

Country profile : Guatemala



Main cities : Guatemala ville (942 348 inhab) ; Mixco (384 428 inhab) ;

Villa Nueva (301 947 inhab) ; Quetzaltenango (120 496 inhab) ; Petapa (94 228 inhab);

Escuintla (86 678 inhab).

Urban population : 51.1%

Technology	Environmantal	Economic issues	Political stability	Customs posture
Guatemala suffers from a lack of highly qualified manpower, poor quality infrastructure.	Guatemala is vulnerable to external shocks (natural disasters and changes in commodity prices). Besides coffee, Guatemalan agriculture includes sugar, bananas, cotton, rubber, cardamom and a variety of precious woods and exotic fruits. Guatemala is recognized as a country with high potential in many sectors (tourism, agriculture, mining, hydroelectric and geothermal energy). Guatemala has a small mining industry extracting copper, zinc, iron and nickel.	Moderate growth in 2018, - 2.8% (according to the IMF). The IMF forecasts GDP growth of 3.4% and 3.8% respectively in 2019 and 2020. Guatemala's economy receives significant financial support from US and multilateral lenders. Guatemala's main industries include coffee production, textiles production, the paper industry, petroleum, pharmaceuticals and rubber processing, and tourism. According to the IMF, Guatemala's public deficit reached 1.3% of GDP in 2018 and should reach similar levels in 2019 (1.6%) and in 2020 (1.9%); public debt reached a reasonable level of 25.1% of GDP in 2018 and will remain in the same range in 2019 (25.4%) and in 2020 (25.6%); and inflation fell to 3.7% in 2018 and is expected to remain at 3.9% in 2019 and 2020.	The 2019 presidential elections worsened the political climate unfavorable to consensual legislation. These elections centered on corruption denounced by the International Commission against Impunity in Guatemala (CICIG) of the United States, including accusations of fraud against the brother and son of President Jimmy Morales linked to donations from illegal campaign (LA Times). More than half of the population lives below the poverty line, the country has one of the highest malnutrition rates in the world, a quarter of its adults are illiterate and income inequality is high. The country also suffers from organized crime and violence related to drug trafficking.	Customs duties: 5.8% Guatemala is the 82nd exporter and the 78th world importer. Guatemala is one of the five countries of the Central American Common Market (MCCA) alongside Costa Rica, El Salvador, Honduras and Nicaragua. The country is also a member of the Central American Integration System (SICA). The European Union supports this integration process, which was one of the conditions for an agreement between the two regions. Guatemala is, after Nicaragua, the second largest beneficiary of aid for European cooperation in Central America and benefits from the Generalized Scheme of Preferences. Guatemala benefits from free trade agreements with the United States and the European Union.

Who is this country already trading with?

Export destinations include the United States (34%), El Salvador (11.5%), Honduras (7.1%), Nicaragua (6%), Costa Rica (4.5%) and Mexico (4.3%). The countries that import to Guatemala are the United States (38.1%), Mexico (11%), China (9.9%), El Salvador (5%) and Panama (4.2%).

What are the problems facing Guatemala today?

- Social and political instability;
- Failed infrastructure;
- Corruption and weakness of the intellectual property protection system;
- The slowness and complexity of administrative and bureaucratic procedures are sometimes discouraging;
- Insecurity and social inequalities are an obstacle to development;
- The obsolescence road and communication networks in certain parts of the country.