan imports come from the United States. Guatemala can also be an attractive place for foreign investment, despite some persisting challenges. With a population of around 14 million, it is the largest country in Central America and accounts for one-third of the region's GDP. The capital, Guatemala City, has a population of over 3 million and features first-class hotels and restaurants. La Aurora International Airport, which serves the city, is located just minutes from the major business and financial areas.

### Market Challenges

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Guatemala is experiencing rapid political and social change. Free and fair national elections were held in November and December 2003, when Oscar Berger of the Grand National Alliance (GAN) coalition won a four-year presidential term. Since taking office in January 2004, President Berger has maintained a capable and experienced team of ministers and advisers who bring the promise that his government will more fully address the country's social needs -- improving education, generating employment, enhancing public security, and bringing transparency to public procurement. Thus far, the Berger government has made significant progress with major initiatives to reduce and modernize the military, open the borders to increase trade with El Salvador, Honduras, and Nicaragua, and achieve fiscal reforms to broaden the tax base.

President Berger has also sought to improve relations with the United States, emphasizing a shared agenda on trade and investment, fighting domestic corruption and transnational crime, and fully implementing the 1996 Peace Accords. With international remittances topping \$2.5 billion in 2004, migrant issues are also high on Berger's agenda.

Implementing the 1996 Peace Accords ending Guatemala's 36-year civil war has been a major challenge for the government. The Accords call for, among other things, an increase in taxes in order to provide the resources necessary to meet basic infrastructure and development needs. The private sector has generally not helped the government to identify means for raising these desperately needed revenues. Security, corruption, worker rights, protection of intellectual property, and education are other key challenges for the government.

Most hurdles to exporting and investing in Guatemala are bureaucratic in nature. The government is generally aware of these problems and works to overcome them. There are no exchange controls and the currency, the quetzal, currently trades in a fairly stable range of 7.7-8.0 quetzals to one U.S. dollar. Currency is bought and sold freely in national markets. There are no restrictions on repatriation of profits by foreign businesspeople.

## Market Opportunities

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The signing of the U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) by U.S. Trade Representative Robert Zoellick and ministers from Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua, on August 5, 2004, represents a giant step toward more liberalized trade between the U.S. and these Latin American nations. The Agreement, once ratified by the U.S. and other participating countries, provides for the immediate elimination of tariffs and quotas on more than 80 percent of U.S. exports, while tariffs on the remaining 20 percent will be phased out over the next 10 years. With the inclusion of the Dominican Republic, CAFTA-DR will be the second largest Latin American market for U.S. goods, surpassed by only Mexico. Along with reduced trade barriers, CAFTA-DR calls for a lessening of 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. CAFTA-DR could be ratified in 2005.

Regardless of CAFTA-DR, regionalization is quickly becoming a fact of life for doing business in Central America. Factories and distribution facilities have been and continue to be located in order 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 locate new plants. Regional managers are becoming the norm, with responsibilities for multiple countries within the Central American marketplace. Trade amongst the countries of Central America has also increased dramatically over recent years, a trend which will only continue with CAFTA-DR.

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

The Guatemalan economy has done reasonably well over the last several years. Real GDP grew by an estimated 2.7 percent in 2004, although this growth was less than the rate of population growth. Inflation has been relatively moderate, dropping to 5.8 percent in 2003, although higher oil prices caused inflation to increase rather sharply in 2004, approaching 10 percent on an annual basis.

Commodity prices for traditional Guatemalan exports, such as coffee and sugar, have been relatively low by historic standards in recent years. Most growth has come from non-traditional exports, such as assembled clothing, winter fruits and vegetables, furniture and cut flowers. The non-traditional sector, in particular, has provided more jobs and increased income for tens of thousands of people over the past ten years. Tourism has also developed significantly and should continue to grow, if the Berger

Administration can get a better handle on the security situation. Remittances from Guatemalans living abroad, mainly in the United States, have become the largest single source of foreign exchange earnings.

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

## **Market Entry Strategy**

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

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

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

[www.state.gov/r/pa/ei/bgn](http://www.state.gov/r/pa/ei/bgn)

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#### Using an Agent or Distributor

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

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

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

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

When completing an agency or distribution arrangement, U.S. exporters should make sure the agent or distributor understands clearly the terms of the relationship. The written agreement is important; however, both parties really need to understand it completely to avoid future problems.

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

## **Establishing an Office**

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### Authorizations required to operate an office in Guatemala:

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

Register with the Mercantile Registry (Registro Mercantil)

Registro Mercantil de Guatemala

Address: 7 Ave. 7-61, Zona 4  
01004 Guatemala

Ph.: (502) 2331-0119

Fax: (502) 2331-0119 x 225

Contact: Lic. Carlos Eduardo Illescas, Registrador

E-mail: [ccillescas@yahoo.com](mailto:ccillescas@yahoo.com)

Website: currently under construction

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

- Proof that the entity is legally constituted in accordance with the laws of the country (state) in which it is organized or registered.
- Certified copy of the deed of incorporation (charter), the by-laws, and modifications thereto.
- Proof that the Board of Directors has duly resolved to operate in Guatemala and has authorized the legal procedure to obtain permission to do so.
- A power of attorney in which the person named is given ample powers to act and to represent the entity in all legal matters.
- A document in which an amount is assigned as capital, with reference to the entity's operations in Guatemala, and in which it is expressly stated that the entity will be responsible for its obligations in Guatemala with all of its assets, both in Guatemala and abroad.

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

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

Registration with the Guatemalan Internal Revenue Service – SAT:

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

Superintendencia de Administracion Tributaria – SAT

Address: 7 Ave. 3-73, Zona 9  
01001 Guatemala  
Ph.: (502) 2362-7070 / 2362-7051 PBX  
Fax: (502) 2362-7111  
Contact: Licda. Carolina Roca  
Direct line: (502) 2362-7567  
E-mail: [croca@sat.gob.gt](mailto:croca@sat.gob.gt)  
Website: [www.sat.gob.gt](http://www.sat.gob.gt)

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

**Franchising**

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Presently, there are approximately 190 franchising companies in Guatemala with approximately 900 outlets. Guatemalan entrepreneurs are very receptive to U.S. companies offering franchising arrangements. Franchise companies operate mainly in the fields of fast food restaurants, physical fitness centers, car rentals, hotel operations, dry cleaners, lawn and garden services, professional painters, learning centers, shoe repair, pest control, discount stores/pharmacies and auto repair. Opportunities for the establishment of additional U.S. franchises in all areas of economic activity are very good, as businesspeople are increasingly interested in new franchising possibilities.

Guatemala has no special legislation for franchising. Franchise companies operating in Guatemala are subject to normal trade laws, such as paying a 31 percent tax on



royalties, a value-added tax of 12 percent, and import tariffs that can go from 0 percent to 15 percent, except for those products that have tariff rate quotas (TRQ's). Asked about the 31 percent tax on royalties, some legal consultants informed us that the 31 percent amount is correct, but that the same law permits some advantages to lower the tax rate.

## **Direct Marketing**

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

The use of the Internet is increasing in Guatemala. Many orders are placed through 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 industries and merchandise. Many of the significant Guatemalan businesspeople 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**

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

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

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

### Joint Ventures

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

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

### Licensing

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

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

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

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

### **Selling to the Government**

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

The Government Procurement Law (Decree 57-92- Ley de Contrataciones del Estado de Guatemala) and its addendums, stipulate that all government purchases over \$161,000 must be submitted for public competitive bidding, and no less than 5 bidders must participate, except when a project is considered to be so urgent as to be declared a national emergency. In the latter case, the Government of Guatemala can forgo the bidding process and may acquire the goods or services, regardless of the amount, from

local firms or through dealers by direct importation. Unless otherwise specified, all government public bidding requires foreign suppliers to meet pre-qualification requirements, and to submit bids through local established representatives. Government purchases or acquisitions are generally exempted from import duties. The period granted for submission of bids is often quite limited.

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

## **Distribution and Sales Channels**

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

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

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

## **Selling Factors/Techniques**

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

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

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

E-Commerce is a relatively new feature in the Guatemalan market. Guatemala has started to use e-commerce among the chambers and associations, some of the larger banks, large supermarkets, the exporters' guild, and others. Some government agencies, like 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 to do business.

This e-commerce industry is growing rapidly. Large companies have been the first ones to take advantage of this tool. It will take some time for smaller firms to adapt.

Examples of some users of e-commerce are: [www.amchamguate.com](http://www.amchamguate.com)  
[www.camaradecomercio.org.gt](http://www.camaradecomercio.org.gt) [www.industriaguatemala.com](http://www.industriaguatemala.com) [www.coperex.com](http://www.coperex.com)  
[www.prensalibre.com.gt](http://www.prensalibre.com.gt) [www.guatecompras.gob.gt](http://www.guatecompras.gob.gt) [www.negociosenguatemala.com.gt](http://www.negociosenguatemala.com.gt)  
[www.MiSuper.com](http://www.MiSuper.com) [www.hiperpaiz.com](http://www.hiperpaiz.com) [www.bancafe.com.gt](http://www.bancafe.com.gt) [www.bi.com.gt](http://www.bi.com.gt)

**Trade Promotion and Advertising**Trade Promotion

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

## American Chamber of Commerce of Guatemala

Address: 5 Ave. 5-55, Zona 14  
EuroPlaza, Torre I, Nivel 5  
01014 Guatemala  
Ph.: [502] 2333-3899  
Fax: [502] 2368-3536  
Contact: Carolina Castellanos, Director  
Jeffry Paul, President  
E-mail: [director@amchamguate.com](mailto:director@amchamguate.com)  
Web page: [www.amchamguate.com](http://www.amchamguate.com)

Camara de Comercio de Guatemala  
(Guatemalan Chamber of Commerce)

Address: 10a. Calle 3-80, Zona 1  
01001 Guatemala  
Ph.: [502] 2232-4545 / 2253-5353  
Fax: [502] 2220-9393  
E-mail: [info@camaradecomercio.org.gt](mailto:info@camaradecomercio.org.gt)  
Web page: [www.camaradecomercio.org.gt](http://www.camaradecomercio.org.gt)

Camara de Industria de Guatemala  
(Chamber of Industry)

Address: Ruta 6 9-21, Zona 4

Edificio Camara de Industria, Nivel 12  
01004 Guatemala  
Ph.: [502] 2331-9191 / 2334-4848  
Fax: [502] 2334-1090  
Contact: Lic. Ricardo Sagastume, Executive Director  
Jaime Arimany, President  
E-mail: [cig@industriaguatemala.com](mailto:cig@industriaguatemala.com)  
Web page: [www.industriaguatemala.com](http://www.industriaguatemala.com)

#### Trade Promotion Opportunities:

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

- INTERFER 2005 – October (biennial)
- FERIA NACIONAL (National Fair) – December every year
- COMFERIA, an annual fair in July

Organizers of these and other fairs:

COPEREX – Ph.: (502) 2331-0388 - website: [www.coperex.com](http://www.coperex.com)

Other fairs:

- International Construction Show, May every odd year
- AGRITRADE (biennial) Nov./Dec., 2006
- ALIMENTARIOS (Food Fair) August, annual
- INFORMATICA
- AUTOMOBILE SHOW
- APPAREL SOURCING SHOW – May, 2005
- INDUEXPO (Trade and Investment/Industrial Convention) June, 2005
- ExpoMueble – August, 2005

Information on these shows can be obtained from:

U.S. Embassy  
Commercial Service  
Ph.: (502) 2326-4259  
Fax: (502) 2331-7373  
[www.buyusa.gov/guatemala/en](http://www.buyusa.gov/guatemala/en)

#### Advertising

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

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

Address: 13 Calle 3-40, Zona 10  
Edificio Atlantis, Nivel 3, Local 45  
01010 Guatemala  
Ph.: [502] 2367-2301 to 2303  
Fax: [502] 2367-2304  
Contact: Ana Isabel Arguedas, Executive Director  
E-mail: [director@ugap.com](mailto:director@ugap.com)  
Web page: [www.ugap.com](http://www.ugap.com)

#### Major Newspapers:

The leading newspapers in Guatemala include the following:

##### Prensa Libre

Address: 13 Calle 9-31, Zona 1  
Edificio Prensa Libre  
01001 Guatemala  
Ph.: [502] 2230-5096, 2230-1384  
Fax: [502] 2251-8768  
Contact: Maria Mercedes de Blank, General Manager  
Gonzalo Marroquin, Director  
E-mail: [nacional@prensalibre.com.gt](mailto:nacional@prensalibre.com.gt)  
Web page: [www.prensalibre.com.gt](http://www.prensalibre.com.gt)

##### Siglo Veintiuno

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

##### El Periodico

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

##### Nuestro Diario

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

#### Television Channels/Companies:

The following are the major television channels in Guatemala:

Canal 3 de Television (Channel 3)

Address: 30 Avenida 3-40, Zona 11  
Edificio Canal 3  
01011 Guatemala  
Ph.: [502] 2434-6320, x 1112 or 1170  
Fax: [502] 2434-7094  
Contact: Fernando Villanueva, General Manager  
E-mail: [informat@infovia.com.gt](mailto:informat@infovia.com.gt)  
[canal3@canal3.com.gt](mailto:canal3@canal3.com.gt)  
Web page: [www.canal3.com.gt](http://www.canal3.com.gt)

Televisiete (Channel 7)

Address: 30 Avenida 3-40, Zona 11  
Edificio Canal 3  
01011 Guatemala  
Ph.: [502] 2434-6320, x 1112 or 1170  
Contact: Beatriz Eugenia Ramirez de Rivera, Sales Manager  
Email: [BeatrizdeRivera@canal3.com.gt](mailto:BeatrizdeRivera@canal3.com.gt)  
Web page: [www.canal7.com.gt](http://www.canal7.com.gt)

GuateVision

Canal 39 de Television

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

Mayacable/Comtech

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

Radio Stations:

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

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

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

Radio Fabu Stereo

(Radio Fabu has been incorporated by Emisoras Unidas)

Address: 4a. Calle 6-84, Zona 13  
01013 Guatemala  
Ph.: [502] 2440-5154 / 2440-5133  
Fax: [502] 2440-5159  
Contact: Angel Mario Figueroa, Director  
E-mail: [fabuestereo@centroamerica.com](mailto:fabuestereo@centroamerica.com)  
Web page: N/A

Radio Emperador

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

Cadena Azul de Guatemala

Radio Mundial

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

Emisoras Unidas

Address: 4a. Calle 6-84, Zona 13  
01013 Guatemala, C.A.  
Ph.: [502] 2440-5133  
Fax: [502] 2440-5159  
Contact: Rolando Archila, General Manager  
Edgar Archila Marroquin, President  
E-mail: [emisorasunidas@emisorasunidas.com](mailto:emisorasunidas@emisorasunidas.com)  
Web page: [www.emisorasunidas.com](http://www.emisorasunidas.com)

Organizacion Radial Alius

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

Radio Panamericana



Address: 1a. Calle 35-48, Zona 7, Colonia Toledo  
01007 Guatemala, C. A.  
Ph.: [502] 2431-2293 / 2435-6504  
Fax: [502] 2431-2293  
Contact: Maria Antonieta de Paniagua, General Manager  
E-mail: N/A  
Web page: N/A

#### Radio Nuevo Mundo

Address: 6 Ave. 10-45, Zona 1  
01001 Guatemala, C.A.  
Ph.: [502] 2219-7098  
Contact: Alfredo Gonzalez Gamarra, Director  
E-mail: N/A  
Web page: N/A

#### Radio Rumbos

Address: 6 Ave. 0-60, Zona 4  
Torre Profesional I  
Centro Comercial Zona 4  
Ph.: [502] 2335-2024  
Fax: [502] 2335-2424  
Contact: Alfredo Gonzalez Gamarra, Director  
E-mail: N/A  
Web page: N/A

#### Magazines and Business Journals:

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

#### Revista Gerencia

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

#### Revista Industria

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

#### Mundo Comercial

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

Business Guatemala  
American Chamber of Commerce of Guatemala  
Address: 5ª. Avenida 5-55, Zona 14  
Edificio Europlaza, Nivel 5  
01014 Guatemala  
Ph.: [502] 2333-3899  
Fax: [502] 2368-3536  
Contact: Silvia Carolina Tamayac, Publishing Department Supervisor  
Carolina Castellanos, Director  
E-mail: [mercadeo@amchamguate.com](mailto:mercadeo@amchamguate.com)  
Web page: [www.amchamguate.com](http://www.amchamguate.com)

Internet Sites:

Terra Networks Guatemala, S.A.  
Address: Diagonal 6, 10-01 Zona 10  
Centro Gerencial Las Margaritas Torre II, Oficina 9002-B  
Guatemala, Guatemala  
Ph.: [502] 2379- 9999  
Fax: [502] 2379- 9998  
Contact: Carlos Raul Colindres  
E-mail: [info@corp.terra.com.gt](mailto:info@corp.terra.com.gt)  
[publicidad@corp.terra.com.gt](mailto:publicidad@corp.terra.com.gt)  
Web Page [www.terra.com/gt](http://www.terra.com/gt)

## Pricing

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

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

## **Sales Service/Customer Support**

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

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

## **Protecting Your Intellectual Property**

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

### Intellectual Property Registry

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

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

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

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

The Intellectual Property Registrar may be contacted at:

Registro de la Propiedad Intelectual

Address: 7a. Avenida 7-61, Zona 4 Nivel 1  
01001 Guatemala  
Ph.: [502] 2332-0111/ 2332-0114  
Fax: [502] 2332-7707/ 2332-7714  
Contact: Carlos Eduardo Illescas Rivera, Registrador  
E-mail: [ceillescas@yahoo.com](mailto:ceillescas@yahoo.com)  
Lic. Marina Giron, Sub-Registradora  
E-mail: [mgironsaenz@yahoo.com](mailto:mgironsaenz@yahoo.com)  
[repiweb@concit.gov.gt](mailto:repiweb@concit.gov.gt)  
Web page: N/A

## Due Diligence

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

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

## Local Professional Services

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

The following is a partial list of Guatemalan professionals that have English-speaking officers and practice international corporate services in Guatemala. The U.S. Government cannot recommend any particular attorney or professional.

Arenales & Skinner Klee  
Address: 13 Calle 2-60, Zona 10  
Edificio Topacio Azul, Oficina 701  
01010 Guatemala  
Ph.: [502] 2363-1178 / 2332-8912  
Fax: [502] 2363-1188  
Contact: Alfredo Skinner-Klee  
E-mail: [arenales@arenales.com.gt](mailto:arenales@arenales.com.gt)  
Web page: [www.arenales.com.gt](http://www.arenales.com.gt)

Finance and Banking Law, Intellectual Property, Taxation, Maritime law, Commercial Law

Beltranena, De la Cerda & Chavez

Address: Diagonal 6 10-65, Zona 10  
Torre I, Oficina 601  
01010 Guatemala

Ph.: [502] 2332-5032

Fax: [502] 2331-7803

Contact: Luis Beltranena Valladares

E-mail: [fchavez@gold.guate.net](mailto:fchavez@gold.guate.net)

Web page: N/A

Corporate law, Commercial Litigation, Project finance, Generation-Hydrocarbon

Bonilla, Montano & Toriello

Address: Avenida La Reforma 15-54, Zona 9  
01009 Guatemala

Ph.: [502] 2334-4057 / 2334-4086 / 2334-0704

Fax: [502] 2332-23-61

Contact: Jorge Rolando Barrios

E-mail: [ebmytlaw@guate.net](mailto:ebmytlaw@guate.net)

Web page: N/A

Energy Distribution, Oil and mining, Intellectual Property, Foreign Investment, International Trade, Corporate and Commercial work, Mergers and Acquisitions

Diaz-Duran & Asociados

Address: 15 Avenida 18-28, Zona 13  
01013 Guatemala

Ph.: [502] 2361-3370 / 2361-3371

Fax: [502] 2361-3317

Contact: Juan Pablo Carrasco

E-mail: [ddyasoc@guate.net](mailto:ddyasoc@guate.net)

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

Litigation, Collection Services, Intellectual Property, Contract Law, Public Bidding and Offering Representation

Mayora & Mayora

Address: 15 Calle 1-04, Zona 10  
Edificio Plaza Centrica, Nivel 3, Oficina 301  
1010 Guatemala

Tel [502] 2366-2531 to 34 / 2366-2536 to 7

Fax: [502] 2366-2540 to 41

Contact: Eduardo Mayora Dawe

E-mail: [mayora&mayora@internett.com](mailto:mayora&mayora@internett.com)  
[info@mayora-mayora.com](mailto:info@mayora-mayora.com)

Web page: N/A

Banking and Finance, Labor law, Corporate law

Montufar International Law-Firm

Address: Calle Montufar y 5a. Avenida, Zona 9  
Edificio El Cortez, 5o. Nivel  
01009 Guatemala

Ph.: [502] 2334-6132

Fax: [502] 2331-3795

2/11/2005

Contact: Rodrigo Montufar  
E-mail: [montlawoff@pronet.net.gt](mailto:montlawoff@pronet.net.gt)  
Web page: N/A  
International trade, International Contracts, Corporations, Industrial Property,  
International Public Bids, Taxation, Arbitration, Consulting

Palomo Campos & Asociados  
Address: 12 Calle 1-25, Zona 10  
Edificio Gemenis 10, Torre Norte, Of. 1305  
01010 Guatemala  
Ph.: [502] 2335-3301 / 2335-3304 to 06  
Fax: [502] 2335-3297  
Contact: Eduardo Palomo E.  
E-mail: N/A  
Web page: N/A  
Mercantile law, International Contracts, Consulting

Quezada, Toruño & Asociados  
Address: Avenida La Reforma 9-00, Zona 9  
01009 Guatemala  
Ph.: [502] 2331-2001  
Fax: [502] 2332-3736  
Contact: Luis Fernando Quezada  
E-mail: N/A  
Web page: N/A  
Mercantile Law, Civil Law

Rodriguez, Archila, Castellanos, Solares, Aguilar, SC  
Address: Diagonal 6 10-01, Zona 10  
Centro Gerencial Las Margaritas  
Torre II, Oficina 1100  
01010 Guatemala  
Ph.: [502] 2339-3139  
Fax: [502] 2339-3138  
Contact: Alvaro Castellanos  
E-mail: [racs@racs.org.gt](mailto:racs@racs.org.gt)  
Web page: [www.racs.org.gt](http://www.racs.org.gt)  
Intellectual Property, Project Finance, Foreign Investment, International Trade, Taxation,  
Corporate Law

Soto & Soto  
Address: 15 Calle "A" 14-44, Zona 10 Oficina 702 Edificio MariaMelia  
01010 Guatemala  
Ph.: [502] 2384-6600  
Fax: [502] 2384-6666  
Contact: Juan Sebastian Soto Lacape  
E-mail: [info@adsosasoto.com](mailto:info@adsosasoto.com)  
Web page: [www.adsosasoto.com](http://www.adsosasoto.com)  
Commercial Law, Intellectual Property, Corporate Law

Bermejo & Asociados  
Address: Avenida Reforma 12-01, Zona 10  
Edificio Reforma Montufar, 10o. Nivel, Oficina 10-05

01010 Guatemala  
Ph.: [502] 2361-4665  
Fax: [502] 2331-8405  
Contact: J. Roberto Bermejo Q.  
E-mail: [rbermejo@intelnett.com](mailto:rbermejo@intelnett.com)  
Web page: N/A

## Web Resources

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- Superintendent of Tax Admin/SAT [www.sat.gob.gt](http://www.sat.gob.gt)
- Guatemala Procurement Office [www.guatecompras.gob.gt](http://www.guatecompras.gob.gt)
- American Chamber of Commerce [www.amchamguate.com](http://www.amchamguate.com)
- Guatemalan Chamber of Commerce [www.camaradecomercio.org.gt](http://www.camaradecomercio.org.gt)
- Guatemala Chamber of Industry [www.industriaguate.com](http://www.industriaguate.com)
- COPEREX Trade Fairs [www.coperex.com](http://www.coperex.com)
- Apparel Show [www.apparelexpo.com](http://www.apparelexpo.com)
- ExpoMueble [www.agexpront.org.gt](http://www.agexpront.org.gt)
- InduExpo [www.induexpo2005.com](http://www.induexpo2005.com)
- U.S. Embassy Guatemala [www.buyusa.gov/guatemala](http://www.buyusa.gov/guatemala)
- Advertising Association [www.ugap.com](http://www.ugap.com)
- Prensa Libre (newspaper) [www.prensalibre.com.gt](http://www.prensalibre.com.gt)
- Siglo XXI (newspaper) [www.sigloxxi.com](http://www.sigloxxi.com)
- El Periodico (newspaper) [www.elperiodico.com.gt](http://www.elperiodico.com.gt)
- TV Channel 3 [www.canal3.com.gt](http://www.canal3.com.gt)
- TV Channel 7 [www.canal7.com.gt](http://www.canal7.com.gt)
- GuateVision V [www.guatevision.com](http://www.guatevision.com)
- Mayacable/Comtech [www.comtech.net.gt](http://www.comtech.net.gt)
- Guatemala Radio Stations [www.tvradioworld.com/region1/gtm/radio.asp](http://www.tvradioworld.com/region1/gtm/radio.asp)
- Guatemala Managers Assoc. [www.agg.guate.com](http://www.agg.guate.com)
- Registry of Trade Marks Local Professional Services [www.negociosenguatemala.com/negocios/registromarca.asp](http://www.negociosenguatemala.com/negocios/registromarca.asp)

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

### **Agricultural Sectors**

- [Agricultural Sectors](#) (Apples, Cotton, Poultry, Red Meats, Processed Fruits and Vegetables, Grapes, Dairy Products)

### **Commercial Sectors**

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



## Agricultural Sectors

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## Apples

### Overview

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	2002	2003	2004 (estimated)
Total Market Size	7.8	7.8	7.9
Total Local Production	1.0	1.0	0.5
Total Exports	0.5	0.5	0.5
Total Imports	6.8	7.4	7.4
Imports from the U.S.	6.5	6.2	6.4

Guatemalan apple imports from the U.S. have grown steadily in the past five years, even though imports continue to be under a Tariff Rate Quota. During 1997, the apple TRQ was set at 5,000 MT, now it is up to 11,000 MT. The import duty under the TRQ is set at 12 percent. Imports outside of the TRQ have to pay 25 percent import duty. Apple importers have to pay an additional Q0.07 cents (US\$1.00 Q7.95) per pound of apples imported into the country, under the concession they made during 1996, which is given to the local growers cooperative. This arrangement has not affected apple imports. The TRQ for 2003 is 10,100. The apple market continues to grow each year. Apple distributors are very aggressive in their marketing strategies, making the product available in supermarkets and open-air markets during most of the year.

### Best Products/Services

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The most popular imported varieties include Red-Delicious, Golden-Delicious, Fuji, and Gala. The United States continues to be Guatemala's largest supplier of apples, and Chile is its closest competitor.

### Opportunities

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Guatemala, El Salvador, Honduras and Costa Rica are combined into one marketing region by most U.S. Cooperators because all countries share cultural similarities, all speak Spanish and have the same peak sales periods. Therefore, all are serviced by only two or three importer/buyer groups. Importers of every country have strong relationships and as a result, commercial interchanges and negotiations take place on a day-by-day basis.

### Resources

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- U.S. Department of Agriculture  
Foreign Agricultural Service in Guatemala [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2004 at [www.fas.usda.gov/scriptsw/attacherep/defaults.asp](http://www.fas.usda.gov/scriptsw/attacherep/defaults.asp).
- FAIRS Report 2004 at [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Retail Report 2004 at [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Statistical information [www.sieca.org.gt](http://www.sieca.org.gt)

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## Cotton

### Overview

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	2002	2003	2004 (estimated)
Total Market Size	16.2	22.1	23.2
Total Local Production	0.0	0.0	0.0
Total Exports	0.0	0.0	0.0
Total Imports	16.2	22.1	23.2
Imports from the U.S.	16.2	22.1	23.2

Cotton imports have been dropping in the last two years. This is due to the conditions under the Caribbean Basin Initiative CBI, which require U.S. yarn and fabric in order to take advantage of the program.

### Best Products/Services

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Although raw cotton imports have dropped, yarn and fabric imports have increased dramatically.

### Opportunities

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Trade shows provide an effective and convenient opportunity to promote U.S. raw and value-added cotton products to buyers in Guatemala. A Cotton USA Pavillion at the CBI Apparel Sourcing Show in Guatemala reported sales of \$187,000 worth of product in the 2003 show. This shows are used to promote sourcing from U.S. suppliers and support U.S. cotton and cotton product's key positioning as leading suppliers of premium textiles.

### Resources

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- U.S. Department of Agriculture  
Foreign Agricultural Service in Guatemala [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2004 at [www.fas.usda.gov/scriptsw/attacherep/defaults.asp](http://www.fas.usda.gov/scriptsw/attacherep/defaults.asp).
- FAIRS Report 2004 at [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Retail Report 2004 at [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Statistical information [www.sieca.org.gt](http://www.sieca.org.gt)

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## Poultry

### Overview

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	2002	2003	2004 (estimated)
Total Market Size	168,000	175,000	185,000
Total Local Production	144,000	155,000	155,000
Total Exports	0	0	0
Total Imports	32.9	40.6	42.3
Imports from the U.S.	32.9	40.6	42.3

Guatemala imposes few import restriction on poultry and allows the U.S. to supply large amounts of brand name frozen chicken cuts and is a major importer of U.S. meat and poultry. In 2004, total imports of both meat and poultry totaled \$44 million, up \$5 million from the previous year. This is in part a result that the Government of Guatemala eliminated the TRQ for poultry in 2000. All poultry now enters with a flat duty of 15 percent. Nevertheless, once CAFTA-DR goes into effect, imports will drop by 50% due to quota negotiated under the free trade agreement to total of 21,810 MT.

### Best Products/Services

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Under CAFTA-DR, there will a TRQ in place that will lower the amount of leg quarters that can be imported. There are opportunities for the high value products that will benefit from the drop in duties from 15% to 0% under CAFTA-DR.

### Opportunities

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Other value-added products such as nuggets, sausages and chicken patties have a good opportunity in the Guatemalan market, despite the new quota for poultry under CAFTA-DR. While these products are currently present in supermarkets and are increasing in popularity through the supermarket consumers, it still represents a market that offers good potential

### Resources

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- U.S. Department of Agriculture  
Foreign Agricultural Service in Guatemala [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2004 at [www.fas.usda.gov/scripts/attacherep/defaults.asp](http://www.fas.usda.gov/scripts/attacherep/defaults.asp).
- FAIRS Report 2004 at [www.fas.usda.gov/scripts/attacherep/default.asp](http://www.fas.usda.gov/scripts/attacherep/default.asp)
- Retail Report 2004 at [www.fas.usda.gov/scripts/attacherep/default.asp](http://www.fas.usda.gov/scripts/attacherep/default.asp)
- Statistical information [www.sieca.org.gt](http://www.sieca.org.gt)

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## Red Meats

### Overview

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	2002	2003	2004 (estimated)
Total Market Size	51,000	53,000	53,000
Total Local Production	47,000	48,000	48,000
Total Exports	0.0	0.0	0.0
Total Imports	16.7	22.4	18.4
Imports from the U.S.	11.1	13.5	9.8

Guatemala used to be a large meat exporter, but due to a drop in prices, production declined and imports have become an important source of meat for local consumption. There is still some local production, however, irregular quality is a problem in local markets. Hotels and fine restaurants need a consistent high-quality supply of high-grade cuts of beef. More and more, hotels and restaurants are priding themselves by advertising imported U.S. meats in their menus. In 2004, there will be a significant drop in U.S. exports due to the 6-month ban that existed because of the BSE case in the U.S. Under CAFTA-DR there will be a TRQ of 1,060 MT.

### Best Products/Services

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The most commonly exported beef product from the U.S. is frozen boneless 50 percent trimmings, which makes up approximately a 60 percent of total U.S. exports to the region. The other 40 percent of U.S. products shipped to the region is made up of a variety of high quality cuts for the HRI sector and variety meats distributed through supermarkets and wet markets.

There are many meat and deli-meat processors in Guatemala that are looking at exporting to the U.S. under CAFTA-DR and will need U.S. product to fulfill FSIS standards. Also, as the restaurant industry grows, so does their need for high quality meat cuts such as U.S. Prime and Choice pork and beef cuts.

### Opportunities

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In Guatemala, the tourism sector is growing and U.S. raw materials are preferred among visitors because of quality and food safety. This will further increase demand for quality meat products such as U.S. beef and pork. CAFTA-DR will provide new opportunities for the U.S. red meat industry in Guatemala as it will offer immediate access for high-quality U.S. beef and pork as all tariffs are removed by 2019. All other products will see tariffs phased out over the next 10 years.

### Resources

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- U.S. Department of Agriculture  
Foreign Agricultural Service in Guatemala [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2004 at [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp).
- FAIRS Report 2004 at [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Retail Report 2004 at [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)

- Statistical information

[www.sieca.org.gt](http://www.sieca.org.gt)

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## Processed Fruits and Vegetables

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### Overview

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	2002	2003	2004 (estimated)
Total Market Size	42.8	44.0	46.4
Total Local Production	48.5	51.4	52.1
Total Exports	32.8	31.0	29.8
Total Imports	28.6	28.6	27.6
Imports from the U.S.	13.7	11.5	11.4

Processed fruits and vegetables have been growing in the last few years, especially canned goods with familiar U.S. familiar brands. There is still tremendous growth available in this market, especially with private label products. However, this sector had continued growth until 2002 when Chilean products started capturing market share. In the last two years there has been a drop in imports, as local processors increase quality and production.

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The U.S. products have a presence in almost all of the categories of imported processed foods. Although the processed fruits and vegetables sector contains a wide variety of products, in Guatemala, opportunities exist in only five categories: processed whole tomatoes, potatoes prepared, jams, fruit jellies, purees and potatoes prepared frozen.

### Opportunities

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French fries: Regardless that most fast food restaurant chains import French fries from Canada, the U.S. could introduce its products after CAFTA-DR due to a lower import duty from 15% to 0%. Processed whole tomatoes are imported in bulk and used as raw material to prepare tomato paste sauces and juices. Local companies such as Kern's use this raw material to prepare the leading brand for ketchup. Products such as sweet corn, peas, mixed fruits and prepared red peppers have an opportunity in the Guatemalan market as consumers are looking for foods that are ready to eat and could also be used as ingredients to prepare meals.

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- U.S. Department of Agriculture  
Foreign Agricultural Service in Guatemala [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2004 at [www.fas.usda.gov/scriptsw/attacherep/defaults.asp](http://www.fas.usda.gov/scriptsw/attacherep/defaults.asp).
- FAIRS Report 2004 at [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Retail Report 2004 at [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Statistical information [www.sieca.org.gt](http://www.sieca.org.gt)

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## Grapes

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## Overview

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	2002	2003	2004 (estimated)
Total Market Size	0.3	0.3	0.3
Total Local Production	0.0	0.0	0.0
Total Exports	0.0	0.0	0.0
Total Imports	6.4	6.3	6.8
Imports from the U.S.	6.0	5.4	4.8

Guatemala's market for fresh fruit has grown tremendously in the past few years. Consumers can now consume grapes year-round due to the availability in the market. When there is no U.S. production available at certain months during the year, Chile supplies the Guatemalan market with grapes. Consumption levels of grapes are higher during the Christmas season. Chile is the United States' closest grape competitor. During 1998, the U.S. supplied Guatemala with 68 percent of its grapes, followed by Chile with 32 percent.

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

## Opportunities

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

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- U.S. Department of Agriculture  
Foreign Agricultural Service in Guatemala [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2004 at [www.fas.usda.gov/scriptsw/attacherep/defaults.asp](http://www.fas.usda.gov/scriptsw/attacherep/defaults.asp).
- FAIRS Report 2004 at [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Retail Report 2004 at [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Statistical information [www.sieca.org.gt](http://www.sieca.org.gt)

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## Dairy Products

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	2002	2003	2004 (estimated)
Total Market Size	90.3	92.6	93.4
Total Local Production	18.0	21.0	22.0
Total Exports	2.9	2.9	2.9
Total Imports	90.1	90.1	89.0
Imports from the U.S.	8.8	9.0	8.9

In Guatemala, almost 8 percent of dairy consumption is imported. Powdered milk is a very competitive market segment. Only 15 percent of the supply in the local market is made in Guatemala. The U.S. closest competitors are New Zealand, Denmark, Holland, Costa Rica, Ireland, the United Kingdom, and Panama. Mexico and Costa Rica have placed themselves in a good market situation with UHT milk with no need of refrigeration, experiencing with respectable success, indicating that the market is in search of something new, of a higher quality, and with better packaging. Guatemala's total dairy imports from the U.S. and other countries reached US\$90.1 million during 2003, of which US\$9.0 million were imported from the United States. Price differentials of products from the United States and those from Guatemala may reach more than 100 percent. However, the packaging, labeling and quality of U.S. product, is typically superior. The U.S. Department of Agriculture has a program called the Dairy Export Incentive Program (DEIP), in order to promote U.S. dairy product exports to other countries. When CAFTA-DR goes into effect, many dairy products will be under TRQ.

### Best Products/Services

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Dairy will have a competitive advantage under CAFTA-DR over New Zealand. There are many dairy products that can be used as raw materials for the processing industry that provide great opportunities for U.S. exports. Products include value-added products such as cheeses.

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High value cheeses will be able to compete against European cheeses once CAFTA-DR is in place.

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- U.S. Department of Agriculture  
Foreign Agricultural Service in Guatemala [www.fas.usda.gov](http://www.fas.usda.gov)
- Exporter Guide 2004 at [www.fas.usda.gov/scriptsw/attacherep/defaults.asp](http://www.fas.usda.gov/scriptsw/attacherep/defaults.asp).
- FAIRS Report 2004 at [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
- Retail Report 2004 at [www.fas.usda.gov/scriptsw/attacherep/default.asp](http://www.fas.usda.gov/scriptsw/attacherep/default.asp)
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## Automotive: Accessories and Service Equipment

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The Guatemalan market for Automotive Parts, Accessories and Service Equipment continues to grow steadily. Around ninety-five percent of used vehicles are purchased directly from U.S. salvaged car auctions and are repaired locally. On average, Guatemalans keep their automobiles for 5-7 years before purchasing a newer model. Import taxes for new cars are considered high (between 15-20%), hence purchasing new models is as common. Given these factors, there is a large number of used vehicles on the roads in Guatemala. These cars require continuous maintenance and replacement services. Importers of automotive equipment for service stations have reported good sales in the past two years and expect to this to continue. Equipment is sold to local mechanic shops, service stations and gas stations. The enormous amount of used vehicles circulating has stimulated the need for this kind of equipment. Automotive parts importers have to keep up with the demand from local importers of used cars, which need parts to repair (sometimes) severely damaged cars.

Imports from the U.S. enjoy a privileged position in the market. Almost fifty percent of all Automotive Parts, Accessories and Service Equipment are imported from the U.S. Asian manufacturers are entering aggressively into the market with low-priced products, specially given the fact that almost eighty percent of the cars circulating in Guatemala represent Asian brands. For this reason, the other fifty percent of imports come from Asia, Brazil, and Europe.

Customs records for Guatemala report that US has a fifty percent market share, but this does not necessarily mean that products are manufactured in the US, but probably sold through an American distributor.

### Best Products/Services

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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 all necessary equipment and tools for service stations.

### Opportunities

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There are more than 100 spare parts and service agents in the country. Due to the large demand for aftermarket products and service tools and equipment, the majority of these agents and distributors, whether they are large size companies or small entrepreneurs, are always open to looking 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, so innovative, high-tech, and unusual products are a good prospect for U.S. manufacturers, as long as prices remain competitive.

## Resources

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

## Construction Equipment and Building Products

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From 2000 to 2003, the construction sector in Guatemala slowed somewhat. A big part of the decrease in the sector as a portion of GDP was due to less public investment in infrastructure. Housing construction also showed a decrease, but not as dramatic as infrastructure and civil engineering projects. Nevertheless, the Monetary Committee of the Central Bank, one of the major think tanks in the country (ASIES) and the Chamber of Construction of Guatemala, all foresee major growth in 2005 for the construction sector; the Monetary Committee estimates a growth of 12.6% with regard to 2004.

The Guatemalan government expects to start many road and infrastructure projects in 2005, which will account for a good part of growth. Also, with a 1 million unit-housing deficit in Guatemala, housing developers expect to have consistent growth years for years to come. Combined housing and infrastructure should provide good business opportunities for both U.S construction equipment and building products firms in the years to come.

### Best Prospects/Services

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The following is a list of the most promising categories for 2005:

- tractors
- roads construction/paving equipment
- supplies for heavy infrastructure and residential housing projects

### Opportunities

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A very positive factor for U.S.-made goods is the excellent reputation that U.S. products enjoy for superior quality and design. They are also often very price competitive in the Central American markets. U.S technology frequently offers products and supplies not available from domestic sources. Although most of the more basic materials are supplied by local sources, many finishing, higher technology, and specialized products are imported.

With regard to CAFTA-DR, ninety-nine percent of U.S construction equipment and over fifty-five percent of building supply exports will be duty-free immediately upon implementation of the Agreement. This should provide American companies great opportunities in the construction sector, especially for those products that, because of tariffs, were not price competitive locally.

### Resources

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

- Economic and Social Investigation Association:  
[www.asies.org.gt/informes.htm](http://www.asies.org.gt/informes.htm)

## Apparel and Textiles Machinery and Supplies

### Overview

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In millions of U.S \$	2002	2003	2004 (estimated)
Total Local Production	1,756.76	1,866.69	2,038.91
Total Exports	1,668.922	1,773.355	1,936.963
Imports from the U.S	334.690	322.614	368.003

(Source: USDOC/OTEXA)

The Guatemalan apparel and textile industry has been active for the past number of years. Looking ahead to the elimination of quotas under the WTO and to CAFTA-DR, the sector celebrated its third Industry or Cluster Congress, "Toward the Competitive Revolution", in which was discussed the sector's strategic planning. According to the Guatemalan Apparel and Textile Industry Commission (VESTEX), Guatemala's geographical position and proximity to the United States gives the industry a competitive advantage. With such strategies as "Quick-response", and "Full Package", the industry believes it will be able to overcome quota liberalization in 2005 and increased competition from countries such as China.

At present, the industry is comprised of 50 textile companies, 223 apparel factories and 276 accessories factories, with an installed capacity of 73,746 sewing machines. The industry is one of the top job generators, with employment of around 113,668.

The United States is the main export market for the Guatemalan apparel and textile industry, to which the industry sends around 95% of its total exports. Guatemala has a well-established local supply chain. Nevertheless, its country does not produce cotton and basically all of its cotton requirements are imported from the United States. Also imported are synthetic fibers, mainly from Asia and the United States. Finally, U.S. exporters will find a promising market for apparel machinery and other important supplies (please see below).

### Best Prospects/Services

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The following is a list of the most promising sub-sector categories within the industry for 2005:

- Spinning machines;
- Sewing machines;
- Trims;
- Drying machines;
- Bleaching or dyeing machines;
- Zippers;
- Buttons;
- Trims;
- Yarn;
- Boxes;
- Accessories.

## Opportunities

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When CAFTA-DR kicks in, the United States will be able to export at a zero tariff rate, many of the cotton requirements and other fibers required by the Guatemalan industry. Also at low or zero tariffs, companies will be able to export machinery, accessories and other components.

When approved and ratified by the relevant parties, the Agreement will allow companies to get reimbursed for all back-paid import duties from 2005; this applies to all parties involved.

In addition to the United States, Korea and Taiwan are among the top investors in the region's apparel manufacturing industry.

## Resources

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

## Medical Products: Disposable

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The market for Disposable Medical Products in Guatemala is divided into two segments, the private sector and public health. There are eight major medical product distributors and more than 50 small distributors operating locally. Ninety-five percent of these products go to the public sector, which includes, national hospitals, social security (IGSS), NGO's, and other non-profit organizations. The remaining five percent of the market is for the private hospitals and clinics operating in the Country.

As a rule, the private sector, mostly purchases American products, due to an appreciation of high quality products. The Government, on the other hand, is price- driven. Once a year, the Government publishes its needs for medical devices in the month of October. It is then that interested parties must prepare their bids and, if selected, these will be suppliers for one-year contracts. In order to be eligible for this bidding process, American firms must have a local office, agent or distributor to be considered an official supplier, and must consider that all products require sanitary registration. This registration process takes approximately two months and has a four-hundred dollar cost per product. (This price is approximate and includes most of the requirements necessary). Many American firms find distributors in Guatemala which will manage their official registrations and participate in the National Bidding Process on their behalf.

### Best Prospects/Services

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The most promising products for U.S. products within the industry include:  
-gloves (sterile and non-sterile), bandages, plastic bandages, immobilization products, catheters, medical and surgical apparel, corrugated tubes, universal tubes, syringes, and disposables for hospitals and home care.

### Opportunities

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It is important to be aware of national tenders, now publicized on line at the "Guatecompras" site (see below under Resources). The biggest is published in October and finally negotiated in January.

Distributors are an important vehicle for success. There are eight to ten large distributors and importers in the country and many small ones willing to broaden their line of products by importing high-quality and price-competitive devices.

### Resources

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

## Franchising

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Guatemalan entrepreneurs are very receptive to U.S. companies offering franchising arrangements. Presently, there are approximately 200 franchises with 1,200 outlets. The market is expected to grow 10 percent per year during the next few years. Great interest exists to open new franchises in Guatemala, as can be observed from participation in the international franchise expositions held in the United States.

Guatemala has no official figures on the franchising sector as a serious Franchise Association has not yet been formed. Guatemala has no special legislation for franchising. Franchise companies operating in Guatemala are subject to normal trade laws, such as paying 31 percent tax on royalties, a valued added tax of 12 percent, and import tariffs that can go from 0 percent to 15 percent, except for those products that have tariff rate quotas (TRQ's).

### Best Prospects/Services

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Foreign franchises make up 90 percent of the total franchise market, with domestic franchises accounting for 10 percent. Among the foreign franchises operating, the U.S. is the leader with 85 percent the market share a 5 percent corresponds to other nations. Food is the main sector of interest in Guatemala, although there is strong demand for convenience services, which are also growing rapidly. These services include dry cleaning, lawn and garden, professional painters, fast shoe repair, pest control, day-care/learning centers, computer centers, security, advertising, real estate, auto repair, discount stores, fitness centers, convenience store/pharmacies and fast food drive-in's. Among the most recent franchises that have opened in Guatemala are Quiznos Sub, Cuts, and Curves.

### Opportunities

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

Typical initial support includes pre-opening training and operation manuals, together with site-selection and other start-up support. Because Guatemalan businesspeople use the Internet to access information, they commonly visit websites to search for international information on franchises.

CAFTA-DR countries provide full market access in franchising. Trademark provisions will protect the franchisor's name; tariff liberalization will allow the lower-cost export of key equipment needed to supply the franchisee; and the elimination of "dealer acts" will allow U.S. companies to terminate a contract with a franchisee for just cause.

The franchising market within the CAFTA-DR countries is very strong. It is particularly appealing to an emerging group of investors, including young professionals, who are



familiar with U.S. business practices and who seek to break away from their family businesses and start something on their own. They view franchising as an easy market entry strategy, due to strong franchisor support.

#### Major Competitors

The U.S. has the largest share in the market, with more than 85 percent. The rest of the market is held by Guatemala, Mexico and Europe. These countries are increasing their shares of this market.

#### Resources

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International Franchise Association:

[www.franchise.org](http://www.franchise.org)

U.S. Commercial Service Central America:

[www.buyusa.gov/centralamerica/en](http://www.buyusa.gov/centralamerica/en)

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## Food Processing & Packaging

### Overview

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Food Processing and Packaging Equipment statistics, covering three years: (in millions of U.S. Dollars):

	2002	2003	2004 (estimated)
Total Market Size	\$ 142.7	\$ 158.2	\$ 178.3
Total Local Production	45.5	53.7	63.3
Total Exports	2.2	2.4	2.6
Total Imports	97.2	106.9	117.6
Imports from the U.S.	31.2	34.3	37.0
Exchange rates	7.83	7.95	7.95 (e)

The above figures were obtained from the Central Bank of Guatemala.

2003 was another good year for the Food Processing and Packaging industry in Guatemala. Steady increases in total market size have taken place for a number of years. 2003 showed an increase of 11 percent over 2002, and it is expected that 2004 may have a 13 percent increase over 2003. The total local production of machinery and implements also increased and could be calculated as approximately 33.9 percent of the market share. U.S. imports of machinery, in 2003, reached an estimated 21.7 percent of the total import market.

Over the past few years, Guatemala has increased its non-traditional agricultural production such as melons, watermelons, mangos, winter vegetables, fruits and flowers. Much of the imported equipment is being used to generate foreign exchange through exports—especially in non-traditional products. With the signing of CAFTA-DR, Central American exporters will need to pursue expansion plans to increase production and improve the quality of their products. Machinery for product industrialization and packaging will be required, so that means that there continues to be a good export market for U.S. companies.

Food processing and packaging equipment made in the United States enjoys a high level of recognition, acceptance and a reputation high quality.

### Best Products/Services

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The following is a list of the most promising sub-sectors within the industry:

- Packaging machinery, including cleaning, bottling, filling and sealing machines for bottles and cans
- Parts for machinery to cleanse, dry and seal containers
- Parts for food and beverage processing machinery
- Cooking stoves, ranges, ovens
- Machinery for the extraction and preparation of animal or vegetable oils
- Machinery for sugar preparation
- Machinery for the preparation and manufacture of foods and beverages

## Opportunities

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Guatemala continues to open small fast food restaurants or booths at existing and new malls, bakeries, sandwich stands, and Internet cafes that offer good opportunities for food processing and handling machinery. Fast food franchises are in high demand and additional outlet stores are opening for existing franchises.

With CAFTA-DR, more than 80 percent of U.S. exports of consumer and industrial goods will become duty free in Central America immediately, with remaining tariffs phased out over 10 years. CAFTA-DR establishes a secure, predictable legal framework for U.S. exporters and investors in Central America.

Importantly, the production plants of Guatemalan exporting companies are studying the possibility to increase the quality and standards of their products in the packaging sector in order to be competitive in the region.

This fact should increase Guatemalan imports of machinery, equipment and supplies for the food processing industry.

## Resources

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- Banco de Guatemala, statistics
- Commercial Service Central America
- Information on CAFTA-DR
- SIECA

[www.banguat.gob.gt/](http://www.banguat.gob.gt/)  
[www.buyusa.centralamerica/en](http://www.buyusa.centralamerica/en)  
[www.ita.doc.gov/cafta/](http://www.ita.doc.gov/cafta/)  
[www.sieca.org.gt/](http://www.sieca.org.gt/)

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## Computers and Peripherals

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The market for Computers and Peripherals in Guatemala is expected to continue growing at a 7.5% rate in the following year. There are five major authorized wholesalers in the country. These wholesalers distribute major brands and hold an advantage over small distributors when bidding in national contests and offering products to major corporations. Approximately 400-500 active, small distributors operate in the country. Most of them have an open account with the five major wholesalers, but are free to purchase directly from other countries if necessary.

The Computers and Peripherals market in Guatemala is price driven. Clone computers are very popular, due to their low price (approximately one third of the price of a brand-name computer). This segment accounts for 60% of market share. Clones are produced locally and typically sold to individuals who demand a low-cost computer with post-sale maintenance and service. The remaining 40% belongs to large importers of OEM products such as IBM, Compaq, Dell and Hewlett Packard. These companies sell to the industrial sector and Government, which tend to purchase brand-name equipment. Import taxes for most computers and peripherals ranges between 0-3%.

At present, the industry is strongly pursuing the Government to reconsider the 15% import tax for inks, which make cartridges very expensive for the end user; and digital cameras and videos, which pay 10% import taxes.

## Best Products/Services

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The most promising sub-sectors for U.S. products within the industry include -motherboards, micro-processors, hard drives, CD-R/RW units, DVD units, RAM, notebooks.

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

Other promising sub-sectors include keyboards, mice, cases, monitors, color printers, scanners, multimedia accessories, floppy disks, CD-ROM, network cards. Asia is entering the market aggressively in these sub-sectors. Local distributors can manage to have volume stock of these products, due to their price stability and slower technology change rate.

## Opportunities

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The Guatemalan Government, financial services sector, banking systems, hospitals, universities, schools, and international companies generally purchase brand-name equipment. It is important to be aware of national contests, now available on-line at the "Guatecompras" website. Small distributors are a niche market to look at when offering high-tech equipment at competitive prices, and are also in high demand of used equipment.

## Resources

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- U.S. Commercial Service in Guatemala

[www.buyusa.gov/guatemala](http://www.buyusa.gov/guatemala)

- Official website for Government Tenders [www.guatecompras.gt](http://www.guatecompras.gt)
- Guatemalan Chamber of Industry [www.industriaguatemala.com](http://www.industriaguatemala.com)
- “Gremial de Informatica” (an association within the Chamber of Industry that includes all authorized distributors) Ph.: [502] 2331-9191, ext.: 150
- Tax information official website [www.sat.gob.gt](http://www.sat.gob.gt)
- Guatemalan Yellow Pages [www.paginasamarillas.com](http://www.paginasamarillas.com)
- Statistical information [www.sieca.org.gt](http://www.sieca.org.gt)

## Overview

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In millions of U.S \$	2001	2002	2003 (estimated)
Total Market Size	111.0	119.8	119.8
Total Local Production	23.5	25.3	25.3
Total Exports	2.0	2.16	2.16
Total Imports	90.0	97.2	97.2
Imports from the U.S.	48.0	51.8	51.8

For the energy sector in Guatemala, 2004 was a year of strategic planning and policy initiatives. Although the main issue throughout the year was energy prices, one of the greatest achievements of the Ministry of Energy and Mines was drafting a strategic plan and policy initiatives that are going to dictate the future of the energy sector for the next few years. In that regard, one of the main activities will be attracting foreign direct investment to the country, especially in the renewable energy sub-sector and power generation and distribution.

The changes being considered for the energy sector, both in regulation and in the regulatory entities, are expected to have a positive impact on generation and distribution investment throughout the country. Also, the Ministry has made a concerted effort in moving forward with the Central American Electrical Interconnection System Project (CIEPAC).

With regard to renewable energy, there are three main objectives for 2005. The sector would like to see an approved and published Renewable Energy Incentives Law. Also, it is hoped that data can be gathered and mapped regarding the potential of solar, hydro and wind resources in the country. Finally, three rounds of bids are expected for the following hydroelectric plants:

Xelala (225 Mw)  
Serchil (135 Mw)  
Chulac (340 Mw)

## Best Products/Services

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

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

## Opportunities

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Probably the most attractive opportunities in the country will be in the renewable energy sub-sector. It is expected that by the end of the year, the hydroelectric projects will be well on their way. With the expected new Renewable Energy Incentive Law, there should be good opportunities also for other renewable energy products and services.

## Resources

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

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## Chapter 5: Trade Regulations and Standards

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- [Import Requirements and Documentation](#)
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- [Labeling and Marking Requirements](#)
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### Import Tariffs

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Guatemala applies the common external tariff schedule of the Central American Common Market (CACM), which ranges from zero to fifteen 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 precious and semiprecious stones, various types of vehicles, watches, and firearms and munitions. Other exceptions include agricultural commodity imports in excess of the tariff rate quota (TRQ). The average applied rate on all products is approximately 5 to 6 percent.

With implementation of CAFTA-DR (see [Trade Agreements](#)), about 80 percent of U.S. industrial and commercial goods will enter Guatemala duty free, with the remaining tariffs being eliminated within ten years. CAFTA-DR will eliminate tariffs on virtually all agricultural products within a maximum of fifteen years (dairy in 20 years and rice and poultry in 18). Textiles and apparel will be duty-free and quota-free immediately if they meet the Agreement's rules of origin, promoting new opportunities for U.S. and Central American fiber, yarn, fabric and apparel manufacturing.

### Trade Barriers

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Exporters to Guatemala enjoy an increasingly open trade regime. Imports are generally not subject to non-tariff trade barriers, though there are occasional cases of arbitrary customs valuation and excessive bureaucratic obstacles. However, the government of Guatemala officially implemented the WTO Customs Valuation Agreement on August 10, 2004, which restricted the use of minimum import values effective November 22, 2004. Implementation of CAFTA-DR (see [Trade Agreements](#)) would further eliminate tariff and non-tariff barriers to trade. The Agreement requires transparency and efficiency in administering customs procedures, including rules of origin, and includes a dispute resolution mechanism that provides an alternative to Guatemala's problematic judicial system. For more information on service and investment barriers, please read the National Trade Estimate Report at the following link:



## **Import Requirements and Documentation**

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All commercial invoices, bills of lading, certificates of free sale, sanitary and microbiological certificates and product-specific laboratory testing for pathogens of products exported to Guatemala must be legalized at the Guatemalan Embassy or one of its Consulates in the United States. All documents must be translated into Spanish. This is not applicable for agricultural products.

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

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

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

### Registration Requirements:

- Form F-MC-g-011 has to be filled out in original and duplicate, in the following order:
- Product formula and composition (mention both common and scientific names: (use form F-JE-d-007)
- Sanitary license, valid or prior license (usually from FDA or PAHO)
- Legalized copy of the Trade Mark registry
- Free Sale Certificate from the country of origin; CBL approved by a recognized organization such as the OMS
- Monograph study, when it is a new product
- Product description
- Product specifications
- Method of analysis used
- Packaging materials used (a sample), originals and copy
- Instructions on label in Spanish
- Copy of contract (in case of manufacture under drawback or maquila law)
- Stability study for products with 24 months life expectancy or more, according to product
- Samples
- Bio-equivalence study, when applied
- Standard of raw material of active principle/s for new molecules
- Copy of the Sanitary License of the local distributor
- All foreign documents have to be legally translated

For more information, firms should contact the Directorate General of Health Services at the following address and telephone number:

Dirección General de Regulación, Vigilancia y Control de la Salud,

Depto. Regulacion y Control de Productos Farmaceuticos, Higienicos, Quirurgicos y Cosmeticos

Address: 11 Avenida "A" 11-57, Zona 7  
La Verbena  
01007 Guatemala  
Ph.: [502] 2440-7796  
[502] 2475-5400  
Fax: [502] 2440-8956  
Contact: Lic. Elizabeth Recinos de Posadas  
E-mail: [regmed@itelgua.com](mailto:regmed@itelgua.com)

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

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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 Export Administration at the U.S. Department of Commerce, Ph.: (202) 2482-2000 and 1-800-USATRADE.

### **Temporary Entry**

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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**

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

### **Prohibited and Restricted Imports**

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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.

### **Customs Contact Information**

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Agencia Toruño  
Address: 12 Calle 13-58, Zona 1  
01001 Guatemala  
Tel: [502]2251-9313 or 2232-2844  
Fax: [502] 2251-5572  
Contact: Luis Enrique Toruño, General Manager  
E-mail: [agtoruno@intelnet.net.gt](mailto:agtoruno@intelnet.net.gt)  
Web page: N/A

Gremial de Agentes Aduaneros  
Address: Cámara de Comercio de Guatemala  
10a. Calle 3-80, Zona 1 Nivel 2

Tel./Fax: 01001 Guatemala  
[502] 2253-5353  
Contact: Jorge Zibara, President  
E-mail: [ksantisteban@camaradecomercio.org.gt](mailto:ksantisteban@camaradecomercio.org.gt)  
WebPage: N/A

Agente Aduanero

Address: 15 Avenida 10-13, Zona 1  
01001 Guatemala  
Tel/Fax: [502] 2238-3470  
Contact: Benjamín Morales Gil, General Manager  
E-mail: [bimgeca@intelnet.net.gt](mailto:bimgeca@intelnet.net.gt)  
WebPage: N/A

Agencia de Aduanas Profesional

Address: 3a. Calle 4-74, Zona 13  
01013 Guatemala  
Tel/Fax: [502] 2472-0567  
Contact: Oscar Alonzo, General Manager  
E-mail: [alonzopadilla@intelnet.net.gt](mailto:alonzopadilla@intelnet.net.gt)  
WebPage: N/A

Lainfiesta, Godoy, S. A.

Address: 15 Avenida 11-51, Zona 1  
01001 Guatemala  
Tel: [502] 2230-4574  
2220-4296  
2220-4297  
Fax: [502] 2253-9646  
Contact: Rafael Lainfiesta, General Manager  
E-mail: [rlainfiest2002@hotmail.com](mailto:rlainfiest2002@hotmail.com)  
WebPage: N/A

Agencia Aduanal Villeda

Address: 12 Calle 11-73, Zona 1  
Segundo Nivel, Oficina C-3  
01001 Guatemala  
Tel/Fax: [502] 2232-8197  
2220-0789  
Contact: Alfredo Villeda, General Manager, or  
Walter Villeda, General Manager  
E-mail: [wvilleda@amigo.net.gt](mailto:wvilleda@amigo.net.gt)

Empresa Profesional Aduanera

Address: 15 Avenida "A" 13-39, Zona 1  
01001 Guatemala  
Tel: [502] 2251-4833  
2251-8753  
2232-1731  
Fax: [502] 2238-4106  
Contact: Aroldo de Leon, General Manager

E-mail: [aroldoepa@yahoo.com](mailto:aroldoepa@yahoo.com)

Fritz Guatemala, S. A.

Address: Ruta 7, Torre 6-42, Zona 4 Oficina 306 Torre 642  
01001 Guatemala

Tel: [502] 2334-3552  
2362-4131

Fax: [502] 2339-4993

Contact: Ivan Barillas, Sales Manager

E-mail: [msuasnavar@ups-scs.com](mailto:msuasnavar@ups-scs.com)

## Standards

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## Overview

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National standardization began in Guatemala when the Guatemalan Standards Commission (COGUANOR) was created in 1962, under the direction of the Ministry of Economy, as the organization responsible for developing standards in order to encourage ordered development of agricultural, commercial and industrial activities and to create a favorable environment for fair competition and equitable relations between producers and consumers.

COGUANOR is the Guatemalan standards developing organization. Parties interested in establishing or revising a particular standard may submit a request to COGUANOR. Specifically, it is COGUANOR's Technical Work Committee (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 *Diario de Centro America*, the national gazette.

## Standards Organizations

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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, Bar of Engineers, and Chambers of Agriculture, Industry and Commerce. COGUANOR is empowered to direct and coordinate national policy regarding the setting of standards. Through the Ministry of Economy, it proposes the modification of current standards and adoption of new standards to the government's executive branch, oversees the application of adopted standards and its technical committees are responsible for

reviewing standards when necessary. COGUANOR also maintains communication with regional and international standards organizations.

Decree # 1523, which authorized the creation of COGUANOR, describes two forms of national standards; Recommended Guatemalan Standards (NGR) and Required Guatemalan Standards (NGO). NGR standards refer to quality standards relating to the production and sale of goods; these, however, are obligatory 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.

### **Conformity Assessment**

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The 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.

### **Product Certification**

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

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

Pesticides are regulated by the Technical Directorate of Vegetable Health of the Ministry of Agriculture. They maintain a list of prohibited pesticides.

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

### **Accreditation**

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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 62)
- Environmental Management Systems (ISO/IEC Guide 66)
- Products (ISO/IEC Guide 65)
- Inspection Bodies (ISO/IEC 17020 Standard)

The OGA is a full member of the Interamerican Accreditation Cooperation (IAAC), created in 1996, consisting of various accreditation agencies from 20 countries of the Americas. The 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

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Guatemala's national gazette is Diario de Centro America, available online at [www.diariodecentroamerica.gob.gt](http://www.diariodecentroamerica.gob.gt). New national standards that have been approved by the government's executive branch become effective on the date that they are published in Diario de Centro America.

Information and consultation on current technical standards and regulations related to integrated quality systems can be obtained from Guatemala's Chamber of Industry.

### Labeling and Marking

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

While Guatemala's labeling standards for domestic food products are very strict, COGUANOR allows importers to use a stick-on label, with the following information written in Spanish:

- Product definition/description
- Name of the product (the official name as noted on the U.S. Certificate of Free Sale)
- Physical characteristics, including ingredients (must be qualitative composition, translated literally from English)
- Net weight/volume
- List of ingredients and additives and the percentage total for each
- Name, address and telephone number of Guatemalan distributor
- Food Control registration number (D.G.S.S.-D.R.C.A. \_\_\_\_\_ --Sanitary License; obtained from Center of Sanitation)
- Expiration date
- If applicable: "Keep Frozen"
- If applicable: "Form of Preparation"

Imported sample-size products must comply with labeling laws. Bulk-packed food products do not require labeling, unless they will be sold at the retail level as an individual unit. Nutritional labeling is not required. The declared net content must be

expressed in SI (System International) units; additional net content declaration in other units is optional. Small variations in net content are permitted, but must not be excessive. Guatemala does not require a specific container size for any products.

Pharmaceutical products need only list active ingredients, and must include a sell-by date. Cigarettes and alcoholic beverages must contain a warning label that complies with the Ministry of Public Health's Health Code. Pharmaceutical products, pesticides and footwear must be labeled in Spanish; if there are multiple languages on the label, Spanish must come first. The lettering of both languages may be the same size. The principal authority that enforces product labeling requirements for food and pharmaceutical products is the Ministry of Public Health, while the Ministry of Agriculture enforces labeling requirements for pesticides.

### Personal Hygiene, Homecare and Cosmetic Products

The requirements for the products mentioned above do not involve a legal registration process as with pharmaceutical products, but an inscription process requested by the National Laboratory of the Ministry of Health, as follows:

#### a) Sanitary Inscription Requirements:

Inscription of (Renewal) Form F-MC-g-012 has to be filled-out in original and duplicate, in the following order and detail:

- Product formula and composition (mention both common and scientific names (use form F-JE-d-007)
  - Sanitary license; valid or prior license
  - Free Sale Certificate from the country of origin
  - Product description and specifications
  - Method of analysis used (when applicable)
  - Packaging materials used (a sample), interior and exterior
  - Instructions on label in Spanish
  - Copy of contract (in case of manufacture under drawback or maquila law)
  - Samples
  - Inscriptions (done by the distributor's chemical pharmacist)
  - Inscription/registrations have to be done at the:

Direccion General de Servicios de Salud  
Ministry of Public Health  
Control de Medicamentos – Seccion de Registros  
Address: 11 Ave. "A" 11-57, Zona 7, Verbena  
01007 Guatemala City  
Contact: Judith de Castro, Director General  
Tel.: [502] 2475-5400, 2440-8956, 2440-7796

#### b) Labeling Requirements:

- Name of product (brand and generic name)
- Generic name is to appear below the trademark
- Indications of use
- Quantity of contents

- Lot number
- Expiration date
- Sanitary inscription number
- Warnings
- Manufacturer's name and State or address

c) Property Rights:

It is recommended that the trademark be registered by the U.S. firm at the Oficina de Marcas y Patentes of the Ministry of Economy. A Guatemalan lawyer should be contracted by the U.S. firm.

d) Distributor:

The foreign firm has to have a distributor or agent before inscription takes place.

Medical Device Regulations and Requirements

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

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

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

Inscription and Registration Requirements:

For the Inscription and Registration requirements of pharmaceuticals, medical devices, cosmetics, etcetera, please see section in this chapter entitled Import Requirements and Documentation.

Oficina Guatemalteca de Acreditacion (OGA)

Address: 8ª. Avenida 10-43, Zona 1.  
Guatemala, Ciudad. 01001

Ph.: [502] 2476-1781

Contact: Juan Alberto Hernandez

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

Web page: [www.mineco.gob.gt/portal.php](http://www.mineco.gob.gt/portal.php)

For a list of Guatemalan standards, see:

[www.mineco.gob.gt/mineco/coguanor/2003/normas.html](http://www.mineco.gob.gt/mineco/coguanor/2003/normas.html)



The United States and five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua), along with the Dominican Republic signed the U.S.-Central American Free Trade Agreement (CAFTA-DR) in August 2004. The Agreement is currently pending congressional ratification from most member-states.

CAFTA-DR not only will liberalize bilateral trade between the United States and the region but also will further integration efforts among the countries of Central America, removing barriers to trade and investment in the region by U.S. companies. CAFTA-DR will also require countries to undertake needed reforms to alleviate systemic problems in such areas as customs administration; protection of intellectual property rights; services, investment, and financial services market access and protection; government procurement; sanitary and phytosanitary (SPS) barriers; and other non-tariff barriers.

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

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

- Guatemalan Ministry of Economy: [www.mineco.gob.gt](http://www.mineco.gob.gt)
- Secretariat for Central American Economic Integration [www.sieca.org.gt](http://www.sieca.org.gt)
- Guatemalan Investment Office: [www.investinguatemala.org](http://www.investinguatemala.org)
- Guatemalan e-procurement system:  
[www.guatecompras.gt/info/internetGratis.aspx](http://www.guatecompras.gt/info/internetGratis.aspx)
- Guatemalan Non-Traditional Products  
Exporters' Association: [www.export.com.gt](http://www.export.com.gt)
- Guatemalan Chamber of Commerce: [www.negociosenguatemala.com](http://www.negociosenguatemala.com)
- Guatemalan Chamber of Industry: [www.industriagate.com](http://www.industriagate.com)

- Guatemalan Superintendent of Tax Administration: [www.sat.gob.gt](http://www.sat.gob.gt)
- Guatemalan Ministry of Economy: [www.mineco.gob.gt](http://www.mineco.gob.gt)
- Secretariat for Central American Economic Integration [www.sieca.org.gt](http://www.sieca.org.gt)
- Office of the United States Trade Representative: [www.ustr.gov](http://www.ustr.gov)
- Guatemalan Standards [www.mineco.gob.gt/mineco/coquanor/2003/normas.html](http://www.mineco.gob.gt/mineco/coquanor/2003/normas.html).

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## Chapter 6: Investment Climate

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### Openness to Foreign Investment

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Many U.S. and other foreign firms have active investments in Guatemala. Though Guatemala passed a foreign investment law in 1998 to streamline and facilitate foreign investment, time-consuming administrative procedures, arbitrary bureaucratic impediments and judicial decisions, a high crime rate and corruption are often cited as reasons why direct investment has been stagnant. A new pro-business administration took office in January 2004, ending the atmosphere of confrontation that existed between the government and the private sector that weighed on investment decisions during the previous four years. There are no impediments to the formation of joint ventures or to the purchase of local companies by foreign investors. The absence of an equities market in which shares of publicly traded firms are exchanged makes non-friendly acquisitions or takeovers virtually impossible. Most foreign firms operate as locally incorporated subsidiaries.

Both 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, often 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 the appointment of a Guatemalan citizen or foreign resident (with work permit) as legal representative. The requirements are not used specifically to screen or discriminate against foreign companies, but the procedures can serve as a disincentive to investment.

The Foreign Investment Law removed limitations to foreign ownership in domestic airlines and ground transport companies in January 2004. However, some specific restrictions remain in a few sectors, such as auditing, insurance and forestry. For

example, foreign insurance companies are not permitted to open branches in the country but might operate as locally established companies. There are no restrictions on foreign investment in the telecommunications and electrical power generation sectors.

The GOG privatized a number of state-owned assets in industries such as power generation and distribution, telephone, and grain storage in the late nineties. Upon taking office in January 2000, the previous administration indicated that it would review all previous privatizations and concessions, and initiated a process to review the 1999 privatization of the telephone company. In October 2001, the GOG reached an agreement with the telephone company. The previous government also stated that it would unilaterally review all power purchase agreements, affecting the sector with the greatest foreign investment. The government subsequently decided not to take any action. More recently, the semi-autonomous Human Rights Ombudsman successfully reversed efforts by the electrical ratemaking authority to reduce subsidies mandated by the previous administration and establish a more rational rate structure, efforts supported by the current administration and the IMF. These politically motivated interventions into privatized businesses and their regulatory authorities have tended to erode investor confidence, despite the commitment of the current administration to upholding contracts and respecting regulatory autonomy.

Subsurface minerals and petroleum are the property of the state. Contracts for development are typically granted through production-sharing agreements, which, in the past, were often negotiated in a non-transparent manner. New legislation has resulted in a more transparent process, though the suspension in 2002 of a hydrocarbon exploration contract, on environmental grounds, without due process, raised some concerns among investors. The government is planning to introduce new mining legislation in 2005 to encourage foreign investment in the sector while ensuring modern standards of environmental protection. Recent violent protests of a major gold mining project are a reminder that mining has historically been a sensitive issue in Guatemala.

Tariffs are based on the Common Duty System (SAC) of the Central American Common Market (CACM), which uses an eight-digit code based on the Harmonized Code. In most cases, tariffs range between 0-15 percent.

Guatemalan exports currently enjoy preferential access to the U.S. market through the Caribbean Basin Initiative (CBI), the Caribbean Basin Trade Partnership Act (CBTPA) and the Generalized System of Preferences (GSP). The U.S. - Central America Free Trade Agreement (CAFTA-DR), when ratified and implemented, will expand these benefits and provide additional access and guarantees for U.S. investment, services, and intellectual property rights (see [Trade Agreements](#)). Current programs, together with favorable agricultural conditions, favor nontraditional exports such as cut flowers, seasonal fruits and vegetables, which have seen rapid export growth over the last decade. Textile and apparel assembly activities have grown as a result of CBI enhancement in October 2000. However, rising labor costs relative to the Far East and Central American neighbors, high electricity costs, an overvalued local currency, and the WTO-mandated lifting of quotas in January 2005 raise questions over the sector's continued viability. Implementation of CAFTA-DR, which broadens rules of origin and provides a tariff preference in the U.S. market with respect to Asia, will be critical for the sector.

## Conversion and Transfer Policies

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The rights to hold private property and to engage in business activities are specifically recognized by the Guatemalan Constitution. Foreign private entities have the right to establish, acquire and dispose freely of virtually any type of business interest, with exceptions for insurance, auditing and forestry as noted in [Openness to Foreign Investment](#). Guatemala's foreign investment law protects the investor's right to remit profits and repatriate capital. There are no restrictions on converting or transferring funds associated with an investment (or any other licit activity) into a freely usable currency at a market-clearing rate. U.S. dollars are freely available and easy to obtain within the Guatemalan banking system. There are no legal constraints on the quantity of remittances or any other capital flows, and there have been no reports of unusual delays in the remittance of investment returns. In the past, the Central Bank had the legal authority to impose restrictions on remittances. However, the Law of Free Negotiation of Currencies, in force since May 2001, eliminated the Central Bank's legal authority to impose those restrictions.

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

Capital can be transferred from Guatemala to any other jurisdiction without restriction. Guatemalans historically have not participated in major direct investments outside of Central America, the Dominican Republic, and South Florida (principally real estate).

## Expropriation and Compensation

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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.

## Dispute Settlement

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Resolution of business disputes through Guatemala's judicial system is time-consuming and often unreliable. Civil cases can take as long as a decade to resolve. Corruption in the judiciary is not uncommon. CAFTA-DR (see [Trade Agreements](#)) will include a dispute resolution mechanism that provides an alternative to Guatemala's problematic judicial system.

The Government of Guatemala has signed the United Nations Convention on the Recognition and Enforcement of Arbitral Awards (New York Convention) as well as the Interamerican Convention on International Commercial Arbitration (Panama Convention). In addition, Guatemala has signed the Convention on the Settlement of Investment Disputes between States and Nationals of other States (ICSID), which was approved by the Guatemalan Congress in 1996 but has not been ratified by the Executive Branch. The foreign investment law permits international arbitration or alternative resolution of disputes, if agreed by the parties.

Guatemalan procedures for enforcing agreements do not differ significantly from those of the United States. Guatemala's Arbitration Law of 1995 is based on the UNCITRAL Model Law for International Commercial Arbitration. Therefore, Guatemalan regulations

applicable to these matters are fully in line with the New York Convention. Default awards and arbitral agreements can be fully enforced in Guatemala.

### **Performance Requirements and Incentives**

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Guatemala does not impose performance, purchase or export requirements other than those normally associated with free trade zones and duty drawback programs. There are no conditions on locations in specific geographic areas or on the percentage of local content in production.

Guatemala eliminated remaining trade-related investment restrictions with the 1998 foreign investment law and became compliant with WTO obligations stemming from the Agreement on Trade Related Investment Measures (TRIMS). Guatemala sent its notification of TRIMS compliance to the WTO in 1999.

Investment incentives are specified in law and are available, with few exceptions, to both foreign and Guatemalan investors without discrimination. The major Guatemalan incentive program, the Law for the Promotion and Development of Export Activities and Drawback, is aimed mainly at "maquiladoras" - manufacturing or assembly operations for which over half of production inputs and components are imported and the completed products are exported. Incentives include exemption of duties and value-added taxes on imports of machinery and a one-year suspension of duties and value-added taxes, which can be extended to a second year, on each import of production inputs and packing material. Taxes are then waived when the goods are re-exported. Some investors claimed that significant payments were demanded by officials of the previous administration in order to process tax waivers or value added tax rebates, but this situation has reportedly improved. Investors in this sector are also granted a 10-year income tax exemption, and are also exempt from the Temporary and Extraordinary Tax to Support the Peace Agreements (IETAP), Guatemala's alternative minimum tax on either net assets or gross income, during the 10-year income tax exemption period. The income tax exemption will be eliminated if CAFTA-DR enters into force.

Property owners who engage in reforestation activities may qualify for government incentives through the National Institute of Forests (INAB).

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

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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. These rights are subject only to the limitations imposed by the Guatemalan Constitution. Foreigners are prohibited from owning land immediately adjacent to rivers, oceans and international borders.

### **Protection of Property Rights**

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Land invasions by squatters have become common in rural areas. It can be difficult to obtain and enforce eviction notices, as land title is often clouded and the police have tended to avoid actions against squatters that could provoke violence. The government has stepped up its efforts to enforce property rights where title is clear, and some incidents have led to violence and deaths.

Mortgages are available for both home and business purchasers, though in practice, few banks offer loans for residential real estate for longer than five-year terms.

The legal system is accessible to foreigners and does not discriminate on the surface. However, in practice, it favors a "home team" accustomed to maneuvering a case through the process, and corruption is common. The need for foreign investors to secure reliable local counsel cannot be stressed enough.

Regarding intellectual property rights (IPR), Guatemala belongs to the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO). It is also a signatory to the Paris Convention, Bern Convention, Rome Convention, Phonograms Convention, and the Nairobi Treaty. Guatemala has ratified the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT).

The Guatemalan Congress passed legislation in August 2000 to bring the country's intellectual property right laws into compliance with the WTO's TRIPS agreement. This legislation was modified in 2003 to provide test data protection more consistent with international practice, but December 2004 legislation then effectively removed data protection for pharmaceutical products and agricultural chemicals. The government was expecting to reform this legislation in early 2005 to make it consistent with the requirements of CAFTA-DR. The Attorney General appointed a special prosecutor devoted to IPR violations in May 2001 in an effort to improve the government's enforcement actions, but successful prosecution of violators is rare.

High piracy rates remain an ongoing concern. The piracy rate for software applications, as reported by the Business Software Alliance, increased from 61 percent in 2002 to 77 percent in 2003 (principally due to a worldwide change in measurement methodology).

## **Transparency of Regulatory System**

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Bureaucratic hurdles are common for both domestic and foreign companies. Regulations often contain few explicit criteria for government administrators, resulting in ambiguous requirements that are applied inconsistently or retroactively by different government agencies. The administration that assumed power in early 2004 has repeatedly expressed its intention to improve matters, and its initial results have been promising. Most public procurement is now handled through an internet-based system that is open to the public, and a system of "e-government" permitting government requirements to be completed online is reportedly approaching the implementation stage.

The creation of the semi-autonomous Superintendence of Tax Administration (SAT) in 1999 was expected to improve customs procedures, but results under the previous administration were at best disappointing, leading international donors to suspend their assistance. The new government has begun implementing a more systematic and professional approach to its task, focusing more on advance processing of electronic documentation and less on random inspections. Additionally, corrupt customs officials are being systematically weeded out. Guatemala officially implemented in its domestic legislation the WTO Customs Valuation Agreement on August 10, 2004.

Public participation in the promulgation of regulations is rare, and there is no consistent legislative oversight of administrative rule making.

Guatemala's capital markets are weak and inefficient, though some consolidation and restructuring have begun as the result of financial reforms legislated in the past few years. Guatemala's 28 commercial banks, three of which are currently facing liquidation, have only an estimated USD 9.3 billion in assets among them. The five largest banks control about 61 percent of total assets. In addition, there are about 18 private non-bank financial institutions, which perform primarily investment banking and medium and long-term lending, and seven licensed exchange houses. The Superintendence of Banks (SIB) is charged with regulating the financial services industry.

Previous banking regulations and practices provided banks and other financial services providers wide latitude in valuing assets and evaluating the performance and quality of those assets. In April 2002, the Guatemalan Congress passed a package of financial sector regulatory reforms that have increased the scope of regulation and supervision and brought local practices more in line with international standards. The reforms include a new Banking and Financial Groups Law, a Financial Supervision Law and the Central Bank Law. The laws should encourage further consolidation of the banking system into a smaller number of stronger banks.

According to the new Banking and Financial Groups Law, 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 standards. These groups are then each subject to audit and supervision on a consolidated basis. This is requiring bank groups to include non-performing assets they used to park offshore in their calculation of loan loss provisions and capital adequacy ratios. The new calculations, in turn, are requiring a number of banks to seek new capital, buyers, or mergers with stronger banks. As of December 2004, the Superintendence of Banks had approved the establishment of 14 financial groups, 11 of which include licensed offshore banks.

The Guatemalan Congress passed strong anti-money laundering legislation in December 2001, and Guatemalan authorities developed an aggressive plan to prevent use of its financial system by money launderers, e.g., enactment of regulation to control offshore activities and establishment of a Financial Intelligence Unit. The recent progress in money laundering and bank regulatory reform led to Guatemala's removal from the Financial Action Task Force's list of non-cooperating countries in the fight against money laundering in July 2004.

There are two principal commercial exchanges that deal almost exclusively in commercial paper and government bonds. There is virtually no market in publicly traded equities. Borrowers now face real interest rates in the range of 3-13%. Foreign investors are reported to be active participants in financial markets and are large holders of government debt. Foreigners rarely rely on the local credit market to finance investments.

The Guatemalan government and the guerrillas of the Guatemalan National Revolutionary Unity (URNG) signed an Accord for a Firm and Lasting Peace on December 29, 1996, ending the 36-year internal armed conflict. Political violence, which was already much reduced from the worst years of that conflict (1979-1984), decreased

to even lower levels after the demobilization of guerrilla forces and civilian defense patrols, and a dramatic reduction in the size and role of Guatemala's regular army. Resumption of large-scale armed political conflict appears a remote possibility, though there are occasional incidents of violence associated with organized land invasions, protests against mining, and the like.

While political violence is much reduced, Guatemala is experiencing a post-conflict wave of common crime, including kidnapping, car-jacking and robberies of banks and armored cars. Personal security from crime was a major campaign issue in the 2003 general elections and remains a widespread concern, according to public opinion surveys. Violence is sufficiently widespread in Guatemala that it is often impossible to tell whether crimes, including murders, are motivated by politics, interpersonal conflicts, organized crime activities, or are simply the result of random violence. Foreigners are not singled out as the targets of crime but, like Guatemalans, must remain watchful. Large firms report that security adds as much as 25 percent to the variable cost of doing business in Guatemala.

Guatemala has a border dispute with Belize, and territorial sea disputes with Belize and Honduras. Guatemala remains committed to resolving these disputes through diplomatic means. Talks with Belize under the auspices of the Organization of American States (OAS) have stalled. Honduras is participating in the Guatemala-Belize discussions leading to resolution of its maritime dispute with Guatemala.

## **Corruption**

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Though bribery is illegal under the penal code, corruption is a serious problem that companies may encounter at nearly any level. Investors have historically found corruption most pervasive in customs transactions, particularly at ports and borders away from the capital. Guatemala ratified the Inter-American Convention against corruption in July 2001, but has not implemented all of its provisions, such as criminalizing illicit enrichment. However, enrichment related to narcotics trafficking activity is now illegal. Several senior officials who served during the Portillo Administration are under investigation for their role in corruption scandals, and the former Finance Minister, Comptroller General and Superintendent of Tax Administration are in jail pending trial. The former Vice President is free on bail, as are several senior military officers charged with looting the military budget during the previous administration. Guatemala signed the UN Convention against Corruption in December 2003, but it has not been ratified.

## **Bilateral Investment Agreements**

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Guatemala has signed bilateral investment agreements with Argentina, Cuba, Chile, France, South Korea, Spain, Taiwan, and The Netherlands. Guatemala has also signed bilaterally or in conjunction with other Central American countries, free trade agreements with Mexico, the Dominican Republic and the United States (pending ratification) and is currently negotiating free trade agreements with Chile, Canada and Panama.

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

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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. Obtaining Foreign Government Approval



(FGA) for OPIC applicants has generally been very fast. For more information on OPIC programs, U.S. investors should contact OPIC headquarters in Washington, D.C. at tel. (202) 336-8685.

## Labor

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The minimum wage and maximum weekly working hours are established by law and revised periodically. The current minimum wage per day is USD 4.86 in agriculture and USD 4.6 in commerce (at exchange rate of USD=Q7.9). Current law requires an incentive bonus be added to this minimum wage for all hours worked, effectively bringing up the minimum wage to USD 5.63 per day in agriculture and USD 5.79 per day in commerce. The wages of workers with high-level technical skills however, can reach USD 25.00 per day. For day shift workers the standard, six-day work-week is 48 hours; for night shift workers it is 36 hours; for swing shift workers it is 42 hours. Time-and-a-half pay is required for overtime work. The Constitution guarantees the right of workers to unionize and to strike (Article 102 paragraph (q), and Article 104); the Constitution also commits the state to supporting and protecting collective bargaining and to respecting the stipulations of international labor conventions (Article 106). The rate of unionization is very low. According to Labor Ministry statistics, approximately 56,000 persons – roughly 3 percent of the country's formal sector labor force -- were union members in 2004, the last year reported.

Managers of Guatemalan companies must be either Guatemalan citizens or resident aliens with work permits. The labor code specifies employer responsibilities regarding working conditions, especially health and safety standards, benefits, severance pay, and bonuses. Employers are legally required to pay bonuses equivalent to one month's salary in July and December. The law establishes a two-month probationary period for new employees. If dismissed at any time after completing this two-month period of employment, employees receive separation pay equal to one month's pay for each year worked. Employers are required to make a 12.67 percent contribution for social security. Mandatory benefits, bonuses, and employer contributions can add up to over 60 percent of an employee's base pay. Many workers, especially in agriculture, do not receive the full compensation package mandated in the labor law, and in practice many labor rights are not well enforced.

The estimated 1.8 million individuals in the formal sector workforce are augmented by at least three million more who work in the informal sector. In rural areas in particular, child labor remains a serious problem in certain industries. The availability of a large, unskilled and inexpensive labor force has led many employers, such as construction and agricultural firms, to use labor-intensive production methods. Over a quarter of the overall workforce is illiterate. In developed urban areas however, education levels are much higher, and a workforce with the skills necessary to staff a small but growing service sector has emerged. Even so, highly capable technical and managerial workers remain in short supply.

## Foreign-Trade Zones/Free Ports

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Guatemalan law permits the establishment of "free trade zones." Currently, there are twenty-one authorized free trade zones in Guatemala, twelve with operations. Textile assembly operations are the common beneficiaries of Guatemala's free trade/maquiladora laws.

There is no reliable data on foreign direct investment.

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

ACS  
American Cyanamid Co.  
Avon products  
Cargill  
Citibank  
Coastal Power  
Colgate Palmolive  
Constellation Power  
Exxon  
Gillette  
Kellogg Co.  
Kimberly Clark Corp.  
Levi Strauss & Co.  
Marriott Hotels  
3M  
Phillip Morris Inc.  
Proctor and Gamble  
Railroad Development Corporation  
Ralston Purina  
Sabritas-Frito Lay  
Teco Power Services  
Texaco  
Warner Lambert  
Xerox

Other major foreign investors:

Barcelo Hotel  
BD Centroamericana  
Bimbo de C.A.  
Cemex  
Cindal-Nestle  
Elektra  
Ericsson de Guatemala  
Shell Oil  
Siemens  
Telefonica de Espana  
Telmex  
Union Fenosa

- Secretariat for Central American Economic Integration [www.sieca.org.gt](http://www.sieca.org.gt)
- Superintendent of Banks [www.sib.gob.gt](http://www.sib.gob.gt)
- Guatemalan Central Bank [www.banguat.gob.gt](http://www.banguat.gob.gt)

- Superintendence of Tax Administration: [www.sat.gob.gt](http://www.sat.gob.gt)
- Guatemalan Ministry of Economy: [www.mineco.gob.gt](http://www.mineco.gob.gt)
- Guatemalan Investment Office: [www.investinguatemala.org](http://www.investinguatemala.org)
- Guatemalan procurement internet-based system [www.guatecompras.gt](http://www.guatecompras.gt)
- Guatemalan Non-Traditional Products Exporters' Association: [www.export.com.gt](http://www.export.com.gt)
- Guatemalan Chamber of Commerce: [www.negociosenguatemala.com](http://www.negociosenguatemala.com)
- Guatemalan Chamber of Industry: [www.industriaguatemala.com](http://www.industriaguatemala.com)
- Office of the United States Trade Representative: [www.ustr.gov](http://www.ustr.gov)
- U.S. Overseas Private Investment Corporation -OPIC: [www.opic.gov](http://www.opic.gov)

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## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
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- 

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

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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

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Capital markets in Guatemala are weak and inefficient, though some consolidation and restructuring have begun as a result of financial reforms approved in the past few years. The Guatemalan financial sector is comprised of 25 currently operative commercial banks, 18 non-bank financial institutions specializing in investment operations, seven licensed exchange houses, 18 insurance companies, 12 financial guarantors, 15 bonded warehouses, and 11 offshore banks which, by law, are affiliated with domestic financial groups. The Superintendence of Banks is charged with regulating the financial services industry.

Previous banking regulations and practices allowed banks and other financial institutions freedom in valuing assets and evaluating the performance and quality of those assets. New 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 reforms included a new Banking and Financial Groups Law, a Financial Supervision Law and the Central Bank Law. The Guatemalan Congress also passed strong anti-money laundering legislation in December 2001. The Financial Action Task Force removed Guatemala from the list of non-cooperating countries in July 2004. Additional financial reforms aimed at further modernizing the sector are currently under consideration in the Guatemalan Congress. 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

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

## U.S. Banks and Local Correspondent Banks

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Given the importance of the United States as a trading partner, almost all of Guatemala's commercial banks maintain correspondent relations with U.S. banks. The Guatemalan Bank Association site has a link to most Guatemalan banks and its correspondent U.S. banks. More information at: [www.abg.org.gt/](http://www.abg.org.gt/)

## Project Financing

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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 are interested in participating in more projects in the future. 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

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

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## Chapter 8: Business Travel

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### Business Customs

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

U.S. suppliers will quickly become aware of increased foreign competition in Guatemala. Foreign competitors are extremely aggressive. U.S. executives interested in pursuing business in Guatemala should approach local businesspeople in the same manner that they approach prized clients in the United States. Suppliers should be prepared to explain how their products and services will complement existing products and systems.

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

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Guatemala has a developing economy, characterized by wide income disparities. Hotels and other tourist facilities in areas frequented by visitors from the United States are generally good. A peace accord, signed in 1996, ended a 36-year armed conflict. Violent crime, however, is a serious and growing concern due to endemic poverty, an abundance of weapons, a legacy of social violence, and a dysfunctional judicial system. For further information on traveling to Guatemala, you should access: <http://travel.state.gov/travel/guatemala.html>

## Visa Requirements

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

An exit tax must be paid when departing Guatemala. The exit tax (currently \$30) is generally included in an airline ticket price, but may be charged separately.

A U.S. citizen whose passport is lost or stolen in Guatemala must obtain a new passport at the U.S. Embassy as soon as possible and present it, together with a police report of the loss or theft, to the Direccion de Migracion (Guatemalan Immigration Agency), Sub-Director for Migratory Control, to obtain permission to depart Guatemala. No fee is charged for this service.

U.S. Companies that require travel of foreign businesspersons to the United States should allow sufficient time for visa issuance if required. Visa applicants should go to the following links.

- U.S. State Department Visas <http://travel.state.gov/visa/index.html>
- United States Visas [www.unitedstatesvisas.gov/](http://www.unitedstatesvisas.gov/)
- U.S. Bureau of Consular Affairs <http://travel.state.gov/travel/guatemala.htm>
- Consular Section of the U.S. Embassy Guatemala <http://usembassy.state.gov/guatemala/wwwhcone.html>

## Telecommunications

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Telephone service and cellular phone systems are widely available in Guatemala City. Calls can generally be placed to the U.S. without any problems. Cell phones have to be programmed for roaming in Central America. Calls can also be placed through a hotel operator, or directly with AT&T, MCI, Sprint, Comtech Amigo calling cards, or collect. There are many public phone booths around the city for use with calling cards. Many important international companies, like Telefonica of Spain and Telmex of Mexico, are competing in the market, providing telecommunications services, including Internet.

The Internet is widely used. U.S. businesspeople commonly bring notebook computers, which can be installed at major hotels. Many Internet cafes are located around the city.

## Transportation

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Businesspeople can access Guatemala through numerous airlines, several of which have direct flights. The airlines operating between Guatemala and the United States are: American Airlines, Delta Airlines, Continental Airlines, United Airlines, and starting operations in February 2005 is U.S. Airways (out of Fort Lauderdale, Florida). TACA, the Central American airline, operates between Miami, New Orleans, Los Angeles, New

York and Washington, D.C. and Guatemala. The U.S. airlines listed above operate directly between Miami, Dallas, Atlanta, Houston, Los Angeles and Fort Lauderdale.

Transportation between hotels and airport is available by taxi. The most important hotels have shuttle service to/from the airport. Rental car companies are available, such as Avis, Hertz, Budget, etc. However, traffic is heavy in the capital, Guatemala City. It is advisable that taxis and shuttles to/from the major hotels can be considered as public transportation is not up to U.S. standards.

## **Language**

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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 in careful translations.

## **Health**

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**Medical Facilities:** A full range of medical care is available in Guatemala City, but medical care outside the city is limited. Guatemala's public hospitals frequently experience serious shortages of basic medicines and equipment. Care in private hospitals is generally adequate for most common illnesses and injuries.

**Medical Insurance:** U.S. medical insurance plans may not cover costs incurred outside the U.S., unless supplemental coverage is purchased. The U.S. Department of State strongly urges Americans to consult with their medical insurance company prior to traveling abroad, to confirm whether a particular policy applies overseas and whether it will cover emergency expenses, such as medical evacuations.

When making a decision regarding health insurance, Americans should consider that many foreign doctors and hospitals require payment in cash or by credit card. Useful information on medical emergencies abroad, including overseas insurance programs, is provided in the Department of State's Bureau of Consular Affairs brochure, "Medical Information for Americans Traveling Abroad" available via the Bureau of Consular Affairs home page (<http://travel.state.gov>). Also see [www.who.int/ith](http://www.who.int/ith).

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

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**Local Time:** Guatemala does not switch to Daylight Savings Time. Therefore, for six months out of the year, Guatemala is 2 hours behind Eastern Standard Time. For the rest of the year, Guatemala is only 1 hour behind Eastern Standard Time.

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

**Holidays:** Holidays in Guatemala are keyed to dates, not days of the month or week (except for Holy Week). The 2005 commercial holidays are:



January 1	New Year's Day
January 17	Martin Luther King's Birthday *
February 21	President's Day *
March 24	Holy Thursday
March 25	Good Friday
May 1	Labor Day
May 30	Memorial Day *
June 30	Army Day
July 4	Independence Day *
August 15	Feast of the Assumption
September 5	Labor Day *
September 15	Independence Day
October 10	Columbus Day *
October 20	Revolution Day
November 1	All Saints Day
November 11	Veteran's Day *
November 24	Thanksgiving Day *
December 26	Christmas observed

In addition, the banking sector celebrates the following holiday:

July 1	Bank Workers' Day
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U.S. Holidays observed at the American Embassy in Guatemala

### Temporary Entry of Materials and Personal Belongings

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

### Web Resources

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- Guatemala Embassy Washington D.C. <http://guatemala-embassy.org>  
Other Guatemala consulates available in Chicago, Denver, Houston, Los Angeles, Miami, New York and San Francisco
- Bureau of Consular Affairs <http://travel.state.gov/travel/guatemala/html/>
- Customs Assistance <http://exchanges.state.gov/education/culprop>
- U.S. Embassy in Guatemala <http://usembassy.state.gov/guatemala>

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

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- [Trade Events](#)

### Contacts

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#### Oficina Guatemalteca de Acreditacion (OGA)

Address: 8ª. Avenida 10-43, Zona 1.  
Guatemala, Ciudad. 01001  
Ph.: [502] 2476-1781  
Contact: Juan Alberto Hernandez  
E-mail: [info-oga@mail.mineco.gob.gt](mailto:info-oga@mail.mineco.gob.gt)  
Web page: [www.mineco.gob.gt/portal.php](http://www.mineco.gob.gt/portal.php)

#### National Quality Systems Direction

Address: Ministry of the Economy  
8ª. Avenida 10-43, Zona 1.  
Guatemala City, Guatemala 01001  
Ph.: [502] 2476-1781  
Fax: [502] 2238-3330 to 9. Line 3901  
Contact: Juan Alberto Hernandez  
Email: [info-calidad@mail.mineco.gob.gt](mailto:info-calidad@mail.mineco.gob.gt)  
Web page: [www.mineco.gob.gt/portal.php](http://www.mineco.gob.gt/portal.php)

#### National Center of Metrology

Address: Laboratorio Nacional de Metrologia  
24 Calle 21-12, Zona 12  
Guatemala City, Guatemala 01012  
Ph.: [502] 2476-1682; 2476-1781  
Contact: Juan Alberto Hernandez  
Email: [info-metrologia@mail.mineco.gob.gt](mailto:info-metrologia@mail.mineco.gob.gt)  
Web page: [www.mineco.gob.gt/portal.php](http://www.mineco.gob.gt/portal.php)

#### Guatemalan Standards Commission (COGUANOR)

Address: Comision Guatemalteca de Normas  
8ª. Avenida 10-43, Zona 1  
Guatemala, Guatemala 01001  
Ph.: [502] 2253-3547  
Fax: [502] 2253-3547  
Contact: Hector Rene Herrera Mazariegos, Department Head  
Email: [hherrera@mail.mineco.gob.gt](mailto:hherrera@mail.mineco.gob.gt)  
Web page: [www.mineco.gob.gt/mineco/coguanor/2003/coguanor.html](http://www.mineco.gob.gt/mineco/coguanor/2003/coguanor.html)

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

Direccion de Atencion y Asistencia al Consumidor  
Address: 6a. Calle 7-57 Zona 1

Ciudad, Guatemala 01001  
Ph.: [502] 2232-0719 or 2220-8925  
Fax: [502] 2220-8894  
Contact: Lic. Rolando Zambrano, Director  
Email: [diacoquejas@mail.mineco.gob.gt](mailto:diacoquejas@mail.mineco.gob.gt)  
Web page: [www.mineco.gob.gt/mineco/diaco/index.htm](http://www.mineco.gob.gt/mineco/diaco/index.htm)

Ministry of Agriculture  
Unidad de Politicas e Informacion Estrategica, Area de Informacion  
Address: 5a. Avenida 8-06, Zona 9  
Guatemala, Guatemala 01009  
Ph.: [502] 2361-7786  
Contact: Alvaro Aguilar  
Web page: [www.maga.gob.gt](http://www.maga.gob.gt)

Ministry of Public Health  
Ministerio de Salud Publica y Asistencia Social de Guatemala  
Address: 6ª Avenida 3-45, Zona 11  
Guatemala Ciudad, Guatemala 01011  
Centro America  
Ph.: [502] 2475-2121 to 28  
Contact: Marco Tulio Sosa, Minister  
Email: [info@mspas.gob.gt](mailto:info@mspas.gob.gt)  
Web page: [www.mspas.gob.gt](http://www.mspas.gob.gt)

Valuables and Merchandise Registry (Ministry of the Economy)  
Registro de Valores y Mercancias  
Address: 7 Avenida 7-61, Zona 4  
Guatemala, Guatemala 01004  
Ph.: [502] 2361-2793 to 94/95  
Fax: [502] 2361-2796  
Contact: Lic. Lucrecia Bermejo, Registradora  
Email: [lbermejo@mail.mineco.gob.gt](mailto:lbermejo@mail.mineco.gob.gt)

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

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

Diario de Centro America (daily newspaper)  
Address: 18 Calle 6-72 Zona 1  
Edificio Tipografia Nacional  
  
01001 Guatemala

Ph.: [502] 2277-3777 Management, ext. 3700  
Contact: Luis Marroquin Godoy, Manager  
Email: [info@dca.gob.gt](mailto:info@dca.gob.gt)  
Web page: [www.diariodecentroamerica.gob.gt](http://www.diariodecentroamerica.gob.gt)

Inter American Accreditation Cooperation  
c/o Entidad Mexicana de Acreditacion  
Address: Manuel Maria Contreras 133, Piso 2  
Col. Cuauhtemoc, DF, 06597 Mexico  
Ph.: 52-55-55 91 05 32  
Fax: 52-55-55 91 05 29  
Contact: Victor Gandy, Secretary  
E-mail: [secretariat@iaac-accreditation.org](mailto:secretariat@iaac-accreditation.org)  
Web page: [www.iaac-accreditation.org](http://www.iaac-accreditation.org)

Office of Agricultural Affairs  
U.S. Embassy  
Address Avenida Reforma 7-01 Zona 10  
01010 Guatemala  
Ph.: [502] 2332-4030  
Fax: [502] 2331-8293  
Email: [AgGuatemala@fas.usda.gov](mailto:AgGuatemala@fas.usda.gov)  
Web page:

Guatemalan Chamber of Industry  
Address: Ruta 6, 9-21, Zona 4 Nivel 12,  
Edificio Camara de Industria de Guatemala  
AP. Postal 214, Ciudad de Guatemala, Guatemala  
Ph.: [502] 2332-9800, [502] 2360-0999  
Fax: [502] 2334-1090  
Contact: Jaime Arimany, President  
Email: [competitividad@industriagate.com.gt](mailto:competitividad@industriagate.com.gt)  
Web page: [www.industriagate.com/normas.htm](http://www.industriagate.com/normas.htm)

#### Major Hotels

Hotel Clarion Suites  
Address: 14 Calle 3-08, Zona 10  
01010 Guatemala  
Ph.: [502] 2363-3333  
Fax: [502] 2363-3303  
Contact: Omar Martinez, General Manager  
E-mail: [reservas@clarionguatemala.com](mailto:reservas@clarionguatemala.com)  
Web page: [www.hotelclarionguate.com.gt](http://www.hotelclarionguate.com.gt)

Hotel Westin Camino Real  
Address: 14 Calle 0-20, Zona 10  
01010 Guatemala  
Ph.: [502] 2333-4633 / 2333-3000  
Fax: [502] 2337-4313  
Contact: Juan Gurrola, General Manager

E-mail: [reservaciones@caminoreal.com.gt](mailto:reservaciones@caminoreal.com.gt)  
Web page: [www.caminoreal.com.gt](http://www.caminoreal.com.gt)

#### Hotel Guatemala City Marriott

Address: 7a. Avenida 15-45, Zona 9  
01009 Guatemala  
Ph.: [502] 2339-7777  
Fax: [502] 2332-1877  
Contact: Benjamin Villegas, General Manager  
E-mail: [marriottguatemala@marriot.com.gt](mailto:marriottguatemala@marriot.com.gt)  
Web page: [www.marriott.com](http://www.marriott.com)

#### Hotel InterContinental

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

#### Hotel Princess Reforma

Address: 13 Calle 7-65, Zona 9  
01009 Guatemala  
Ph.: [502] 2334-4545  
Fax: [502] 2334-4546  
Contact: Augusto Suarez, General Manager  
E-mail: [staying@hotelessprincess.com](mailto:staying@hotelessprincess.com)  
Web page: [www.hotelessprincess.com](http://www.hotelessprincess.com)

#### Hotel Sol Melia Guatemala

Address: Avenida Las Americas 9-08, Zona 13  
01013 Guatemala  
Ph.: [502] 2339-0666/76  
Fax: [502] 2339-0690  
Contact: Lic. Juan Jaime Flores, General Manager  
E-mail: [melia.guatemala@solmelia.com](mailto:melia.guatemala@solmelia.com)  
Web page: [www.solmelia.com](http://www.solmelia.com)

#### Hotel Radisson Suites-Villa Magna

Address: 1a. Avenida 12-46, Zona 10  
01010 Guatemala  
Ph.: [502] 2332-9797  
Fax: [502] 2332-9772  
Contact: Luis Meneses, General Manager  
E-mail: [radisson@radissonguatemala.com](mailto:radisson@radissonguatemala.com)  
Web page: [www.radisson.com](http://www.radisson.com)

#### Hotel Tikal Futura Guatemala

Address: Calzada Roosevelt 22-43, Zona 11  
01011 Guatemala

Ph.: [502] 2439-1234  
Fax: [502] 2440-4050  
Contact: Jose Antonio Mendez, General Manager  
E-mail: [hotel@grandtikalfutura.com.gt](mailto:hotel@grandtikalfutura.com.gt)  
Web page: [www.grandtikalfutura.com](http://www.grandtikalfutura.com)

#### Hotel Quinta Real

Address: Km. 9 Boulevard Los Proceres, Zona 15  
01015 Guatemala  
Ph.: [502] 2379-5000  
Fax: [502] 2365-5051  
Contact: Juan Antonio Herrera, General Manager  
E-mail: [ventas-gtm@quintareal.com](mailto:ventas-gtm@quintareal.com)  
Web page: [www.quintareal.com](http://www.quintareal.com)

#### Hotel Holiday Inn Guatemala

Address: 1a. Avenida 13-22, Zona 10  
01010 Guatemala  
Ph.: [502] 2332-2555 / 66  
Fax: [502] 2332-2568  
Contact: Carlos Roush, General Manager  
E-mail: [reservaciones@holidayinn.com.gt](mailto:reservaciones@holidayinn.com.gt)  
Web page: [www.holidayinn.com.gt](http://www.holidayinn.com.gt)

### **U.S. and Country Contacts**

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

Mitch Larsen  
Commercial Counselor  
Guatemala/Honduras  
[Mitch.Larsen@mail.doc.gov](mailto:Mitch.Larsen@mail.doc.gov)

Stephen Huete  
Regional Agricultural Counselor  
[Steve.Huete@usda.gov](mailto:Steve.Huete@usda.gov)

Daniel Orellana  
Agricultural Marketing Specialist  
[Daniel.Orellana@usda.gov](mailto:Daniel.Orellana@usda.gov)

Steven Olson  
Economic Counselor  
[OlsonSS@state.gov](mailto:OlsonSS@state.gov)

Thomas Palaia  
Economic Officer  
[PalaiaT@state.gov](mailto:PalaiaT@state.gov)

Troy Fitrell  
Labor Attache

2/11/2005

[fitrellTD@state.gov](mailto:fitrellTD@state.gov)

Glenn Anders  
Director, USAID  
[Ganders@usaid.gov](mailto:Ganders@usaid.gov)

Country Trade or Industry Associations in Key Sectors

Asociacion de Gerentes de Guatemala - AGG  
(Guatemalan Managers Association)  
Address: 6a. Avenida 1-36, Zona 14  
01014 Guatemala  
Ph.: [502] 2367-4995 to 7 / 2367-5001 to 5  
Fax: [502] 2367-5006 to 7  
Contact: Julio D. Castellanos, General Manager  
Jorge Eskenasy, President  
E-mail: [servicio@agg.org.gt](mailto:servicio@agg.org.gt)  
Web page: [www.agg.org.gt](http://www.agg.org.gt)

Asociacion Gremial de Exportadores de Productos No Tradicionales  
(AGEXPRONT) (Association of Exporters of Non-Traditional Products)  
Address: 15 Avenida 14-72, Zona 13  
01013 Guatemala  
Ph.: [502] 2362-2002  
Fax: [502] 2362-1950  
Contact: Fanny de Estrada, Executive Director  
Juan Carlos Paiz, President  
E-mail: [informacion@agexpront.org.gt](mailto:informacion@agexpront.org.gt)  
Web page: [www.agexpront.org.gt](http://www.agexpront.org.gt)

Comite Coordinador de Asociaciones Agricolas,  
Comerciales, Industriales y Financieras (CACIF)  
(Coordinating Committee of Agricultural, Commercial, Industrial and Financial  
Associations)  
Address: Edificio Camara de Industria, Nivel 9  
Ruta 6, 9-21, Zona 4  
01004 Guatemala  
Ph.: [502] 2331-0651 / 2332-1794  
Fax: [502] 2334-7025  
Contact: Roberto Ardon, Executive Director  
Juan Carlos Paiz, President  
E-mail: [cacif@itelgua.com](mailto:cacif@itelgua.com)  
Web page: [www.cacif.org.gt](http://www.cacif.org.gt)

Camara de Industria de Guatemala  
(Guatemalan Chamber of Industry)  
Address: Edificio Camara de Industria, Nivel 12  
Ruta 6 9-21, Zona 4  
01004 Guatemala  
Ph.: [502] 2331-9191 / 2334-4848  
Fax: [502] 2334-1090

Contact: Ricardo Sagastume, Director  
Jaime Arimany, President  
E-mail: [contactemos@industriaguatemala.com](mailto:contactemos@industriaguatemala.com)  
Web page: N/A

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

Address: 10 Calle 3-80, Zona 1  
01001 Guatemala  
Ph.: [502] 2253-5353  
Fax: [502] 2220-9393  
Contact: Ricardo Rodriguez, Manager  
Edgardo Wagner, President  
Jimmy Matus, Vice-President  
E-mail: [info@camaradecomercio.org.gt](mailto:info@camaradecomercio.org.gt)  
Web page: [www.negociosenguatemala.com](http://www.negociosenguatemala.com)

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

Address: Ruta 6, 9-21, Zona 4  
Edificio Camara de Industria, Nivel 9  
01004 Guatemala  
Ph.: [502] 2331-6513 / 2334-6878 to 80  
Fax: [502] 2331-6513  
Contact: Roberto Fernandez Botran, President  
Edgar Maselli, Vice-President  
E-mail: [caem@concyt.gob.gt](mailto:caem@concyt.gob.gt)  
Web page: N/A

Camara Guatemalteca de la Construccion  
(Guatemalan Construction Industry Chamber)

Address: Ruta 4, 3-56, Zona 4  
01004 Guatemala  
Ph.: [502] 2334-4815  
Fax: [502] 2334-5308  
Contact: Marco Tulio Reyna, Manager  
Claudio Koper, President  
Juan Francisco Sandoval, Vice-President  
E-mail: [cgc@concyt.gob.gt](mailto:cgc@concyt.gob.gt)  
Web page: N/A

American Chamber of Commerce of Guatemala

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



Asociacion Nacional del Cafe (ANACAFE)

(National Coffee Association)

Address: 5a. Calle 0-50, Zona 14  
01014 Guatemala

Ph.: [502] 2363-3138 / 2337-3720

Fax: [502] 2333-7730 / 2373-3138

Contact: Lucrecia Rodriguez, General Manager

E-mail: [comercializacion@anacafe.org](mailto:comercializacion@anacafe.org) & [guatecoffee@gold.guate.net](mailto:guatecoffee@gold.guate.net)

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

Asociacion de Azucareros de Guatemala (ASAZGUA)

(Sugar Growers Association)

Address: 6a. Calle 6-38, Zona 9  
Edificio Tivoli Plaza, Nivel 7  
01009 Guatemala

Ph.: [502] 2331-3087 / 2334-0628 / 2331-3049

Fax: [502] 2331-8191

Contact: Armando Boesh, General Manager

Fraterno Vila, President

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

Web page: N/A

Country Government Offices

Ministro de Economia

(Ministry of Economy)

Address: 8a. Avenida 10-43, Zona 1  
01001 Guatemala

Ph.: [502] 2232-0290 / 2253-0903

Fax: [502] 2238-2413

Contact: Marcio Cuevas, Minister

E-mail: N/A

Web page: [www.mineco.gob.gt/portal.php](http://www.mineco.gob.gt/portal.php)

Ministerio de Finanzas Publicas

(Ministry of Public Finances)

Address: 8a. Avenida y 21 Calle, Zona 1  
01001 Guatemala

Ph.: [502] 2248-5001 to 5006

Fax: [502] 5203-8937

Contact: Maria del Cid de Bonilla, Minister

E-mail: N/A

Web page: [www.minfin.gob.gt](http://www.minfin.gob.gt) & [www.siafsag.gob.gt](http://www.siafsag.gob.gt)

Ministro de Comunicaciones, Infraestructura y Vivienda

(Ministry of Communications, Transportation and Public Works)

Address: 8a. Avenida y 15 Calle, Zona 13  
01013 Guatemala

Ph.: [502] 2362-6051 / 2362-6056 to 8

Fax: [502] 2362-6066

Contact: Lic. Manuel Castillo, Minister  
E-mail: N/A  
Web page: [comunicaciones@comunicaciones.gov.gt](mailto:comunicaciones@comunicaciones.gov.gt)

Ministerio de Trabajo y Prevision Social  
(Ministry of Labor and Social Welfare)

Address: 14 Calle 5-49, Zona 1  
01001 Guatemala  
Ph.: [502] 2253-3953 / 2238-2522 / 2232-5044  
Fax: [502] 2230-1363  
Contact: Lic. Jorge Gallardo, Minister  
E-mail: [ministro@mintrabajo.gob.gt](mailto:ministro@mintrabajo.gob.gt)  
Web page: N/A

Ministerio de Relaciones Exteriores  
(Ministry of Foreign Relations)

Address: 2a. Avenida 4-17, Zona 10  
01010 Guatemala  
Ph.: [502] 2332-1526 / 2332-2000 / 2332-1900  
Fax: [502] 2331-8410 / 2331-7938  
Contact: Jorge Briz Abularach, Minister  
E-mail: [webmaster@minex.gob.gt](mailto:webmaster@minex.gob.gt)  
Web page: [www.minex.gob.gt](http://www.minex.gob.gt)

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

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

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

Address: 7a. Avenida 12-90, Zona 13  
Edificio Monja Blanca  
01013 Guatemala  
Ph.: [502] 2362-4753 / 56 / 58  
Fax: [502] 2332-8302  
Contact: Alvaro Aguilar, Minister  
E-mail: [magadest@intelnet.net.gt](mailto:magadest@intelnet.net.gt)  
Web page: [www.maga.gob.gt](http://www.maga.gob.gt)

Ministerio de Gobernacion  
(Ministry of Government)

Address: 6a. Avenida 4-64, Zona 4  
01004 Guatemala  
Ph.: [502] 2361-5604 / 2362-0240 / 2361-5907  
Fax: [502] 2362-0638

Contact: Carlos Vielmann, Minister  
E-mail: [mingober@inteln.net.gt](mailto:mingober@inteln.net.gt)  
Web page: N/A

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

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

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

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

Banco de Guatemala (BANGUAT)  
(Bank of Guatemala)

Address: 7a. Avenida 22-01, Zona 1  
01001 Guatemala  
Ph.: [502] 2429-6000/2485-6000  
Fax: [502] 2253-4035  
Contact: Lizardo Sosa, President  
Edwin Matul R., General Manager  
E-mail: [crga@banguat.com.gt](mailto:crga@banguat.com.gt)  
Web page: N/A

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

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

Intendencia de Aduana  
(Central Customs)

Address 10a. Calle 13-92, Zona 1  
01001 Guatemala  
Ph.: [502] 2221-4670 to 9  
Fax: [502] 2253-7321 or 2253-4644  
Contact: Hector Gonzalez, Director

E-mail: N/A  
Web page: [www.sat.com.gt](http://www.sat.com.gt)

Registro Mercantil (Mercantile Registry)  
Address 7a Avenida 7-61 y 7-63, Zona 4  
01004 Guatemala  
Tel / Fax: [502] 2331-0119 /Ext 225  
Contact: Eduardo Palacios, Director  
E-mail: N/A  
Web page: N/A

Dirección General de Inversiones y Programa  
de Mercadeo del País (PROGUAT)  
(Directorate General of Investment and Marketing  
of the Country - Ministry of Economy)  
Address: 8a. Avenida 10-43, Zona 1  
01001 Guatemala  
Ph.: [502] 2238-0456 or 2232-9640  
Fax: [502] 2251-5055  
Contact: Salvador Flores, General Director  
E-mail: N/A  
Web Page: N/A

Instituto Nacional de Electrificación (INDE)  
(National Electrification Institute)  
Address: 7a. Avenida 2-29, Zona 9  
01009 Guatemala  
Ph.: [502] 2334-5775 or 2334-5776 or 2334-5711  
Fax: [502] 2334-5811  
Contact: Carlos Colom, General Manager  
E-mail: [gginde@guate.net](mailto:gginde@guate.net)  
Web page: N/A

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

#### Country Market Research Firms

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

Tulischth Diaz y Asociados  
(Ernst & Young International)  
Address: Edificio El Triangulo, Nivel 17, Of. 172  
7a. Avenida 6-53, Zona 4

01004 Guatemala  
Ph.: [502] 2361-8822  
Fax: [502] 2334-7059  
Contact: Tulischth Francisco Diaz, Director  
E-mail: [eyguate@intelnet.net.gt](mailto:eyguate@intelnet.net.gt)  
Web page: N/A  
Languages: English-Spanish  
Accounting Specialization: Auditing, Financial Advisor, Consultants, Income Tax, Economic Feasibilities.

Aldana, Salazar, Garcia y Asociados  
(KPMG)  
Address 7a. Avenida 5-10, Zona 4  
Torre I, Nivel 16  
01004 Guatemala  
Ph.: [502] 2334-2628  
Fax: [502] 2331-5477  
Contact: Arturo Aldana, Director  
E-mail: [kpmg-socios@guate.net](mailto:kpmg-socios@guate.net)  
Web page: N/A

Cordon, Parra y Cia.  
(Price Waterhouse Coopers)  
Address: Edificio Tivoli Plaza, Nivel 4  
6a. Calle 6-38, Zona 9  
01009 Guatemala  
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Contact: Carlos E. Parra, Director  
E-mail: [pw@gold.guate.net](mailto:pw@gold.guate.net)  
Web page: [www.pwcglobal.com](http://www.pwcglobal.com)

Tuncho Granados  
Address: 6ª. Avenida 20-25, Zona 10 Plaza Maritima  
Of. 9-3  
01009 Guatemala  
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Fax: [502] 2362-0200  
Contact: Tuncho Granados, Director  
E-mail: [tuncho@c.net.gt](mailto:tuncho@c.net.gt)  
Web page: [www.c.net.gt/taxconsult](http://www.c.net.gt/taxconsult)

Lara & Coyoy  
(Deloitte & Touche)  
Address: Diagonal 6 10-26, Zona 10  
Edificio Plaza de la Republica  
Nivel 7, Of. 702  
01010 Guatemala  
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Fax: [502] 2360-7880 to 9  
Contact: Rolando Lara, Director

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Web page: N/A

#### CPA Consultores

(Horwath International)

Address: Avenida La Reforma 1-50, Zona 9  
Edificio El Reformador, Of. 401  
01009 Guatemala

Ph.: [502] 2334-5345

Fax: [502] 2334-5362

Contact: Julio Cesar Vasquez

E-mail: N/A

Web page: N/A

#### Country Commercial Banks

##### Banco AgroMercantil

Address: 7a. Avenida 7-30, Zona 9  
01009 Guatemala

Ph.: [502] 2338-6565 to 2338-6666

Fax: [502] 2362-2504

Contact: Carolina de Gonzalez, General Manager

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

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

##### Banco Americano. S.A.

Address: 11 Calle 7-44, Zona 9  
01009 Guatemala

Ph.: [502] 2332-4020 or 2332-4330

Fax: [502] 2332-4320

Contact: Francisco Estrada, President

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

Web page: N/A

##### Banco G&T Continental

Address: 6a. Avenida 9-08, Zona 9  
01009 Guatemala

Ph.: [502] 2338-6801 or 2338-6838

Fax: [502] 2338-6868

Contact: Victor Hugo Morales, General Director

E-mail: [gfc@email.continet.com.gt](mailto:gfc@email.continet.com.gt)

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

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

Address: Avenida La Reforma 11-49, Zona 10  
01010 Guatemala

Ph.: [502] 2331-9861 / 2360-1206 / 2334-6919

Fax: [502] 2332-2879

Contact: Roberto Ortega, General Manager

E-mail: [infbanex@banex.net.gt](mailto:infbanex@banex.net.gt)

Web page: [www.banex.net.gt](http://www.banex.net.gt)

Banco del Cafe, S.A. (BANCAFE)

Address: Torre del Pais, Avenida de la Reforma 9-30, Zona 9  
01009 Guatemala  
Ph.: [502] 2331-1311 or 2361-3515 or 2361-1580  
Fax: [502] 2361-3892  
Contact: Regina Sandoval, General Manager  
E-mail: [rsandoval@bancafe.com.gt](mailto:rsandoval@bancafe.com.gt)  
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Plaza Corporativa Reforma, Torre I  
01009 Guatemala  
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Fax: [502] 2339-0842  
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01009 Guatemala  
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Fax: [502] 2334-0613  
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Contact: Pedro Aguirre, President  
E-mail: [kdmerk@occidente.com.gt](mailto:kdmerk@occidente.com.gt)  
Web page: [www.occidente.com.gt](http://www.occidente.com.gt)

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01004 Guatemala  
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Fax: [502] 2331-9437  
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01009 Guatemala  
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Contact: Nery Mejia, General Manager  
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01010 Guatemala  
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Web page: [www.bancointernacional.com.gt](http://www.bancointernacional.com.gt)

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

Address: Avenida La Reforma 2-56, Zona 9  
01009 Guatemala  
Ph.: [502] 2332-4497 or 2360-3087  
Fax: [502] 2361-6262  
Contact: Adolfo Fernando Peña, General Manager  
E-mail: [spena@banrural.com.gt](mailto:spena@banrural.com.gt)  
Web page: [www.banrural.com.gt](http://www.banrural.com.gt)

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

Address: 7a. Avenida 8-46, Zona 9  
01009 Guatemala  
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Address: 11 Avenida 3-14, Zona 1  
01001 Guatemala  
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Contact: Alvaro Stein, General Manager  
E-mail: [bancouno@grupo-uno.com](mailto:bancouno@grupo-uno.com)  
Web page: [www.bancouno.com.gt](http://www.bancouno.com.gt)

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#### Citibank

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01010 Guatemala  
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Fax: [502] 2366-7695  
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E-mail: [juan.miro@citicorp.com](mailto:juan.miro@citicorp.com)  
Web page: [www.citibank.com/guatemala](http://www.citibank.com/guatemala)

#### Banco America Central

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01010 Guatemala  
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Fax: [502] 2336-6068 / 69  
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Web page: [www.chn.com.gt](http://www.chn.com.gt)

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01010 Guatemala  
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Web Page: [www.bancocuscatlan.com](http://www.bancocuscatlan.com)

#### Banco de Antigua

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01009 Guatemala  
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Contact: Edgardo Perez, General Manager  
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Web page: N/A

#### Westrust Bank

Address: 10a. Ave. 12-60, Zona 14  
01014 Guatemala  
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#### Banco Reformador

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Fax: [502] 2332-9708  
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Web page: [www.corpobancosci.com.gt](http://www.corpobancosci.com.gt)

#### Multilateral Development Bank Offices

##### Inter-American Development Bank (IDB)

Address: 12 Calle 1-25, Zona 10  
Edificio Geminis 10, Torre Sur  
Nivel 18, Oficina 1802  
01010 Guatemala  
Ph.: [502] 2335-2650 / 2335-2831/4

Fax: [502] 2335-3319  
Contact: Gerard Johnson, Representative  
E-mail: [cof/cgu@iadb.org](mailto:cof/cgu@iadb.org)  
Web page: [www.iadb.org](http://www.iadb.org)

World Bank (WB)

Address: 13 Calle 3-40, Zona 10  
Edificio Atlantis, Nivel 14  
01010 Guatemala  
Ph.: [502] 2366-2044  
Fax: [502] 2366-1936  
Contact: Necta Sirur, Representative  
E-mail: [esomensatto@worldbank.org](mailto:esomensatto@worldbank.org)  
Web page: [www.worldbank.org](http://www.worldbank.org)

Washington-Based USG Country Contacts

Trade Information Center - U.S. Department of Commerce – TPCC -  
Ph.: 1-800-USA-TRADE

U.S. Department of Commerce  
International Trade Administration  
Office for Latin America and the Caribbean  
Address: 14th Street & Constitution Avenue, N.W., Room H-3203  
Washington, D.C. 20230  
Ph.: [202] 482-4302  
Fax: [202] 482-4726  
Contact: Mark Siegelman, Guatemala Desk Officer  
E-mail: [Mark\\_Siegelman@ita.doc.gov](mailto:Mark_Siegelman@ita.doc.gov)  
Web page: [www.ita.doc.gov](http://www.ita.doc.gov)

U.S. Department of Agriculture  
Foreign Agricultural Service  
Trade Assistance Promotion Office  
Address: Ag. Box 1052  
Washington, D.C. 20250  
Ph.: [202] 720-7420  
Fax: [202] 690-0193  
Web page: [www.fas.usda.gov](http://www.fas.usda.gov)

U.S. Department of State  
Office of Central American Affairs  
Address: 2301 C Street, N.W., Room No. 915, Main State  
Washington, D.C. 20520  
Ph.: [202] 647-3559  
Fax: [202] 647-2597  
Contact: Robert Boynton, Guatemala Desk Officer  
Web page: [www.state.gov](http://www.state.gov)

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

Address: 811 Vermont Avenue, N.W.  
Washington, D.C. 20571  
Ph.: [202] 565-3412  
Fax: [202] 565-3331  
Contact: Jeffry Abramson, Manager-Workouts Restructuration  
E-mail: [Jeffry.Abramson@exim.gov](mailto:Jeffry.Abramson@exim.gov)  
Web page: [www.eximbank.gov](http://www.eximbank.gov)

U.S. Trade and Development Agency (TDA)  
Address: 1621 N. Kent Street, Suite 300  
Arlington, VA 22209-2131  
Ph.: [703] 875-4357  
Fax: [703] 875-4009  
Contact: Kenny Miller, Country Manager for Central America  
E-mail: [KMiller@tda.gov](mailto:KMiller@tda.gov) or [Info@tda.gov](mailto:Info@tda.gov)  
Web page: [www.tda.gov](http://www.tda.gov)

U.S. Overseas Private Investment Corporation (OPIC)  
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Washington, D.C. 20527  
Ph.: OPIC Automated Information Line: [202] 336-8799  
Fax: OPIC Fax Line (for written inquiries): [202] 408-9859

## Market Research

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## Trade Events

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

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

In Guatemala:

[www.buyusa.gov/guatemala/en](http://www.buyusa.gov/guatemala/en)

Please also see Chapter 3, section on "Trade Promotion and Advertising."

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## Chapter 10: Guide to Our Services

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

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

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

[www.buyusa.gov/guatemala/en/3.html](http://www.buyusa.gov/guatemala/en/3.html)

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

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