

Guatemala: The 'Jaguar of the Americas'

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Opportunities/Observations

Though Guatemala is moving away from its dependence on agriculture — its chief source of GDP — and toward added-value and non-traditional products for which there is a growing international market, there exists a demand for agricultural and industrial machinery and for food processing equipment.

Sectors also offering good trade and investment opportunities include: power transmission, electronics, telecommunications, energy, mining, transportation, construction, consulting services, paper products, oil exploration and exploitation, petroleum storage and distribution, exploration and exploitation of metallic and non-metallic ores, and hospital and medical equipment.

Electricity

Edgar Pereira, General Manager of the National Electricity Authority (INDE) which, under the New Law of Electricity (now before Congress), is being demonopolized and separated into three entities that are responsible for generation, transmission and distribution, says "There is a lot of unsatisfied demand in the country. We need the infrastructure to get to the end user, to six areas where

there is very little electrification."

"Transmission and distribution are the main priorities," says Pereira. "There will be tenders — once the political decision is made." All these would be developed as private investments, as

part of the government's commitment to privatization.

Pereira also added there are "hydro-electric projects where feasibility studies could be made

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Canadian Homes Answer to Housing Shortage

A housing shortage and prominent promotions are creating a growing market in Guatemala and other Central American countries for a bold new concept — plastic houses from Canada!

"There is a housing shortage, a one million shortage," says Giancarlo Iburguen, Managing Director of Grupo Marbensa, the Guatemala-based partner that has introduced Toronto's Royal Housing concept into the Central American market.

But the shortage is only one reason for the developing market for Royal Housing homes.

"The homes are quake and termite resistant, heat and sun resistant — and very comfortable." They are also easily shipped, easily assembled and their erection provides employment for local contractors.

"One forty-foot container yields one complete house," says Iburguen. "It's a complete unit, including windows and doors."

Basically, layers of PVC line both sides of walls and dividers that are made of locally-produced cement and the rest, as they say, is child's play — right down to adobe-like roofs or shingle-type exteriors.

"The system is very well thought of," Iburguen says. "The middle to upper market is buying. We sell the package to our clients, the developers. And, since Canada is so highly regarded in the local market, we make a point of telling everyone where it is made."

Business Know-How A Basic Resource

"One of the biggest things we have here is our entrepreneurial base," replies Paul Wever.

Wever, former Executive Vice President of FUNDESA, the private, non-profit Guatemalan Development Foundation that promotes investment in the country, and now Vice Minister for the Ministry of Economy is putting a handle on why business people are so impressed with Guatemala's private sector.

"In troubled times," Wever continues, "Guatemalans stayed and invested. Now we are one of the biggest centres of people who know how to do business." The emphasis, carefully embracing each word, is on people, know, how and do!

Wever says "90 per cent of Guatemala's Gross

Domestic Product is produced by the private sector." And, he adds, "I am comfortable with the legislation that is going through concerning private-sector involvement and separation of monopolies."

Of his ministerial position, which entails promotion of foreign investment, Wever says, "I'll involve foreign companies; they know what they want. It's always helpful to find out what might prevent investors from doing business here."

And where does Canada come into the picture?

"Canadian business is interested in Guatemala. Canadian investment is well looked upon," Wever states. "They want business. We want business. And business is being done."