

Doing business in Latin America

Guatemala's new president: Alejandro Giammattei



The rundown

Party – Vamos party

Economic stance – Maintain economic model, attracting foreign investment

Tax policy – Mixed viewpoints: austerity measures and raising the tax burden

Trade policy – Incentives for exports and strengthening trade relations including with the People's Republic of China

Security policy – Hardline approach: reform of the penitentiary system and the National Police (PNC)

What a Giammattei victory means for business

- ▶ A business-friendly agenda and economic reforms
- ▶ Plans to promote Public-Private Partnerships (PPPs), the renewable energy sector and investment in the Guatemala-Mexico border area
- ▶ Regulatory clarification in the free zone and mining sectors

Challenges ahead for Guatemala and the new administration

Migration and US bilateral relations

Giammattei has been critical of the asylum agreement signed with the US; however, a renegotiation is unlikely due to increasing pressure from the US to impose tariffs and a tax on remittances. The administration will prioritize regional measures aimed at curbing illegal migration from the Northern Triangle countries of El Salvador, Honduras and Guatemala.

Violent crime and insecurity

Although Giammattei proposes a hardline strategy, security challenges persist, with forces remaining overstretched and underfunded. The homicide rate will continue to fall but will remain high by regional standards.

Anti-corruption

The government will be under pressure—particularly from civil society groups and the international community—to present a comprehensive anti-corruption plan following the September 2019 departure of the UN-backed International Commission against Impunity in Guatemala (CICIG). The administration will focus on strengthening the institutional capacity of the Attorney General's Office (MP) and the judicial apparatus. Corruption will remain a latent feature of the business environment.