

THE PLASTIC INDUSTRY IN GUATEMALA

I. INTRODUCTION

Country Profile

Central American country, with an area of 108,000 square kilometers and a population of about 9.5 million. It borders Mexico to the north and west, Belize and the Caribbean Sea to the east, Honduras and El Salvador to the southeast, and the Pacific Ocean to the south. The official language is Spanish. A large percentage of the business community understands and/or speaks English.

Economic Framework

The backbone of the country's economic activity are the agricultural, industrial, and commercial sectors. The agricultural activity contributes 26% to the GNP (Gross National Product). Commerce is second with 25% and industry contributes 15%. The production of goods is dedicated both to the domestic and the export markets. The monetary unit is the Quetzal and at this time, (November 1991), its value is five quetzales per U.S. dollar.

II. MARKET DESCRIPTION

Industry Profile

The plastics industry sector in Guatemala is primarily composed by 57 manufacturing concerns who service the domestic and export markets.

Most exports are generally encompassed by the incentives provided by the Promotion and Development of Export Activities and Drawback Law (decree 29-89).

Most of the companies (70%) are members of the Plastic Manufacturers Union. 90% of the total plastic manufacturing production of the country is accounted for by 14 companies (SEE ANNEX A)

Of the total producing companies, 18 of them specialize in the production of plastic bags, and 3 that produce polypropylene sacks for the agricultural sector.