PANORAMA

GUATEMALA

From Maya heritage to nearshoring, biotech and green energy, Guatemala has become one of the Americas' most dynamic investment destinations

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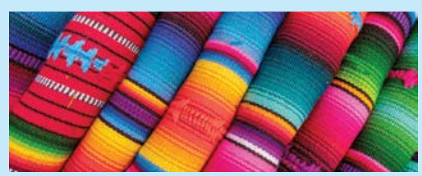
The historic city of Antigua is one of four UNESCO World Heritage Sites in Guatemala

Traditional agribusinesses are turning to technology to create innovative circular economies

Tourism numbers surged by 11% in 2025, with stunning nature being just one of the attractions



Unique artisan textiles and garments are among Guatemala's biggest exports

Right place and time for investors

Alignment with U.S. trade policy unlocks Guatemala's nearshoring potential

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Around 200 U.S. companies have operations in Guatemala today.

Guatemala has averaged 3.5 percent annual gross domestic product growth for the past decade, which accelerated to 4.3 percent in 2025. Last year also saw foreign direct investment rising by 11 percent to $1.9 billion, with inflows targeting diverse sectors, including agribusiness, textiles, advanced manufacturing, energy and business process outsourcing.

Waleska Sterkel
Executive Director
AmCham Guatemala

Much of this success relates to the country's geography: it is Central America's northernmost nation, making it a preferred nearshoring and logistics hub for the rest of the Americas. To capitalize on this position, the government is implementing substantial transport infrastructure projects to improve connectivity with North and South America and between the country's Atlantic and Pacific Ocean coastlines.

The U.S. government is a leading supporter of this strategy. For example, in 2025, the U.S. Army Corps of Engineers (USACE) agreed to supervise a $600 million expansion of Guatemala's largest Pacific port, Puerto Quetzal. That was followed by a $110 million pact between the two countries signed this January, which will see USACE providing technical assistance on six road projects and a rail line from Puerto Quetzal to a multimodal logistics station 29 miles inland. There it will link with another ongoing rail scheme that is connecting the country with Mexico and with Puerto Barrios on Guatemala's Atlantic coast.

Waleska Sterkel, executive director of the American Chamber of Commerce (AmCham) Guatemala, the country's biggest binational trade association, says businesses are "very pleased with the surge in infrastructure developments that we are going to see with cooperation from the U.S. government, as they are all oriented toward logistics and international trade. More than the infrastructure projects themselves, the message that the U.S. is sending through these partnerships is key for investors considering Guatemala as a location for investment, friendshoring, within President Trump's policy of America First, but not alone. They show, once again, that Guatemala is very closely aligned with the U.S."

The U.S. is already the Central American country's largest investment and trade partner, with U.S. firms operating in Guatemala benefiting from a free trade agreement between the two nations and an ever-improving business environment. "Important legislation has recently been approved, such as a public-private partnership law and a tax-credit refund law, and work is underway on a new investment law. There has also been significant progress in streamlining procedures for investors," she explains, adding that a new U.S. Millennium Challenge Corporation program is expected to make doing business in the country even more efficient.

"The message is clear," says Sterkel. "Investing in Guatemala today means investing in a country that combines a strategic location and a pro-competitiveness agenda with talent and natural resources. It's the ideal time."

Diverse low-risk, high-profitability opportunities in a stable nation

The country's robust competitive advantages are particularly strong for Floridian partners

Guatemala's location may be its greatest advantage for investors, but there are many others, says Juan Esteban Sánchez, executive director of Invest Guatemala, the private-sector-led investment promotion agency.

"Most crucial is its stable macroeconomic performance. Inflation has also been kept under control and Guatemala's exchange rate adds to its stability. It is a low-risk, high-profitability destination," he states, noting that it is moving toward investment-grade ratings. Another huge factor is the demographic bonus of an 18-million-strong population that has an average age of about 26. "This creates substantial opportunities in sectors such as consumer goods, energy and services, and means Guatemala has 20—30 years of potential growth ahead, driven by the expansion of its middle class," Sánchez says. "Guatemala stands out for the quality of its people too. Its businesspeople, for example, are skilled, knowledgeable, reliable, understand complexity and seek mutual benefit with partners."

He also points out that the country's heavy investment in infrastructure goes beyond transportation, with digital submarine connectivity through both the Pacific and Atlantic Oceans and over 55 percent of its electricity now coming from renewables. "There are clear rules and legal security for investments as well," he adds.

According to Sánchez, attractive sectors for investors range from business process outsourcing to pharmaceuticals, parts and components manufacturing, sustainable plastics, energy, infrastructure, tourism and legal services. For U.S. investors in particular, he highlights sectors in which the country is well-positioned as a nearshoring hub.

"We see strong opportunities to add value within the supply chains for auto parts and the textile and fashion industry," he reveals. "Another area with major potential is packaging, especially packaging that meets high environmental certification standards, as Guatemala produces substantial quantities of latex and natural rubber. We are also exploring agreements with technology companies in Miami that want to establish their platforms here."

Juan Esteban Sánchez
Executive Director
Invest Guatemala

Sánchez believes Guatemala has what it takes to remain Central America's leading economy and become the region's most important nearshoring base.

"But we can't do it alone. Economic growth must be accompanied by collaboration, particularly with strategic allies. In that respect, Florida, especially Miami, plays a key role," he says, explaining that the U.S. state is home to a large section of the nation's diaspora as well as current investment partners. "The relationship between Guatemala and Florida is fundamental and has great potential."

Top 5 reasons why Guatemala is a vital nearshoring destination for the U.S. market

- Location: Guatemala offers quick air, land, sea and soon rail access to the U.S.
- Trade oriented: Guatemala has 15 FTAs, including one with the U.S.
- Stability: Guatemala's political and legislative environment enables long-term planning
- Sustainability: Over 55% of Guatemala's power is generated from renewables
- Demographic bonus: The region's largest and youngest population and workforce

A better future built on sugar

Magdalena has created a truly circular economy

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Magdalena's Guatemalan sugarcane plant is the second largest in the Americas.

In 1983, Jorge Leal's father and two uncles opened Magdalena, a small sugarcane mill in Guatemala. Although his father passed in 1991, the family business has continued to expand and prosper, first under the leadership of his mother, then his brother and sister and, since 2018, Leal himself. Today, Magdalena is the country's top sugar producer and exporter with about 24 percent of the market, while its sugar plant is the second-most important one in the Americas.

Jorge Leal
CEO, Magdalena

Even more impressively, the group has launched pioneering sustainable and smart processes and created a truly circular green economy. "We meet 10–12 percent of Guatemala's energy demand by generating electricity from our sugarcane fiber waste. We also produce ethanol and alcohol for the pharmaceutical, cosmetics and beverage industries, and the residue from that is converted into fertilizer and returned to the land," explains the CEO. "Everything is utilized and all resources are valued and managed responsibly. It's a philosophy that works here and is reproducible elsewhere."

This ethos starts in its sugarcane fields, with the increasing use of organic plant-protection chemicals and cover crops allowing the group to naturally nurture its soils. A fleet of drones plus satellite- and artificial-intelligence-based agricultural, industrial and distribution technologies have further reduced its carbon footprint and water usage while boosting its productivity.

Magdalena's sugar farming, milling and refining activities are expanding: it will open a second Guatemalan plant in 2026 and acquired a sugar-based agribusiness in Peru this year. "We took on our first international step in the sugar sector in Peru because we fell in love with the place and its people, and we found an operation that could teach us a lot about production. They cultivate sugarcane in the desert, where all resources are scarce," he notes. "We're bringing lessons we learn back to Guatemala, helping us become better producers, work more efficiently and reduce costs."

Magdalena is expanding its electricity-generation capacity too, in order to help meet rising Guatemalan energy needs caused by rapid industrialization and growing AI initiatives. "We've implemented a solar project, a second one is under construction and a third is in the pipeline. We will build more over the next five years. It's a clean energy without waste or byproducts that we can be competitive in, which aligns perfectly with our company philosophy," says Leal. "However, the country will require far more solar plants than we can supply, so we invite other investors to join us — the more companies that invest in green energy, the better Guatemala's future will be."

Adding value through biochemistry

In 2023, the group invested in the Portuguese Biorbis biochemistry research center. "We entered the biochemical sector to improve sugarcane production but then started to explore the huge possibilities for transforming sugar into rare molecules that are of significant value to humanity. Our work is targeted on human, animal and crop health and nutrition," he reveals. As a result of this investment, Magdalena has fast-tracked the industrialization of technology for converting yeasts into food proteins. This innovation will be utilized in an animal-feed manufacturing plant that the group will open in Guatemala next year.

In addition, Magdalena is creating a network of strategic alliances for developing enzymes of benefit to living beings, with three U.S. biochemical companies being among its current partners. "For example, in collaboration with California-based Amplifye, we've invested in a line of enzymes that help digest proteins, which have been launched in the U.S. Its potential applications include reducing malnutrition globally," states Leal. "We're very focused on our roots, family values and contributing to improving society. Guatemala still faces child malnutrition — we aspire to resolve 90 percent of it by the end of the decade."

> **"We meet 10-12 percent of Guatemala's energy demand by generating electricity from our sugarcane fiber waste."**
> Jorge Leal, CEO, Magdalena

The group's management and 13,200-strong workforce strive to play active, positive roles in their communities and are particularly concerned with initiatives addressing not only health, but also education, infrastructure and environmental needs. For instance, Magdalena promotes reforestation, wildlife corridor, turtle conservation and mangrove regeneration programs.

Leal believes there are substantial openings for further collaborations with U.S. entities across its operations. "For instance, we see development banks as strategic allies in larger projects. To date, we've mainly worked with European banks, but we would welcome the participation of U.S. banks," he says. "We also see great opportunities in adapting technology from U.S. companies and universities to Guatemala and other Latin American countries. The world is becoming increasingly interconnected, offering infinite possibilities."


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Energuate maintains close relationships with each of the approximately 8,000 dispersed rural communities it serves.

Powering the country's growth

Guatemala's largest electricity distributor is expanding, with demand set to double by 2050

Guatemala's energy needs are forecast to double over the next 25 years, driven by economic growth and rising incomes. "We are seeing a growing middle class that consumes more and better, which is reflected in electricity consumption," notes Paulo César Parra, CEO of Energuate, the largest power distributor in the country and Central America by population served.


Paulo César Parra
CEO, Energuate

As Guatemala's electricity demand continues to grow, Energuate is committed to supporting the country's long-term energy policy by diversifying and modernizing the electricity generation mix while promoting a balanced approach to long-term power procurement that strengthens security of supply. Through these efforts, the company continues to play a key role in expanding electricity access and advancing the country's electrification.

Energuate is central to guaranteeing Guatemala's population can access sufficient electricity. Established in 1998, it holds a concession until at least 2048 for supplying power to 21 of the country's 22 regions, where its 56,000 miles of network serves more than 2.6 million households, businesses and institutions. "Our customers are mostly located in rural dispersed communities, covering a geography that is wonderful but complex," explains Parra. "We aim to be a world-class company providing the best possible service and our strategy for that is based on three key aspects: to be highly reliable, very cost-efficient and ensure that the grid is resilient."

The company is investing heavily as part of that strategy — between 2016 and 2025, its annual investments rose to $76 million. As a result, it has reduced outage times by half and is connecting over 130,000 new customers each year. "For the 2026–2030 period, we plan to invest $410 million, a 30 percent increase compared with the previous five-year period," he reveals.

The International Finance Corporation (IFC) is supporting those investments. In 2024, together with the Japan International Cooperation Agency, it provided a $175 million sustainability-linked loan to expand infrastructure and in 2026 it structured an innovative A/B loan for Energuate, with $100 million coming from IFC directly and $670 million from an international bond issuance. "The bond was five times oversubscribed, demonstrating a high level of confidence and interest in the company," says Parra.

Strengthening the whole sector

The company's main development focus is infrastructure, but it also invests substantially in technology including artificial intelligence to, among other things, guarantee meter readings are accurate, customers can digitally manage their accounts and drones can quickly identify network problems. "We have around 600 direct employees and 4,500 including contractors, all coordinated through robust information systems," he states. "We see a great opportunity to incorporate an additional layer where all this information is organized and interacts more directly with us. That is part of our plan for the next two years."

> **"For the 2026–2030 period, we plan to invest $410 million, a 30 percent increase compared with the previous five-year period."**
> Paulo César Parra, CEO, Energuate

Parra encourages more international investors to consider the country. "Guatemala is growing and has significant infrastructure needs. While we are investing in distribution, it is essential that other sectors in the electricity system do the same," he asserts. "Investors in energy will find clear rules, strong institutions, legal stability and disciplined companies. It is a very suitable environment for developing investment opportunities. Energuate's commitment is to continue strengthening confidence in the energy sector. If we do our job well, the entire sector benefits."

Welcome to the Land of Eternal Spring

Guatemala is becoming a hotspot for travelers: in 2025, 3,361,843 people visited the Land of Eternal Spring, an 11 percent rise on the year, with North Americans making up a quarter of the total.


Harris Whitbeck
Director General
Guatemalan Institute of Tourism

For Harris Whitbeck, director general of the Guatemalan Institute of Tourism (INGUAT), authenticity, Maya heritage, distinctive gastronomy, handicrafts and textiles and cultural diversity set the country apart from other destinations. It also boasts the largest tract of tropical forest north of the Amazon that is full of wildlife, plus dramatic volcanoes, lakes and mountains. "Guatemala is not for the type of visitor who goes to an all-inclusive resort at the beach. It is for people who want to connect with culture and dive a little deeper," Whitbeck states.

> **"The government has prioritized making tourism one of the main engines of economic development."**
> Harris Whitbeck, Director General Guatemalan Institute of Tourism

In 2025, INGUAT launched a ten-year Sustainable Tourism Master Plan in partnership with UN Tourism that maps out the sector's future. It was developed collaboratively, with over 2,000 stakeholders from all parts of the industry participating in 160 workshops across the country. "It was a fascinating experience, because we went to Indigenous communities that had never been listened to before," he notes.

The plan's focuses include community-led tourism development, responsible and sustainable experiences and new tourism offerings, as well as strengthening emerging and established destinations by, for example, improving key roads. INGUAT is also designing a new investment-incentive strategy for hotels, as it seeks to persuade global brands to establish more high-end properties with 50—60 rooms around the country and closely connected to authentic communities.

"The government has prioritized making tourism one of the main engines of economic development, so we are looking to be very creative in establishing the right investment conditions," says Whitbeck. "Guatemala is already an attractive destination for investment in tourism and now is the right moment. What we still need to do is tell Guatemala's story and give investors the data and tools they need to make informed decisions."