



GUATEMALA

AN IDEAL DESTINATION TO RELOCATE AND GET CLOSER TO YOUR MARKETS OF INTEREST

The global economy has undergone a series of changes in its dynamics, caused by not only the COVID-19 pandemic, but also by the container crisis which have mainly affected companies that **manufacture goods**, inputs, and materials for use in different production processes.

To decentralize their operations, many companies have resorted to mechanisms that allow them to reduce the risks and vulnerabilities of operating in unstable markets and take advantage of lower operating costs and access to unique and qualified human talent in countries closer to their final consumer destination. For this reason, the **relocation of operations** is an effective way that, through strategies such as **nearshoring** or **reshoring**, allows large companies to fulfill and ensure their commitments to meet the demand of their clients and consumers concentrated in the largest markets in the world.

The economy and advantages that Guatemala offers to these large companies in terms of **connectivity, geographic location, human capital, and political system**, makes it one of the best countries in the region to attract foreign investment and host different industries of the manufacturing sector, specifically in processed food, electronic, chemical, and pharmaceutical products: rubber and plastic; clothing and textiles, to name a few.

GUATEMALA'S OFFER TO RELOCATE GLOBAL COMPANIES



GEOGRAPHICAL LOCATION AND CONNECTIVITY

The Central American country offers a **privileged geographical position**, close to the United States of America and Mexico, two of the most important markets to locate production, as well as connect from these locations to global supply chains. Guatemala guarantees dispatch to end customers from its cargo seaports, located both in the Pacific (Puerto Quetzal), and in the Atlantic (Puerto Santo Tomás de Castilla and Puerto Barrios), or by air through the "La Aurora" international airport.

This strategic position is enriched by the offer of a country that favors direct foreign investment: a **time zone** like that of the United States of America; **fast and efficient connectivity** with ports in North America and the markets of Asia, Mexico, South America and Europe; and **preferential tariff treatment** for merchandise trade through current trade agreements (DR-CAFTA, FTA with Mexico and more than 30 trade and investment protection agreements with different trading partners).



HUMAN CAPITAL

Guatemala has a young population that offers a great opportunity for international companies to have **human capital of a productive age** (between 25 and 64 years old) that can be trained and certified in the skills and abilities that companies require in partnership with public-private training centers and local universities.



A STABLE AND RESILIENT COUNTRY

The country is managed under a democratic political system, with a macroeconomic performance driven by supportive economic policies that have allowed it to have a growing economy. In the first year of the pandemic, Guatemala ranked as the **most resilient economy** in Latin America, with a slight impact on GDP of -1.5%.¹



LOCAL ALLIES

Guatemala operates within a successful public and private model to support businesses grow. Government efforts, in partnership with local business men and women, academy and international cooperation, have developed different initiatives so that foreign businesses can invest in key economic sectors and be provided with the **best business conditions to ensure a secure and productive business climate**.²

Companies in Guatemala manufacture



Guatemala offers a mature and stable business environment, eager to innovate and grow together with international business partners.



Get in touch with us and we will assist you in your foreign investment.
 Gabriela García, Commerce and Foreign Direct Investment Leader
investguatemala@thepalladiumgroup.com

¹ National Competitiveness Program, PRONACOM, Guatemalan Government.

² Guatemala Moving Forward, public-private initiative created and supported by the Guatemalan resident.