

## Guatemala

*Capital:* Guatemala City  
*Population:* 13,000,000 (2007 estimate)  
*GDP\*:* \$63.78 billion (2005 estimate)  
*Currency:* Quetzal  
*Language:* Spanish



### Summary

The Guatemalan market for Automotive Parts, Accessories and Service Equipment continues to grow steadily. Seventy three percent of the vehicle imports into Guatemala in 2007 were used cars, the remaining twenty seven percent belongs to new car imports. In average, Guatemalans keep their automobiles for 5-7 years before purchasing a newer model. Because of the large number of used vehicles on the roads every day, there is a continuous maintenance and replacement services need in the Country.

### Current Market Trends

Security: The use of high tech security systems, alarms, GPS and others is growing in the market but at a very slow rate. It is estimated that only 3% of the vehicle market might have an interest in GPS systems.

Accessories and Customizing: Very popular, but extremely price sensitive. U.S. products are expected to compete with Asian prices in this niche. Car stereos, lamps, wheels are popular and manufactured in Asia.

Services: Guatemala is known for it's labor intense auto shops and low labor cost culture, hence it looks like automated service shops, sophisticated equipment, consulting and services in general, is only for a very small percentage of the market which services high end customers. It seems that the Country will continue doing manual repairs and services for the near future.

Vehicle Breakdown: As of December 2007, there were 1,558,145 vehicles in the Country. Following is a breakdown of their classification by type:

Buses, Microbuses	5%
Vehicles	25%
SUV's, Panels, small vans	11%
Trucks, cargo transportation	6%
Motorcycles	22%
Pick- ups	23%
Tractors, mini-tractors	1%
Jeep	1%
Other, for industrial use, etc	3%

The number of vehicles that Guatemala imports has been increasing at 17-18 percent rate in the past two years. Despite the cost of fuel, in the first quarter of year 2008, Guatemala's Customs Authority continue showing increasing trends in vehicle imports.

It is a fact that the imports of motorcycles has increased in the past two years and expects to continue doing so. Indian and Asian brands enjoy the majority of share in this market due to competitive prices. Spare parts are then, a major necessity to cover this growing market.

In order to meet the demand of spare parts and accessories to cover the market it is interesting to understand who are the major players in the Country. Seventy five percent of Guatemala's vehicle park is dominated by Asian brands such as: Toyota (25%), Mitsubishi, Mazda, Suzuki, Nissan, Isuzu, Hyundai, Kia, Bajaj, etc. U.S. brands such as Ford (4%), Honda (7%), Chevrolet (4%), International (1.5%), Freightliner (0.8%) and Dodge (0.9%) are also players in the park enjoying eleven percent of the market share.

## Main Competitors

Asian manufacturers are entering aggressively into the market with low priced products Seventy five percent of the cars circulating in Guatemala represent Asian brands. Eleven percent represent U.S. brands. The remaining are European and from other Countries. In the past two years the U.S. brand participation has grown between twelve to fifteen percent, so this is a clear indication that U.S. brands continue to enjoy a good reputation and acceptance in the local market.

Customs records for Guatemala report that U.S. has over fifty percent market share when analyzing accessories and service parts, but this does not necessarily mean that products are manufactured in the US, but probably sold through an American distributor.

## Current Demand

There are more than one hundred spare parts and service agents in the Country. Due to the large demand for aftermarket products and service tools and equipment, the majority of these agents and distributors, whether they are large size companies or a small entrepreneur, are always open to new alternatives to offer their customers. It is very important to note that this market is completely price driven and that Asian brands are well positioned in the market, so the innovative, unusual products are a good opportunity for US manufacturers as long as the prices remain competitive.



Equipment is sold to local mechanic shops, service stations and gas stations. Automotive parts importers have to keep up with the demand from local importers of used cars, who need parts to repair sometimes, severely damaged cars.

## Best Prospects

The most promising sub-sectors within the industry include Aftermarket products such as: Bumpers, spoilers, tail lights, wheels, sound systems, alarms, tires, batteries, suspension kits, mufflers, filters, chips, exhaust systems, brakes, windshield wipers, spark plugs, wheel covers, steering wheels, etc. Other promising products are service equipment such as: Lifts, tire repair, electronic diagnosis, tire balancing, compressors, and in general all necessary equipment and tools for service stations. The following enjoy special preference among Guatemalan buyers if they are U.S. brands: Belts, oil, fuel and air filters, brake liquid and pads, shock absorbers, sealed beams, spark plugs and it's cables.

## Resources

Guatemala Statistics Information (Customs): <http://www.sat.gob.gt>

## Available Market Research

Automotive Parts/Accessories/Service, CAFTA-DR (July 2007)

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