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Report Highlights:

Guatemala ranked as the #16 largest U.S. agricultural export market despite a nine percent decline, mainly due to lower imports of bulk commodities in 2023, reaching \$1.6 million. It's crucial to remember that Guatemala, relying on foreign exchange by international trade, remittances, and tourism, is the largest economy in Central America, with an estimated gross domestic product (GDP) of \$102.8 billion, a 19-million-person market, and relative economic stability. Moreover, Guatemala represents a growing market for U.S. consumer-oriented products, as evidenced by the 14 percent increase from 2022, reaching \$778.6 million.

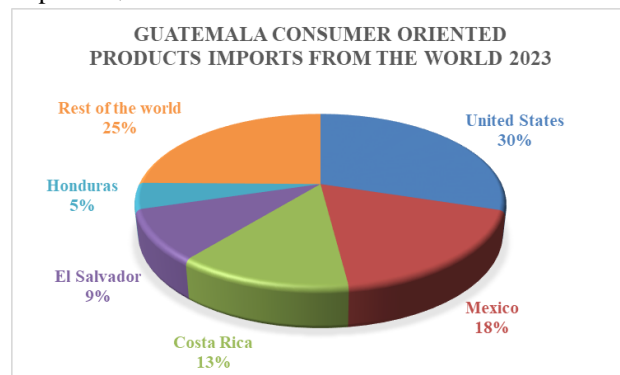
MARKET FACT SHEET: Guatemala

Executive Summary

Guatemala, with a population of nearly 19 million, serves as the horticultural hub of Central America. Of particular 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 at nine 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 retail sector in Guatemala. These supermarkets mainly target middle—and high-income consumers. However, there are still many 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 fruits (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.: \$2.8 billion
 Population (millions): 19 million (2023, IMF est.)
 GDP (USD): \$102.8 billion
 GDP per capita (USD): \$5,932.6

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

Strengths/Weaknesses/Opportunities/Threats

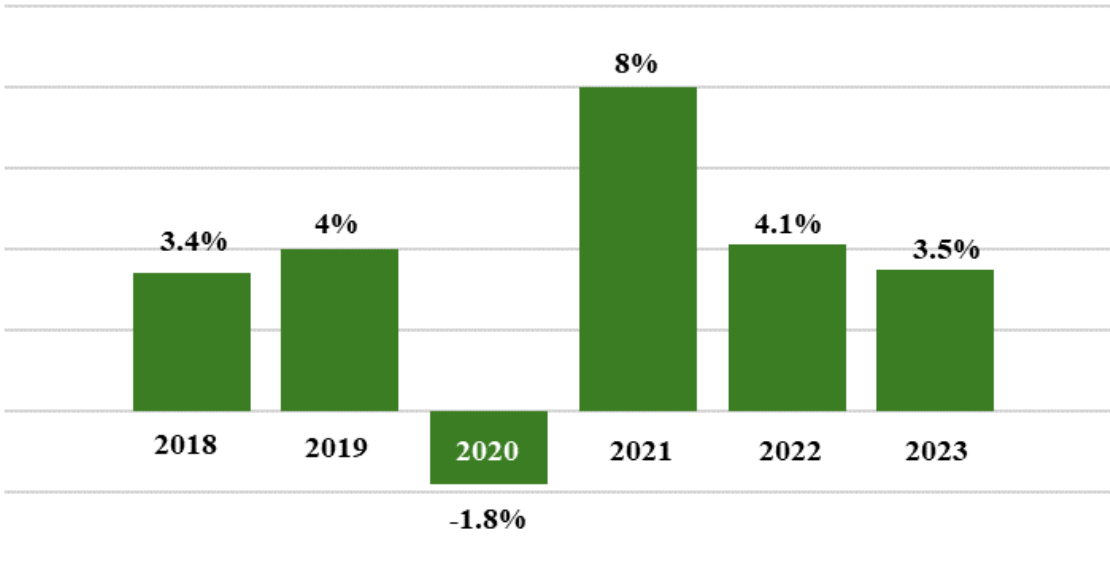
| <i>Strengths</i> | <i>Weaknesses</i> |
|--|---|
| As Guatemalan consumers become more sophisticated, opportunities for higher quality and specialty products increase. | Guatemala is a price-sensitive market. Guatemalan port authorities enforce a 100 percent inspection policy for imports. |
| <i>Opportunities</i> | <i>Threats</i> |
| The growing food processing industry is looking for quality ingredients for ready-to-eat products, bakery products, deli meats, beverages, and snacks. | FTAs with various countries create competition for U.S. products. |

SECTION I. MARKET OVERVIEW

Market Research

Guatemala, with the largest economy and population in Central America and a GDP of \$102.8 billion in 2023, experienced a growth of 3.5 percent, and it is projected that in 2024, the GDP growth will be three percent.

Guatemala GDP Growth 2018-2023



Source: Bank of Guatemala

Agriculture is one of the main economic drivers, accounting for 13.5 percent of GDP and 31 percent of the labor force. Guatemala's economy relies heavily on international trade, particularly on exports of goods to the United States and other Central American countries. In 2023, total exports to the world amounted to \$14.1 billion. Remittances also play a significant role in Guatemala's economy; it is estimated that over a million migrants live in the United States. In 2023, remittances increased by approximately 9.7 percent compared to 2022, totaling \$19.8 billion, equivalent to 20 percent of total GDP. The tourism sector represents 10.2 percent of total GDP. In 2023, the Guatemalan Tourism Institute reported that 2,649,971 tourists traveled to Guatemala, representing an increase of 44 percent compared to the number of tourists who traveled to Guatemala in 2022. Almost 45 percent of tourists came from El Salvador; the rest came from the United States, Europe, and other Central American countries.

U.S. companies must grasp that market conditions are strongly influenced by income distribution. There is a significant difference in consumer taste and purchasing decisions between Guatemalans living in the interior of the country (apart from the tourist areas in Antigua, Guatemala, Panajachel, and Puerto Barrios) and those who live in Guatemala City.

U.S. food products are competitively priced and distributed to high and middle-income consumers. Other U.S. food products, such as grains, poultry (chicken leg quarters), fats and oils, and preserved foods, are often cheaper than domestically produced products.

Table 1. Advantages and Challenges in the Market Facing U.S. Exporters

| Advantages | Challenges |
|--|--|
| Strategic geographic access to Guatemala on both the Atlantic and Pacific Oceans. | Roads throughout the country are in poor condition, and transportation costs are high. |
| Most imported products from the United States are duty-free, thanks to CAFTA-DR. | FTAs with various countries create intense competition. |
| Low-cost transportation of goods thanks to the proximity of U.S. ports. U.S. suppliers can export smaller quantities at competitive prices. | Many Guatemalan importers prefer that U.S. suppliers export their products through Miami to consolidate them and reduce transportation costs. |
| Supermarket chains open stores annually, mainly in the country's interior. These stores sell domestic and imported goods. | Registration is always a concern to importers because it takes more than two weeks to issue import permits to importers. |
| Guatemala, El Salvador, and Honduras signed the customs union among the three countries. | The harmonization of technical standards could restrict access to some U.S. products. |
| The growing food processing industry is looking for quality ingredients for ready-to-eat products, bakery products, deli meats, beverages, and snacks. | Lack of cold chain procedures and limited infrastructure and distribution for perishable products. |
| Guatemala cannot meet domestic demand for bulk commodities such as wheat, corn, beans, and rice. | Sanitary and phytosanitary rules are subject to an inconsistent regulatory structure, imposing non-technical measures on U.S. exports. |
| Shipping products from the U.S. is cheaper and quicker than shipping from Europe. | Contraband is a growing problem; local business leaders, especially in the agricultural and manufacturing sectors, estimate that contraband has negatively impacted up to 30 percent of the formal economy, with a corresponding impact on tax collection. |
| As Guatemalan consumers become more sophisticated, opportunities for higher quality and specialty products increase. | Guatemala is a price-sensitive market, which could affect loyalty to brands in economic difficulty. |

SECTION II. EXPORTER BUSINESS TIPS

Local Business Customs and Trends

The Government of Guatemala welcomes foreign investment and generally places few legal or regulatory restrictions on foreign investors. Guatemala represents a growing market for U.S. companies. It is a country with economic stability, a strategic location with ports on the Atlantic and Pacific Oceans, and proximity to the United States. The capital, Guatemala City, has a population of approximately three million and features first-class hotels and restaurants. This represents an excellent opportunity for U.S. businesses to introduce food products into the market to meet the local demand and for the tourists who travel to Guatemala for business or pleasure.

Most business conducted in Guatemala is based on:

- Personal relationships are preferred by Guatemalans when doing business. Business executives and government officials place great importance on personal contact with suppliers.
- U.S. suppliers should be prepared to have a local representative or distributor and to travel to Guatemala, when possible, to better understand the market. U.S. businesses are often surprised at the accessibility of key decision-makers and the openness and frankness of local buyers.
- After the pandemic, business executives and government officials are open to virtual meetings, events, and training when required.
- Sales, service, and support rank high in the minds of Guatemalan buyers. More than foreign firms, U.S. firms generally have a reputation for providing exemplary service and support. U.S. firms interested in penetrating the Guatemalan market should commit to offering excellent customer service to their buyers, agents, and distributors.
- Guatemalan importers typically require product samples. Potential buyers request U.S. companies support the marketing efforts of new products, and when placing orders, they will need specific volumes of products; meeting these requirements will result in successful business relationships.

Importer lists are available from the Foreign Agricultural Service for U.S. food and beverage product exporters. In addition, approximately 24 U.S. Cooperators and State Regional Trade Groups are actively working in Guatemala and can assist U.S. companies in connecting with potential clients. These groups work under USDA-funded programs and organize trade missions to Guatemala, which is ideal for traveling and meeting potential importers. To find a list of USDA cooperators, please visit

www.fas.usda.gov/topics/buying-us-products

SECTION III: IMPORT FOOD STANDARDS & REGULATIONS / IMPORT PROCEDURES

Documents Generally Required by the Country Authority for Imported Food

The first step to importing food products in Guatemala is registering a product. Any producer, processor, packer, or distributor operating in Guatemala must operate under a sanitary license issued by the Ministry of Public Health's Food Control Division. Both the importers and the imported products must be registered. Guatemalan food laws are comprised of a series of statutes of presidential and ministerial decrees that establish frameworks and regulations to protect human, animal, and plant health. Generally, fresh, refrigerated, or unprocessed frozen food products are under the authority of the Ministry of Agriculture, Livestock, and Food (MAGA). Processed food products are under the authority of the Ministry of Public Health and Social Assistance (MSPAS), except for pet food and treats, which fall under MAGA. Some food products fall under the authority of both ministries (seeds used as ingredients, flours, and processed food of animal origin).

Labeling Requirements

The Office of Food Control at the Ministry of Public Health requires labeling processed food products. This government agency is responsible for all registrations of processed products. Regulations, registration procedures, and requirements are available at their online site: <https://www.mspas.gob.gt/productos-control-de-alimentos>. Non-processed foods are exempt from labeling.

The [RTCA 67.01.07:10](#) regulates general labeling and is based on the CODEX general rule for food labeling. The rule does not mandate Spanish labeling and allows for complementary labels in Spanish, which can be stick-on labels and applied by the exporter in the United States or the importer in Guatemala. Central America accepts FDA labeling. The rule requires that labeling be informative, not misguide the consumer and not present false claims.

Tariffs and FTAs

The Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) entered into force in Guatemala on July 1, 2006. CAFTA-DR has led to an increase in bilateral trade between Guatemala and the United States. Some of the most essential exported agricultural products to Guatemala are yellow corn, wheat, soybean meal, and poultry meat. The United States and the rest of Central American countries are the leading trade partners with Guatemala.

In addition to CAFTA-DR, Guatemala signed bilateral or regional free trade agreements with Chile, Colombia, Israel, Mexico, Panama, Taiwan, the Dominican Republic, and the European Free Trade Association countries, including a new agreement with the United Kingdom.

For information about the different FTAs signed by the Guatemalan government, please visit <https://www.mineco.gob.gt/tratados-vigentes-libre-comercio>.

Trademarks and Patents Market Research

Guatemalan legislation on Intellectual Property Rights (IPR) is modern. It follows multilateral agreements like the Paris, Berne, and Rome Conventions. As a member of the World Trade Organization (WTO), it has included TRIPS (Trade Related Intellectual Property) provisions. Guatemala recognizes trademarks, brand names, patents, origin denomination, and author rights. The IPR Registry, under the Ministry of Economy, is responsible for all registrations. Registration of patents and trademarks is on a first-in-time, first-in-right basis, so applying for trademark and patent protection is highly recommended before starting a business.

For additional information on import regulations and standards, please refer to the Food Agricultural Import Regulations and Standards (FAIRS) Report 2023 at <https://fas.usda.gov/data/guatemala-fairs-annual-country-report-7> and <https://fas.usda.gov/data/guatemala-fairs-export-certificate-report-annual> for more information about the specific export certificates requirements.

SECTION IV: MARKET SECTOR STRUCTURE AND TRENDS

Guatemala's primary food staples are corn and black beans. However, Guatemalans' food tastes are changing, and they prefer more high-value foods. In addition, many Guatemalans who travel to the United States for business or tourism are introduced to American food products; therefore, consumers prefer U.S. products as they are viewed as being of higher quality.

Imported refrigerated and frozen ready-to-eat products continue increasing their shelf space at the larger supermarkets. These imported products share the space with locally processed products such as tacos, tortillas, burritos, beef and chicken patties, chicken nuggets, and corn-based tamales, which are among the preferred foods because they are easy to cook and have affordable prices.

Although Guatemala is a price-sensitive market, specialized products are the exception, and consumers do not see price as an issue when making purchasing decisions. Guatemalans have followed the trend towards healthy eating and demand foods with less sugar, saturated fats, and cholesterol. This trend also includes organic products, sold and distributed mainly through specialized stores. Around 90 percent of organic products are imported, including processed fruits and vegetables, juices, energy drinks, cooking oils, dairy, tree nuts, snacks, breakfast cereals, condiments & sauces, confectionary products, and chicken.

Food trucks are another trend that started in 2016 and is becoming a more popular service in Guatemala City. Food trucks offer various foods and beverages, such as gourmet-style coffees and teas, sandwiches, tacos, hot dogs, pizzas, hamburgers, and international cuisine (Chinese, Mexican, French, Italian, Japanese, and Mediterranean food).

Food Retail

- The two largest supermarkets in Guatemala are Walmart (Mexico and Central America), with a 49 percent retail value share, and Unisuper (La Torre/Econosuper), with a 21.5 percent retail value share.
- Higher-end consumers buy groceries in supermarkets weekly, as they have higher disposable incomes and value the service of modern channel retailers.
- Apartment buildings continue to pop up in various zones in Guatemala City, especially in high-end neighborhoods; this new living concept is causing shoppers to look for convenience stores that offer quick and easy access to items in smaller amounts than they usually purchase at larger supermarkets.
- Online shopping remained a purchasing method implemented because of the pandemic and is now a more common purchasing method at larger supermarkets.

For more information about the supermarket sector in Guatemala, read the Retail Report 2023 at: <https://fas.usda.gov/data/guatemala-retail-foods-3>

Food Processing

- Guatemala significantly imports raw materials and ingredients, which local companies use for further processing for domestic consumption and exports.
- Guatemala's food and beverage processing industry is the second largest exporting sector and represents 6.4 percent of the country's total GDP. It comprises approximately 2,200 companies and represents 46 percent of the country's manufacturing industry.
- Processed food exports are mainly exported to Central America, Mexico, and the United States. Palm oil, cookies and other bakery products, prepared sauces, and non-alcoholic beverages are among the most significant exports of processed food goods.

For more information about this industry sector in Guatemala, read the Food Processing Report 2022 at: <https://fas.usda.gov/data/guatemala-food-processing-ingredients-4>

Hotel & Restaurant

- Tourism in Guatemala represents 10.2 percent of total GDP. In 2023, 2,649,971 tourists traveled to Guatemala, an increase of 44 percent from those who traveled to Guatemala in 2022.
- About 18,000 restaurants are estimated to operate nationwide, generating around 400,000 direct jobs.
- Most of the hotels in Guatemala City have at least one restaurant open to the public, and others have a bistro or coffee shop in addition to their restaurant.
- The Guatemalan market constantly adapts as consumers follow popular food trends in other countries.

- Hotels and restaurants in Guatemala purchase products through wholesalers, retailers, and informal markets; for imported food products, they buy from importers, supermarkets, or membership stores that can offer more significant quantities.

For more information about this sector in Guatemala, read the Hotel, Restaurant & Institutional Report 2023 at: <https://fas.usda.gov/data/guatemala-food-service-hotel-restaurant-institutional-3>

Competitive Situation

The United States and Guatemala enjoy a robust bilateral trade in agriculture. In 2023, Guatemala imported a total of \$5.7 billion in agricultural products from the world, of which \$1.6 billion was from the United States. In 2023, Guatemala’s main agricultural imports from the United States were soybean meal (\$293 million) and yellow corn (\$269 million), followed by poultry meat & products (\$193 million), dairy products (\$111 million), and pork & pork products (\$103 million).

The major competitors with the United States for consumer-oriented product imports in Guatemala are Mexico with 18 percent (beer, candy, pet food, distilled spirits), Costa Rica with 12 percent (food preparations, condiments, and sauces), and El Salvador with 10 percent (pastries, and non-alcoholic beverages).

Table 2. Competitors to U.S. exports in the Guatemalan market

| Product | Country | Guatemalan imports from this competitor in 2023 (\$ millions) | Guatemalan imports from the U.S. 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 & related products | Spain | 6 | 2.4 |

Source: Trade Data Monitor

SECTION V: AGRICULTURAL AND FOOD IMPORTS

Table 3. U.S. Agricultural & Food Import Statistics (in millions of dollars)

| Product | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|--------------|--------------|--------------|--------------|--------------|
| Consumer Oriented | 484.3 | 465.8 | 632.1 | 708.4 | 778.6 |
| Intermediate | 339.6 | 372.5 | 471.4 | 526.2 | 453.1 |
| Bulk | 463.7 | 445.4 | 545.8 | 600.2 | 415.7 |
| Agricultural Related Products | 11.4 | 10.9 | 15.3 | 19.1 | 22.4 |
| Total Agricultural & Related Products | 1,299 | 1,295 | 1,665 | 1,828 | 1,669 |

Source: U.S. Census Bureau Trade Data

For a detailed report, please visit: www.fas.usda.gov/gats/BicoReport.aspx?type=country

Table 4. Guatemalan Consumer-Oriented Product Imports/Share of Market by Country

| Partner country | Value in Million U.S. Dollars | | | % share 2023 | % change 2022/2023 |
|-----------------|-------------------------------|-------|-------|--------------|--------------------|
| | 2021 | 2022 | 2023 | | |
| World | 2,373 | 2,806 | 3,064 | 100 | 0 |
| United States | 750 | 820 | 914 | 30 | 11 |
| Mexico | 408 | 498 | 555 | 18 | 11 |
| Costa Rica | 299 | 349 | 396 | 12 | 13 |
| El Salvador | 241 | 277 | 289 | 10 | 5 |
| Honduras | 93 | 130 | 150 | 4 | 14 |

Source: Trade Data Monitor

Table 5. Leading Consumer-Oriented Products for U.S. Exports in 2023:

| Product | U.S. Exports to Guatemala in million U.S. Dollars | Opportunities for U.S. suppliers |
|---|---|--|
| Poultry meat and meat products (excl. eggs) | 193 | The TRQ for chicken leg quarters was eliminated in 2017 when the tariff was set to zero. Consumers see chicken meat as a good source of protein in their diets at affordable prices compared to other meat products. |

| | | |
|------------------------|-----|---|
| Dairy products | 111 | The food processing industry demands whey protein, cream, and powdered milk. In addition, there are many opportunities to sell processed cheeses for the restaurant and retail sectors. |
| Pork and pork products | 103 | The meat processing industry requires hams and deli meats, while ribs and loins are mainly sold in hotels, restaurants, and retail. |
| Beef and beef products | 73 | Higher-end cuts, such as T-bones, tomahawk, ribeye, etc., can be sold at specialty meat stores, hotels, and restaurants. |
| Processed vegetables | 70 | Consumer demand for frozen French fries and other potato products has increased recently. In 2023, the imports of U.S. frozen potatoes grew 27% from the previous year, totaling \$54 million (nearly 23 percent of all processed vegetables) |

Source: U.S. Census Bureau Trade Data

SECTION VI: KEY CONTACTS AND FURTHER INFORMATION

Ministry of Agriculture, Livestock, and Food – Sanitary & Phytosanitary Import Requirements

Contact: Nelson Ruano, Food Safety Director

Telephone: (502) 2413-7389

Email: mvnelsonru@yahoo.es

Website: www.maga.gob.gt

Ministry of Health- Food Control Administration

Contact: Evelyn Meneses, Food Control Chief

Telephone: (502) 2294-4027

Email: emeneses@mspas.gob.gt, secretariadrca@mspas.gob.gt

Website: www.mspas.gob.gt

Ministry of Economy - Foreign Commerce Administration Direction

Contact: Victoria Meza, CAFTA-DR Administrator

Telephone: (502) 2412-0200

Email: vmeza@mineco.gob.gt

Website: www.mineco.gob.gt

Superintendence of Tax Administration (SAT)/Customs Authority

Contact: Edwin Curtidor, Customs Intendent Acting

Telephone: (502) 2329-7070

Email: eocurtid@sat.gob.gt

Website: <https://portal.sat.gob.gt>

Importers' listings are available from the Foreign Agricultural Service for use by U.S. exporters of U.S. food and beverage products.

Foreign Agricultural Service – Guatemala / U.S. Department of Agriculture

Address: Boulevard Austriaco 11-51 Zona 16. Guatemala, Guatemala

Phone: (502) 2364-0000

E-mail: AgGuatemala@usda.gov

Website: www.fas.usda.gov

Attachments:

No Attachments