

GUATEMALA

Central America's
Engine





Strategic location and trading partners

By investing in Guatemala, you do not only gain immediate access to North and Central American markets (United States, Mexico, El Salvador, Honduras, Nicaragua, Costa Rica, Panama), but you are also interconnected with the world through the logistics platforms located at the Pacific Ocean and Caribbean Sea coastlines.

Customs union with neighbouring Central American countries

In 2017, the customs union between Guatemala and Honduras was established. What used to take up to 10 hours for trading goods between the two countries, takes only 5 minutes nowadays. The procedures and paperwork were significantly reduced due to the single online instrument that is required. Besides maximising time of trading across the Guatemalan and Honduran borders, this has also helped to reduce costs.

Guatemala has 12 commercial agreements

FTA – Free Trade Agreement

PS – Partial Scope Agreement

- FTA DR CAFTA
- FTA Central America - Panamá
- FTA Colombia - North Triangle
- FTA Central America - Chile
- FTA Central America - México
- FTA Central America - Dominican Republic
- FTA Guatemala - Taiwan
- Central America Association Agreement - EU
- PS Venezuela
- PS Guatemala - Cuba
- PS Guatemala - Belize
- PS Guatemala - Ecuador

19 investment agreements

Argentina, Austria, Belgium - Luxemburg, Chile, Cuba, Czech Republic, Finland, France, Germany, Israel, Italy, Netherlands, South Korea, Spain, Sweden, Switzerland, Taiwan, Trinidad and Tobago, Turkey and Customs union



1st place in the Starting a Business Index in Latin America and the Caribbean

Guatemala improved **50 positions** in the Starting a Business Index of the **Doing Business Report 2019** due to:

- The reduction of minimum capital requirement - \$26 approximately.
- A decrease in waiting time to 3-5 days, following only 6 procedures/steps.
- Reduced registration fees.
- Introduction and improvement of online procedures.



Most competitive energy price of the Central American region

Guatemala has an enormous potential to generate renewable energy due to its abundant natural resources and privileged location.

There is very high interest to diversify the energy matrix and exploit the renewable resources that Guatemala has.

Guatemala has the most competitive price for energy - \$51.48/MWh



One of the strongest economic performers in Latin America



Guatemala has the **largest economy** and most macroeconomic strength of the Central American region and GDP is US\$ 75.62 billion. **Guatemala's economic growth averages 3.6% since 2010.**



Guatemala has diversified its exports matrix. Back in 1980s, exports included coffee, bananas, sugar, cardamom, meat and cotton. **Today, Guatemala exports more than 4,000 products** to more than 140 markets. (US\$ 11,018 million in 2018).

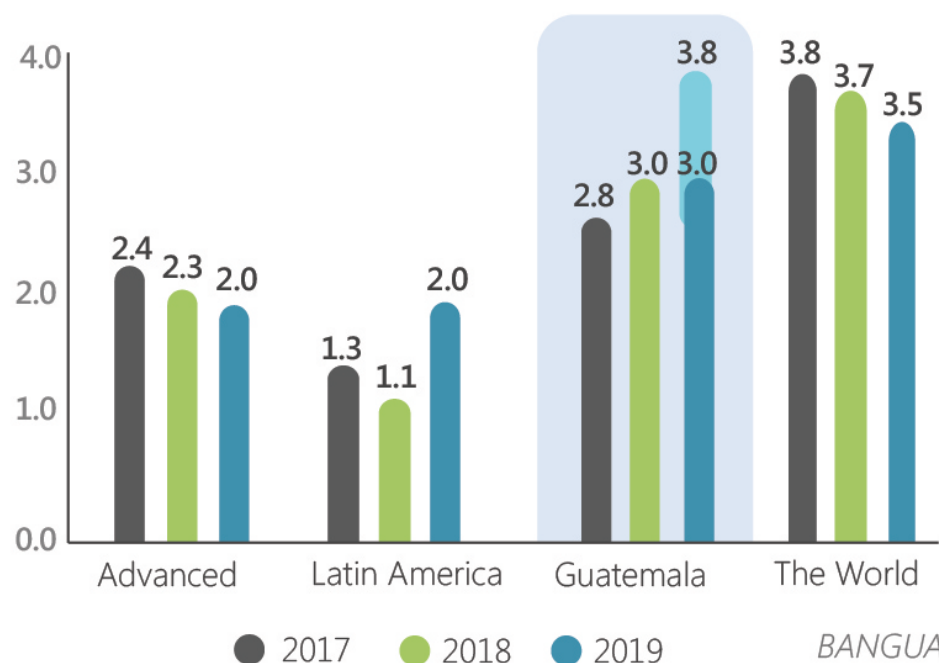


Economically active population: 7.6 million. Contact Center and BPO, laboratory services, software development, digital content, creativity, sustainable and wellbeing tourism are sectors with great potential in Guatemala.



In 2018, **Guatemala's exports accounted for US\$11,018 million.** The fastest growing sectors are articles of clothing, iron and steel, electric power, legumes and vegetables, among others.

In 2018 and 2019, the economic activity growth of Guatemala surpasses the advanced economies and the Latin American countries.



Investment opportunities

Explore the investment opportunities in Guatemala

Forestry,
Agroindustry



Textile, Apparel,
Manufacture



ICT &
contact centers



Natural
resources



Construction and
infrastructure



Public Special Economic Development Zone Benefits



Public Special Economic Development Zones (ZDEEP in Spanish) **aim to attract foreign direct investments, promote cluster development and employability.**

The incentives include:

- Exemption of 100% of Income Tax for 10 years. It also applies to dividends and profits that are distributed to users and their company shareholders.
- Temporary suspension of VAT, customs duties and other charges on the import of goods entering the area until the goods are imported into the National Customs Territory.
- VAT exemption for the taxed acts carried out within the free zone when they are exported.
- National or Local Governments may grant non-tax incentives to certain users.



PRONACOM **your investment facilitator**

PRONACOM is the public entity in charge of promoting and facilitating cluster development. We work hand-in-hand with the private sector in order to improve Guatemala's business environment. At PRONACOM, we are convinced that foreign direct investment (FDI) plays a key role in accelerating cluster productivity and growth. Thereby, we look forward to supporting those interested in investing in Guatemala, Central America's engine.

Should you have any queries, please do not hesitate to contact us.

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