



Guatemala

The **Largest Economy** in
Central America



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The Guatemalan market

Guatemala is the most populous country and the largest economy of Central America. Over the last three decades, Guatemala had the least volatile growth among its structural and aspirational peers. The country's public debt and budget deficit have historically been among the lowest and most stable globally.¹ Guatemalan economic growth averaged 3.54% between 2002 and 2022. After contracting in 2020, the country's GDP growth rate reached an all-time high of 15.06% in the second quarter of 2021.²

The Guatemalan economy is dominated by the private sector, which generates about 85% of the country's GDP.⁴

The Guatemalan economy is expected to grow by:

3.2% in 2023
3.84% in 2024³



18.73 million

population⁵



22.9 Years

median age of population



Guatemalan Quetzal

(GTQ) currency



65%

internet user penetration⁶



11.97 million

internet users in Guatemala



\$7.33 billion

total transaction value in digital payments estimated for 2023⁷

The country boasts of several archaeological ruins and multiple World Heritage sites, volcanic landscapes and mountain valleys.⁸ Guatemala is a tourist and cultural centre with many language schools, bookstores, craft shops and museums. Guatemala is bordered by 5 countries - Mexico, Belize, the Caribbean, Honduras, and El Salvador and has 5 major ports that contribute significant revenues to the country.

Tourism revenue is expected to reach \$293.40 million in 2023⁹

Guatemala's main export destinations¹⁰



Guatemala's booming services sector

Guatemala's services sector contributes 46.24% of the GDP.¹¹ The sector comprises mainly of tourism, healthcare, customer service, financial services, banking, hospitality, communication, and retail. The country is also a popular stop for cruise ships. It attracts tourists with its Mayan pyramid complexes, magnificent colonial towns, unique customs, and rain forests that are a home to several distinct species of flora and fauna.



95% of the money spent on ecommerce in Guatemala is through international companies



~2 million tourists visit Guatemala every year¹²

Guatemala's ecommerce market

Ecommerce market in Guatemala¹³



What do Guatemalans shop for online?



Fashion and personal care products



Electronics



Homecare products



Food

\$2.40 mn

ecommerce sales projected for 2023

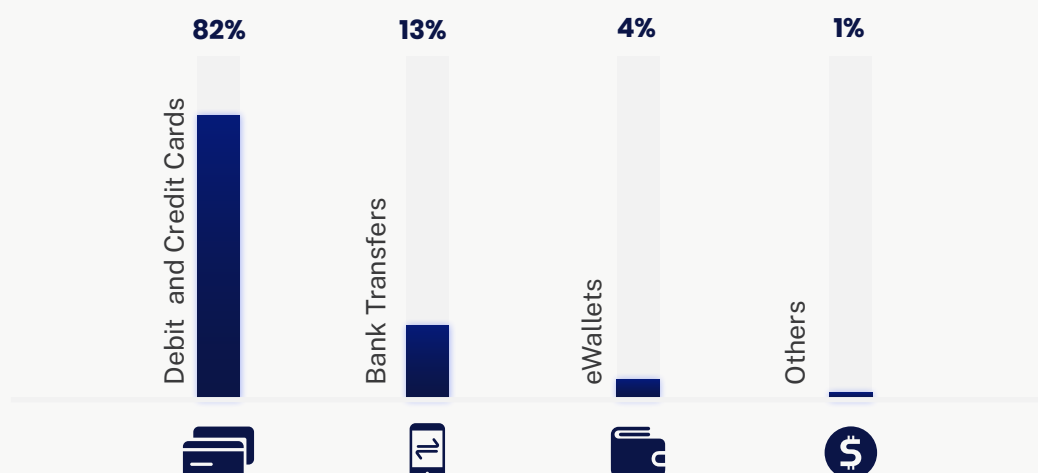
14.63%

CAGR expected from 2023 through 2027

\$4.6 mn

ecommerce revenue expected for 2027

Guatemala's ecommerce payment mix¹⁵



The digital transformation of Guatemala

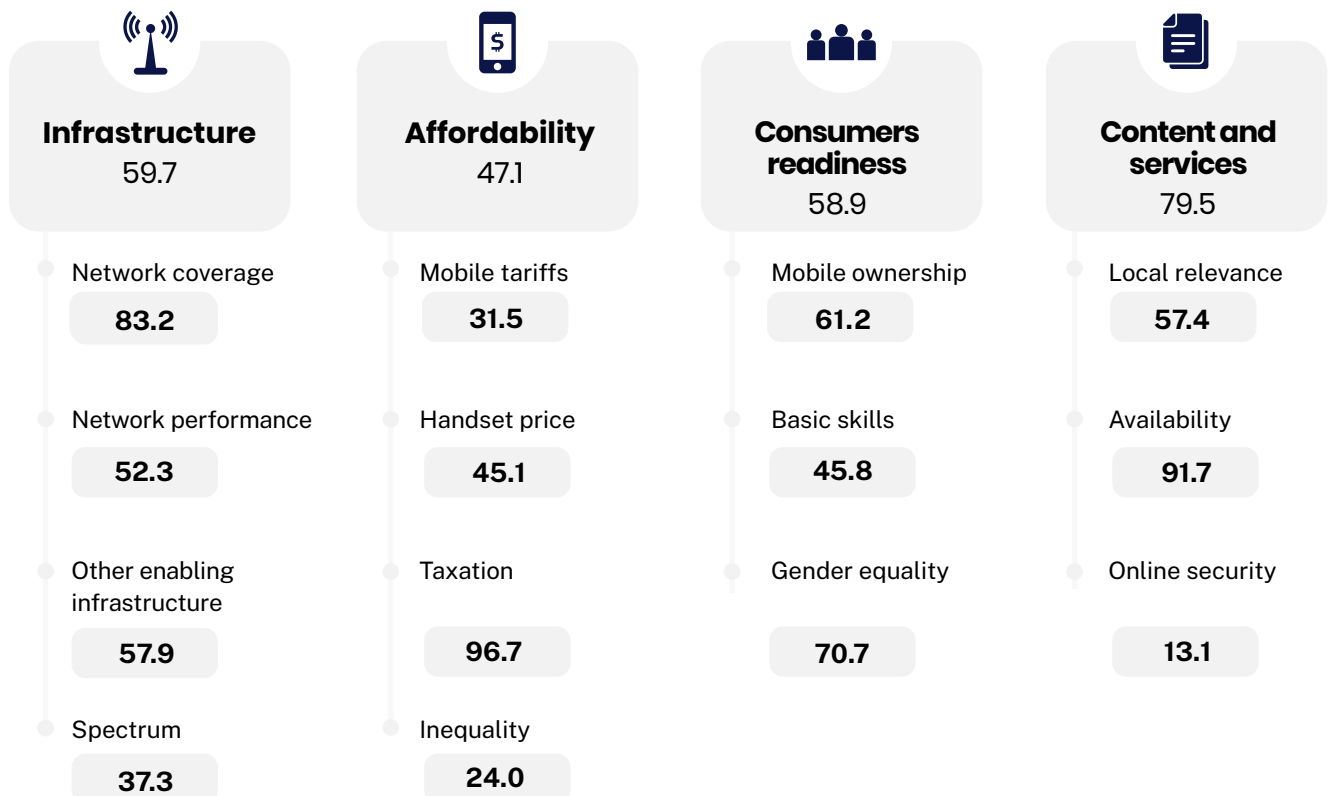
The Guatemalan government has worked consistently to strengthen the institutional framework and operational capacity to implement its digital agenda. The goal of the digital agenda is to enhance connectivity across 3,200 public sites by installing necessary infrastructure and telecommunications equipment. The government has also invested into a state-run datacentre and a private cloud. The program is expected to improve annual GDP by 0.5% and facilitating about \$29 million worth of savings and increased public service efficiency.

Guatemala has **128%** mobile penetration in urban areas¹⁶

Guatemala had 20.26 million mobile connections at the start of 2022¹⁷



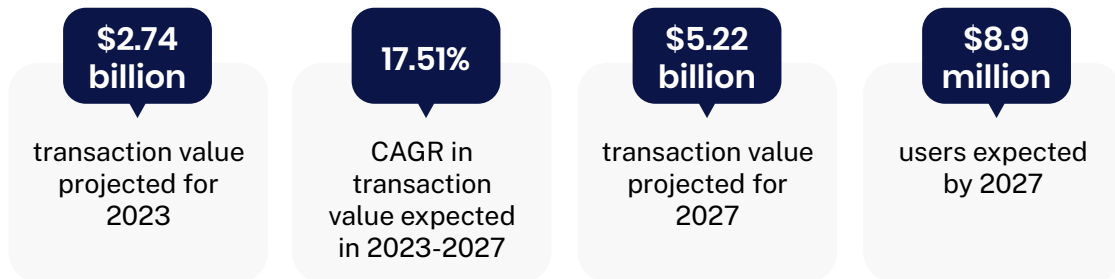
56.7





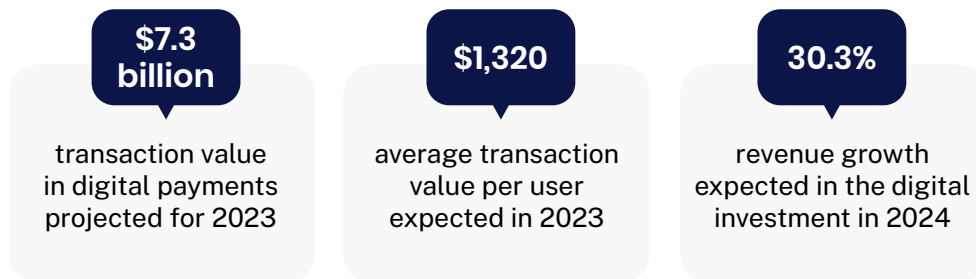
mCommerce

Growth of mCommerce in Guatemala¹⁸



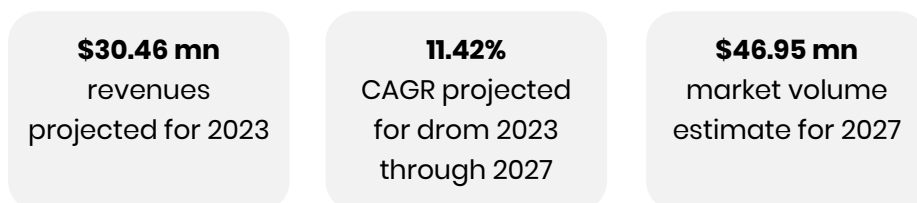
Fintech

Growth of digital payments in Guatemala¹⁹



eServices

Growth of eServices in Guatemala²⁰



The dating eServices segment is expected to spearhead the growth of the eServices in Guatemala, with a CAGR of 20.98% during 2023–2027²¹

Why do business in Guatemala

Government commitment to attract FDIs

Guatemala is a country of free trade, with multiple bi-lateral regional agreements and a part of the Central American Free Trade Agreement of 2006. The investment friendly administration has an attractive incentive policy with tax benefits for foreign investors. The country has a liberal approach to economic activity with three priority sectors to attract foreign investment – electricity (renewable), transportation (electronic), and mining. The government has a website where new businesses can register themselves without any hassles.

Guatemala also has a sound fiscal system and is known for its macroeconomic stability and very low public debt. The country also has high international monetary reserves.

FDI flows increased by **272.6%** in 2021²²

Large energy sector

Guatemala is rich in mineral reserves, especially nickel, uranium, limestone, iron, lead, gold, petroleum, and coal. Also, it generates its own hydroelectricity and has abundant firewood. The country produces most of its energy in-house with its fossil reserves, wood, hydropower, and solar accessibility. Guatemala's energy sector is a leading destination of FDIs in the country and has become the sixth largest exporting sector of the country.²³

65% of Guatemala's energy grid is based on renewable sources²⁴

Strategic location

Guatemala enjoys the geographic advantage of access to both the Pacific and Atlantic coasts of the US. Moreover, the country shares a border with Mexico, Belize, the Caribbean, Honduras, and El Salvador. Guatemala has become the second-largest maritime cargo operator in Central America, with direct access to countries in both North and South America.

Guatemala contributes as much as **40%** of Central America's economic performance²⁵

Lowcost young workforce

Guatemala has a young labour force and competitive labour costs. Most companies in the country are founded by people under the age of 35 years. Half of all Guatemalans are under the age of 25. A young and active population makes it an attractive market and a suitable destination for companies targeting North and South America.

Guatemala has a **63%** labour force participation rate²⁶

With a population of 17 million, Guatemala stands out as the most important markets in Central America

Guatemala's economic expansion

Sectors that traditionally led the growth of the Guatemalan economy were:



Manufacturing



Private services



Trade



Agriculture

Sectors spearheading growth include:

Tourism

Financial services

Healthcare

Banking



Top 5 payment methods in Guatemala



1. Caja de Desarrollo

This financial services provider has 2,000 development funds, through which customers can collect loan payments from Fundación Génesis Empresarial, pay for electricity and telephone bills as well as mobile phone recharge. It is a payment channel the interiors of the country.



2. Banco de Antigua

This provider of digital banking and financial services has 1,250 collaborators that offer services like credit, credit cards, savings accounts, and investments to small and medium businesses.



3. Fundación Génesis

This is a domestic non-profit foundation that specialises in economic and social development. It provides financial services to small businesses and rural communities as well as working capital for investment, education, and other purposes.



4. Banco C&T Continental

This banking service provider offers accounts, credits, insurance, remittance, and other facilities to the people of Guatemala. Most of its services like making inquiries, transfers, and payments are available online via its website and a mobile application.



5. Bam

Bam provides loans, insurance, and credit cards to individuals and companies and offers a 100% digital account. The financial services provider also has a well-established network that provisions discounts at various restaurants and businesses across Guatemala.

Expand your business in Guatemala with PayRetailers

PayRetailers takes your business to Guatemala with more payment alternatives for your customers, all in a single platform.

Being able to offer flexibility in payments can empower your business to grow. With PayRetailers, you get to achieve just that from anywhere in the world to drive business growth in Latin America. We offer a fully localised solution for payment processing in the region. With a single API integration, you gain access to over 250 local payment methods.

Our payment gateway supports multi-channel and multi-currency payments, enabling you to provide unparalleled customer check-out experiences to maximise sales. With our always-available, robust and scalable payment infrastructure, you can start processing transactions within 48 hours.

Fraud prevention & risk management

PayRetailers ensures a completely compliant solution with a focus on the highest standards of security as part of our fraud prevention solutions.

Local collection, global settlements

Make sales in Guatemalan quetzals and receive US dollars, anywhere in the world. We offer unified settlement across all currencies through a 24-hour fixed forex rate in USD and EUR.

Turnkey merchant services

With our highly scalable cloud-based solutions, you can access data quickly and easily, at any time and from anywhere.

Localised solutions

Maximise your market reach by offering the most popular local payments methods without needing to set up a local entity.

Cash Payments





Fintech associations



Our commitment to financial inclusion & financial education

We foster business growth for your company to drive innovation in financial solutions with an aim to building financial inclusion. We believe that we can further ensure inclusion by providing knowledge and skills for people to better manage their personal finances and improve their well-being. We use our collective knowledge and industry best practices to improve financial services for everyone.

Are you interested in the Guatemalan market?

Our team of experts can help you:

- Understand your Guatemalan customer and their preferences.
- Get local expertise and assistance.
- Find the reliable payment methods trusted by Guatemalan consumers in your industry to form a local payment strategy.

50+ leading companies trust us.
Operate via a local partner, so that there is no need to set up a local entity.

PayRetailers bridges the access gap between Latin Americans and international companies. Contact our sales expert team and discover our solutions for yourself.



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