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Report Highlights:

In 2023, the Guatemalan market showed significant potential for growth, with supermarkets, hypermarkets, and independent food stores expanding their locations. Despite the challenges posed by rising costs, the value of U.S. consumer-oriented product imports into Guatemala reached a record \$778.6 million. This report is a valuable resource for U.S. exporters, offering crucial insights on entering the promising Guatemala market, identifying the most lucrative product prospects, analyzing competition, and providing a profile of businesses in the retail food sector.

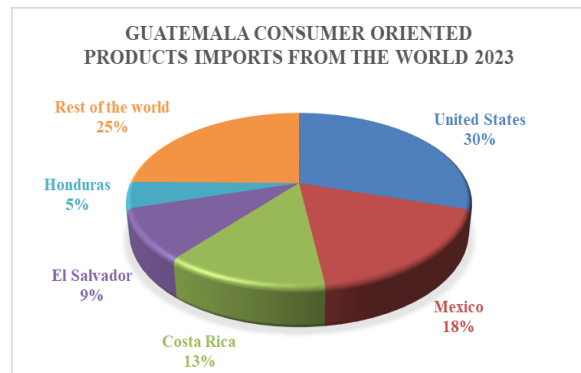
MARKET FACT SHEET: Guatemala

Executive Summary

Guatemala, with a population of nearly 19 million, serves as the horticultural hub of Central America. Of note is that the United States is Guatemala's primary trading partner, contributing to almost 40 percent of Guatemala's trade. This is a significant opportunity for U.S. companies, especially considering that as of January 1, 2024, nearly all U.S. consumer and industrial goods, except some sensitive agricultural goods (white corn, milk, and dairy), enter duty-free under the CAFTA-DR.

Consumer-Oriented Products

Around 30 percent of consumer-oriented agricultural products imported to Guatemala are from the United States, followed by Mexico with 18 percent, Costa Rica with 13 percent, El Salvador with 9 percent, and Honduras with 5 percent. In 2023, Guatemala imported \$778.6 million from the United States.



Food Processing Industry

The Guatemalan food and beverage processing industry, comprising approximately 2,200 companies, accounts for 46 percent of the country's total manufacturing industry. U.S. agricultural exports to Guatemala are crucial raw materials in this industry. Moreover, this sector is projected to grow by 20 percent in 2024, indicating a promising opportunity for U.S. companies.

Food Retail Industry

Three supermarket chains dominate the country's retail sector. These supermarkets target

middle- and high-income consumers. However, there are still opportunities in the industry. Only 30 percent of food sales are in supermarkets. Other consumers still rely on traditional open-air markets and corner stores.

Quick Facts CY 2023

Imports of Consumer-Oriented Ag Products from the U.S.: \$778.6 million.

List of Top 10 U.S. consumer-oriented products in Guatemala (million \$):

- | | |
|---|---|
| 1) Poultry Meat & Products (193) | 6) Food Preparations (35) |
| 2) Dairy Products (111) | 7) Condiments & Sauces (34) |
| 3) Pork & Pork Products (103) | 8) Fresh fruit (31) |
| 4) Beef and beef products (73) | 9) Bakery goods, cereals, and pasta (29) |
| 5) Processed Vegetables (70) | 10) Dog & Cat Food (16) |

Top Guatemalan Food Retailers:

- | | |
|-------------------------------------|-------------------------------|
| 1) Walmart Mexico & Central America | 4) Super 24 |
| 2) Unisuper | 5) Grupo de Tiendas Asociadas |
| 3) Pricesmart | |

Total ag imports from the U.S.: \$1.6 billion

Total Guatemalan ag export to the U.S.: \$2.9 billion

Population (millions): 19 (2023, IMF est.)

GDP (USD): \$102.8 billion

GDP per capita (USD): \$5,932.6

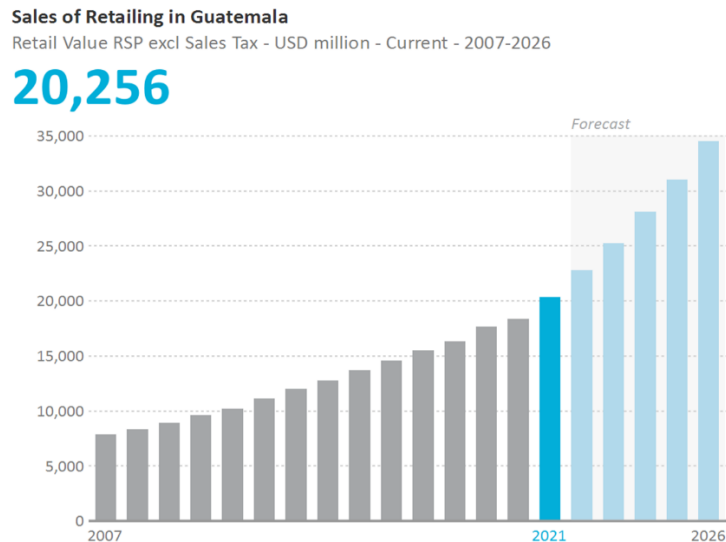
Source: Trade Data Monitor/BICO/IMF/Bank of Guatemala.

<i>Strengths</i>	<i>Weaknesses</i>
Guatemalan consumers are becoming more sophisticated and looking for higher-quality products.	Guatemala is a price-sensitive market.
<i>Opportunities</i>	<i>Threats</i>
Every year, more supermarkets open stores on the outskirts of Guatemala City and the country's interior.	Cold chain management continues to challenge distributors in the country's interior.

SECTION I: MARKET SUMMARY

The retail sector in Guatemala continues to rebound despite economic and political challenges the country faced in 2023. With a new government administration in place as of January 14, 2024, Guatemala continues to engage in high-level economic dialogue with the United States, distinguishing itself as a key partner in Central America. In May 2024, Walmart, Mexico, and Central America announced a \$700 million investment in the country over the next five years as part of their expansion plan. This investment aims to enhance economic growth, create 3,500 direct jobs, and improve logistics and technology by opening new stores and renovating existing ones.

Retail sales in Guatemala, including convenience stores, warehouse clubs, and neighborhood stores, are expected to continue growing, along with retail e-commerce. Since the Covid-19 pandemic, retail e-commerce steadily increased, particularly among high-income consumers who prefer online shopping. However, rural and lower-income Guatemalans still favor visiting supermarkets due to limited online shopping options, as further investment is needed to enhance logistics and delivery networks.

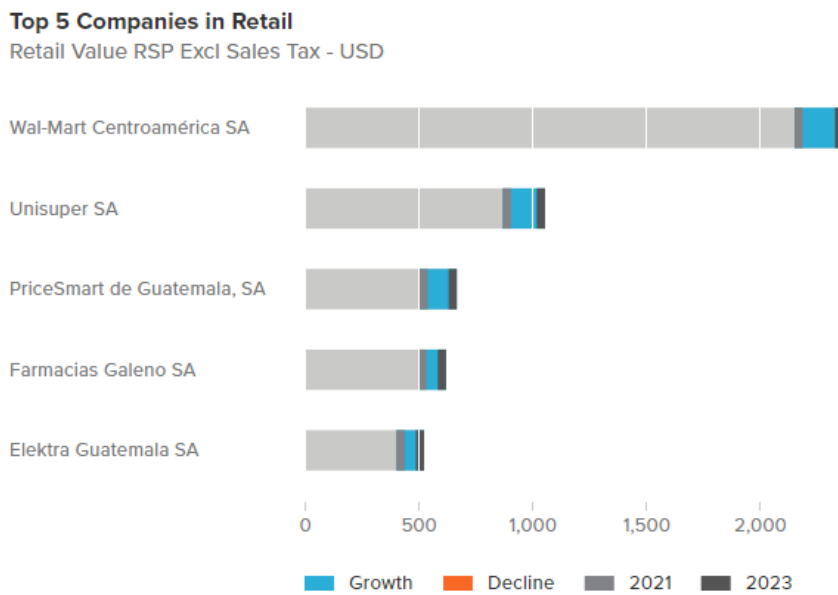


Source: Euromonitor

Inflation has impacted shopping habits in Guatemala, particularly in the food sector. A major driver of rising food costs is inefficiency in port logistics, where ships delivering essential grains can face anchoring delays from 10 to 20 days. Additionally, road congestion and rising freight costs have further driven up food prices. Consumers opt for discounted products, smaller packaging sizes, and reduced purchase volumes to maximize their purchasing power. In Guatemala, four trends influence retail trade (especially grocery shopping): savings; a changing mix of distribution channels, with a shift towards online and supermarket shopping; a focus on healthy foods, and a desire for customization, with consumers seeking products that cater to their specific dietary needs and preferences.

Guatemalan consumers prioritize savings, often opting for cheaper brands within the same product category when available. While they generally remain loyal to fresh products, they are more inclined to replace packaged goods with more affordable alternatives.

In 2023, Walmart Mexico and Central America retained its position as the leading supermarket chain, commanding a 9.7 percent market share with \$2.3 billion in sales. Unisuper (including La Torre and Econosuper) followed, holding a 4.3 percent market share and generating \$1.1 billion in sales. Despite the dominance of these major players, significant opportunities persist in the retail sector, with supermarkets capturing only 30 percent of total food sales. This gap presents a valuable opportunity for informal retailers, who are predominantly based in rural areas and cater to low- and mid-income consumers.



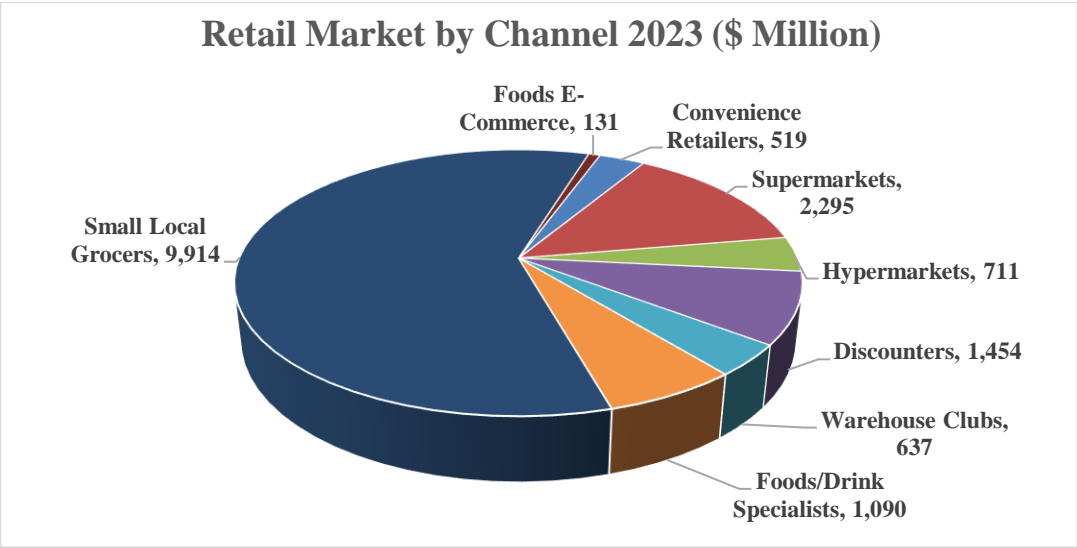
Source: Euromonitor

Advantages and Challenges for U.S. Exporters in Guatemala

ADVANTAGES	CHALLENGES
Guatemalans view U.S. products as high quality and safer than other products.	Guatemala has signed free trade agreements with various countries forcing the United States to be more competitive.
U.S. private label products have an opportunity in the retail industry especially with importing companies that distribute products to the interior of the country.	The government’s weak civil service creates a fragile regulatory structure and delays, such as for the registration of new imported products.
Every year more supermarkets are opening stores in the outskirts of Guatemala City and the interior of the country.	Cold chain management continues to be a challenge for distributors in the interior of the country.

Imported products have more opportunities while the supermarket sector continues growing.	Regional competition is strong, especially from Mexico, and other countries within Central America.
High-end consumers are looking for new products that are popular or considered trends in other countries, such as organic, low-carb, no sugar, fat-free, etc.	The nutrition front-of-package labeling initiative is still under revision in Guatemala and might be required for imported products soon.

Retail Sales by Channel 2023

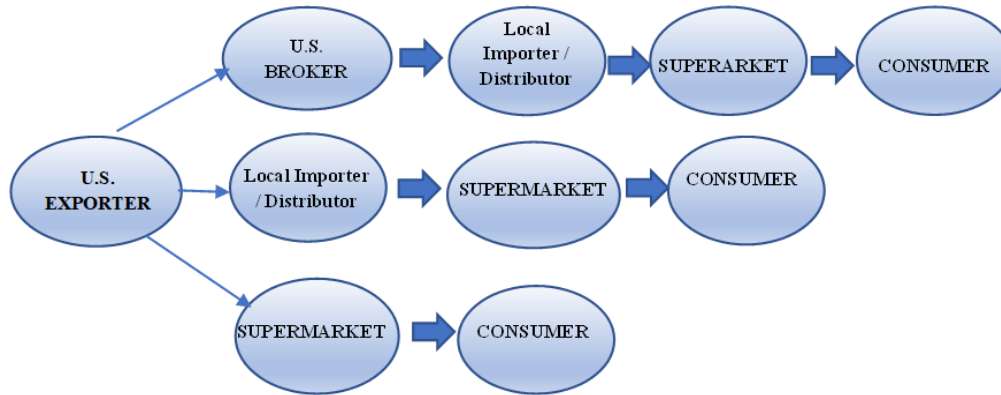


Source: Euromonitor

SECTION II: ROAD MAP FOR MARKET ENTRY

Entry Strategy

Success in introducing an imported product in the Guatemalan market depends on local representation and personal contact. Hiring a distributor is the easiest and fastest way to enter the market. It is best if this distributor is already supplying the supermarkets. The local representative or distributor should be able to provide sales contacts as well as market knowledge and guidance on business practices and trade related laws. In many cases, the local representative or distributor is also the importer.




The Foreign Agricultural Service (FAS) office in Guatemala maintains a list of companies that represent or distribute U.S. products in Guatemala. The office also has ongoing activities that provide opportunities to meet the Guatemalan trade. U.S. suppliers should provide labeling or re-labeling services, competitive pricing, credit, catalogs, printed materials, and samples to importers and distributors to improve the odds of success in entering the market. Firms should also consider providing support to importers by sharing advertisement costs of new brands and supporting and training sales personnel.

Market Structure

- ❖ Convenience stores expanded the most: Walmart, Unisuper, and Grupo de Tiendas Asociadas.
- ❖ Typically, imported products are introduced into the country by a local importer, agent, or distributor.
- ❖ The three largest supermarket chains in Guatemala are Walmart, Unisuper, and Pricesmart. Walmart and Pricesmart have regional offices in Central America that import and distribute products to their stores.
- ❖ Importers who work with brokers often prefer those based in Miami to help reduce transportation costs.
- ❖ Walmart, and Unisuper, offer support to small local farmers by offering funds, technical support, and market information to help them grow high quality, competitively priced products that can be sold at their stores and other retailers in the formal marketplace.
- ❖ High-income consumers frequently use e-commerce for their purchases. Large supermarket chains based in Guatemala City typically offers this service.

Company Profiles

Walmart 
 México y Centroamérica **Walmart Mexico and Central America:** the largest supermarket chain and the leading supermarket chain in Guatemala. The company has 265 stores, divided as follows: Supertiendas Paiz (27), Walmart Supercenter (10), Despensa Familiar (183), and Maxi Despensa (45). Walmart directly imports around 85 percent of its food products, including produce, cereals, processed foods, and beverages.

Walmart Guatemala and Walmart Costa Rica make most of the purchasing decisions for the rest of the Central American stores and are interested in expanding the lines of imported goods to supply their high-end hyper and Paiz stores. The company is also introducing its private label called Great Value, which competes with imported products and is regarded as high quality and affordable.

<http://www.walmart.com.gt/>



Unisuper: the second largest supermarket in Guatemala and the number one domestic supermarket chain, with 211 stores under the names of La Torre (113); Torre Express (91), and Econosuper (7.) La Torre sells local and imported products, and customers are middle-high and high-end consumers. La Torre Express stores are smaller and mainly located in Guatemala City. Unisuper introduced this new convenience store concept “express” at the end of 2017. The strategy consists of opening small convenience stores of around 70 square meters in Guatemala City and then expanding in the coming years to other large cities in the country. These stores carry a small inventory of products and compete directly with corner stores, but they can sell imported products and refrigerated and frozen goods. <http://www.supermercadoslatorre.com/>



Super Del Barrio: started business in 2015 and presently has 200 stores under three different concepts: Super Del Barrio, which offers daily discounts for food items and competes with larger stores, attracting customers that live in nearby residential areas and target lower income consumers. The name of the corporate offices is Grupo de Tiendas Asociadas (GTA). In addition, the company has Summa stores, which are larger stores that are like hypermarket stores; and Super Fresh stores, which cater to middle and high-end consumers and sell imported and local products. Super Fresh also provides home delivery service.

<https://gta.com.gt/>



Pricesmart: a U.S. warehouse company headquartered in San Diego, California that operates membership club stores in Latin America and the Caribbean. The company sells food and consumer goods, and members pay between \$20 and \$35 to shop at their stores. The supermarket has five stores in Guatemala City, Mixco, and Fraijanes, and one is in Escuintla, an area on the south coast. Presently, it is the only membership retail store in Guatemala. <https://shop.pricesmart.com/gt/en/>

Around 70 percent of grocery items are sold in the traditional markets or open-air markets, also known as “mercados,” where local farmers sell fresh local produce. These markets account for a large portion of national sales. Almost 90 percent of the produce sold in these markets is produced domestically. Additionally, imported fruits such as grapes, plums, kiwis, apples, pears, nectarines, and oranges are sold year-round in these markets and in larger amounts during the Christmas season. The two most important open-air markets are Cenma and La Terminal. Both places offer fresh produce that come directly from producers that travel to Guatemala City from the interior of the country. Inside the open-air markets, there are 3x3 mts. stands that sell meats, seafood, grocery items from bulk grains to instant soups.

Grocery items are sold in smaller presentations (130 grams) and 95 percent of these products are produced locally. Very few imported grocery items such as cookies, snacks, instant soups, candies, and chocolates are sold in these markets.

Another traditional market is corner stores called “tiendas de barrio.” They are an important income source for informal retailers who own small stores that on average have 30 square feet and carry an inventory of approximately \$500 per month. Around 170,000 stores operate nationwide, allowing customers to shop conveniently within a 10-minute walk. Popular items include snacks, soft drinks, juices, cookies, beer, instant ramen, bottled water, energy drinks, sugar, ice cream, and popsicles. Most shoppers visit daily. In 2003, the average spending per visit was \$1.93, rising to \$2.07 on weekends. Customers prefer these stores because they are cheaper and because they find products sold in smaller sizes, which are more convenient for those who do not own refrigerators.

SECTION III: COMPETITION

Guatemala is a global net importer, and the United States is Guatemala’s largest trading partner. In 2023, Guatemala imported \$1.6 billion in U.S. agricultural products and exported \$2.9 billion in Guatemalan agricultural products to the United States. Guatemala is a strong competitor to the United States for processed foods; however, it is a large importer of raw materials and ingredients that are used for further processing by this industry.

Central American countries and Mexico compete with the United States for the Guatemalan import food market. The free trade agreement between Guatemala and the Central American countries and the agreement between Guatemala and Mexico provide great opportunities for those countries to introduce more products to the Guatemalan market and become stronger competitors with the United States.

Product	Country	Guatemalan imports from competitors in 2023 (\$ millions)	Guatemalan imports from the United States in 2023 (\$ millions)
Soups and other food preparations	Costa Rica	177.2	91.3
Bakery goods, cereals, and pasta	El Salvador	87.7	31.5
Condiments and sauces	Costa Rica	66.9	35.5
Non-alcoholic beverages (ex. juices, coffee, and tea)	El Salvador	71	13.1

Beer	Mexico	62.5	1.5
Chewing gum and candy	Mexico	28.1	7.1
Dog and cat food	Mexico	22.4	17.1
Processed fruits	El Salvador	17	7.9
Distilled spirits	Mexico	9.7	1.9
Wine and related products	Spain	6	2.4

Source: Trade Data Monitor

SECTION IV: BEST PRODUCT PROSPECTS CATEGORIES

Considering imported food products are priced premium when reaching supermarket shelves, exporters should consider well-known brands, high-end attributes, one-year shelf life or more, attractive packaging, and products that confer status and a level of innovation. Products that combine these characteristics are more likely to enter the market successfully.

Top Consumer-Oriented Products Imported from the World	Food preparations, cheeses, cookies, breakfast cereals and pasta, chicken leg quarters, chicken wings, fruit juices, nectars, French fries and other potato frozen products, red meats (beef and pork), fresh fruits (grapes, apples, kiwis, oranges, tangerines, pears)
Top Consumer-Oriented Products Imported from the United States and Products Present in Market with Good Sales Potential	Red meats (beef and pork), poultry (chicken leg quarters, MDM), dairy products (cheeses), processed vegetables (French fries and frozen potato products), fresh fruits (grapes, apples, pears), frozen ready to eat foods, condiments, sauces, distilled spirits (vodka, whiskey)
Products Not Present in Market with Good Sales Potential	Beer and wine, baby food, chocolate and candy, jams and jellies, breakfast cereals, prepared/preserved seafood, canned fruits and vegetables, ice cream and yogurts

Product Not Present in Market due to Significant Barriers	None
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SECTION V: KEY CONTACTS AND FURTHER INFORMATION

Government regulatory agency contacts within ministries responsible for food policies.

Name & Title	Institution	Telefax	Email and Website
Evelyn Meneses, Director for Food and Drugs Regulations	Ministry of Health (MSPAS)	(502) 2294-4027	emeneses@mspas.gob.gt https://www.mspas.gob.gt
Nelson Ruano, Food Safety Director	VISAR/MAGA	(502) 2413-7389	mvnelsonru@yahoo.es https://visar.maga.gob.gt
Victoria Meza, CAFTA-DR Administrador	Foreign Commerce Administration Direction/Ministry of Economy	(502) 2412-0200	vmeza@mineco.gob.gt https://www.mineco.gob.gt
Edwin Curtidor, Customs Intendent	Superintendence of Tax Administration (SAT)/Customs Authority	(502) 2329-7070	eocurtidor@sat.gob.gt https://portal.sat.gob.gt/portal/

For additional information on import regulations and standards, please refer to the Food Agricultural Import Regulations and Standards (FAIRS) Country Report 2024 at <https://fas.usda.gov/data/guatemala-fairs-annual-country-report-7>. For more information about specific export certificate requirements, please refer to the FAIRS Export Certificate Report 2024 at <https://fas.usda.gov/data/guatemala-fairs-export-certificate-report-annual>.

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Attachments:

No Attachments