

Ambassador
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Trade promotion and investment attraction in Guatemala



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Guatemala, destination for trade and investment



Macroeconomic performance

Population	16.9 million
Administrative division	22 departments, 340 municipalities
Population density	155 inhabitants per km ²
Currency	Quetzal
Language	Spanish + 23 indigenous languag.
Time zone	UTC -6
Nominal GDP	USD 75.4 million
GDP per capita	USD 4,455
Inflation	4.39%



Source: BANGUAT, estimated quantities to the year 2017.

Estimated economic participation on a regional level: 29%



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Greater proportion of population in its working age

- Population: 16.9 million
- Greatest growth rate in Central America: 2.02%
- Average age: 21.4 years
- 70% of the population is less than 40 years of age.
- 6.7 of the economically active population.
- 60% of the employed population.
- 20% enrolled in Social Security
- 9th biggest work force of Latin America and 1st of Central America

Biggest demographic window of the region:

More youngsters and adults in their productive years since 2015 and for the next 30 years, which in turn generates economic growth and development.



Exportable offer of goods

Guatemala exports more than 4,200 products globally, to 149 countries and has achieved the diversification of its offer, in more than 17 countries in 10 years.

At the World level	At the Latin American level	At the Central American level
# 1 exporter of cardamom	# 2 exporter of unpacked sugar	# 1 exporter in pharmaceutical industry
# 2 exporter of plantain		
# 4 exporter of bananas	# 1 exporter of soap and organic surfaces	# 1 exporter of oils
# 6 exporter of papayas, melons and watermelons	# 1 World Exporter: Ron Zacapa Centenario	
# 7 exporter of rubber		



Growth of exports

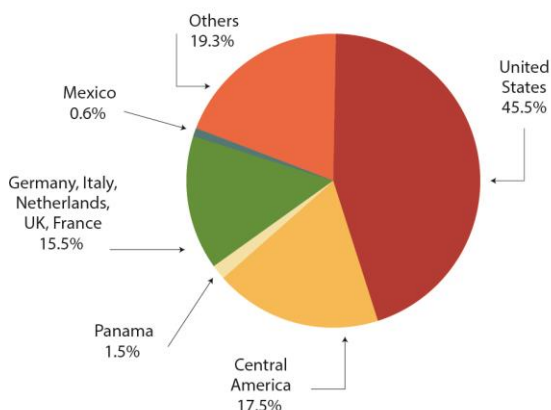
During the year 2017, the total amount of General Trade's exports positions itself in USD 11,215 millions; exports of non-traditional products represent 74% of total exports.

Main products of export	Main booming sectors	Exports' main destinations	Behavior of exports in 2017
Apparel and textiles, sugar , coffee , bananas, beverages, plastic materials and their manufactures, fresh fruits, fats, oils and cardamom .	<ul style="list-style-type: none">• Agroindustry• Manufactures• Services• Energy	<ul style="list-style-type: none">• United States• Central America• Eurozone• Mexico• Panama	26% traditional exports 74% non traditional exports



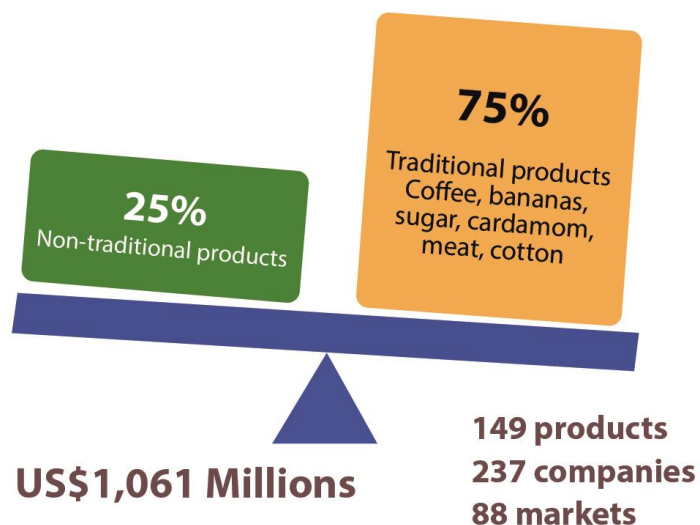
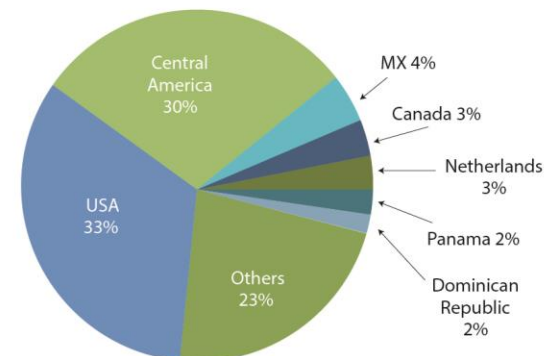
Behavior of exports

1986



The destinations for exporting have diversified: United States of America, Central America, Mexico, European Union, among others. A strong diversification of exports and also of the economic structure of the country have been achieved.

2017

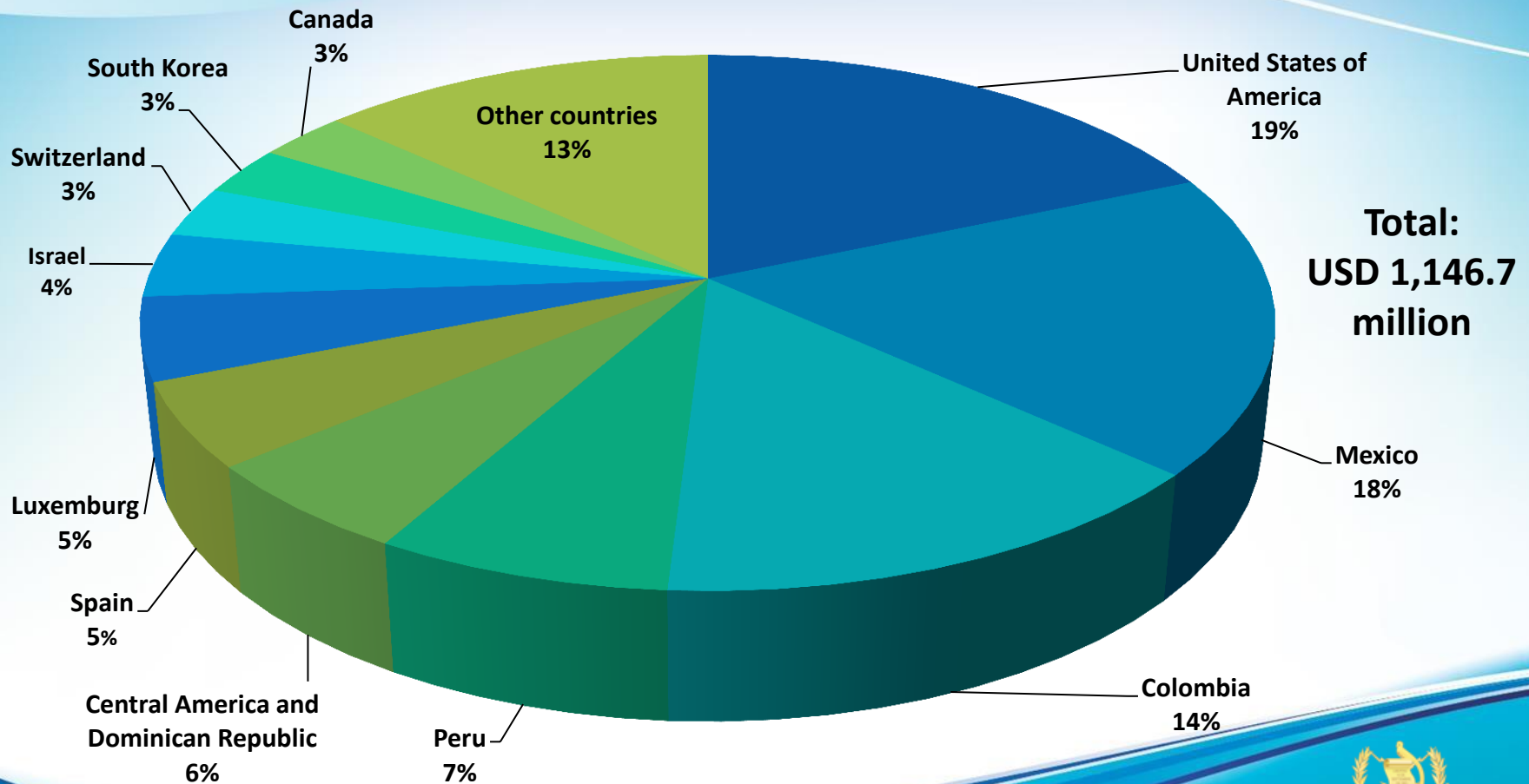


Incentives for investment

1. Law on Foreign Investment (Decree 9-98).
2. Law on Free Negotiation of Foreign Currency (Decree 94-2000)
3. Law on Free Trade Zones (Decree 65-89)
4. Law on the Free Trade Zone of Santo Tomás de Castilla –ZOLIC- (Decree 22-73)
5. Law on Alliances for Development of Economic Infrastructure (Decree-16-2010)
6. Law on Incentives for the Development of Renewable Energy Projects (Decree 52-2003)
7. Laws for the Encouragement and Development of the Exporting and Draw-Back Activities (Decree 29-89), and Emerging for the preservation of Employment (Decree 19-2016).

Foreign direct investment by country

Year 2017



Treaties and agreements on trade and investment

12 trade agreements:

- Partial Scope Agreement (PSA) Guatemala-Cuba;
- PSA Guatemala-Belize;
- PSA Guatemala-Ecuador;
- PSA Guatemala-Venezuela;
- FTA Guatemala-Taiwán;
- FTA Central America-Panamá;
- FTA Colombia-Guatemala;
- FTA Central America-Chile;
- FTA Central America-Mexico;
- FTA Central America-Dominican Republic;
- Association Agreement with the European Union;
- CAFTA

Guatemala has 19 investment agreements with different countries around the world.

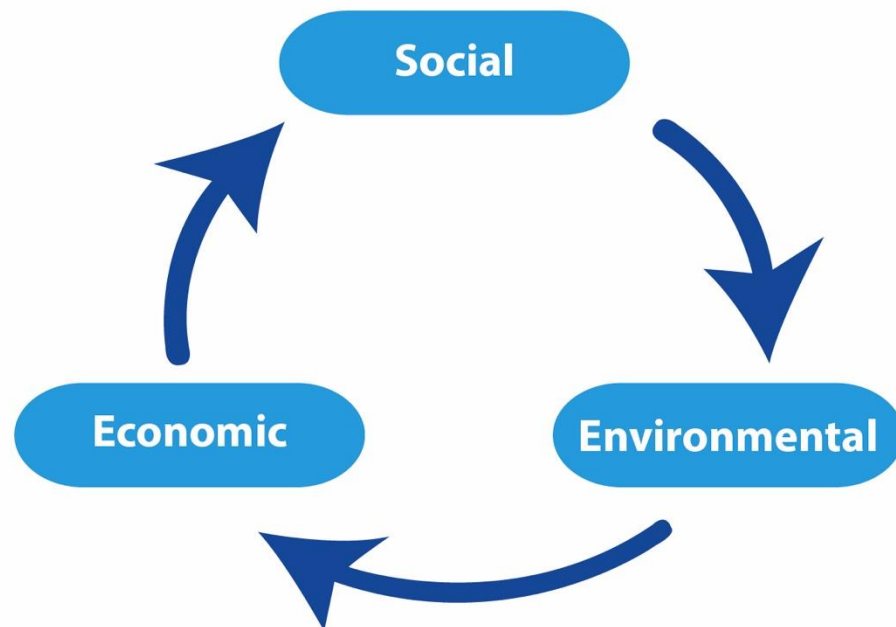
Trinidad and Tobago Taiwán Argentina
Finland Belgium Germany Israel Sweden
Switzerland Cuba Austria Chile Italy Korea
Czech Republic Spain Luxembourg
Netherlands

Through those agreements, the promotion and reciprocal protection of investments are guaranteed.

Inclusive and sustainable economic growth



- Young entrepreneurs (18-24 years)
- SME's
- Cooperatives
- Groups of producers



- Rational use of resources
- Respect of communities' rights
- Reforestation and recuperation of watersheds
- Conservation of the environment
- Value chains that are low in emissions

Doing Business

For the year 2018, the changes in the Commercial Code allows the opening of enterprises with a paid capital minimum of Q200.00 in 5 days, a fact that will have a direct impact on the ranking.

Likewise, it has been worked on the subject of the Single Counter for Construction as well as other initiatives.

**On the year 2018, Guatemala finds
itself in the position
97 out of 190 economies and
11th in Latin America and the
Caribbean**

SUBJECTS	RANKING
Global	97
Opening of a business	139
Management of construction permits	116
Obtention of Electricity	36
Registry of properties	85
Obtention of credit	20
Protection of minority investors	172
Payment of taxes	100
Cross-border trade	79
Fulfillment of contracts	176

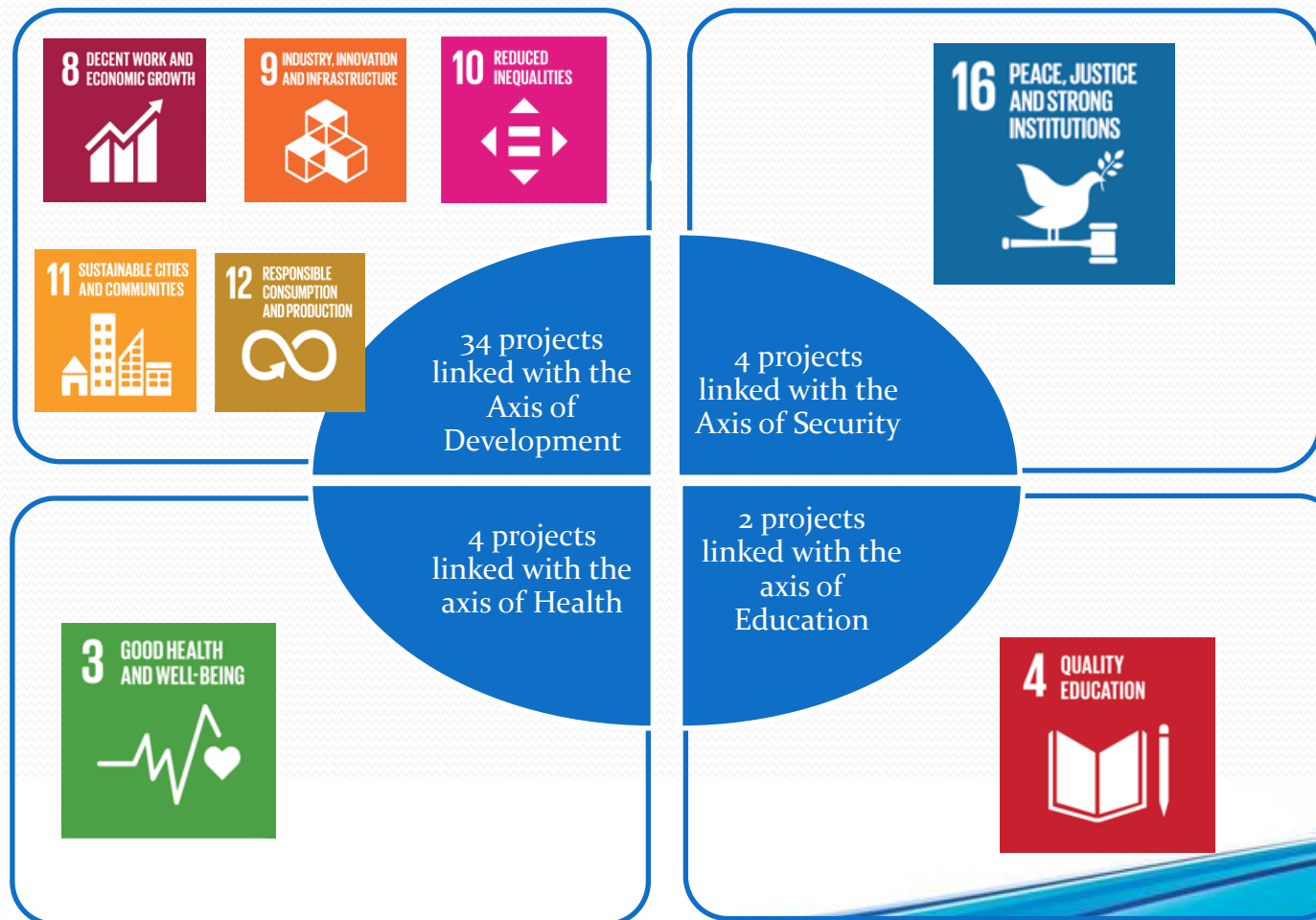
PORTFOLIO

INVESTMENT AND COOPERATION PROYECTS



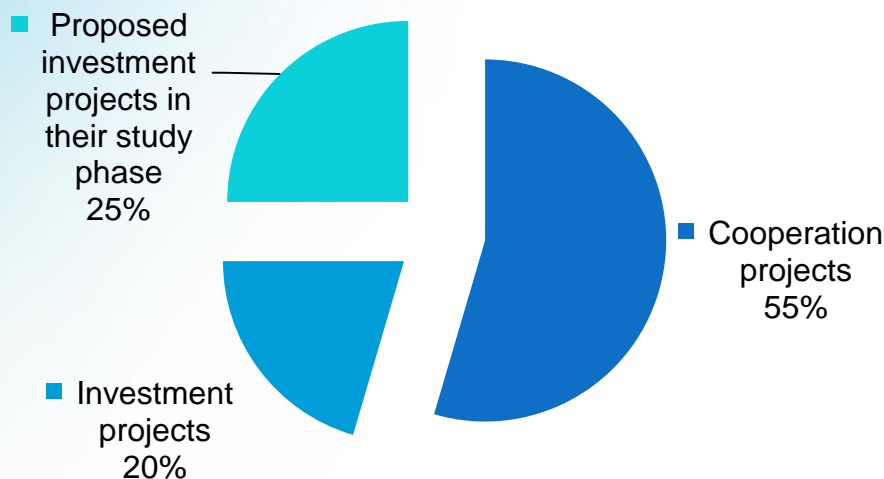
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Connection of the Projects with the General Policy of Government and the 2030 Agenda on Sustainable Development



Conformation of the portfolio

44 investment and cooperation projects



This portfolio will make easier the national and international promotion of such projects, by using this tool for attracting investment and cooperation through the 41 Diplomatic Missions and 32 Consulates of Guatemala abroad.

Beneficiaries

The Portfolio responds to the development needs of the Guatemalan population.



Population of 15 departments

- ✓ Escuintla
- ✓ Izabal
- ✓ San Marcos
- ✓ Alta Verapaz
- ✓ Chiquimula
- ✓ Petén
- ✓ Jutiapa
- ✓ Chimaltenango
- ✓ Huehuetenango
- ✓ Quiche
- ✓ San Marcos
- ✓ Solola
- ✓ Totonicapán
- ✓ Guatemala
- ✓ Quetzaltenango

Deep Integration Process towards the Free Movement of Merchandise and Natural Persons (Customs union)

8th Economy of Latin America

Territory
242,020 km²
48.5 % of the total

Population
31.9 millions
67.8% of the total

GDP
USD 123,364.8 millions,
**48.1% of the
Regional GDP**

Intra-regional exports
USD 6,518 millions
69.1%



Logistical infrastructure of the Northern Triangle



Passengers carried by air transport

8.4 million (2017)

30% of the total of Central America
(Mundo Maya, La Aurora, M. Romero,
Toncontín, RMV, JMG)

Road network

42,423 km² (2012)

33% of the total of Central America

Maritime cargo

43.2 millions of MT(2017)

7 Ports (Pto Quetzal, Pto Barrios, Sto Tomás,
Pto Cortés, Pto Castilla, Acajutla, San
Lorenzo,)

39% of the total of Central America



THANKS



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