



MINISTRY
OF ECONOMY



Guatemala: The ideal place for nearshoring and investment in Central America



WE HAVE A STABLE MACROECONOMY



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Q 7.75 = US\$ 1.00

Average exchange rate in 2021

4 out of **10 PRODUCTS**
manufactured in C.A. are made in **GUATEMALA**

Export's growth in 2021

22.7%

GDP IN 2021

US\$ 85,985.88 million

the largest economy in Central America

Guatemala
the most
RESILIENT country
in the Americas

GDP in
2020
-1.8%

GDP in 2021 grew:

8%

Projected growth in
2022

5.5%

GUATEMALA AS AN INVESTMENT DESTINATION



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Certifies **Guatemala** with a **positive macroeconomic performance**



Improved business climate,
competitiveness and **job growth**

S&P Global Ratings

FitchRatings

Country risk rating agencies
upgrade **Guatemala** from **stable**
to **positive**.



From **Stable**
to **positive**



Long-term and
short-term
foreign
currency



Local
currency

MOODY'S

Upgrade **Guatemala** from
negative to **stable** (Ba1).



THE IDEAL DESTINATION FOR NEARSHORING



Guatemala Moving Forward
Pro Economic Development
Public Private Partnership



Strategic Location and Logistics Infrastructure



Preferential Access to Markets and Lowest Costs in the Region



Largest Skilled Labor Force and a dynamic ecosystem



Investment One-Stop-Shop and incentives

GUATEMALA MOVING FORWARD PLAN


- Guatemala Moving Forward is a public and private plan to promote economic development and employment.
- The Integrated Plan has 5 pillars and a consistent roadmap to achieve the objective in the next 10 years to create 2.5MM Jobs

GOAL


To achieve foreign investment flows at a scale that conducts economic growth and employment generation.



A.
STRATEGIC
SECTORS



B.
HUMAN
CAPITAL



C.
INFRASTRUCTURE



D.
TOURISM



E.
COMPETITIVENESS
AND BUSINESS
CLIMATE FOR LEGAL
CERTAINTY FOR
INVESTORS

FDI INFLOW IN GUATEMALA

AS PART OF THE GENERAL
GOVERNMENT POLICY 2020-2024



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Historic Increase

36.47%

Growth between 2020 and 2021

Major investments confirmed

2021

- Pepsico
- PriceSmart
- Millicom (Telecommunications)
- Nextil Group (Textiles)

2022

- Yazaki
- Cargill
- FEMSA (COCA COLA)



US\$ 1.458 Billions

in FDI

*Confirmed to date

+12,000

jobs projected



COMPANIES ASSISTED

200 companies

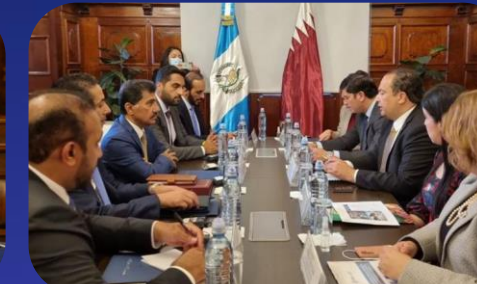
Potencial investors

Sectors

1. Manufacturing
2. Pharmaceutical
3. Food and Beverage
4. Electronic Devices
5. Energy
6. Agribusiness
7. Infrastructure
8. Apparel and Textiles

Countries

1. United States
2. Mexico
3. Colombia
4. Chile
5. South Korea
6. Japan
7. Qatar
8. Turkey
9. Italy
10. Taiwan
11. Europe
12. Israel
13. UAE
14. El Salvador
15. Honduras
16. Costa Rica
17. India



INVESTMENT

SUMMITS AND MISSIONS

Investment Summit

GUATEMALA
MOVING
FORWARD

47 companies



Apparel & Textile

35 companies



Central America's Economic Engine

Miami, 2022

70 participants



IIV CEO SUMMIT

B2B Meetings
Los Ángeles

Investment Attraction for Guatemala

Meetings with UPS, PepsiCo, GAP, Millicom, FedEx, United Airlines, Confie BPO and Procter & Gamble.



IX America's Summit

Los Ángeles, 2022

Summit promotes dialogue to encourage economic growth and prosperity.



XVII Industrial Congress

Guatemala, 2022

Investment and Reinvestment Promotion Module for Economic Acceleration



INVESTMENT SUMMITS AND MISSIONS

MIAMI

Meetings with Millicom, FedEx, Pro mujer, Phillip Morris, World Vision, Delivery Associates, Veracity Worldwide, Pricemart, Mastercard, Cargill

Investment event with more than 70 businessmen

Panel with experts from :

Millicom, Pricemart, Mastercard, Grupo Salinas, Bantrab, Banco Industrial, Emergent Cold, CACIF, Chamber of Industry of Guatemala.



PANAMA

- Council of Ministers of Economic Integration (COMIECO)
- Pro-Tempore Presidency of the Central American Economic Integration Subsystem and COMIECO.
- Chamber of Commerce, Industry and Agriculture of Panama (CCIAP)
- Tigo Money of Panama
- Emergent Cold Latin America
- Export and Investment Promotion Authority of Panama, PROPANAMA.



EL SALVADOR

- First Bilateral Meeting within the framework of the Pro-Tempore Presidency of COMIECO
- Meeting with the Consultative Committee of SICA
- Embassy of Qatar
- Meetings to present Guatemala as an investment destination with:
- National Association of Private Enterprise (ANEP)
- Chamber of Construction of El Salvador
- Association of Industrialists
- Oggi Medical Services
- Diana
- Ternova
- Fusades



INVESTMENT SUMMIT NY & "Spotlight on Latin America" Dinner Briefing organized by the Financial Times and Millicom



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+200
Participantes

Sectors

1. Electronic equipment manufacturing
2. Orange economy
3. Pharmaceutical
4. Medical supplies
5. Apparel and textiles



Reuniones
G2B



COMPETITIVENESS AND BUSINESS CLIMATE

1

Competitiveness Laws



- Insolvency Law
- Free Zones Law (New economic activities added)
- Anti Red Tape Law
- Leasing Law
- Law to Strengthen of Strategic Infrastructure
- Preferential Interest Law to Promote Social Housing Access
- First PPP contract approval
- Law for the promotion of Guatemalan merchant marine work abroad
- FDI Promotion Law

In Process

- Competition Law
- Nearshoring Law

2

One-Stop Shops



Foreign Trade
One-Stop Shop



Investment
one-stop shop



CONSTRUCTION
ONE-STOP-SHOP

3

Economic Integration

Promoting El Salvador's adhesion process.

Meeting at the Ministerial level with senior authorities of the three countries involved in the border posts. Customs, Migration, Taxes, Agriculture.

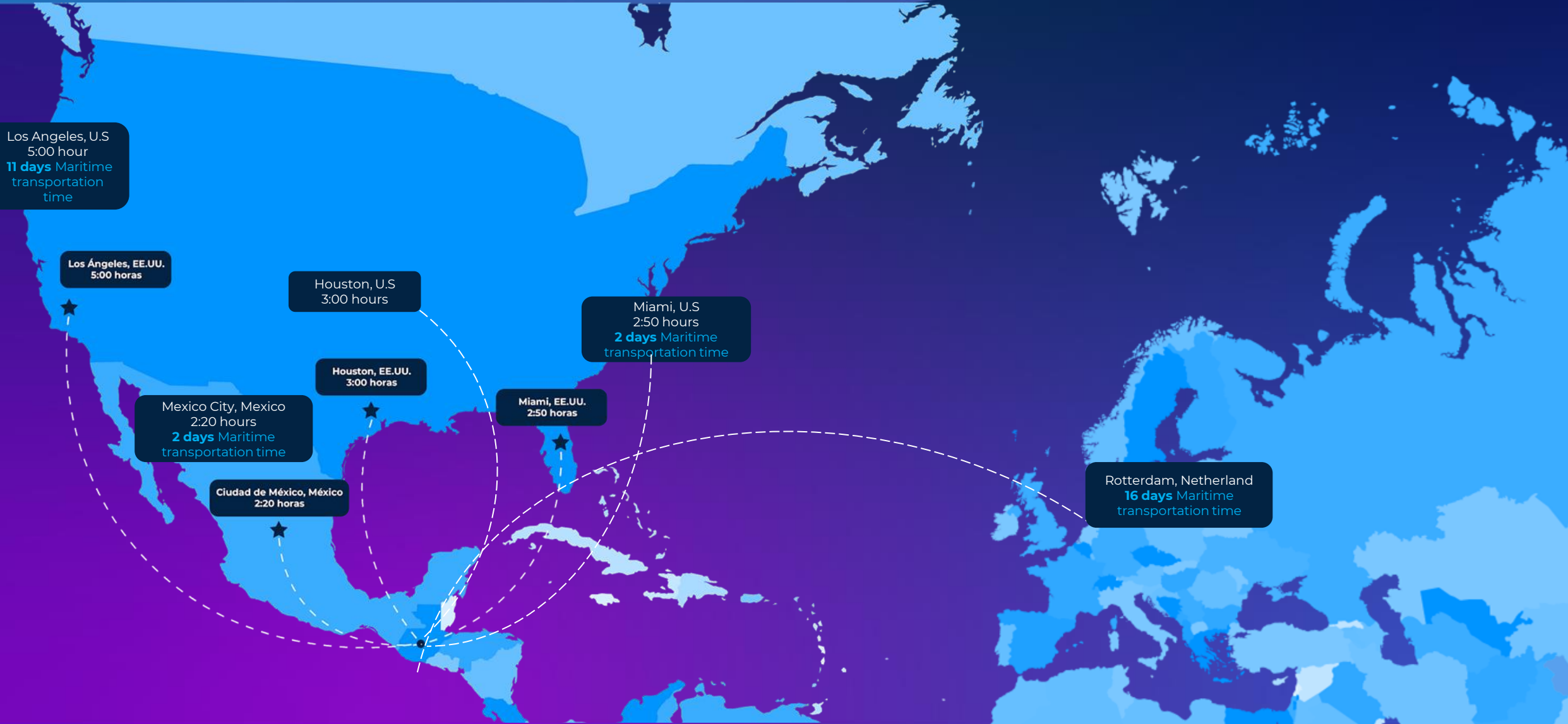


PRESIDENCIA
PRO-TÉMPORE
GUATEMALA
COMIECO JUL-DIC 2022



PROXIMITY TO KEY MARKETS

Air and maritime transportation time





INTERMODAL LOGISTICS PLATFORM



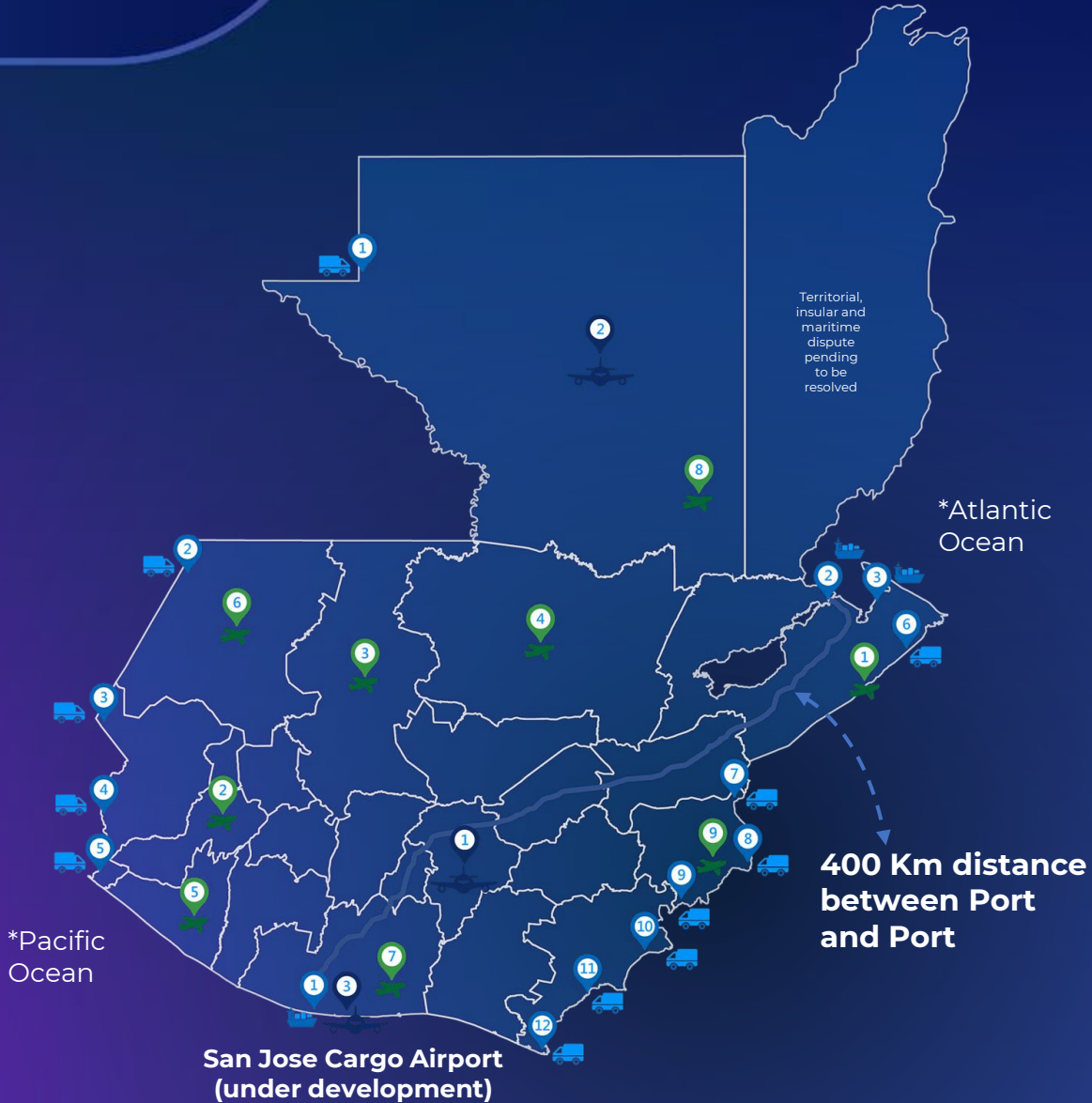
Connectivity:

- 2 International airports
- 9 local airfields
- 11 cargo airlines operating



One of largest maritime cargo operation in the region the region, in 3 ports.

- International airports
- Local airfields
- Customs
- Ports



OUR FTAs

ALLOW US TO ATTRACT MORE INVESTMENT FROM KEY MARKETS



Closeness and Free Trade Agreement with the United States, the largest market in the world.



Gateway to the largest market in Latin America: Mexico.



Preferential access to the Central American market.



Access to the European market, through the Association Agreement between the European Union and Central America.

Recently signed a FTA with Israel

Ongoing negotiations with: South Korea, India and Qatar



ISRAEL



SOUTH KOREA



BELIZE



INDIA



QATAR

Sector participation percentage by trade agreement



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CAFTA-DR



CENTRAL AMERICA



MEXICO



ASSOCIATION
AGREEMENT



REST OF THE
WORLD

Yarn Forward Rule
Opportunities in
Simple Transformation

Mainly raw material:
Cotton and synthetic
dyed fabric and cotton
yarns

Yarn Forward Rule Fabric Forward Rule

Depending on
negotiated preferences

72%

22%

1,5%

1,9%

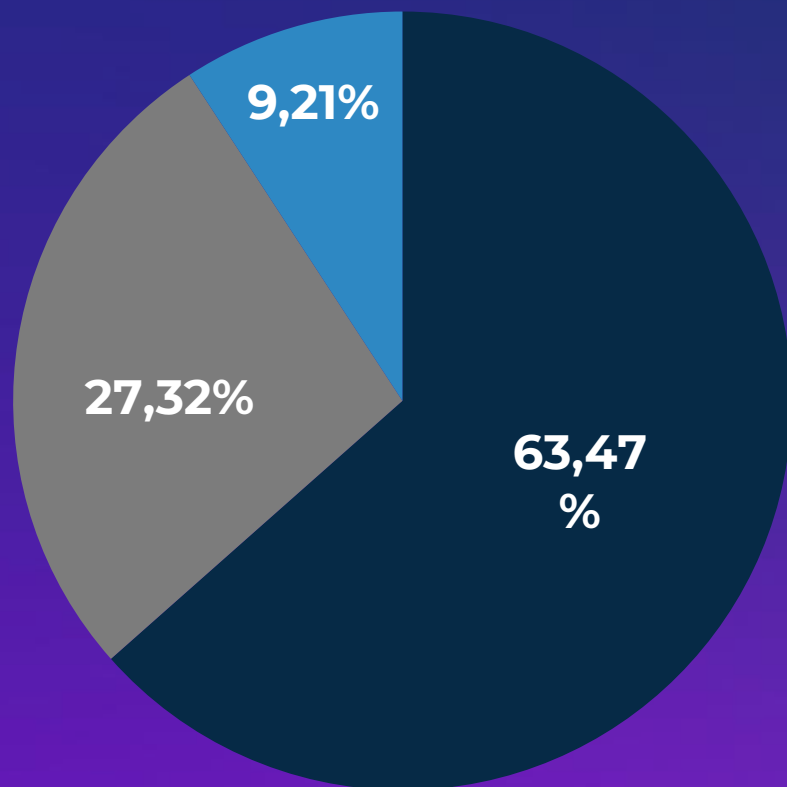
3,2%

EXPORTS



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- Manufacturing Industries
- Agricultural and livestock industries
- Extractive Industries



Apparel
11.61%



Coffee
6.80%



Fats and Oils
Foodstuffs
6.80%



Banana
6.18%



Metals
4.38%



Plastic Materials and
their Manufactures
3.96%



Cardamom
3.81%



Sugar
3.73%



Manufactures of
paper and cardboard
2.68%



Fruit Fresh,
dried or frozen
2.66%

SPECIAL REGIMES AND INCENTIVES For FDI



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GUATEMALA
Amazing and unstoppable



**LAW FOR THE
PROMOTION AND
DEVELOPMENT OF THE
EXPORTING ACTIVITY AND
MACHINING ACTIVITIES**
Decree 29-89



FREE ZONES LAW
Decree 65-89



**SPECIAL PUBLIC
ECONOMIC
DEVELOPMENT ZONES**
Decree 22-73



**FDI PROMOTION
LAW**

LARGEST INSTALLED CAPACITY IN THE NORTHERN TRIANGLE, 3,381 MW

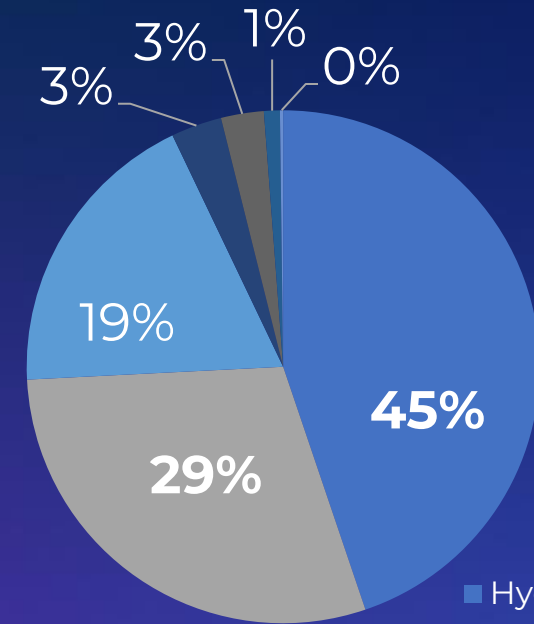


In 2021, **72%** of the electricity generated in Guatemala came from **renewable sources**.

REGULATED USER



Guatemala	El Salvador	Honduras	República Dominicana	Panamá
US\$ 0.19	US\$ 0.24	US\$ 0.22	US\$ 0.27	US\$ 0.20



- Hydro
- Non-renewable thermal (Diesel, Coal, Bunker and Petcoke)
- Cogeneration with biomass, bunker or coal

OUR TALENT IS OUR MOST VALUABLE RESOURCE



15 universities located in Guatemala.

+360K students enrolled each year.



Each year, about 200,000 young individuals enter the labor force.

Guatemala has one of the highest entrepreneurial rates in the world.



We have the **Top 1 private university** in Central America and Panama.

Technical Institutes (Intecap, Kinal, Junkabal, Munitec, etc.)



For English

Guatemala ranks third in Latin America for English proficiency, ahead of Mexico and Colombia.

FOREIGN DIRECT INVESTMENT SERVICES

Guatemala through The Competitiveness Program-PRONACOM- Advisors and with commercial counselors to attract potential investors.

PRONACOM is the strategic partner that provides personalized services to investors.



ESTRATÉGICOS

- Liaison with strategic entities.
- Identification of potential local partners and input suppliers.



OPERACIONAL

- Specific tax, legal and administrative information for the company.
- Recommendation of special regimes according to the business model.



ADMINISTRATIVO

- Registration or modification of companies or corporations.
- Work permits for foreigners.
- Temporary or permanent residences.

UPCOMING EVENTS



MINISTRY OF ECONOMY



GUATEMALA INVESTMENT SUMMIT



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