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Report Highlights:

In 2023, Guatemala ranked as the 16th largest U.S. agricultural export market, despite a nine percent decline in total exports, largely driven by reduced imports of bulk commodities. U.S. agricultural exports to Guatemala reached \$1.6 billion. As the largest economy in Central America, with a GDP of \$102.8 billion and a population of approximately 19 million, Guatemala remains a key player in the region's economic landscape. The country represents a growing market for U.S. consumer-oriented products. In 2023, imports of these products increased by 15 percent, reaching \$778.4 million, reflecting the expanding demand for U.S. goods in the country.

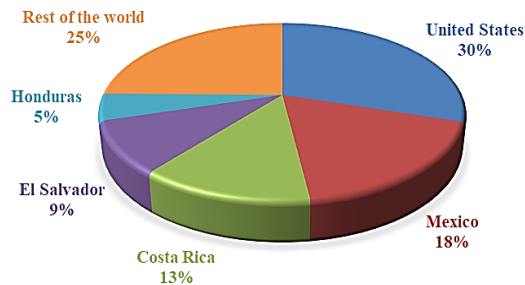
Executive Summary

Guatemala, with a population of nearly 19 million, is the horticultural hub of Central America. The United States is Guatemala's largest trading partner, accounting for almost 40 percent of the country's total trade. As of January 1, 2024, nearly all U.S. consumer and industrial goods, except for certain sensitive agricultural products such as white corn, milk, and dairy, enter Guatemala duty-free under the CAFTA-DR agreement, enhancing U.S. market access and competitiveness.

Consumer-Oriented Products

Around 30 percent of consumer-oriented agricultural products imported to Guatemala are from the United States, followed by Mexico with 18 percent, Costa Rica with 13 percent, El Salvador at nine percent, and Honduras with 5 percent. In 2023, Guatemala imported \$778.6 million from the United States.

GUATEMALA CONSUMER ORIENTED PRODUCTS IMPORTS FROM THE WORLD 2023



Food Processing Industry

The Guatemalan food and beverage processing industry, comprising approximately 2,200 companies, accounts for 46 percent of the country's total manufacturing industry. U.S. agricultural exports to Guatemala are crucial raw materials in this industry. Moreover, this sector is projected to grow by 20 percent in 2024, indicating a promising opportunity for U.S. companies.

Food Retail Industry

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

Quick Facts CY 2023

Imports of Consumer-Oriented Ag Products from the United States: \$778.4 million

Top 10 U.S. Consumer-Oriented Products in Guatemala (million \$):

- | | |
|----------------------------------|--|
| 1. Poultry Meat & Products (193) | 6. Food Preparations (35) |
| 2. Dairy Products (111) | 7. Condiments & Sauces (34) |
| 3. Pork & Pork Products (103) | 8. Fresh fruit (31) |
| 4. Beef and beef products (73) | 9. Bakery goods, cereals, and pasta (29) |
| 5. Processed Vegetables (70) | 10. Dog & Cat Food (16) |

Top Guatemalan Food Retailers:

- | | |
|-------------------------------------|-------------------------------|
| 1. Walmart Mexico & Central America | 4. Super 24 |
| 2. Unisuper | 5. Grupo de Tiendas Asociadas |
| 3. Pricesmart | |

Total ag imports from the U.S.: \$1.6 billion

Total Guatemalan ag export to the U.S.: \$2.8 billion

Population (millions): 19 (2023, IMF est.)

GDP (USD): \$102.8 billion

GDP per capita (USD): \$5,932.6

Source: Trade Data Monitor/BICO/IMF/Bank of Guatemala.

Strengths/Weaknesses/Opportunities/Threats

<i>Strengths</i>	<i>Weaknesses</i>
As Guatemalan consumers become more sophisticated, opportunities for higher quality and specialty products increase.	Guatemala is a price-sensitive market. Guatemalan port authorities enforce a 100 percent inspection policy for imports.
<i>Opportunities</i>	<i>Threats</i>
The growing food processing industry is looking for quality ingredients for ready-to-eat products, bakery products, deli meats, beverages, and snacks.	FTAs with various countries create competition for U.S. products.

SECTION I. MARKET SUMMARY

Guatemala, with the largest economy and population in Central America, is projected to achieve a GDP growth of 3.5 percent in 2024, reaching \$112.7 billion. The country’s population stands at around 19 million, with approximately 3 million residing in the capital, Guatemala City. The city boasts first-class hotels and restaurants and is expected to see continued growth in the restaurant and foodservice sectors in 2025. Many businesses are adapting to new food industry trends, including improved customer service and the digitalization of services.

The Restaurants Council estimates that there are about 18,000 restaurants across the country, providing approximately 400,000 direct jobs. The food and beverage sector accounts for 5 percent of Guatemala’s GDP, with 1,200 active companies. This sector offers promising opportunities, particularly for new products aimed at health-conscious consumers or those with specialized dietary or medical needs.

The Guatemalan market is constantly evolving, with consumers embracing global food trends. There is growing interest in culinary experiences that blend traditional Guatemalan dishes with contemporary cuisines, leading to the rise of "signature cuisine" restaurants that cater to high-end consumers. Between 2019 and 2023, Guatemala's GDP grew by an average of 3.6 percent, while the hotel and restaurant industry expanded by 5.1 percent.

In 2023, the average annual household spending on hotels and catering was \$1,632, according to Euromonitor. The foodservice industry in Guatemala includes both local establishments and international food chains that have entered the market, further driving demand for diverse culinary options.

ADVANTAGES	CHALLENGES
Consumers demand diverse and higher-quality food options allowing the expansion of restaurants, hotels, and catering services.	Guatemala is a price-sensitive market, and this could affect loyalty to brands in times of economic difficulty.
As Guatemalan consumers become more sophisticated, opportunities for higher quality and specialty products increase.	There is a strong competition from countries such as Mexico and Central American countries that export consumer-oriented products to Guatemala.
International and local franchises have established in the Guatemalan market, ranging from fast food chains to retail and food service businesses.	Fast-food restaurants require specific quality standards in the ingredients used for their menus. This requires importing more value-added products to meet international standards.

ADVANTAGES	CHALLENGES
Businesspeople eat out at least two meals a day due to long working hours, commute distances, and traffic.	Informal and family-owned restaurants offer businesspeople meals when eating out from home. However, these restaurants usually purchase local ingredients.
Local supplies of many products are inconsistent, creating opportunities for U.S. products that offer a consistent supply.	There is limited infrastructure. Maintaining the cold chain for perishable products is a challenge during transit.
A growing middle class and the increasing demand for global products and services have made Guatemala a favorable market for international and local franchises.	Mexico, Costa Rica, and El Salvador can supply the local demand for raw materials for the local franchises.

SECTION II: ROAD MAP FOR MARKET ENTRY

A. Market Entry Strategy

Guatemala has experienced relatively stable economic growth over the past decade, with an average annual GDP growth rate of around 3 to 4 percent. This growth has been driven by both domestic consumption and export activities. The Government of Guatemala (GOG) continues to focus on enhancing competitiveness, promoting investment, and implementing legislative reforms to support economic development. Over 200 U.S. and foreign firms have active investments in Guatemala, benefiting from the U.S.-Dominican Republic-Central America Free Trade Agreement (CAFTA-DR).

Under the CAFTA-DR agreement, Guatemala has maintained a strong bilateral relationship with the United States, successfully meeting commitments on tariff elimination, WTO regulations, and CODEX standards. The GOG actively encourages foreign investment and imposes few legal or regulatory restrictions, making Guatemala an attractive market for U.S. companies. The country's strategic location, with access to both the Atlantic and Pacific Oceans, as well as its proximity to the United States, further enhances its appeal for international business.

In the hotel, restaurant, and institutional (HRI) sector, most establishments source their products from a variety of food suppliers. While Guatemala is a key horticultural exporter, many hotels and restaurants prefer to buy fresh fruits and vegetables from local growers. For other products, particularly those used in international cuisine, the HRI sector relies on imports. These include high-quality meat cuts, wines, seafood, and frozen fruits and vegetables. This demand for

imported goods presents opportunities for U.S. exporters to meet the needs of Guatemala's growing foodservice industry.

Success in entering the Guatemalan market depends on offering high-quality U.S. products at competitive prices, as the market is price sensitive. For major international hotel chains, purchasing decisions for food and beverages are typically made by executive chefs and general managers. These hotels often run international cuisine promotions and incorporate imported food products as key ingredients for specialty menus, creating opportunities for U.S. food exporters.

To enter the Guatemalan market, U.S. food exporters can reach out to local importers, agents, or distributors, depending on the type of product. Many foodservice importers primarily serve hotels and restaurants in Guatemala City and have expanded their operations to other major cities in the country. For companies looking to enter the market quickly, partnering with a local distributor can be the easiest and most efficient approach, especially if the distributor already handles other imported products nationwide.

The FAS office in Guatemala City provides valuable resources for U.S. exporters. It maintains a list of companies that represent or distribute U.S. products and organizes activities that offer opportunities for direct engagement with key industry representatives in Guatemala.

U.S. suppliers that want to enter the country must comply with local regulations for imported products to avoid problems when importing products. For further information on these regulations, please refer to [FAIRS Report 2024](#).

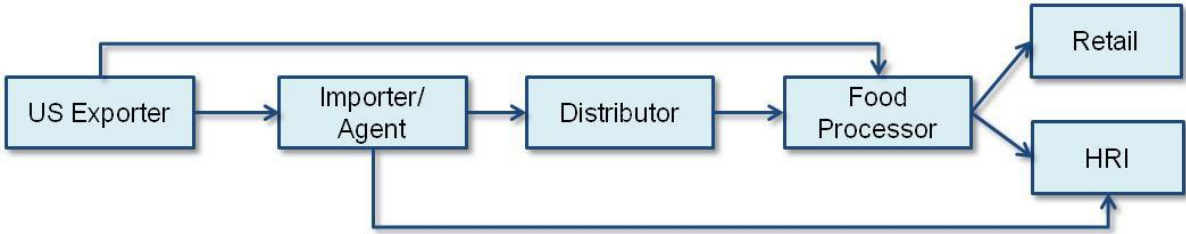
B. Market Structure

The Guatemalan food and beverage industries present promising investment opportunities, particularly in the processing of local agricultural products for both domestic and international markets.

Food processors play a crucial role in importing U.S. raw materials and ingredients to meet the demands of the HRI sector. These local food processing companies typically operate their own distribution channels, serving wholesalers, retailers, and the HRI sector, further strengthening the market for U.S. products in Guatemala.

C. Distribution

The following is an overview of the distribution channel for imported products to the HRI:



D. Sub-Sector Profiles

Hotels

The hotel industry in Guatemala offers a variety of lodging options, ranging from luxury boutique hotels and international chains to mid-sized hotels and small bed-and-breakfasts, catering to a diverse range of travelers.

International hotel chains and boutique hotels are primarily located in Guatemala City and popular tourist destinations such as Antigua Guatemala and Lake Atitlán. According to the Guatemalan Institute of Tourism (INGUAT), the country welcomed 2.6 million tourists in 2023, an increase of 90,368 visitors compared to pre-pandemic levels in 2019.

Despite security and transportation challenges, key tourist areas like Antigua, Lake Atitlán, and Tikal have seen improvements in these aspects.

Hotels in Guatemala City often feature at least one public restaurant, and many also have a bistro or coffee shop. International business travelers typically stay for two to four nights and often have breakfast at their hotels, with lunch and dinner at nearby restaurants. Hotels source products from wholesalers, retailers, informal markets, and for imported goods, from importers, supermarkets, or membership stores offering bulk options. Antigua Guatemala, located near Guatemala City, is a major tourist destination with over 150 hotels, including around 15 boutique hotels. Approximately 70 percent of all tourists visiting Guatemala include Antigua in their itinerary, according to INGUAT.

Restaurants

In 2023, Guatemala's restaurant sector experienced significant growth, including an expansion in the fast-food industry. There are approximately 18,000 restaurants nationwide, generating around 400,000 direct jobs. This sector contributes 15 percent of tax revenue and 4.5 percent of the country's GDP.

After a sharp decline in 2020 due to COVID-19 restrictions, the restaurant industry began recovering in 2021 and, by 2023, returned to pre-pandemic growth levels. The sector now contributes an estimated \$5.5 billion to Guatemala's economy.

The Guatemalan Franchise Association (GFA) highlights the rapid growth of certain segments within the restaurant industry, with fried chicken emerging as a top preference among Guatemalan consumers. The country has approximately 450 franchise businesses, nearly half of which are food related. These include both local and international brands such as Subway, Starbucks, McDonald's, Taco Bell, Burger King, Pizza Hut, Domino's, and Little Caesars.

Franchise businesses in Guatemala have expanded beyond Guatemala City, opening operations in other major cities alongside the development of new shopping malls. Most restaurants source their ingredients locally through suppliers, supermarkets, and wet markets, especially for herbs, fresh fruits, and vegetables. However, franchises and high-end restaurants often import a significant portion of their ingredients to meet international quality standards and comply with franchise agreements. These imports are either managed directly by the restaurants or through distributors. In medium- and high-end restaurants, chefs typically oversee purchasing decisions. To distinguish themselves from competitors, these establishments often prepare their own baked goods and create unique flavored seasonings. For a detailed list of the main restaurants registered with the Guatemalan Restaurant Association, visit their website at www.gregua.com (in Spanish).

The Institutional Market

The following sectors are important within the institutional market in Guatemala and depend on the GOG for food product acquisition:

- Government social programs
- Public hospitals
- Penitentiary system
- Public schools for school meals programs

Guatemalan law stipulates that the GOG must use an electronic system called Information System for Contracting and Acquisitions for the Government, also known as GUATECOMPRAS, for purchases and contracts when goods and contract services are higher than \$161,000. The main objective of GUATECOMPRAS is to provide 1) transparency for the purchasing or contracting of services and goods; 2) efficiency by reducing costs and number of declines to potential suppliers during the bidding process; and 3) protection against monopoly, which is an open process that is accessible to small and medium companies or foreign suppliers. The GOG requires that foreign suppliers who want to bid for goods or services available through GUATECOMPRAS must have a local representative that places the bid, and that company or person must fulfill all pre-qualification requirements. However, it is important to mention that the GOG gives preference to

goods and services offered by local companies. For more information, please refer to the GUATECOMPRAS website www.guatecompras.gt/ (in Spanish).

SECTION III: COMPETITION

Although Guatemala is a net food exporter, the United States and Guatemala enjoy strong bilateral trade in agriculture. In CY2023 Guatemala imported a total of \$5.4 billion in agricultural and related products from the world, 35 percent of which was from the United States. Guatemala's top agricultural imports from the United States were yellow corn and soybean meal, both utilized in the feed industry.

The United States is also an important supplier of chicken, soybean oil, dairy products, and red meats. Major competitors include Mexico, an important beer and distilled spirits' supplier; Costa Rica, which supplies soups and other food preparations, condiments, and sauces; and El Salvador supplying bakery goods, cereals, and pastas.

Guatemala is a member of the WTO, the World Organization for Animal Health (OIE), International Plant Protection Convention (IPPC), Codex Alimentarius, and the International Union for the Protection of New Varieties of Plants (UPOV). Guatemala follows the regional technical regulations established for general and nutritional labeling of packaged food products. The regional technical regulations also include non-processed food and products, pet food, and SPS regulations. The United States was granted equivalence recognition for its poultry and meat inspection systems with CAFTA-DR implementation in 2006. In 2019, the United States was granted market access for table eggs, seafood and products, and lamb.

Guatemala has various free trade agreements with other countries, including the United States. It also represents 37.5 percent of total intra-regional exports to the rest of the Central American countries. The elimination of customs barriers with Honduras and El Salvador, because of the customs union among the three countries, contributes to the continued increase of Guatemalan exports to these countries. The major competitors with the United States for consumer-oriented product imports in Guatemala are Mexico with 18 percent, Costa Rica with 13 percent, and El Salvador with 9 percent. U.S. products that face competition from other countries in the Guatemalan market include the following:

Competitors to U.S. exports in the Guatemalan Market

Product	Country	Guatemalan imports from this competitor in 2023 (\$ millions)	Guatemalan imports from the U.S. in 2023 (\$ millions)
Soups and other food preparations	Costa Rica	177.2	91.3
Bakery goods, cereals, and pasta	El Salvador	87.7	31.5
Condiments and sauces	Costa Rica	66.9	35.5
Non-alcoholic beverages (ex. juices, coffee, and tea)	El Salvador	71	13.1
Beer	Mexico	62.5	1.5
Chewing gum and candy	Mexico	28.1	7.1
Dog and cat food	Mexico	22.4	17.1
Processed fruits	El Salvador	17	7.9
Distilled spirits	Mexico	9.7	1.9
Wine & related products	Spain	6	2.4

Source: Trade Data Monitor

SECTION IV: BEST PRODUCT PROSPECTS

Top Consumer-Oriented Products Imported from the World

Country	Product	Total in 2023 (\$ million)
United States	Poultry meat and products (exc. eggs)	\$196.3
Costa Rica	Soup and other food preparations	\$177.2
Mexico	Bakery goods, cereals, and pasta	\$71.0
El Salvador	Non-alcoholic beverages (exc. coffee, juices, and tea)	\$71.0
Nicaragua	Beef and beef products	\$52.5

Source: Trade Data Monitor

Top Consumer-Oriented Products Imported from the United States

Product	2021	2022	2023
Poultry meat and products (exc. Eggs)	\$184,101,730	\$192,995,995	\$196,360,623
Dairy Products	\$ 65,828,098	\$ 100,669,436	\$ 120,153,232
Pork and pork products	\$ 88,260,291	\$ 85,949,485	\$ 105,199,227
Soup and other food preparations	\$ 79,569,788	\$ 82,387,139	\$ 91,369,096
Processed vegetables	\$ 59,635,309	\$ 78,919,679	\$ 90,082,809

Source: Trade Data Monitor

Products present in the market which have good sales potential	
<ul style="list-style-type: none"> • Beef & Beef Products • Pork & Pork Products • Poultry Meat & Products • Dairy Products • Fresh fruits (apples, grapes, pears, peaches, plums, citrus) • Processed fruits and vegetables • Snack foods • Condiments & sauces • Craft beer • Frozen potatoes 	<p>All products fall under the consumer-oriented category. In 2023, U.S. exports to Guatemala totaled \$778.6 million, representing a 15 percent increase compared to 2022 exports, which amounted to \$682.4 million. These products are primarily used by hotels and restaurants as ingredients for preparing both international and local cuisine.</p>

Source: BICO report

Products not present in significant quantities, but which have good sales potential	
<ul style="list-style-type: none"> • Prepared foods • Wine • Chocolate & confectionery • Baking inputs, mixes & doughs • Ingredients & beverage bases • Prepared & preserved meats • Tree nuts • Table eggs and eggs processed products 	<p>Other countries, including Mexico, El Salvador, and Costa Rica, are the primary suppliers of consumer-oriented products to Guatemala. U.S. products also have strong sales potential, as Guatemalan consumers are familiar with international brands. However, wines from Chile hold the largest market share due to their more affordable prices compared to U.S. wines.</p>

Source: BICO report

Products Not present because they face significant barriers
<p>While most products are present in the Guatemalan market, some sanitary and phytosanitary issues occasionally restrict trade. Key trade barriers affecting U.S. agricultural exports to Guatemala include:</p> <ol style="list-style-type: none"> 1. Vitamin Fortification: Certain imported products, such as flours, salts, and sugars, must include added vitamins to meet local regulations. 2. Labeling Restrictions: A Central American Technical Regulation (RTCA) requires that the term "dairy" be used only for products of animal origin. Plant-based alternatives like soy, rice, wheat, or oat products must be labeled as "beverages." Additionally, the word "imitation" is prohibited on labels. 3. Yogurt Standards: According to RTCA requirements, yogurt must be made with "live microorganisms." Otherwise, it must be labeled as "fermented milk" instead of yogurt.

SECTION V: KEY CONTACTS AND FURTHER INFORMATION

Government Regulatory Agencies	Contact Information
Ministerio de Salud y Asistencia Social (Ministry of Health) Contact: Ms. Evelyn Meneses, Director for Food and Drugs Regulations	E-mail: emeneses@mspas.gob.gt Website: www.mspas.gob.gt
Ministerio de Agricultura, Ganadería y Alimentación (Ministry of Agriculture) Contact: Nelson Ruano, Food Safety Director	Email: mvnelsonru@yahoo.es Website: www.maga.gob.gt
Ministerio de Economía (Ministry of Economy) Contact: Victoria Meza, CAFTA-DR Administrador	Email: vmeza@mineco.gob.gt Website: www.mineco.gob.gt
Superintendencia de Administración Tributaria Guatemalan Tax Authority - Customs Contact: Edwin Curtidor, Customs Intendent	Email: eocurtidor@sat.gob.gt Website: www.portal.sat.gob.gt/portal

Private Sector Associations	Contact Information
Gremial de Restaurantes y Procesadores de Alimentos de Guatemala (GREGUA) (Guatemala Association of Restaurants and Food Processors)	Address: 21 Ruta 6, Ciudad de Guatemala, Guatemala Phone: +502 2380-9000 Website: https://es-la.facebook.com/GREGUAGT/
Asociación de Pequeños Hoteles de Guatemala (APEHGUA) (Guatemala Association of Small Hotels)	Address: 7 avenida 14-19 zona 1. Hotel Ajau Colonial Phone: +502 5879-2463 / 5429-8413 Website: www.apehgua.com

FAS Agricultural Affairs Office	Contact Information
U.S. Embassy Guatemala City	Address: Boulevard Austriaco 11-51 Zona 16. Guatemala, Guatemala Email: AgGuatemala@usda.gov FAS Website: www.fas.usda.gov

Attachments:

No Attachments