



Photo by: Vuelotenango

GUATEMALA CITY, AT THE HEART OF CENTRAL AMERICA'S ENGINE

Leaders in multinational companies are focusing their attention on growing cities, choosing the ones with the fastest economic growth, while looking to fulfil their plans for investment and expansion. Recent predictions state that 440 out of 600 future major cities will be from the current developing world, and Guatemala City is working on its competitiveness to be among them.

Guatemala has the largest economy in Central America and the most developed metropolis in the region. Consequently, Guatemala City represents a wonderful opportunity for multinational companies to access a market of more than 40 million people. In addition, Guatemala City's strategic position and connectivity enhance its viability as an export platform witnessed by its 12 trade agreements and 19 investment protection agreements with partners from North America, Latin America, the Caribbean, European Union, and Asia.

Guatemala City's connectivity is outstanding due to La Aurora International Airport is located in the heart of the city where there are more than 250 weekly flights from 11 commercial airlines, including direct connections to cities in USA, Mexico, Central America, Colombia and Spain. Although Guatemala City is not situated on the coastline, the main ports on the Pacific and the Atlantic coast are under 4 hours away by road.



HOW GUATEMALA CITY IS COMPETING TO ATTRACT BUSINESSES

Guatemala's government is firmly committed to encouraging sound investments, spending a great deal of effort systematically improving its attractiveness to multinational companies in matters that are currently relevant. These include encouraging development of higher levels of professional and technical talent, offering an exciting cultural experience for residents and tourists, and fostering a good family environment with a high quality of life. Great attention has also been paid to enlisting the participation and cooperation of political, civic and business institutions to fully support the inward investment activities.

All of these have been encapsulated in the Guatemalan National Competitiveness Policy (2018-2032) requiring government at national and local level to enhance the doing business climate. In 2019, Guatemala improved fifty positions in the Ease of Doing Business score, assessed in the Doing Business Report. Especially

appealing are issues such as that overseas businesspeople are able to create and participate in Guatemalan companies using long distance communication tools; they also have the right to act as legal representatives of a company without needing extra procedures. The main taxes are 12% VAT and between 5% to 7% of income tax, depending on the business income.

Aiming to attract investors, Guatemala recently approved the Special Economic Development Zones (ZDEEP in Spanish), available for industrial, commercial and services companies. Guatemala City is an excellent location to install a ZDEEP because it can offer the most competitive energy price in the region, exceptional electricity access, mobile network and broadband Internet coverage, talented and young workforce, connectivity plus investment incentives.

GUATEMALA CITY'S SUCCESS STORIES

Guatemala City is collaborative and proactive in working with companies to identify which industries and companies will benefit from its location. Guatemala has great potential in terms of outsourcing as many Guatemalans have a neutral English accent, with 70% of the population being below 30 years of age and possess an acknowledged high performance in customer satisfaction and service delivery.

A soaring hi-tech export software industry has exceeded \$400m by capitalising on burgeoning computer talent and very competitive cost structures.

The apparel and textile industry is well settled and mature, with room for growth. Uniforms for top American professional sports teams are manufactured in Guatemala City where companies offer full-package solutions and deliver within days.

Franchises have also been a success as there are about 500 of them operating, mostly foreign. These choose to settle in the country's booming shopping centres.

GUATEMALA CITY – REASONS TO BE CHEERFUL!

In addition to the economic environment, there are plenty of reasons to enjoy the green and jovial life in Guatemala City in "the country of eternal spring". Guatemala City, recognised as the "Ibero-American Green Capital" in 2019, is an environmentally friendly metropolis with vibrant entertainment, gastronomic pleasures, co-working spaces, ecological parks, archaeology and Mayan culture museums and activities for all ages.

Guatemala City's economic and social life awaits you. Let's talk about investment opportunities at fdi-guatecity@pronacom.org

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