



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.08

Voluntary Report - public distribution

Date: 10/16/2006

GAIN Report Number: GT6015

Guatemala Imports To Shut Down October 20-23, 2006

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Report Highlights:

Guatemala will stop processing imports from October 20-23, 2006 due to an institutional modernizing process in the Customs offices. New databases and information systems will be installed. Exports will not be affected. Normal operations will resume by October 24, 2006.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Guatemala [GT]
[GT]

Guatemala Customs (SAT) announced that due to information systems upgrades, SAT will not let imports enter the country from Friday, October 20 until Sunday, October 22. SAT will implement a new database as part of the institutional modernizing process whose ultimate goal is to offer an updated information platform, with greater stability and more capacity. The institution is urging its users to transmit requests prior to October 19. For those importers who may not be able to deliver their paperwork before the 19th, they can physically present the documents for processing by Monday, October 23.

Exports will not be affected. Exporters will be given the opportunity to present next week a definite declaration of exports or re-exports carried out during those three days. Guatemala's Association of Non-Traditional Exporters (AGEXPRONT) confirmed that the process will have a very low impact on exports and that the sector is looking forward to the new system.

Importers and shipping companies are worried since commerce with El Salvador will also be affected. Various exporters and importers are considering temporary alternative routes through Honduras. SAT has been seriously criticized by these two sectors, which cannot understand the lack of complementary mechanisms to overcome this situation without interfering with commerce. Edgardo Wagner, President for the Chamber of Commerce, is concerned about the potential business impact, because imports will be increasing in the time before Christmas, and shippers will incur demurrage due to insufficient lead time for planning. SAT, on the other hand, considers the measure to be both necessary and not of great economic impact as imports are low during the weekends. SAT is also negotiating with the port authorities to increase the working hours in the previous days.

The announcement was not well received by the commercial sector, in general, as container freight tariffs will also be increased by \$ 50 as of November 12, 2006. This new tariff will only affect commerce through the Atlantic Ocean, since Puerto Quetzal in the south coast is exempt.