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Report Highlights:

U.S. exports of agricultural products to Guatemala in 2022 increased 11.2 percent from 2021, reaching \$1.8 billion. The Guatemalan economy relies on foreign exchange generated by international trade, remittances, and the tourism sector. Guatemala is a country with relative economic stability, representing a growing market for U.S. products. Consumer-oriented products have a high demand: poultry, red meats, dairy products, processed vegetables, and food preparations are among the products which had high record U.S. export levels in 2022, totaling \$708.4 million which represents a 12.1 percent increase from 2021.

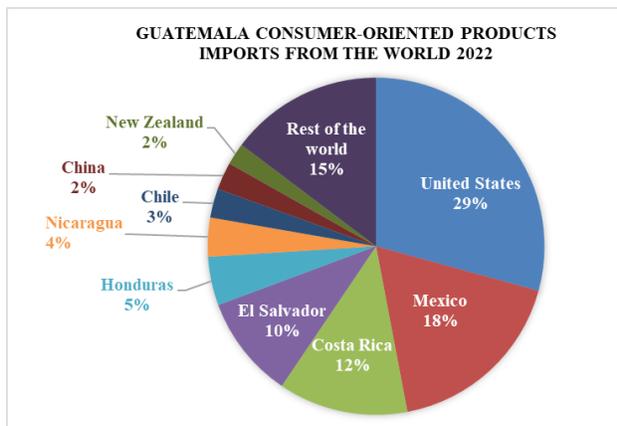
MARKET FACT SHEET: Guatemala

Executive Summary

Guatemala has the largest population in Central America, with nearly 17.4 million inhabitants. It is the horticultural hub of Central America. The United States is Guatemala's largest trading partner, accounting for nearly 40 percent of Guatemala's trade. As of January 1, 2023, nearly all U.S. consumer and industrial goods except some sensitive agricultural goods (white corn and dairy products) enter duty free under CAFTA-DR.

Consumer-Oriented Products

Around 29 percent of consumer-oriented agricultural products imported to Guatemala are from the United States, followed by Mexico with 18 percent, Costa Rica with 12 percent, and El Salvador with 10 percent. In 2022 Guatemala imported \$708.4 million from the United States.



Food Processing Industry

The Guatemalan food and beverage processing industry, of approximately 2,200

companies, represents 46 percent of the total manufacturing industry in Guatemala.

U.S. agricultural exports to Guatemala play an important role in this industry for raw materials. This sector grew 18 percent in 2022, representing 6.5 percent of the GDP, and 17.7 percent of total exports.

Food Retail Industry

The retail sector in Guatemala is dominated by three supermarket chains. These supermarkets mainly target middle and high-income consumers. However, there are still many opportunities in the retail sector. Only 30 percent of food sales are in supermarkets. Other consumers still rely on open-air markets and corner stores.

Quick Facts CY 2022

Imports of Consumer-Oriented Ag Products from the U.S.: **\$708.4 million.**

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

Poultry Meat & Products (176)	Beer (36)
Dairy Products (93)	Food Preparations (30.5)
Pork & Pork Products (80)	Bakery goods, cereals, and pasta (29.5)
Beef and beef products (63)	Condiments & Sauces (26.5)
Processed Vegetables (62)	Fresh fruit (20)

Total ag imports from the U.S.: \$1.8 billion

Total GT ag exports to the U.S.: \$2.8 billion

Population (millions): 17.7

GDP (USD): \$95 billion (2022 est.)

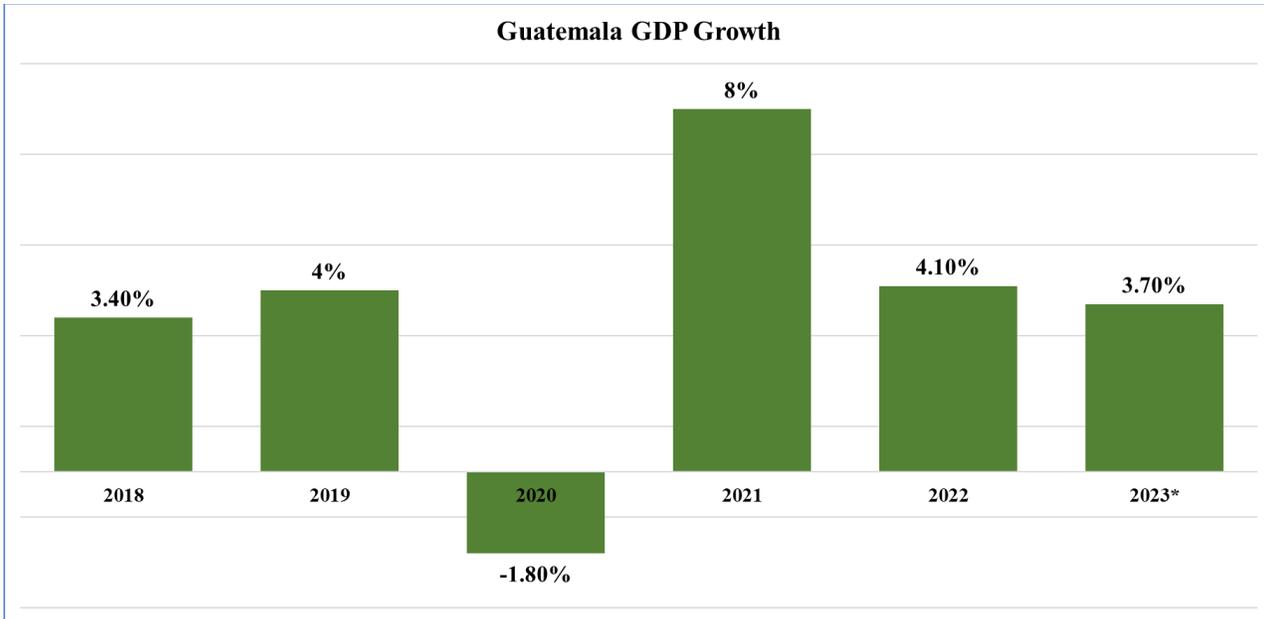
GDP per capita (USD, PPP): \$8,900 (2021 est.)

Source: Trade Data Monitor / CIA World Factbook / BICO

SECTION I. MARKET OVERVIEW

Market Research

Guatemala has the largest economy and population in Central America, with a GDP of \$95 billion in 2022, and a population of around 17.4 million. In 2021, Guatemala had an unanticipated rebound after the pandemic, this was a result of accumulated growth from 2020 and the acquisition of a telecommunications company by foreign investors. The average economic growth of 3.5-4.5 percent reflected in the past ten years continued its usual trend in 2022.



Source: Bank of Guatemala

*Average based on first semester of 2023

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 mainly relies on international trade, especially on exports of goods to the United States and other Central American countries. In 2022, total exports increased 15 percent totaling \$15.7 billion. Remittances are also an important component to Guatemala's economy; it is estimated that there are over a million of migrants living in the United States. In 2022, remittances increased around 17.9 percent compared to 2021, totaling \$18.1 billion, equivalent to 18.9 percent of total GDP. The tourism sector represents 10.2 percent of total GDP, and during 2022, the Guatemalan Tourism Institute reported that 1,844,739 tourists traveled to Guatemala, representing an increase of 64 percent when compared to the number of tourists who traveled to Guatemala in 2021. Almost 39 percent of tourists came from El Salvador and the rest came from the United States, Europe, and other Central American countries.

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

U.S. food products are competitively priced and are distributed to both high- and middle-income consumers. Other U.S. food products such as grains, poultry (chicken leg quarters), fats and oils, and preserved foods are oftentimes 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 enter duty-free thanks to CAFTA-DR.	FTAs with various countries create strong 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 their products and reduce transportation costs.
Supermarket chains open stores every year mostly in the interior of the country. 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 for some U.S. products.
The growing food processing industry is looking for quality food ingredients for ready-to-eat products, bakery, deli meats, beverages, and snacks.	Lack of cold chain procedures, and limited infrastructure and distribution for perishable products.
Guatemala is unable to 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 products 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.
Guatemalan food processors require imported bulk commodities, intermediate, and consumer-oriented ingredients to produce processed products for the domestic market and for exports to the world.	New Central American Technical Regulations are being implemented for importing food products and require U.S. companies to comply with more paperwork prior to entering the local market.
As Guatemalan consumers become more sophisticated, opportunities for higher quality and specialty products increase.	Guatemala is a price-sensitive market, and this could affect loyalty to brands in times of 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 and is a country with economic stability, a strategic location with ports on both the Atlantic and Pacific Oceans, and proximity to the United States. The capital, Guatemala City, has a population of approximately 3 million and features first-class hotels and restaurants which represent a great 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 be prepared to travel to Guatemala, when possible, to have a better understanding of the market. U.S. businesses often are surprised at the accessibility of key decision-makers and the openness and frankness of local buyers.
- After the pandemic, both business executives, and government officials, are open to have virtual meetings, events, and trainings, when required.
- Sales, service, and support rank high in the minds of Guatemalan buyers. 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 customer service to their buyers, agents, and distributors.
- Guatemalan importers typically require samples of products. Potential buyers request U.S. companies to provide support on marketing efforts of new products, and when placing orders for products, they will require specific volumes of products; meeting these requirements will result in successful business relationships.

Importer lists are available from the Foreign Agricultural Service for use by exporters of U.S. food and beverage products. In addition, around 24 U.S. cooperator and trade groups are present in Guatemala and can assist U.S. companies; these groups work under USDA-funded programs. These groups also organize trade missions to Guatemala which are ideal to travel to the country and meet 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 import food products in Guatemala is to register 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 product must be registered. Guatemalan food laws are comprised of a series of laws 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. There are some food products that fall under the authority of both ministries (seeds used as ingredients, flours, and processed food of animal origin).

Labeling Requirements

Labeling of processed food products is required by the office of Food Control at the Ministry of Public Health. This is the government agency responsible for all registrations of processed products. Regulations and registration procedures and requirements are available at their on-line 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 can be applied by the exporter in the United States or the importer in Guatemala. Central America accepts FDA labeling. The rule requires that labeling is informative, does not misguide the consumer, and does 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 important 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 main trade partners with Guatemala.

In addition to CAFTA-DR, Guatemala signed bilateral or regional free trade agreements with Chile, Peru, Mexico, Colombia, Taiwan, Panama, the Dominican Republic, and the European Free Trade Association countries, including a new agreement with United Kingdom. Guatemala also signed partial-scope agreements, which cover fewer products and do not include chapters beyond trade, with Belize, Cuba, Ecuador, Trinidad and Tobago, and Venezuela and is currently negotiating expansion of partial-scope agreements with Ecuador and Cuba.

In 2017, Honduras and Guatemala launched a customs union to allow for the free movement of goods and persons between their countries, and El Salvador signed in 2018, but just started harmonization efforts at the end of 2021.

For information about the different FTAs signed by the Guatemalan government, please visit: <https://portal.mineco.gob.gt/tratados-de-libre-comercio-0>

Trademarks and Patents Market Research

Guatemalan legislation on Intellectual Property Rights (IPR) is modern and follows multilateral agreements such as the Paris, Berne, and Rome Conventions, and as a member of the World Trade Organization (WTO) 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 it is highly recommended to apply for trademark and patent protection before starting 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

The main food staples in Guatemala are corn and black beans, however, Guatemalans food tastes are changing, and more high-value foods are preferred. In addition, many Guatemalans that travel to the United States on business or for 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 local 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, and these products include processed fruits and vegetables, juices, energy drinks, cooking oils, dairy, tree nuts, snacks, breakfast cereals, condiments & sauces, confectionary products, and chicken.

Another trend is the food truck business which started in 2016, they offer a wide variety of foods and beverages such as gourmet style coffees and teas, sandwiches, tacos, hot dogs, pizzas, hamburgers, and international cuisine (Chinese, Mexican, French, and Italian, Japanese, and Mediterranean food.) Due to COVID restrictions, some businesses suspended their operations, and some had to close; but as of January 2022, most businesses returned to normal operations and new food truck options were added to the list of foods that Guatemalans can enjoy. Many music concerts, and outdoor family activities such as cultural events, and exhibitions, are becoming a regular kind of entertainment in the country, allowing for food trucks to take advantage of these activities and have presence to sell their products. Following is

the link with a list of the food trucks available: <https://www.guatemala.com/comida/restaurantes/estos-son-los-nuevos-food-trucks-en-guatemala-que-tenes-que-probar/>

Food Retail

- The two largest supermarkets in Guatemala are Walmart Mexico and Central America, with a retail value share of 49 percent; followed by Unisuper (La Torre/Econosuper), with 21.5 percent of retail value share.
- The higher end consumers buy groceries in the supermarkets on a weekly basis, as they have higher disposable incomes and value the service that modern channel retailers provide.
- Guatemala continues to build apartment buildings in different zones within the city, especially on those areas considered as the high-end neighborhoods; this new living concept is causing shoppers to look for convenience stores that have quick and easy access to purchase items in smaller amounts than what they would usually purchase at the larger supermarkets.
- On-line shopping remained as a purchasing method that was implemented because of the pandemic and is now a more common purchasing method at the 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 is a major importer of raw materials and ingredients, which are used by local companies for further processing for both domestic consumption and exports.
- The food and beverage processing industry in Guatemala is the second largest exporting sector and represents 6.4 percent of the country's total GDP. The following chart shows the top 10 exports by value of the Guatemalan Food and Beverage Sector to the world (U.S. millions) exported during the first semester of 2023:

<i>HS Code</i>	<i>Description</i>	<i>2023</i>	<i>2022</i>	<i>% Change</i>	<i>% of total F&B</i>
<i>1511100000</i>	<i>Palm oil</i>	<i>368.2</i>	<i>380.7</i>	<i>-3.3</i>	<i>30.7</i>
<i>1905900000</i>	<i>Baking products</i>	<i>78.5</i>	<i>62.4</i>	<i>25.8</i>	<i>6.5</i>
<i>2202999000</i>	<i>Other beverages</i>	<i>52.4</i>	<i>46.7</i>	<i>12.2</i>	<i>4.4</i>
<i>2103900000</i>	<i>Prepared sauces</i>	<i>50.1</i>	<i>46.0</i>	<i>8.9</i>	<i>4.2</i>
<i>1740490000</i>	<i>Candy</i>	<i>46.0</i>	<i>41.0</i>	<i>12.2</i>	<i>3.8</i>
<i>1511909000</i>	<i>Refined palm oil</i>	<i>44.5</i>	<i>44.8</i>	<i>-0.7</i>	<i>3.7</i>
<i>2202100000</i>	<i>Soft drinks/sweetened</i>	<i>41.6</i>	<i>36.4</i>	<i>14.3</i>	<i>3.5</i>
<i>2104100000</i>	<i>Soup preparations</i>	<i>39.1</i>	<i>38.3</i>	<i>2.1</i>	<i>3.3</i>
<i>1513210000</i>	<i>Palm oil NESOI</i>	<i>34.3</i>	<i>40.2</i>	<i>-14.7</i>	<i>2.9</i>
<i>1905319000</i>	<i>Other cookie products</i>	<i>33.9</i>	<i>32.5</i>	<i>4.3</i>	<i>2.8</i>
	TOTAL	788.6	769.0	2.5	65.8

Source: Guatemalan Chamber of Food & Beverage (CGAB)

- Guatemalan food and beverage processing industry, of approximately 2,200 companies, represents 46 percent of the total manufacturing industry in Guatemala.
- 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 largest 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, and during 2022, 1,844,739 tourists traveled to Guatemala, representing an increase of 64 percent when compared to the number of tourists who traveled to Guatemala in 2021.
- It is estimated that there are about 18,000 restaurants operating nationwide, which generate around 400,000 direct jobs.
- Most of the hotels in Guatemala City have at least one restaurant open to the public; and others have in addition to their restaurant, a bistro or coffee shop.
- The Guatemalan market is constantly adapting as consumers follow food trends that are popular in other countries around the world.
- The hotels and restaurants in Guatemala purchase products through wholesalers, retailers, and at informal markets; for imported food products, they buy from importers, supermarkets, or membership stores that can offer larger 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 strong bilateral trade in agriculture, and in 2022, Guatemala imported a total of \$5.3 billion in agricultural products from the world, of which \$1.8 billion was from the United States. Guatemala is the 17th largest U.S. agricultural export market. In 2022, Guatemala's main ag imports from the United States were yellow corn (\$292.6 million), and soybean meal (\$258.4 million), both utilized in the animal feed industry.

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 2022 (\$ millions)	Guatemalan imports from the U.S. in 2022 (\$ millions)
Soups and other food preparations	Costa Rica	160.1	82.3
Bakery goods, cereals, and pasta	El Salvador	86.7	32.7
Beer	Mexico	79.9	3.3
Condiments and sauces	Costa Rica	60.6	34.1
Non-alcoholic beverages (ex. juices, coffee, and tea)	El Salvador	60.5	12.1
Chewing gum and candy	Mexico	25.9	6
Coffee Roasted and Extracts	Mexico	25.7	1
Dog and cat food	Mexico	24.7	15.8
Processed fruit	El Salvador	15.4	8.3
Distilled spirits	Mexico	8.4	1.5

Source: Trade Data Monitor

SECTION V: AGRICULTURAL AND FOOD IMPORTS

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

Product	2018	2019	2020	2021	2022
Consumer Oriented	436.9	484.3	465.8	632.1	708.4
Bulk	497.0	463.7	445.4	545.8	597.4
Intermediate	352.9	339.6	372.5	471.7	526.2
Agricultural Related Products	16.6	11.4	10.9	15.3	19.1
Total Agricultural & Related Products	1,304	1,299	1,295	1,665	1,851

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 2022	% change 2021/2022
	2020	2021	2022		
World	1,839	2,345	2,767	100	0
United States	550	749	819	29	9
Mexico	324	398	485	17	21
Costa Rica	272	299	349	12	16
El Salvador	201	240	276	10	14
Honduras	59	85	118	4	38

Source: Trade Data Monitor

Table 5. Leading Consumer-Oriented Products for U.S. Exports in 2022:

Product	U.S. Exports to Guatemala in million U.S. Dollars	Opportunities for U.S. suppliers
Poultry meat and meat products (excl. eggs)	176	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 when compared to other meat products.
Dairy products	93	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	80	Hams, and picnics are required by the meat processing industry, while ribs and loins are mainly sold at the hotel, restaurant, and retail sectors.
Beef and beef products	63	Higher-end cuts such as T-bones, tomahawk, ribeye, etc. have opportunities to be sold at specialty meat stores, hotels, and restaurants.
Processed vegetables	62	Consumer demand for frozen French fries and other potato products have increased in the past few years. In 2022, the imports of U.S. frozen potatoes grew 39% from the previous year, totaling \$49 million.

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: Werner Ovalle, Customs Intendent
Telephone: (502) 2329-7070
Email: wfovalle@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