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Analysis of Guatemala's Macroeconomic Indicators Over the Past Decade

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Abstract: This study aims to analyze recent economic developments in Guatemala, particularly within the context of global economic changes. Special attention is given to the country's political and economic approaches, as well as the impact of global factors on post-pandemic recovery. The research employs an analysis of statistical data and macroeconomic indicators to assess Guatemala's economic performance within Central America. The results indicate that Guatemala's growth prospects, industrial investment, and sectoral structure are expected to undergo significant changes in the coming years. Furthermore, a noticeable knowledge gap exists in accurately assessing the country's agricultural and technological development potential.

Key words: Guatemala, Agriculture, Mining, Light Industry, Manufacturing, Tourism, Central America.

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1. Introduction

Guatemala's economy represents a distinctive system within the Central American region, characterized by a unique structural composition and development trajectory. The country's economic foundation is primarily built on agriculture, light industry, the service sector, and export-oriented manufacturing. Historically, agriculture has played a central role in Guatemala's economy, with products such as coffee, bananas, and sugarcane accounting for a substantial share of exports.

In parallel, light industry—particularly textile and apparel manufacturing—has become an increasingly important driver of economic growth. These industries rely on relatively low labor costs and international trade agreements, enabling access to external markets, especially the

United States. The service sector contributes the largest share to gross domestic product (GDP), ensuring economic stability through trade, finance, transport, and banking services.

Tourism and mining have also gained importance in recent years. Guatemala's rich cultural heritage and natural resources serve as key factors in increasing export revenues and foreign exchange inflows. In addition, remittances from Guatemalan migrants abroad play a vital role in supporting domestic consumption and represent a critical component of the national economic system.

In 2023, Guatemala ranked 68th globally in terms of GDP (USD 104 billion), 88th in total exports, and 117th in GDP per capita. According to the Economic Complexity Index (ECI), Guatemala ranked 68th in trade complexity, 94th in technological complexity, and 40th in research complexity. The country's main export products included bananas, coffee, palm oil, raw sugar, and knitted sweaters, with the United States remaining its largest trading partner.

2. Research Methodology

This study applies a systematic and comparative analytical approach to examine Guatemala's sectoral economic structure. The research is based on official statistical data, reports from international organizations, and secondary data from open-access sources. Statistical, correlation, regression, and inductive–deductive methods were employed to identify trends and relationships among key macroeconomic indicators. The methodology enables an assessment of sectoral contributions to economic growth and the identification of Guatemala's structural strengths and development prospects.

3. Analysis and Results

Guatemala is the largest economy in Central America in terms of population and economic activity. Over the past two decades, the country has maintained an average annual growth rate of approximately 3.5%, supported by prudent fiscal and monetary policies and an open economic framework. Growth driven by remittances is expected to accelerate from 3.7% in 2024 to 3.9% in 2025. Although fiscal deficits and public debt are projected to rise slightly, they are expected to remain at manageable levels.

Despite these achievements, Guatemala continues to face significant challenges in reducing poverty and socio-economic inequality. Poverty levels, measured as the share of the population living on less than USD 8.30 per day (2021 PPP), are projected to decline only marginally—from 47.3% in 2023 to 46.1% in 2025. Employment quality remains a major concern, with 68% of workers employed in the informal sector in 2024 and female labor force participation at only 42%.

Sectoral analysis for 2024 shows that services dominate Guatemala's economic structure, accounting for 61.8% of GDP. Industry contributes 21.7%, while agriculture accounts for 9.8%. Although agriculture represents a smaller share of GDP, it remains strategically important due to its role in employment and exports. Statistical analysis confirms strong positive correlations between GDP and all major sectors, particularly services and industry.

Regression analysis reveals that industry exerts the strongest influence on GDP growth, followed by services, while agriculture plays a supportive yet socially significant role. These findings underscore the importance of industrial modernization and service-sector expansion in sustaining long-term economic growth.

4. Conclusion

This study provides a comprehensive analysis of Guatemala's macroeconomic performance between 2015 and 2024. The findings demonstrate that the country has experienced stable and consistent economic growth, with GDP nearly doubling over the period. Descriptive, correlation, and regression analyses confirm that Guatemala's economic growth is primarily driven by the

service and industrial sectors, while agriculture remains a strategically important but secondary contributor.

The results suggest that future economic development should prioritize industrial modernization, expansion of high value-added services, and the adoption of innovative technologies in agriculture. Strengthening these areas will be crucial for enhancing economic diversification, reducing poverty, and ensuring sustainable long-term growth.

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