Country Profile: Guatemala

Market Overview

Euromonitor reports that the economy in Guatemala expanded in real terms in 2022, driven by increasing public and private consumption, capital investment, and external demand. However, global economic slowdown, elevated inflationary pressures, and tightening financial conditions are set to undermine business and consumer confidence globally, raise uncertainty, and weigh on the country's economic outlook.

- Following real growth of 4% in 2022, Guatemala's economy is expected to expand at an average annual real gross domestic product (GDP) rate of 3.4% in 2023 and 2.9% in 2024.
- Inflation in Guatemala is forecast to slow down to 4.8% in 2023 from 6.9% in 2022.
- While Guatemala's merchandise exports increased by 16.3% and imports rose by 21.6% during 2022, the country remained a net importer of goods.
- Gross fixed capital formation (GFCF) continued to increase over 2022, accounting for 15.6% of GDP.
- The public debt-to-GDP ratio in Guatemala fell to 29.3% in 2022, standing below the regional average of 67.1%

Guatemala is the most populous country in Central America with a GDP per capita roughly half the average for Latin America and the Caribbean. The agricultural sector accounts for 13.5% of GDP and 31% of the labor force. Key agricultural exports include sugar, coffee, bananas, and vegetables. Guatemala is the top remittance recipient in Central America as a result of Guatemala's large expatriate community in the U.S. These inflows are a primary source of foreign income, equivalent to two-thirds of the country's exports and about a tenth of its GDP.

Guatemala is experiencing a population boom that began in the 1980s and will continue for at least another decade. Total population in 2023 was 17.9 million, (CIA World Factbook Est.), an increase of 6.2 million since 2000. The median age is slowly rising but was just 24.4 years in 2023. Only 5.2%, or about 1 million men and women of the population, is over 65.

USDA's Office of Agricultural Affairs, OAA, in Guatemala City, hereinafter referred to as FAS Post Guatemala City, reports that the U.S. and the rest of Central American countries are the main trade partners with Guatemala. Besides CAFTA-DR, Guatemala has free trade agreements (FTAs) with Central America (including Panama), Colombia, Mexico, Dominican Republic, Taiwan, Chile, and the European Union (EU.)

The customs union between Guatemala and Honduras started in June 2017, and as of December 7, 2018, El Salvador is part of the customs union. It is called "El Poy" (the name of the border crossing) and is the integrated border of the three countries. Authorities believe that this customs union will turn the Central America northern triangle into the eighth strongest economy in Latin America. With this union, most import tariffs will be harmonized to facilitate cross-border trade and eliminate opportunities for triangulation of imports.

Market Opportunities and Key Issues for U.S. Processed Food Exporters in Guatemala

Market Opportunities:

- Strategic geographic access to Guatemala on both the Atlantic and Pacific Oceans.
- Most imported products from the U.S. enter duty-free thanks to CAFTA-DR.
- Low-cost transportation of goods thanks to the proximity of U.S. ports. U.S. suppliers can export smaller quantities at competitive prices.
- Supermarket chains open stores every year and mostly in the interior of the country. These new stores sell domestic products and imported goods.
- The growing food processing industry is looking for quality food ingredients for ready-to-eat products, bakery, deli meats, beverages, and snacks.
- Guatemalan food processors require imported bulk commodities, intermediate, and consumer-oriented ingredients to produce processed products for the domestic market and for exports to the world.
- Shipping products from the U.S. is cheaper and quicker than shipping products from Europe.
- Guatemalan food processors require imported bulk commodities, intermediate, and consumer-oriented ingredients to produce processed products for the domestic market and for exports to the world.
- As Guatemalan consumers become more sophisticated, opportunities for higher quality and specialty products increase.

Key Issues:

- Roads throughout the country are in poor condition and transportation costs are high. FTAs with various countries create strong competition.
- Many Guatemalan importers prefer that U.S. suppliers export their products through Miami to consolidate their products and reduce transportation costs.
- Registration is always a concern to importers because it takes more than two weeks to issue import permits to importers.
- The harmonization of technical standards could restrict access for some U.S. products.
- Lack of cold chain procedures and limited infrastructure and distribution for perishable products.
- Sanitary and phytosanitary rules are subject to an inconsistent regulatory structure, imposing non-technical measures on U.S. exports.
- Contraband is a growing problem; local business leaders, especially in the agricultural and manufacturing sectors, estimate that contraband has negatively impacted up to 30% of the formal economy, with a corresponding impact on tax collection.
- New Central American Technical Regulations are being implemented for importing food products and require U.S. companies to comply with more paperwork prior to entering the local market.

- Guatemala is a price-sensitive market, and this could affect loyalty to brands in times of economic difficulty.

Guatemala is the largest U.S. export market for processed foods in Central America. In 2022 Guatemala imported a record high US$549.7 million in U.S. processed foods, growth of 11%. In 2023, U.S. exports of processed foods declined 9% to US$501.4 million. This equates to US$48.3 million, which adds to the U.S. trade deficit in food and agricultural products.

Top processed food exports from the U.S. in 2023 included:

- Food Preparations & Ingredients – up 7%.
- Processed/Prepared Dairy Products – up 19%.
- Processed Vegetables & Pulses – up 12%.
- Prepared/Preserved Meats – up 7%.
- Condiments, Sauces, Jams and Jellies – up 27%.
- Snack Foods – up 10%.

Retail Sector Highlights:
Euromonitor has estimated that the 2023 retail sales of packaged food products in Guatemala reached US$6.7 billion. Guatemala remains the largest packaged food market in Central America. This also represents an increase of nearly US$1.6 billion or 30.7% from 2019. Euromonitor also forecasts the packaged food market to grow to US$9.7 billion by 2028, an increase of over US$2.4 billion and 33.3% from 2024.

High growth categories in the forecast include:
- Pet Food
- Ready Meals
- Dairy Products (e.g., Cheese)
- Meals & Soups
- Soup
- Processed Meat, Seafood & Alternatives to Meat
- Rice, Pasta, and Noodles

FAS Post Guatemala City reports that in 2022, supermarkets, hypermarkets, and independent food stores continued adding locations, but retail volume sales fell versus 2021. This decrease was mainly due to the rising cost of raw materials, shipping costs, labor, and energy impacting consumer good prices. The retail sector in Guatemala is dominated by three supermarket chains. These supermarkets mainly target middle- and high-income consumers. However, there are still many opportunities in the retail sector. Only 30% of food sales are in supermarkets. Other consumers still rely on open-air markets and corner stores.

In 2022, Walmart Mexico and Central America continued to be the leading supermarket chain with a retail value share of 49%; followed by Unisuper (La Torre/Econosuper), with 21.5% of retail value share. These supermarkets target middle- and high-income consumers and low to mid-low-income consumers. There are still many opportunities in the retail sector since only 30% of total food sales are made by supermarkets. This opportunity is also an advantage for the informal retailers who are mostly concentrated in the rural areas of the country and mainly attract low-income and mid-income consumers.

Walmart Mexico and Central America: The largest supermarket chain and the leading supermarket chain in Guatemala. The company has 263 stores, divided as follows: Supertiendas Paiz (27), Walmart (10), Despensa Familiar (181), and Maxi Despensa (45). Walmart directly imports around 85% of its food products, including produce, cereals, processed foods, and beverages. Walmart Guatemala and Walmart Costa Rica make most of the purchasing decisions for the rest of the Central American stores and are interested in expanding the lines of imported goods to supply their high-end hyper and Paiz stores. The company is also introducing its private label called Great Value, which competes with imported products and is regarded as high quality and affordable.

Unisuper: The second largest supermarket in Guatemala and the number one domestic supermarket chain, with 174 stores under the names of La Torre (102); Torre Express (65), and Econosuper (seven). La Torre sells local and imported products, and customers are middle high and high-end consumers. La Torre Express stores are smaller and mainly located in Guatemala City. Unisuper introduced this new convenience store concept "express" at the end of 2017. The strategy consists of opening small convenience stores of around 70 square meters in Guatemala City and then expanding in the coming years to other large cities in the country. These stores carry a small inventory of products and compete directly with corner stores, but they can sell imported products and refrigerated and frozen goods.

Super Del Barrio: Started business in 2015 and presently has 154 stores under three different concepts: Super Del Barrio (100 units), which offers daily discounts for food items and competes with larger stores, attracting customers that live in nearby residential areas and target lower income consumers. The name of the corporate office is Grupo de Tiendas Asociadas (GTA). In addition, the company has Summa stores, which are larger stores that are like hypermarket stores; and Super Fresh stores, which cater to middle- and high-end consumers and sell imported and local products.

PriceSmart: U.S. warehouse company headquartered in San Diego, California, that operates membership club stores in Latin America and the Caribbean. The company sells food and consumer goods, and members pay between US$20 and US$35 to shop at their stores. The supermarket has four stores in Guatemala City, Mixco, and Fraijanes. Presently, it is the only membership retail store in Guatemala.

Best Prospects:
FAS Post Guatemala City reports that considering imported food products fall into the premium price when reaching supermarket shelves, the general characteristics exporters should consider are well-known brands, high-end attributes, one-year shelf life or more, attractive packaging, and products that confer status and level of innovation. Products that combine these characteristics are more likely to enter the market successfully. U.S.

products such as grains, beef, pork, chicken, oils, fruits, and vegetables, as well as other food items, are highly demanded by consumers, hotels, restaurants, and the food processing industry.

Foodservice Sector Highlights:
FAS Post Guatemala City reports that Guatemala is recovering from the effects of the pandemic and in 2022 tourism reached 1.8 million visitors representing, an increase of 177% from 2021. The Hotel, Restaurant and Institutional (HRI) sector represents 4.5% of the country's GDP. Guatemalan consumers have returned to eating out looking for restaurants that can offer innovation in the gastronomic industry not only focusing on food preparation, but also on presentation, fusion cuisine, and the technology applied to food production processes.

Tourism in Guatemala represents 10.2% of total GDP, and during 2022, the Guatemalan Tourism Institute (INGUAT) reported that 1,844,739 tourists traveled to Guatemala, representing an increase of 177% when compared to the number of tourists who traveled to Guatemala in 2021. Almost 39% of tourists came from El Salvador and the rest came from the U.S., Europe, and other Central American countries.

The hotel sector in Guatemala consists of international chains, boutique hotels, and hostels. Most of the hotels in Guatemala City have at least one restaurant open to the public and many have a bistro or coffee shop in addition to their restaurant. International travelers that stay in Guatemala City for business purposes usually stay from two to four nights. Many of the international hotel chains include breakfast in their lodging rates and, therefore, travelers eat that meal at the hotel and have lunch and dinner at nearby restaurants.

In 2023, the restaurant sector in Guatemala increased the number of units around the country; this also applies for the fast-food sector. There are an estimated 18,000 restaurants nationwide, generating around 400,000 direct jobs. This sector represents 15% of the tax collection and 4.5% of the GDP. After the decline recorded during 2020 because of the COVID-19 restrictions, the restaurant sector began its reactivation in 2021 and 2022, seeking to reach pre-pandemic growth levels in 2023.

Guatemalan Franchise Association (GFA) reports that franchised restaurant businesses there are some segments that are growing more rapidly, and one of the fastest growing segments of the industry is the fried chicken business. According to the GFA, it is a preferred food among Guatemalan consumers. Guatemala has approximately 450 franchises from which almost 50% are food-related businesses. These are local and international franchises such as Starbucks, McDonald's, Taco Bell, Burger King, Pizza Hut, Domino's, Little Caesars, etc. These businesses have expanded their business operations to the interior of the country where new shopping malls are opening in the major cities.

The United States is also an important supplier of chicken, soybean oil, dairy products, wheat, and red meats. Major competitors include Mexico, an important beer and distilled spirits' supplier; Costa Rica, which supplies soups and other food preparations, condiments, and sauces; and El Salvador with bakery goods, cereals, and pastas.

Best Product Prospects:
FAS Post Guatemala City reports that products present in the Hotel Restaurant and Institutional (HRI) sector that offer good potential from the U.S. include beef and beef products, pork and pork products, poultry meat and products (ex. eggs), dairy products, processed fruits and vegetables, craft beers, snack foods, condiments and sauces, and frozen potatoes.

Food Processing Sector Highlights:
FAS Post Guatemala City reports that the Guatemalan food and beverage processing industry, of approximately 2,200 companies, represents 46% of the total manufacturing industry in Guatemala. U.S. agricultural exports to Guatemala play an important role in this industry for raw materials. This sector grew 18% in 2022, representing 6.5% of the GDP, and 17.7% of total exports.

Approximately 500 companies are small companies with less than 20 employees. These companies supply the domestic market and mainly export to other Central American countries and the United States. Sales of processed foods are increasing because of internal demand and the export of these products to the world. Supermarket growth is also increasing consumer demand throughout the country. Growth in the tourism sector plays an important role in the consumers' demand for quality food and beverage products in the market.

Guatemala is one of the top food processing countries in Central America; meats and bakery and dairy products continue to lead the domestic food processing sector. U.S. suppliers have good opportunities to export bulk, intermediate, and consumer-oriented products that can be used as ingredients for further processing. After two years of COVID-19, Guatemalans have changed some of their consumer habits and preferences. They are cooking more at home, increasingly use social media platforms to purchase products, and seek healthier food and beverage options.

Guatemala is a major importer of raw materials and ingredients, which are used by local companies for further processing for both domestic consumption and exports. In 2021, the Guatemalan Chamber of Food and Beverages (CGAB) reported that the processed food and beverage exports from Guatemala to the world increased 28% versus 2020, totaling US$1.1 billion, becoming the country's main exporting sector, followed by the textile and clothing sector with a growth of 26% over 2020.

Main destinations of exports were to Central America with 43%; Mexico with 10% and the U.S. with 8%. Palm oil, cookies and other bakery products, prepared sauces, and nonalcoholic beverages are among the largest exports of processed food goods. The food and beverage processing industry in Guatemala is the second largest exporting sector and represents 6.4% of the country's total GDP.

The main food processors are: Alimentos S.A./Alimentos Maravilla (cereals refried beans; snacks; nonalcoholic beverages; soy based foods; seeds); Bimbo (bakery products); Cargill/Perry (poultry; processed meats; pet food); CMI Corporation (cookies; crackers; cereals; pasta; animal feed; processed meats; pet food); Fresh Del Monte (canned fruits and vegetables; refried beans; ketchups and tomato paste; dried fruits; fruit nectars and juices); Nestlé/Malher (soups; dairy; chicken and beef dried broths; confectionary, etc.); and PepsiCo/Frito Lay (snacks, beverages.)

Best Product Prospects:
FAS Post Guatemala City reports that the areas with the most growth potential for the food processing industry are: processed meats: mechanically deboned meat (MDM); boneless picnic; pork bellies, trimmings and offals; animal fats; flours (fillers); beverages: fruit concentrates and nectars; drink bases and syrups; soy flakes and soy powder; artificial fruit flavors; baking: pancake mixes; pre-mixes; bulk cake flours; snacks: dehydrated potato flakes and powder; tree nuts; fruit fillings; whey powder, protein concentrates; corn; soups and broths: fresh potatoes, dehydrated potato flakes and powder; and condiments.

Honduras

Euromonitor reports that the economy in Honduras expanded in real terms in 2022, driven by increasing public and private consumption and external demand. However, in 2023 global economic slowdown, elevated inflationary pressures, and tightening financial conditions were set to undermine business and consumer confidence globally, raise uncertainty, and weigh on the country's economic outlook. This slowdown reflects several factors, including a weakening global economy, particularly in the U.S., which will limit export growth by volume and remittance inflows, resulting in weaker private consumption growth; a drop in investment as hurricane repairs are completed; and the dampening effect of high inflation on consumers and businesses.

- Following real growth of 3.9% in 2022, Honduras's economy was expected to expand at an average annual real gross domestic product (GDP) rate of 2.9% in 2023 and 3.2% in 2024.
- Inflation in Honduras was forecasted to slow down to 5.2% in 2023 from 9.1% in 2022.
- While Honduras's merchandise exports increased by 5.1% and imports rose by 9.9% during 2022, the country remained a net importer of goods.
- Gross fixed capital formation (GFCF) decreased over 2022, accounting for 19.8% of GDP.
- The public debt-to-GDP ratio in Honduras fell to 45.0% in 2022, standing below the regional average of 67.1%

The 2023 Honduran population is 9.5 million (CIA World Factbook Est.). Honduras' population growth rate has slowed since the 1990s and is now nearly 1.3% annually with a birth rate that averages 2.1 children per woman and more among rural, indigenous, and poor women. Honduras' young adult population, ages 15 to 29, is projected to continue growing rapidly for the next three decades and then stabilize or slowly shrink. The 2023 median age is 25.3 years. Population growth and limited job prospects outside of agriculture will continue to drive emigration. Remittances represent about a fifth of GDP.

USDA's Office of Agricultural Affairs (OAA) in Tegucigalpa, hereinafter referred to as FAS Post Tegucigalpa, reports that remittances from Hondurans working in the U.S. a record high of US$8.7 billion in 2022, accounting for more than 20% of GDP. Strong remittances and a healthy international demand, which was boosted by the recovery in the U.S. economy, increased private consumption. In December of 2022, inflation broke through the top band and approached 9.1% for the year, indicating supply-side issues as well as some demand pressures from strong remittances and increasing government spending.

The U.S. is Honduras's main trading partner in total trade and in agricultural products. U.S. agricultural exports increased with the implementation of the Dominican Republic-Central America-Free Trade Agreement (CAFTA-DR) in 2006. Most U.S. agricultural products have duty-free access to Honduras.

Honduras has an open and expanding trade policy through 12 Free Trade Agreements with the main markets covering 36 countries, of which the majority are multiparty. The free trade agreement (FTA) between Taiwan and Honduras was to end in 180 days from June 8, 2023, according to the Ministry of Foreign Affairs. Honduras and the People's Republic of China began negotiating a trade agreement in July 2023.

Honduras is the third largest export market in Central America for processed food products from the U.S., importing US$348.3 million from the U.S in 2022, an incredible growth of 27%. In 2023 U.S. exports to Honduras increased another 3% to US$357.3 million.

Top processed food exports to Honduras in 2023 included:

- Food Preparations & Ingredients – up 30%.
- Processed/Prepared Dairy Products – down 7%.
- Alcoholic Beverages – up 16%.
- Condiments, Sauces, Jams and Jellies – down 18%.
- Prepared/Preserved Meats – up 12%.
- Processed Vegetables and Pulses – down 22%.
- Non-Alcoholic Beverages – up 11%.

Market Opportunities and Key Issues U.S. Processed Food Exporters in Honduras

Market Opportunities:

- Proximity to the United States allows containerized cargo from gateway cities to be transported to Honduras in two to three days. New public-private logistical hubs at

Puerto Cortes have increased refrigerated/frozen storage capacity and reduced customs clearance time.
- CAFTA-DR eliminated most tariffs and other barrier to United States goods destined for the Central American market, protects U.S. investments and intellectual property, and creates more transparent rules and procedures for doing business.
- Consumers have strong preferences for U.S. products. U.S. products enjoy a high-quality image among Hondurans. Importers prefer trading with U.S. exporters because of reliability and quality consistency.
- Honduras is not self-sufficient in food supply, and reliance on American suppliers for pork, rice, corn, and other foods has increased in 2022.
- Increases in infrastructure and facilities have permitted the year-round availability of U.S. fruits such as apples, grapes, and pears. Direct imports by warehouse outlets have diversified foods imports.

Key Issues:
- Direct competition from other Central American countries. FTAs have been signed with the Dominican Republic, Mexico, Chile, Colombia, Panama, Canada, European Union, Republic of Korea, and Taiwan.
- Maintaining macroeconomic stability and fostering an environment for investment.
- The current economic situation in the country limits purchasing power, and customers are price sensitive.
- Relatively high duties on some products that are not under the CAFTA-DR agreement.
- Regulatory compliance with local labeling requirements: manufacture and expiration dates.

Retail Sector Highlights:
Euromonitor has estimated that the retail sales of packaged food products in Honduras will reach over US$1.9 billion in 2023. This also represents an increase of US$498.7 million or 34.5% from 2019. Euromonitor also forecasts the packaged food market to grow to nearly US$2.7 billion by 2028, an increase of US$590.3 million and 28.1% from 2024.

High growth categories in the forecast include:
- Pet Food
- Rice, Pasta, and Noodles
- Savory Snacks
- Confectionery
- Edible Oils
- Baked Goods
- Processed Meat, Seafood and Alternatives to Meat

FAS Post Tegucigalpa reports that consumer-oriented products are conducted mostly by supermarkets, mini-markets, and convenience stores. The supermarket retailing industry is growing rapidly. Supermarkets have opened stores in various medium and large urban locations and most populated cities in the country. Most of the regularly employed population takes advantage of promotions and buys their food at these supermarkets. Many supermarket chains are also expanding, remodeling, and modernizing. In recent years, the Honduran market for imported processed foods has become increasingly competitive, with supermarkets entering the market and taking the spotlight away from importers, which has meant that they have had to invest in advertising.

In Honduras, modern grocery retailers' sales growth overtook that of small neighborhood stores in 2022, continuing a long-term trend. These retailers operate in the warehouse clubs and convenience stores channels. Small local grocers (including open markets) are frequently the only conveniently accessible grocery shopping option in remote areas. Meanwhile, consumers in cities have easier access to modern forms. As a result, as Honduras' urbanization increases, convenience stores and warehouse clubs, as well as supermarkets, hypermarkets, and discounters, benefit at the expense of small local grocers. The global tendency is for retail enterprises to develop their own private brands, and while no official data are available, Honduras has not lagged. In recent years, supermarkets have added a diverse choice of private brands, promoting them with gondola areas and in-store promotions.

Walmart Centro América SA maintained its advantage in food retailing with its Despensa Familiar, Maxi Despensa, Paiz, and Walmart Supercenter brands. In 2021, the firm established its fourth Supercenter location, emphasizing the "buy everything in one place" theme and unique services for this market, such as self-checkout.

Super mercados La Colonia de Honduras SA de CV was ranked second after Wal-Mart but number one in top-of-mind brands. Walmart de México y Centroamerica (Walmex) operations in Honduras, as well as El Salvador and Nicaragua, were being evaluated for possible joint ventures, strategic partnerships, or even sale at the end of the review period, with the retailer seeking to focus efforts on operations in Mexico, Costa Rica, and Guatemala.

Walmart is the largest grocery store in Latin America, with a 10.8% market share in the country. Walmart presently runs 111 retail locations in Honduras, divided into four formats. Walmart's Despensa Familiar accounts for 4.2%, Walmart Supercenter accounts for 2.8%, Maxi Despensa accounts for 2.2%, and Paz accounts for 1.6%. Euromonitor estimates Walmart's Honduras retail value (without sales tax) for 2022 to be US$838 million.

Super Mercados La Colonia ranked number one brand in top-of-mind awareness (TOMA) with 49% recognition by the Hondurans, for the year 2021-2022, and Maxi moved up to second place. In 2022, Supermercados La Colonia had a 7.5% market share in grocery retailing with 57 retail units, company sales of US$578 million (excluding sales tax) and 0.4%-point change in market share for the years 2020 to 2022.

Supermarkets and wholesale clubs account for the largest sales volume of consumer-ready (canned, preserved, processed, frozen, and chilled) food products. Sales of fresh fruits and vegetables continue to increase, as improvements in cold chain technology allow for longer shelf life of perishable items, including sausages, hams, pork cuts, and other deli meat products.

Euromonitor reports that the number of convenience stores rose over the last few years as this format appeals to the way Hondurans shop. Convenience stores such as Pronto and Circle K are certainly being well embraced by the population and are growing. These two companies are also forecourt retailers, aligning themselves with petrol stations, in order to boost their sales, especially the Pronto franchise. Discounters are also a growing format, particularly the Maxi Despens and La Despensa Familiar brands, both of which are part of the Walmart group.

Best Product Prospects:
FAS Post Tegucigalpa reports that U.S. products with high potential in the Honduran retail food market include prepared foods, condiments and sauces, snack foods, pork and products, processed vegetables, dairy, wine and beer, poultry meat and products and chocolate and cocoa products.

Foodservice Sector Highlights:
FAS Post Tegucigalpa reports that the in general, Hondurans enjoy eating out, both as a matter of convenience (mostly for those who work outside the home) and as a family trip on the weekends. Honduran families are increasingly selecting local and foreign fast-food franchises when selecting a restaurant.

Hotels and restaurants presented an annual growth of 26.1% for 2022, spurred by the tourism industry recovery. Honduras attracted more than 1.9 million tourists in 2022, 131.4% higher than in 2021 (825,796), according to the Honduran Institute of Tourism (IHT). IHT established 49.4% of people (943,246) arrived in Honduras by sea (cruise ship), while 487,676 (25.7%) entered by land and 480,166 people (25.3%) by air. According to official data, the United States was the first issuer of tourists with 43.4% of the total number of visitors, followed by El Salvador (17.4%), and Nicaragua (13.9%). The Ramón Villeda Morales airport in San Pedro Sula had the highest number of arrivals. Guasaule was the principal land point of entry for day visitors.

Shopping centers and malls are becoming increasingly popular. Consumers have replaced recreational activities with visits to malls and shopping complexes not only for convenience of the one-stop (multiband) stores, food, entertainment, banking, etc., but also because a sense of confidence that they can go about their business safely within the enclosed guarded areas that are typical of these shopping venues in Honduras.

In general, all types of fast-food outlets improved in 2022 compared to the previous year. Resulting in the growing popularity of pizza and burger restaurants nationwide and the firm foothold of fried chicken have created solid demand for U.S. shredded pizza cheese, French fries, chicken nuggets, chicken wings, chicken thighs, dairy product alternatives, and condiments.

Honduras has more than 140 franchises, surpassing El Salvador, which was the country that led the number of franchises in the region. INTUR (Burger King, Little Caesars, Church's Chicken, Popeye's, Dunkin,' Baskin Robins, Chili's, Pollo Campero, It's Just Wings and Circle K) and Grupo de Comidas (Pizza Hut, Kentucky Fried Chicken, and Denny's) manage 13 fast food brands and are the leaders in the fast-food industry in Honduras. INTUR, with 226 stores in Honduras and 19 in Guatemala, has registered 12% sales growth the past two years.

Best Product Prospects:
FAS Post Tegucigalpa reports that high value products offer good market opportunities in Honduras, especially ready-made or convenience food, wholesome, and healthy products. A list of favorite imports from the foodservice sector includes pre-cooked potatoes, snacks, frozen or ready-made food, seafood, cheese, vegetable oil, frozen vegetables, condiments and dressings, and margarine.

Food Processing Sector Highlights:
FAS Post Tegucigalpa reports that Honduran food processors often source raw, semi-processed and processed ingredients from several different supply chains, including importers/distributors, vertically integrated supply chains, and local sources. Multinational food processors operating in Honduras often maintain a global procurement office as well as a local procurement office to identify and manage supplies for Honduran operations.

These global brands leverage vendors along their global supply chain to provide them their ingredients. Small- and medium-sized Honduran food processors generally source ingredients from a network of Honduran brokers and distributors. If production/input volumes are high enough, some processors import directly from U.S. exporters.

The U.S. remains the primary food supplier of food processing ingredients to Honduras. U.S. products benefit from shipping proximity as well as a reputation for quality and stable supplies. The Central American Free Trade Agreement (CAFTA-DR) protects U.S. investments and intellectual property, eliminates most tariffs and other trade restrictions on American goods going to the Central American market, and establishes more open trading standards. In addition to facilitating more regional trade, CAFTA-DR aspires to do away with tariffs between Central American nations.

Best Prospect Products:
FAS Post Tegucigalpa reports that top food processing products exported from the U.S. to Honduras include food preparations; powders for the preparation of puddings, creams, ice creams, hors d'oeuvres, jellies and similar preparations; compound preparations for the beverage industry; dairy product substitutes including imitation cheese; liquid preparations based on corn syrup and partially hydrogenated palm kernel oil; stabilizers and emulsifiers; preparations of the kind used as flavorings in the food industry, based mainly on milk solids, caseinate, sodium chloride, carbohydrates, and fats.

Nicaragua

Focus Economics reports that after accelerating in annual terms in earlier in 2023 the economy seemingly gained further momentum by the midpoint. Economic activity expanded at a brisker pace relative to the prior quarter on the back of upturns in the agriculture, communications, manufacturing, and mining sectors. Moreover, merchandise exports rebounded in the period. That said, construction output grew less, while remittances inflows eased. Early data for 2023 is promising. In October, inflation fell to a 25-month low, which should support household spending.

In other news, in late October 2023, Vice President Rosario Murillo initiated a purge of the judicial system, dismissing close to 1,000 officials and replacing them with loyalists.

The main challenge for 2024 and beyond is to stay on course to preserve macroeconomic and financial stability. Restoring confidence and external financing flows is critical to avoid a further contraction in credit and jobs, which would continue to hold back investment and consumption, implying a significant headwind to economic activity. Restoring business confidence and addressing supply-side bottlenecks are key elements to promote sustainable economic growth.

Policies to bring back private sector confidence, including a frank evaluation of the impact of recent measures, are essential to promote economic recovery and offset an increase in poverty. Euromonitor reports that gross domestic product (GDP) growth was 3.7% in 2022 but should recede down to 3% in 2023 and then 3.3% in 2024.

Nicaragua's population was 6.3 million (CIA World Factbook Est.). The median age is 28.5 years, which means it is still a relatively young country. The percentage of those older than the age of 65 is only 6.5%. The population growth rate is only 0.97%.

USDA's Office of Agricultural Affairs, OAA, in Managua, hereinafter referred to as FAS Post Managua, reports that some 140,000 formal sector jobs have disappeared from the economy since 2018, and Nicaraguan families now earn 15% less on average than in 2018. Remittances from the Nicaraguan diaspora through September 2023 were US$3.4 billion, up 52% over the same period in 2022; Nicaraguans remitted a record US$3.25 billion in all of 2022, equal to 20% of GDP. Remittances are supporting basic consumption in Nicaragua, preventing thousands of vulnerable families from falling further into poverty and facilitating the Central Bank's accumulation of reserves, which can help the government avoid the most destabilizing effects of international economic sanctions.

Nearly all U.S. products have duty free access to Nicaragua under the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR). Remaining tariff rate quotas (TRQs) on rice, chicken meat, and dairy products will phase out by January 1, 2025. Among the best prospects for export growth are feed grains and soybean meal as well as rice, chicken meat, pork, and snack foods, but deteriorating economic conditions or terms of trade could diminish prospects.

Nicaragua is the smallest export market for U.S. processed foods in Central America, even smaller than Belize. In 2022, U.S. exports of processed food products to Nicaragua grew 20% to US$76.3 million. In 2023, U.S. processed food exports to Nicaragua increased 12% to US$85.3 million.

Top processed food exports to Nicaragua in 2023 included:
- Processed/Prepared Dairy Products – down 2%.
- Food Preparations & Ingredients – up 2%.
- Soups – up 75%.
- Condiments, Sauces, Jams, and Jellies – up 50%.
- Processed Vegetables and Pulses – up 57%.
- Snack Foods – up 21%.
- Fats & Oils – down 18%.

Market Opportunities and Key Issues for U.S. Exporters of Processed Food in Nicaragua

Market Opportunities:
- Nicaraguan importers trust the quality and value of U.S. products.
- Preferential access and reduced tariff rates under the CAFTA-DR trade agreement.
- Proximity to Nicaragua provides lower shipping costs and shorter shipping times.
- Increased remittances support higher consumer spending levels .

Key Issues:
- Limited purchasing power and uncertain economic outlook.
- Weak rule of law and arbitrary rulings by customs agents may result in delays, fees, and/or rejections.
- Without an Atlantic port, shipments must cross Honduras overland or transit the Panama Canal.
- Increased immigration shrinks market size.

Retail Sector Highlights:
Euromonitor has estimated that the retail sales of packaged food products in Nicaragua will reach just over US$1.3 billion in 2023. This also represents an increase of US$296.8 million or 28.1% from 2019. Euromonitor also forecasts the packaged food market to grow to nearly US$1.9 billion by 2028, an increase of US$431.1 million and 29.6% from 2024.

High growth categories in the forecast include:
- Pet Food
- Soup
- Meals & Soups
- Rice, Pasta, and Noodles
- Processed Meat, Seafood & Alternatives to Meat
- Cheese

- Dairy (ex. Cheese)
- Savory Snacks

FAS Post Managua reports that supermarket chains have continued to expand and modernize, supporting increased distribution of imported high-value perishable products (like pork and chicken meat) as well as consumer-packaged goods. Expansion of supermarket infrastructure has also driven growing demand for, and popularity of, retailers' own private label branded products. However, if the Nicaraguan economy continues to deteriorate, FAS Post Managua anticipates reduced demand for high value, consumer-oriented foods.

More than 1,000 wholesalers, retailers, and distributors operate in Nicaragua. Supermarkets with a wider variety of products are increasingly popular and expanding. Walmart operates 92 supermarkets under several banners serviced by a national distribution center. The Pali and Maxi Pali banners are discount supermarkets targeting smaller cities and towns as well as populous neighborhoods in Managua; customers generally seek the lowest prices and typically express low levels of brand loyalty. La Union and La Colonia cater to a more upscale segment, offering a variety of innovative and imported products.

Bulk-format products from U.S.-based PriceSmart, which carries a wide variety of imported products, are attractive to smaller businesses and restaurants. Two additional stores, Porta's and Economart, target higher-end consumers in Managua with a variety of imported products. Convenience chains AM/PM and Super Express operate more than 100 locations combined across the country, featuring a variety of imported snack foods and confections, though regional suppliers more common than U.S. brands.

Best Product Prospects:
Among shelf-stable products, the best export prospects are food preparations, non-alcoholic and alcoholic beverages, snack foods (including cookies and crackers), rice, dry beans, canned goods, and breakfast cereals. Relative to other Central American countries, Nicaragua's food processing sector is limited, but there are still export opportunities for ingredients and raw materials in food processing. However, if the Nicaraguan economy continues to deteriorate, FAS Post Managua anticipates reduced demand for high value, consumer-oriented foods.

Foodservice Sector Highlights:
FAS Post Managua reports that the hotel, restaurant, and institutional (HRI) sector had been hard hit by the 2018 social political crisis, which discouraged international tourism, even before COVID-19 pandemic caused many hotels and restaurants to close temporarily in the first half of 2020. International tourism only began to recover (albeit tentatively) in summer 2021 and has been slowly increasing as more airlines resumed flights to Nicaragua in 2022. The loss of formal jobs due to the 2018 crisis and the pandemic has contributed to a significant increase in informal economic activity, including HRI businesses like food trucks, which are becoming more popular in urban areas. A number of delivery service providers have also emerged from the pandemic –

including Hugo, Piki, Jumpers, Get My Food, Aventon, Yolo, and Pedidos Ya – offering not just restaurant meals, but also groceries and home goods.

Food Processing Sector Highlights:
FAS Post Managua reports that Nicaragua's food processing sector is largely focused on primary processing of meat and sugar for export. Apart from a small number of snack foods and confections, there are few locally produced consumer-oriented products. Cost-competitive regional suppliers have established recognizable brands and comprised 80% of Nicaraguan snack food imports in 2022. FAS Post Managua anticipates sustained opportunities for U.S. processed products suppliers prepared to navigate the challenges of the Nicaraguan market, given the local sector's relative underdevelopment and low levels of anticipated investment in the sector.

In addition to meat and sugar, food products processed in Nicaragua consist primarily of cookies and crackers. The local supply of various food products, especially those in the consumer-oriented groups, is limited. The Nicaraguan food industry is mostly engaged in primary processing of local products for the export market. Very few snacks, chips, biscuits, and sugar confectionery are produced locally. This provides opportunities for foreign suppliers. Nicaraguan industries import high volumes of intermediate products such as additives and ingredients from foreign suppliers. The sector is still underdeveloped when compared with the rest of Central America.

Domestic food production does not satisfy consumer demand for a variety of products; Most of the products found in the supermarkets come from Central American countries and the United States. The United States is the top trading partner, followed by China, Mexico, Honduras, and Costa Rica. Food imports have increased by 20% in the last five years.

Intermediate products are where most food processing products are classified. U.S. exports of intermediate products to Nicaragua in 2022 grew 23% to US$113 million. The top products exported included soybean meal and soybean oil, vegetable oils, sugars, sweeteners, beverage bases, essential oils, distiller's gains and dextrins, peptones and proteins.

Best Product Prospects:
FAS Post Managua reports that as the Nicaraguan economy continues to contract, there will be less demand for high-value foods and greater demand for basic grains and lower priced processed products. The best prospects for 2024 are yellow corn, rice, soybean meal, pork meat, chicken leg quarters and a wide variety of lower priced processed products. Despite a surge in imports of U.S. wheat in 2021, FAS Post Managua would not classify wheat as a best prospect in Nicaragua. A 2011 arrangement between Nicaragua and Russia has practically displaced all wheat from other origins, except when Russian exportable supplies are tight, as in 2021.

After a decade of Russian dominance in the market, U.S. wheat exports to Nicaragua continued to climb in 2022, due primarily to shipping disruptions following the Russian invasion of Ukraine. At 130,000 metric tons, U.S. wheat shipments to Nicaragua through September 2022 were nearly 10 times greater than pre-COVID-19 levels in 2019. However, this export success could prove temporary, as Nicaragua is increasingly a Russian client state.

Panama

Euromonitor reports that the economy in Panama grew in real terms in 2022, driven by rising public and private spending, capital investment, and external demand. In 2023, however, the global economic slowdown, elevated inflation, and tightening financial conditions were set to hamper business and consumer confidence globally, weighing the country's economic outlook.

Focus Economics reports that Panama Canal activity was curbed by restrictions imposed due to the protracted drought amid the El Niño weather event: In November 2023, traffic fell by over 20% year on year, and toll revenues shrank for the first time in 11 months. Protests that erupted in the fall of 2023 due to environmental and economic concerns over the Cobre Panama copper mine deal also hit activity, causing the mine's closure and up to US$80 million in lost activity daily.

- Following real gross domestic product (GDP) growth of 7.9% in 2022, Panama's economy is expected to expand at an average annual real rate of 5.8% in 2023 and 2.5% in 2024.
- Inflation in Panama is forecast to slow down to 2.5% in 2023 from 2.9% in 2022.
- While Panama's merchandise exports increased by 0.5% and imports rose by 36.3% during 2022, the country remained a net importer of goods.
- Gross fixed capital formation (GFCF) continued to increase over 2022, accounting for 29.0% of GDP.
- The public debt-to-GDP ratio in Panama fell to 54.9% in 2022, standing below the regional average of 67.1%.

Panama's dollar-based economy rests primarily on a well-developed services sector that accounts for more than three-quarters of GDP. Services include operating the Panama Canal, logistics, banking, the Colon Free Trade Zone, insurance, container ports, flagship registry, and tourism. Additionally, Panama is a center for offshore banking. Panama's transportation and logistics services sectors, along with infrastructure development projects, have boosted economic growth, and the U.S.-Panama Trade Promotion Agreement (USPTPA) was approved by Congress, signed into law in October 2011, and entered into force in October 2012.

Panama recognizes the clear link between free trade and competitiveness and seeks to join an elite group of countries that have achieved growth and development through trade. Panama has full FTAs that cover goods and services in force with the following countries or economies: El Salvador, Singapore, Chile, Costa Rica, Honduras, Guatemala, Nicaragua, Peru, the United States, Canada, the European Free Trade Area (EFTA) countries, Mexico, South Korea, and Israel. Panama has partial trade agreements with the Dominican Republic and Cuba. In 2013, Panama and Colombia signed a free trade agreement, the culmination of three years of negotiations between both countries.

USDA's Office of Agricultural Affairs, OAA, in Panama City, hereinafter referred to as FAS Post Panama City, reports Panama is an attractive market for exporting U.S. agricultural food products. With a 2023 population of 4.4 million (CIA World Factbook Estimate) its culturally diverse population, geographical location, and love for American food and culture provide for increasing export opportunities for U.S. high value food and beverage products. Panama has an ambitious public infrastructure plan and an expanding services sector that benefits from the country's emerging role as a regional hub for trade.

Panama is the second largest export market in Central America for processed food products from the U.S., importing US$546 million in 2022, growth of 19%. In 2023, U.S. processed food exports to Panama dropped 12% to US$482.8 million. This equates to US$64 million in losses which adds to the U.S. trade deficit in food and agricultural products.

Top processed food exports to Panama in 2023 included:

- Food Preparations & Ingredients – up 19%.
- Processed/Prepared Dairy Products – down 22%.
- Alcoholic Beverages – down 45%.
- Snack Foods – up 2%.
- Non-Alcoholic Beverages – up 7%.
- Prepared/Preserved Meats – down 25%.
- Processed Vegetables & Pulses – up 3%.
- Chocolate and Confectionery – up 7%.

Market Opportunities and Key Issues for U.S. Processed Food Exporters to Panama

Market Opportunities:
- Strategic geographical location and its service-oriented economy. Panama will continue to strengthen its seaports and logistics assets (Panama Canal, seaports, airports, special economic zones, logistics parks, and railroad) over the coming years.
- Diverse ethnic backgrounds of thousands of tourist and U.S. expatriates coming to Panama each year. Increased immigration with permanent residents from Venezuela, Colombia, Nicaragua, The Antilles, Asia, Europe, Canada, and others.
- Static production of agricultural products led to strong demand for food and feed imports. The U.S.-Panama Trade Promotion Agreement and associated agreements created a fair, transparent playing field for trade.

Key Issues:
- Cost competitiveness of some U.S.-origin products. The Panama Canal is facing an unprecedented drought due to El Nino and climate change, which is reducing the number of vessels that can transit though the route.

- Strong competition in the region with seaports in Colombia, Costa Rica, the Caribbean, and Mexico, including the recently announced interoceanic train of the isthmus of Tehuantepec, which would be a dry canal for containers.
- Recent governmental protectionist policies are making importing food, beverages, and agricultural products more burdensome.

Retail Sector Highlights:
Euromonitor has estimated that the retail sales of packaged food products in Panama reached just over US$3.5 billion in 2023. This also represents an increase of US$866.4 million or 32.5% from 2019. Euromonitor also forecast the packaged food market to grow to US$4.7 billion by 2028, an increase of US$1 billion and 27.1% from 2024.

High growth categories in the forecast include:
- Pet food
- Confectionery
- Cheese
- Sweet Biscuits, Snack Bars, and Fruit Snacks
- Breakfast Cereals
- Baked Goods
- Savory Snacks

FAS Post Panama City reports that supermarkets, hypermarkets, and independent food stores dominate the grocery sector in Panama. Supermarket chains are opening new stores in populated areas across the country and offering online grocery shopping and delivery services. There are more store brands in these chains and the brands allow retailers to offer customers more choice. High-end and specialty retail outlets continue to grow. Independent grocery and convenience stores are also opening stores in local neighborhoods.

Today's supermarkets can offer reduced consumer prices relative to traditional, family-owned retail. Supermarkets exhibit increasing product safety and diversity, and robust e-commerce platforms with delivery services exist within the supermarket chains and specialty stores: Super 99, Supermercado Rey, Super Xtra, Riba Smith, Machetazo, El Fuerte, Jumbo market, Super Kosher, Felipe Motta, Organica Store, Foodie Market, Pretelt Gourmet Meats, among others.

There are approximately 11,000 independent grocery and convenience stores in Panama. There are also mini-convenience stores that are conventionally sized stores with expanded foodservice, as well as hyper-convenience stores with an extensive variety of product offerings and in-store seating for foodservice. Pharmacies have leveraged their small size, convenient locations, and proximity to consumers to offer more consumer-oriented products such as canned and dry food, snacks, dairy, ethnic specialties, wine, beer, and pet food.

Sabor USA plays an important role in the promotion of U.S. consumer-oriented products in Panama. With a complete digital platform, Sabor USA works with over 40 U.S. trade associations targeting the end consumer and a growing list of U.S. brands and Panamanian importers, distributors, and retailers. The platform develops creative content under #UnidosPorLosSabores (United by flavor), typically utilizing local talent from the culinary and food influencers fields to connect and promote U.S. brands.

The U.S. faces stiff competition from other food exporting countries. In addition to the U.S., Panama has free trade agreements with Canada, the European Union, Mexico, Colombia, Peru, Guatemala, Costa Rica, Chile, El Salvador, Honduras, Nicaragua, Dominican Republic, Singapore, Israel, Iceland, Liechtenstein, Norway, and Switzerland.

Best Product Prospects:
FAS Post Panama City reports that high growth categories for U.S. processed food products include snacks, processed meats, seafood, sauces, and condiments, processed fruits, vegetables, and dairy products. Competition is based primarily on price and convenience.

In recent years, the consumption of more convenience and healthy foods has been a trend that resulted in good prospects for U.S. food exports. These include categories like low fat, low sodium, gluten free, and sugar free, Keto, fresh fruits (such as apples, grapes, peaches, and pears), organic foods, processed fruits (especially canned fruits). Processed canned vegetables (especially canned mixed vegetables, yellow sweet corn, peas, mushrooms, and garbanzo beans), snack foods (including corn chips, popcorn, cookies, candy, and frozen processed products (pizzas and ready-to-eat food) also have high import demand.

Foodservice Sector Highlights:
FAS Post Panama City reports that the increased flow of tourists from January to July 2023 with a total of 1,531,641 visitors was an indicator of excellent market opportunities for U.S. exporters of food and beverages bound for Panama's hotel, restaurant, and institutional (HRI) sector. The increase of international visitors is from the following regions: 34.6% from North America, 21.4% Antilles 72.9% Oceania, 15.8% Africa, 20.9% Europe, 14.2% Central America, 46.6% Asia, 13.2% South America. Panama is rebuilding the sector through innovation, digitization, sustainability, and partnerships.

International foodservice operators and local companies such as Sysco, H.T. Tzanetatos, Proserv, Procesadora Monte Azul, Dicarina, and others have been serving the foodservice sector for more than 50 years, providing imports of U.S. food and beverages, logistics in warehousing/transportation, and product sales and marketing. With these institutions and facilities, fueling both local and international cuisines, Panama's foodservice industry is among the strongest in the country. In fact, fast food franchises, cafes, bars, bakeries, ice cream shops, family-owned restaurants, food trucks, street side vendors, convenience stores, and catering services all benefit from this strong trade framework.

Panama is receptive to U.S. style franchising and the market for specific and general franchising opportunities is attractive. Recreation, entertainment services, fast food, automotive, hotel and motel franchises are readily marketable as the local market demands better facilities and services. The U.S. Embassy recommends consulting a local attorney for details on how to set up a franchise in Panama. Some examples of common U.S. food and beverage franchised found in the market include Krispy Kreme, McDonald's, Starbucks, Olive Garden, Pinkberry, KFC, Burger King, Domino's Pizza, Pizza Hut, Taco Bell, Carl's Jr., Papa Johns, Applebee's, and IHOP.

Restaurants in Panama City are well-developed and feature highly ranked world-class chefs in international cuisine. Due to expanding tourism, growing immigration, and higher consumer purchasing power, the selection of restaurants and international cuisine is expected to continue to grow. Currently, the Panamanian Restaurant Association and related business (ARAP) have more than 400 active members.

The travel and tourism sector are an engine of economic development and a vehicle for sharing cultures. Many factors influence the flow of travelers visiting the country. Panama is an attractive destination, and its dollarized currency is strength. U.S. and international hotel chains' presence in Panama include the Waldorf, Hilton, Marriott and J.W. Marriott, Bristol, Country Inn, Sheraton, Radisson, Holiday Inn, Intercontinental, Riu, Westin, Wyndham Garden, Novotel, Hotel Las Americas Golden Tower, and Tryp Hotel. Panamanian hotels and resorts primarily procure food and beverages from foodservice companies and/or directly from distributors, supermarkets, and restaurants.

Panama's cruise ship market is expanding from both the U.S. and Europe as Panama continues to grow as a premier travel destination. Cruise ships to Panama City anchor either at Fuerte Amador and Balboa located at Panama Canal's Pacific Ocean entrance, or Port Colon 2000 in the Caribbean. From January through July 2023, total visitors by port of entrance through the cruise ports was 233,809 passengers.

Best Product Prospects:
FAS Post Panama City reports that high value products offer good market opportunities in Panama, especially ready-made or convenience food, wholesome and healthy products. A list of favorite imports from the HRI sector includes beer, wine and spirits, condiments and food ingredients, pre-cooked potatoes, snacks, frozen or ready-made food, seafood, cheese, vegetable oil, frozen vegetables, ready to eat single meals and rice, pasta, and noodles.

Food Processing Sector Highlights:
FAS Post Panama City report that it is primarily a service-based economy, but food processing is one of its top industries. With 150 food-processing companies which include dairy processors, meat, poultry, fishery, fruits, beverages and spirits, bakery, and snacks, among others. The dynamic culinary culture combines with strong tourism and processing industries mean significant business opportunities for U.S.-origin ingredient suppliers. Its geographical proximity and cultural ties to the United States continue to drive a strong preference for U.S.-origin products. The food processing industry experienced 12% growth over the last few years due to increases in local food processing facilities, tourism, and foreigners relocating to Panama.

Large multinational companies have a competitive advantage over smaller domestic producers in certain product categories such as frozen foods, soups, specialty canned and preserved products, and well-known condiments and flavors that cater to the international pallet. Because of this, companies able to meet the demands of this competitive processed food sector must have the means to invest in technology and innovation to not only meet consumer demands but also maintain low, competitive prices.

Panama’s main trading partner is the U.S. in the food processing industry. As an example, in the category of miscellaneous edible preparations, exports to Panama from the United States accounts for 35% of total imports of these products. Overall, 75% of these imports into Panama are from the U.S., Costa Rica, and Mexico.

Best Prospect Products:
FAS Post Panama City reports that the Panamanian market offers good export opportunities in the food processing sector for additives, preservatives, flavorings, vegetable colorings, sauces and condiments, grains (wheat, yellow corn, and rice), vegetable and soybean oils and sweeteners and beverage bases, soybean meal, food preparations, dairy products, and pork & pork products.