

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 12/21/2016

GAIN Report Number: GT-1611

Guatemala

Exporter Guide

Annual

Approved By:

Todd Drennan, Regional
Agricultural Counselor

Prepared By:

Edith Vasquez, Marketing
Specialist

Report Highlights:

All sections of the 2016 Exporter Guide were updated to include the latest economic data and import regulations.

Post:

Guatemala City

I MARKET OVERVIEW**A. Current Economic Situation**

Guatemala has Central America's largest economy, accounting for almost one-third of the region's gross domestic product (GDP). In 2015, Guatemala's GDP was \$63.9 billion a 4.1 percent increase from the previous year. Agriculture is one of the main economic drivers. The economy relies on foreign exchange generated by the tourism sector, remittances from the United States and international trade, especially exports of goods to the United States and other Central American countries.

The agricultural sector contributes around 13.5 percent to total GDP and accounts for 41 percent of total exports. Industry accounts for 24 percent and services more than 63 percent of the country's GDP. Most manufacturing is light assembly and food processing for domestic consumption and export to the United States and the rest of Central America.

The United States-Central America-Dominican Republic 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. In 2015, the United States exported a total of \$1 billion of agricultural, fish and forestry products to Guatemala, down 4.5 percent from 2014, which was a record year for U.S. exports. Some of the most important exported agricultural products to Guatemala are yellow corn, wheat, soybean meal, and poultry meat.

Besides CAFTA-DR, Guatemala has a free trade agreement (FTA) with Central America (including Panama), Colombia, Mexico, Dominican Republic, Taiwan, Chile, and the European Union (EU.) Other partial free trade agreements were signed with Belize, Cuba, Ecuador, and Venezuela. These negotiations, but specifically the FTA with the European Union, are forcing greater integration within the Central American Customs Union. The customs union between Guatemala and Honduras was officially announced on December 2015, through the unification of the customs facilities at Agua Caliente border.

B. Demographics and Income Distribution

Guatemala has the largest population in Central America (estimated 15.1 million people). According to the Ministry of Labor, the labor force in Guatemala is made up of 6.4 million inhabitants, the unemployment rate in 2015 was 7.2 percent and around 4.1 million people work in the informal economy.

According to the National Statistics Institute, the population of Guatemala City with its surrounding seven cities, is 3.2 million. Approximately 36 percent of the population is less than 15 years of age; 59 percent of the population is between 15-64 years-old and only 5 percent is over 65.

The department of Guatemala has a density of 1,532 inhabitants per square kilometer. The second highest population department is Huehuetenango which has approximately 1.2 million inhabitants followed by Alta Verapaz with a total of 1.18 million inhabitants.

Most economic activity in the country revolves around metropolitan areas. Guatemala City and its surrounding areas offer the biggest concentrated market in the country with an accessible infrastructure.

Guatemala has one of the most unequal income distributions in the Western Hemisphere with the richest 20 percent of the population accounting for more than 51 percent of Guatemala's overall wealth. More than half of the population is below the national poverty line, and 13 percent of the population lives in extreme poverty and is mostly concentrated in the indigenous communities in the interior of the country. In 2016, the exchange rate has been steady at \$1.00 per 7.6 quetzales.

The skewed income distribution creates a particular pattern of consumption, where the majority of the population consumes merely for subsistence. Therefore, luxury goods can only be targeted to a small portion of society. However, U.S. food products are very competitively priced and are sought out by both high- and middle-income consumers. Other U.S. food products such as cereals, poultry (chicken leg quarters), pork, fats and oils, and preserved foods, are normally cheaper than domestically produced products.

Income segments:

AB - is the top 4 percent of the affluent population. The difference between A and B is that the A's are extremely wealthy.

C+ - is the upscale middle class that can afford most food products.

C-is the general middle class that must watch how they spend their income.

D-is the lower class that is just surviving.

E-is the population below the poverty line.

It is important for U.S. firms considering exporting to Guatemala to 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 (with the exception of the tourist areas in Antigua, Panajachel, and Puerto Barrios) and Guatemala City.

C. Market Size

U.S. agricultural exports to Guatemala in 2015:

- Total U.S. agricultural exports totaled \$1 billion, a decrease of 4.5 percent from 2014.
- Bulk commodities: \$391 million
- Intermediate agricultural products: \$315 million
- Consumer-oriented products: \$367 million
- Agricultural related products (forestry and fishery): \$16 million

Guatemalan exports to the U.S. in 2015:

- Total Guatemalan agricultural, fish and forestry exports: \$2 billion, an increase of 2.7 percent from 2014.
- Bulk commodities exports: \$474 million
- Intermediate agricultural exports: \$64.3 million
- Consumer-oriented exports: \$1.4billion
- Forestry exports: \$32.6 million (record export level)
- Seafood exports: \$40.8 million

D. Advantages and Challenges in the Market Facing U.S. Exporters

Advantages	Challenges
Strategic geographic access to Guatemala on both the Atlantic and Pacific Oceans, with considerable infrastructure, makes shipping of goods more accessible to all countries around the world.	FTAs with various countries, force U.S. products to be more competitive.
Guatemala is a trustworthy partner of the United States on trade issues.	The lack of a civil service within the government makes regulatory structures fragile. Compliance with international standards is challenging within the different government institutions that oversee imports of goods.
Low cost transportation of goods thanks to the proximity of U.S. ports.	Weakness to improve the business climate in Guatemala.
In Guatemala, there are around 20,000 restaurants and 3,000 hotels that demand quality products. This creates an opportunity for new imported goods and ingredients.	The tourism sector in Guatemala is large, but security is a concern and the local authorities need to improve their security programs.
Importers are taking advantage of CAFTA-DR and favor trading with U.S. exporters.	Central American Customs Union (CACU), harmonized the region's technical standards that sometimes restrict access for 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 there is 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 the fragile 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.	Geographical Indications (GIs) for some dairy products may affect imported products from the United States.

II. EXPORTER'S BUSINESS TIPS

A. Business Customs

The Government of Guatemala (GOG) welcomes foreign investment and generally few legal or regulatory restrictions are placed 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 a close proximity to the United States. With the implementation of CAFTA-DR, one of the major benefits for U.S. exporters was improved transparency in customs dealings, anti-corruption measures in government contracting and procurement, and legal protection for U.S. investors.

Most business conducted in Guatemala is based on personal relationships. 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 be prepared to travel to Guatemala. U.S. businesspersons often are surprised at the accessibility to key decision-makers and the openness and frankness of local buyers.

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 or distributors. This commitment should be made clear. Poor or mediocre service often results in lower sales. The Guatemalan business community is comparatively small and word travels fast about local and foreign firms that offer poor customer service.

B. Consumer Taste's and Preferences

Culturally speaking, Guatemalans have adopted much of the U.S. culture such as music, sports, fashion, and fast food. Through remittances sent by Guatemalans in the United States, local food tastes are changing and more high-value foods are now affordable. Guatemalan consumers are aware of U.S. products. In addition, many Guatemalans travel to the United States and are introduced to American food products, therefore, consumers prefer U.S. products over other products they are viewed as higher quality. Approximately 43 percent of all Guatemalan imports of agriculture, fish, and forestry products come from the United States. Guatemalans have also followed the U.S. trend towards more natural and healthy products, and consumers are demanding food with less sugar, saturated fat, and cholesterol. Convenience products have more demand and there is a niche market for refrigerated, ready-to-eat products, and organic foods. The local processing industry is taking advantage of this trend and is developing and increasing the production of processed products such as beans, tacos, tortillas, burritos, and corn-based tamales, which are among the preferred foods in the supermarkets because they are easy to cook/heat and cheap.

C. Food Standards & Regulations

Import Procedures and Product Registration

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 Food Control. Both the importers and the imported product must be registered.. Product registration is required for all packaged food products in Guatemala.

Food Control in the Ministry of Public Health is responsible for all registrations of processed products. Regulations and registration procedures and requirements can be consulted on-line at: <http://portal.mspas.gob.gt/index.php/en/servicios/regulacion-y-control-de-alimentos-menu-servicios.html>

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

The Certificate of Free Sale can include a list of products to be registered, as long as all the products in that list are registered simultaneously. For example, if 20 products are to be registered at the same time, Food Control allows for one original certificate and 19 copies to accompany the rest of the products, since one complete file is kept per registered product. After requesting the registration of a product, it takes approximately 7-10 days to obtain the registration number and laboratory tests will take place within routine surveillance, scheduled annually according to product category. If products do not comply with labeling standards or food safety parameters, importers will be notified as necessary. Non-animal processed products do not require a phyto certificate; a Certificate of Free Sale applies in this case. The Certificate of Free Sale is required for registration purposes only, and can be a federal or state document, or can be issued by a chamber of industry or chamber of commerce. The objective of the Certificate of Free Sale is to verify that the product is fit for human consumption in the country where it is processed.

For animal origin products, Food Control requires a laboratory test before granting a sanitary registration number; this registration number is valid for five years and takes six weeks to be issued.

General Import and Inspection Procedures

For additional information on import regulations and standards please refer to the FAIRS Report 2016 at www.fas.usda.gov/scripts/attacherep/default.asp.

III. MARKET SECTORS

A. Informal Market

According to the National Employment and Income Survey (INAE), around 4.6 million people work in the informal market. The informal market is composed mainly of corner stores, open air markets and street vendors. The corner stores, also known as "tiendas de barrio," are small stores with an inventory of \$500 of products. There are more than 100,000 corner stores throughout the country. Their major suppliers are distributors, wholesalers and importers, which also supply to supermarkets. However, they offer very few imported products.

Open-air markets are mainly located in rural areas of the country; however, Guatemala City has 43 open-air markets registered within city limits. The costumers that shop in the informal market are

middle to low-income groups, but some local restaurants also shop in these markets for fresh produce, condiments, and other ingredients that can be purchased at lower prices.

In terms of street sales, most food products are seasonal fruits and vegetables (strawberries, mushrooms, loroco, mangoes, tangerines, candies, nuts, snacks, baked goods, and candy cotton. Street vendors often migrate from the interior to Guatemala City.

B. Retail Sector

The retail sector in Guatemala is dominated by three supermarket chains: Pricesmart, Wal-Mart, and Unisuper (La Torre/Econosuper.) It is estimated that only 30 percent of food sales are made through the supermarkets. There are some other smaller supermarkets present in the country that are trying to gain market share in the retail sector, but these supermarkets are more targeted to the lower-middle and lower income consumers. These stores are smaller than a regular supermarket and therefore have smaller shelf space to display their products. These supermarkets are:

1) Super Elmar, S.A., a family-owned company with eight stores in Guatemala City. This supermarket has stores located within walking distance of residential areas and far away from the traditional commercial areas where most of the bigger supermarket chains are located. The company buys imported products from local distributors and is not currently planning to import directly. For the past five years Super Elmar has not opened any new stores.

2) Comercializadora Gigante, S.A., also known as La Barata, has 10 stores that are mainly located near the open-air markets within Guatemala City and Mixco, Villa Nueva and Amatitlan. They carry very few imported products and more than 80 percent of their food items are locally produced goods.

3) Super Del Barrio started its operations in 2007 and by the end of 2014 had opened 28 stores. In 2016, the company opened 5 new stores. The store offers daily discounts for food items and competes with larger stores attracting costumers that live in nearby residential areas.

Store-based Retailing Company Shares: % Value 2011-2015

% retail value rsp excl sales tax	2011	2012	2013	2014	2015
Wal-Mart Stores Inc	14.8	14.3	14.4	13.9	14.1
Unisuper SA	3.3	3.5	3.8	4.3	4.6
PriceSmart Inc	2.5	2.5	2.6	2.5	2.5
Nuevos Almacenes SA	1.3	1.4	1.4	1.5	1.7
Grupo Elektra SAB de CV	1.1	1.1	1.3	1.4	1.6
Distribuidora Electronica SA	1.0	1.1	1.3	1.4	1.5
Grupo Simán	1.0	1.0	1.0	1.3	1.4
Tiendas Efe SA	-	1.1	1.3	1.4	1.4
Agencias Way SA	0.7	0.8	0.9	1.0	1.0
Meykos SA	0.7	0.7	0.7	0.8	0.7
Sears Holdings Corp	0.6	0.6	0.6	0.5	0.5
Inditex, Industria de Diseño Textil SA	0.3	0.3	0.4	0.4	0.5
De Todo en Farmacia SA	0.6	0.6	0.6	0.6	0.5
Grupo Monge SA	0.4	0.4	0.5	0.5	0.5
Cervecería Centroamericana SA	0.1	0.2	0.2	0.3	0.4
Pastelería Holandesa SA	0.4	0.3	0.3	0.3	0.4
Corporación Bullock's	0.2	0.3	0.3	0.3	0.4
Farmacias Batres SA	0.2	0.2	0.2	0.2	0.3
Super del Barrio	0.3	0.3	0.3	0.3	0.3
La Barata SA	0.2	0.3	0.3	0.3	0.3
Unicomer Group	1.0	-	-	-	-
Others	69.2	69.1	67.5	66.4	65.6
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International

Supermarket sales continue growing and new supermarket units are being built not only in Guatemala City, but also in the interior of the country. Around seventy percent of the Guatemalan consumers still shop in the open-air markets and corner stores.

Walmart Mexico y Centroamérica is Guatemala's largest supermarket chain. In 2010, Wal-Mart Mexico bought Wal-Mart Central America and became "Walmart de México y Centroamérica", currently Guatemala's leading supermarket chain, accounting for more than 31,000 direct jobs within their 718 units in Central America (as per the company's last report in August 2015.) In Guatemala, the company also has smaller stores like Despensa Familiar and Maxi Despensa. Total stores in Guatemala are 218: Supertiendas Paiz (28), Walmart (9), Despensa Familiar (152), and Maxi Despensa (29). Walmart imports directly around 85 percent of its food products including, produce, cereals, processed foods and beverages.

Walmart Guatemala and Costa Rica make most of the purchasing decisions for the rest of its Central American stores and are interested in expanding the lines of imported goods to supply their

high-end hyper store and Paiz supermarket. Approximately 70 percent of the goods sold come from local suppliers.

UNISUPER is the second largest supermarket in Guatemala with 73 stores under the names of La Torre (65) and Econosuper (8). UNISUPER also works with two different store concepts: La Torre stores sell domestically produced and imported products and are targeted for upper and middle class consumers; and Econosuper is targeted to lower income consumers and sells mostly domestically produced products. The company is remodeling its stores and upgrading the Econosuper stores to have the same structure and quality service in all its units. In the past, UNISUPER kept the individual names of the stores because customers associate La Torre's stores catering the more affluent sector, while Econosuper services lower income customers.

UNISUPER is also a member of Supermercados de Centroamérica y Panamá – SUCAP (Panama and Central America Supermarkets.) SUCAP incorporates the following supermarket chains: Gessa and AutoMercado (Costa Rica). La Colonia (Honduras), Súper Selectos (El Salvador), La Torre (Guatemala), La Colonia (Nicaragua), Súper 99 and El Machetazo (Panamá). These supermarkets total approximately 300 small, medium, and large stores that are present not only in the larger cities but also in the rural areas in each country. SUCAP's main objective is to keep its market share in Central America and to compete with the largest retail chains.

This alliance among these well-known Central American supermarket chains allows them to exchange and share knowledge on software technology, to train their personnel, and to provide other market intelligence resources that allows them to transfer lower prices to their customers.

For the past seven years, Guatemalan consumers have demanded more organic products despite the fact that the market is relatively small. Usually, Guatemalan consumers perceive organic products as considerably more expensive than other products. Although Guatemalans are price sensitive, organic buyers do not see price as an issue when making purchasing decisions.

It is estimated that around 90 percent of organic products are sold and distributed through specialized stores. Presently, Orgánica (5 stores) and Fresko (1 store) sell organic fresh and processed products. Natura Foods Market is an on-line supplier of organic foods. Caoba Farms also offers organic fresh produce that is sold at farmers' market day at their farm in Antigua, Guatemala.

U.S. organic products have export opportunities to the Guatemalan market in the following product categories: processed fruits and vegetables, juices, energy drinks, cooking oils, dairy, tree nuts, snacks, breakfast cereals, condiments & sauces, confectionary products, and sweeteners.

Trends and Highlights

- Supermarkets continue their expansion to other cities in the interior of the country and to some of the nearby areas around Guatemala City.
- Supermarket sales continue to grow and are still competing with wet markets and corner stores. For this reason, supermarkets are building stores closer to residential areas to capture more costumers.
- Consumers that live in residential areas outside city limits have no option but to go to a supermarket close to their homes for smaller purchases during the week.
- The membership discount club and bulk purchase concept has gained acceptance among consumers, as many find wholesale clubs much more suited for one-stop shopping.
- Going to the supermarkets is a family activity and therefore, marketing activities to promote new products during the weekends occur more often than any other day of the week. Many products are sampled during peak hours to motivate and attract consumers.
- In the three major supermarket chains, convenience and prepared foods are gaining acceptance as consumers try to reduce time spent preparing foods at home. Also, business people tired of fast-food restaurants for lunch, look for prepared meals sold in supermarkets. A wide variety can be found from local typical foods to roasted turkey.
- Overall, frozen prepared foods account for 10 percent of imported food sales. The product variety is very limited.
- There is a growing trend to eat healthier foods low in calories and cholesterol. Most supermarkets have a diversity of dry, frozen and ready-to-eat products. Also, organic, sugar and gluten-free products are expanding their shelf share and grow every year. These products include items such as yogurts, candies, jams, cookies, cereals, and crackers.
- Supermarkets offer a variety of services under the same roof from bill payment services, coffee shops, drugstores, and delis to dry cleaning services.
- Discounts of 10 percent on total purchases being offered by supermarkets when paying with credit cards issued by local banks.

Forecast Sales in Retailing by Store-based vs Non-Store: Value 2015-2020

GTQ million	2015	2016	2017	2018	2019	2020
Store-based Retailing	80,259.6	84,054.9	88,354.5	92,160.4	96,322.8	100,373.9
Non-Store Retailing	5,191.9	5,675.3	6,195.4	6,802.5	7,464.2	8,209.2
Retailing	85,451.4	89,730.1	94,549.9	98,962.9	103,787.0	108,583.1

Exchange rate: Q7.5 = \$1.00

Source: Euromonitor International

C. Hotel, Restaurant and Institutions

Hotels

Approximately 2,700 hotels, motels and bed and breakfast accommodations operate in Guatemala. In Guatemala there are 15,000 rooms available and the hotel occupancy is around 50 percent-year round. Antigua is the closest tourism destination to Guatemala City and has more than 150 hotels of which 15 are boutique hotels. According to the Guatemalan Tourism Institute (INGUAT), close to 70 percent of all tourists that travel to Guatemala visit Antigua. In 2015, with an investment of almost \$3million, Hotel Princess Reforma upgraded its facilities and joined the Hilton group, changing the name to Hilton Garden Inn. The owners of the hotel plan to open other Hilton hotels in the interior of the country. In 2017, hotels such as La Quinta Inn & Suites, Hyatt, Four Seasons and Marriott will begin operations in the country, adding between 1,500 to 2,500 rooms more to the lodging offered in Guatemala.

INGUAT reported that 1.7 million tourists visited Guatemala generating an income in 2015 of \$1.6 billion. This sector also contributes to 2.2 percent of the country's GDP. Guatemala City is where the greatest number of 3 to 5 star hotels are located.

In 2015, the highest number of travelers to Guatemala was from Central America totaling 1.0 million visitors, followed by North America with 519,963 visitors.

According to the annual report from INGUAT, 40 percent of the travelers visited Guatemala on vacations and spent 32 percent of their travel funds to eat. The most visited places were Antigua, followed by Guatemala City, and Peten (where the Mayan ruins of Tikal are located.)

Hotels rely on foodservice importers to purchase high-end products such as fine wines, meats, gourmet style dips, jellies and sauces, deli-meats, dairy products, baking mixes, and seafood. The purchase of fresh produce is regularly done at the farmer markets and supermarkets. Guatemala also has a very strong food processing industry that offers a variety of food products that service most hotels and restaurants throughout the country.

D. Restaurants

According to the Guatemalan Restaurant Council (GREGUA), over the past ten years Guatemala increased the number of restaurants, increasing from 13,605 restaurants in 2013 to 22,000 in 2015. Fast-food restaurants have grown in sales by offering home delivery services. Fast-food restaurants are also an option for business people.

A study carried out by Millward Brow, an American research organization, it is estimated that 76 out of 100 Guatemalans prefer to eat at fast food restaurants rather than formal dining restaurants. The preference for fast food restaurants is due to pricing, the proximity to work and residential areas, and kids entertainment areas. Consumer preferences are divided as follows: 19 percent prefer casual restaurants, 7 percent gourmet restaurants and the rest are divided among food stalls, (27 percent), food carts (17 percent), sales on the street (12 percent) and other options (17 percent). The most popular types of fast-food in Guatemala are hamburgers, pizza, tacos, and fried chicken.

There are a total of 22 U.S. franchises in Guatemala and new ones are opening in the next couple of years.

Guatemalan cuisine is diverse but most local dishes include white corn, the main staple of the country.

Restaurants also buy products directly from foodservice suppliers, local food processing companies, importers, supermarkets, and farmer markets.

E. The Institutional Market

The following sectors are considered important within the institutional market in Guatemala and depend on the Government of Guatemala (GOG) for acquisition of food products:

- Government social programs
- Public hospitals
- Penitentiary system
- Public schools for their lunch feeding programs (when budgeted and approved)
-

In Guatemala there are more than twenty social and sport clubs; most of them are located within Guatemala City. These clubs buy food and beverages from local importers/distributors, farmer markets, and wholesale markets. Many of the clubs rent their facilities for social activities like weddings and baby showers, and are available for members and non-members.

F. Food Processing

The food and beverage processing industry represents more than 42 percent of total industrial production. There are more than two hundred food processing companies that are mainly dedicated to producing products under the following categories:

- ❖ Beverages: juice concentrates, powder drinks, alcoholic, and non-alcoholic beverages
- ❖ Preserved foods: canned fruits and vegetables, jams, jellies
- ❖ Confectionary: hard candies, chewing gum, chocolates, traditional candies
- ❖ Other processed foods: soups, condiments, sauces, bakery, deli meats, dairy

Guatemala is a major importer of raw materials and ingredients; therefore, U.S. ingredients have a big opportunity in the Guatemalan food processing industry. Guatemala imported a total of \$873.1million in 2015 of consumer oriented products from the world and exported \$4.4 billion mainly to the United States and Central America.

Since the implementation of CAFTA-DR, Guatemala has found new opportunities to increase exports of processed food products to other Central American countries and some companies are also focusing on the nostalgia market composed of Guatemalans and other Central Americans living in the United States. The main basket of products exported to Guatemalans living in the United States is made up of: tamales (corn based food), alcoholic drinks, preserved foods, dehydrated fruit punch, and plantain leaves used to prepare homemade tamales. Every year exports of these products increases approximately five percent during the Christmas holidays when these products have a larger demand.

The food processing industry is divided into several different sub-sectors, but non-alcoholic beverages and preserved foods are two main categories that capture around 40 percent of total national production followed by baked goods, which has 15 percent of total exports.

For additional information please refer to the Food Ingredients Report 2015 at www.fas.usda.gov/scriptsw/attacherep/default.asp

IV. BEST PRODUCT PROSPECTS

The following is a list of product categories with the best export potential for U.S. suppliers.

Product Category	2015 Market Size (Metric Tons)	2015 Imports (\$ in thousands)	5-Yr. Avg. Annual Import Growth (%)	Import Tariff Rate	Key Constraints Over Market Development	Market Attractiveness for U.S. products
Beef	11,244	55,673	4	Immediate duty-free access for "prime" and "choice" cuts. Other cuts phased-out in year 2021. Duties on other products, including offal's were phased-out in 2016.	Competition from Nicaragua, Costa Rica, and Honduras	Of the 16 million Guatemalans, one-half million are in a position to afford imported goods, and an additional 4 million can afford competitive U.S. food products. Guatemalans view U.S. products as of higher quality and safer than local products.
Poultry Meat	109,991	89,402	13	Tariffs on poultry and poultry products will be eliminated within 7 years. Chicken leg quarters are at 0% within quota.	Competition from: local production, Central American countries and Panama	Importers are eager to take full advantage of CAFTA-DR and favor trading with U.S. exporters.
Processed Fruit & Vegetables	83,977	128,815	8		Competition from: Chile, Mexico, Peru, and Canada	
Dairy	83,859	122,542	4	Under	Costa Rica	

Products (excl. cheese)				CAFTA-DR dairy products will achieve free trade in year 2025.	and Nicaragua offer competitive prices due to low transportation costs.
Snack Foods	49,694	111,134	2		Competition from: Mexico, El Salvador, and Costa Rica

V. POST INFORMATION

If you need assistance exporting to Guatemala, please contact the U.S. Agricultural Affairs Office at the following address:

Office of Agricultural Affairs
Avenida Reforma 7-01, Zona 10
Guatemala, Ciudad 01010
Tel: (502) 2332-4030
Fax: (502) 2331-8293
Email: AgGuatemala@fas.usda.gov

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service home page: <http://www.fas.usda.gov>

VI. LIST OF MAJOR REGULATORY AGENCIES

Name: Jorge Edmundo Gomez Arana
Title: Director
Institution: Food Control Unit/Ministry of Health (MSPAS)
Address: 3 Calle final, 2-10 Zona 15. Valles de Vista Hermosa. Guatemala
Telefax: (502) 2502-2502
Website: www.mspas.gob.gt

Name: Lic. Guillermo Ortiz
Title: SPS Director
Institution: Norms and Regulations Unit/Ministry of Agriculture (MAGA)
Address: 7 Avenida 3-67 Zona 13, Guatemala City, Guatemala
Telephone: (502) 2413-7000
Website: <http://www.maga.gob.gt>

Name: Nidia Sandoval
Title: Representative for OIRSA-Guatemala
Institution: Inter-Regional Organism for Plant and Animal Health/Ministry of Agriculture (MAGA)
Address: 21 Avenida 3-12, Zona 15, Guatemala
Telephone: (502) 2500-9200
Fax: (502) 2500-9349

Website: www.oirsa.org

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

Name: Maria Elisa Chang
Title: International Agreements Unit
Institution: Superintendence of Tax Administration (SAT)/Customs Authority
Address: 7a Av. 3-73, Zona 9, Edificio Torre SAT, Guatemala
Telephone: (502) 2329-7070 ext. 1313
Website: <http://portal.sat.gob.gt/sitio/>

APPENDIXES

APPENDIX I STATISTICS

Table A. Key Trade and Demographic Information 2014

Agricultural, Fish & Forestry Imports from all countries (billions) / U.S. Market Share (%)	2.8/ (65)
Consumer Oriented Agricultural Imports from all countries (billions) / U.S. Market Share (%)	1.4/ (27)
Fish & Seafood Imports from all countries (millions) / U.S. Market Share (%)	55/ (14)
Total Population (millions) / annual growth rate (%)	16 / (2.0)
Urban Population (millions) / annual growth rate (%)	3 / (3.5)
Number of metropolitan areas	38/1
Per Capita Gross Domestic Product (U.S. Dollars)	7,700
Real GDP growth (%)	4.1
Unemployment rate (%)	2.9
Exchange Rate (\$1 = X.X local currency)	Q7.5

1/ These are cities with more than 100,000 inhabitants

Source: Ministry of Economy
National Statistics Office
Central Bank of Guatemala
The World Fact Book

Table B. Consumer Food & Edible Fishery Product Import

Guatemala Imports	Imports from the world			Imports from the U.S.			U.S. Market Share		
	Millions 2013	of 2014	\$US 2015	Millions 2013	of 2014	U.S. 2015	Percent		
CONSUMER-ORIENTED	1,217	1,329	1,422	334	383	408	25%	26%	27%
Snack foods (excl. nuts)	101	108	111	15	18	22	8	8	9
Breakfast cereals & pancake mix	64	61	62	4	4	4	6	7	7
Red meats, fresh/chilled/frozen	47	58	81	35	48	46	75	82	56
Red meats, prepared/preserved	45	46	49	22	26	27	49	56	56
Poultry meat	73	75	89	71	72	87	97	95	98
Dairy products (excl. cheese)	119	134	122	7	9	7	6	7	6
Cheese	45	48	52	15	17	19	33	37	36
Eggs & products	4	5	4	3	4	3	77	75	71
Fresh fruit	49	52	57	26	27	29	53	52	51
Fresh vegetables	9	12	13	1	1	1	12	11	12
Processed fruit & vegetables	110	124	128	48	52	52	43	42	41
Fruit & vegetable juices	22	20	16	4	4	4	16	20	29
Tree nuts	4	5	6	2	2	3	56	51	47
Wine & beer	20	36	42	3	4	2	15	12	6
Nursery products & cut flowers	5	6	5	0	0	0	11	8	14
Pet foods (dog & cat)	19	21	22	8	9	9	42	42	42
Other consumer-oriented	479	516	556	68	83	86	14	16	16
FISH & SEAFOOD PRODUCTS	38	76	56	5	9	8	14	12	14
Salmon	0	0	0	0	0	0	60	98	72
Surimi	0	0	0	0	0	0	0	0	0
Crustaceans	24	59	40	0	2	1	1	4	4
Groundfish & flatfish	0	0	0	0	0	0	20	100	37
Molluscs	1	2	2	0	1	1	73	78	80
Other fishery products	13	15	14	3	5	5	31	35	32

Source: World Trade Atlas

Table C. Top 15 Exporters of Consumer-Oriented and Fish & Seafood Products

Consumer-Oriented Total (Thousands \$US)			
	2013	2014	2015
United States	334,263	383,349	408,119
Mexico	207,029	232,348	247,133
El Salvador	199,492	195,631	207,748
Costa Rica	183,217	196,627	207,472
Nicaragua	50,787	58,675	68,824
Honduras	55,048	58,804	54,976
Chile	42,075	43,733	38,868
New Zealand	18,312	21,337	22,390
Netherlands	17,786	18,783	21,116
Panama	10,634	11,821	18,498
China	10,141	12,011	15,297
Colombia	6,648	9,631	14,041
Spain	11,238	14,882	12,741
Germany	7,180	8,040	7,991
Ireland	5,892	4,788	6,561
World	1,217,401	1,329,752	1,422,245

Fish & Seafood Products (Thousands \$US)			
	2013	2014	2015
Ecuador	8,430	41,208	24,071
United States	5,289	9,230	7,981
Honduras	12,526	9,574	5,299
Nicaragua	2,372	2,419	4,619
Thailand	3,701	3,805	4,572
Panama	334	509	2,579
Costa Rica	1,897	1,882	1,878
Argentina	247	0	1,125
Belize	0	2,603	1,004
Norway	167	1,221	798
Vietnam	667	804	783
Mexico	223	846	581
China	502	495	469
Indonesia	198	263	348
Spain	178	266	205
World	37,918	76,305	56,940

Source: World Trade Atlas