

GUATEMALA



GTA

THE CHALLENGE

Guatemala has many geographic advantages, including coastal access to the Pacific Ocean and the Caribbean Sea, with relative proximity to the Panama Canal. The country's main ports have long been regarded as a strategic engine for national prosperity, but cumbersome, manual procedures have inhibited their potential.

In 2023, this rapidly growing country of 18 million people – the most populous in Central America – recorded exports of US\$16.4 billion and imports of US\$30.1 billion, with 70% of trade (in US\$ value) travelling by sea.

Prior to the launch of the Alliance's digitalisation project, arrival and departure processing required shipping agents to make multiple in-person visits to comply with paper-based formalities. The processes slowed port operations and clearance times, and stalled shipments because of inadequate interagency coordination.

Trade efficiency relies on tight scheduling – port delays can result in ships losing their berthing windows at other ports in transit. This, in turn, can trigger late fees, leave cranes and ships idle, and lead to additional fuel consumption, driving up costs that are often passed on to consumers and produce unnecessary emissions.

ADDRESSING THE WORLD TRADE ORGANIZATION'S TRADE FACILITATION AGREEMENT

Article 8
Border agency cooperation

Article 10.1
Formalities and documentation requirements

Article 10.3
Use of international standards

WHAT WE DID

Having identified such obstacles to trade at Guatemalan ports, the Alliance project determined the best ways of overcoming them by:

1. Designing new standard operating procedures (SOPs)
2. Developing a comprehensive, interactive maritime single window.

The Alliance's public private partnership approach culminated in the successful automation of procedures for vessels' arrivals and departures, creating greater uniformity and efficiency in line with international standards.

Supported by the Alliance, in May 2023 the five main government agencies responsible for port controls signed a cooperation agreement to implement the new SOPs through VUMAR, a maritime single window, and committed to establishing a permanent public-private working group for sustained, continuous improvement.

Key public and private sector stakeholders completed formal training on VUMAR to familiarise themselves with the system before its go-live in April 2024. Local IT services company APPSystems delivered the induction sessions, covering the new workflows and validation requirements that will also enable Guatemala to comply with its commitments under the International Maritime Organization Convention on Facilitation of International Maritime Traffic (FAL 65).

The main public sector partners included the Superintendency of Tax Administration; the Guatemalan Institute of Migration; the Ministry of Agriculture, Food, and Livestock; the Ministry of Public Health and Social Assistance; and the General Directorate of Harbourmasters.

State owned companies, especially Empresa Portuaria Quetzal, and the private sector played a significant role throughout implementation, particularly port operators such as APM Terminals Quetzal (Maersk), Chiquita Brands, and ASONAV, a shipping agents' association that represents more than 30 companies handling 90% of all ships docking in Guatemala.

APM Terminals and ASONAV provided expertise, knowledge, and best practices to ensure the project benefited a wide range of operators, from global transport companies to local micro, small and medium enterprises (MSMEs), many of whom serve as intermediaries.



THE IMPACTS

The introduction of new business processes and an automated system to manage the arrival, stay and departure of vessels is anticipated to improve national competitiveness while also saving considerable time and money for both government and traders.

Digital services provided through VUMAR, the country's maritime single window will enable shipping agents, terminal operators, and five government agencies, to expedite formal clearance processes for international maritime traffic.

Among other tangible benefits, VUMAR eliminates the need for shipping agents to travel in-person to various government offices to process documents before a vessel can receive clearance to load and unload cargo at the ports. This slashes clearance time and cost, while also strengthening security through coordinated risk analysis of centralised data.

VUMAR services will be available in all ports, including the main terminals in Puerto Quetzal, Santo Tomas de Castilla, Puerto Barrios, and Boyas San Jose.

Full implementation of the system could free up to 3,000 hours of berthing capacity every year across

Guatemalan ports. As noted above, enhanced efficiencies such as cutting the amount of idle time for vessels, may also pave the way for increased productivity.

In summary, streamlining port processes will:

- Reduce the time and costs relating to the authorisation of arrival and departure of vessels.
- Optimise port resources and operations, increasing national competitiveness.
- Register 100% of arrivals and departures electronically, enhancing control and monitoring.

- Enable greater inter-agency collaboration by creating a central data repository.
- Increase productivity by reducing idle time at berth, freeing up space at terminals and thereby increasing capacity.



PROJECTED TIME AND COST REDUCTION



US\$ **1,261** PER SHIPMENT
IN INEFFICIENCY COSTS

Public private
partnership



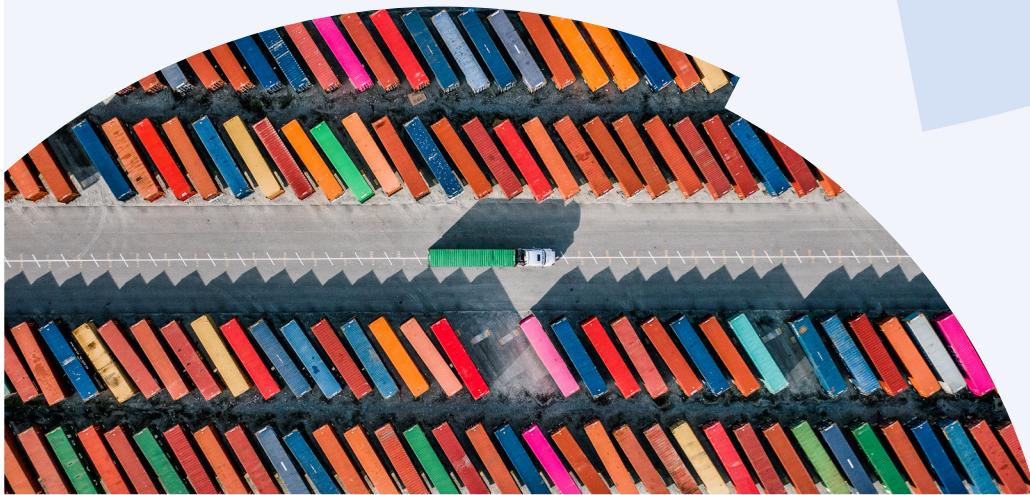
Alleviated the
administrative burden



Built momentum for increased
digitalisation



Help level the playing
field for MSMEs



HOST ORGANISATIONS



SUPPORTED BY



IN COOPERATION WITH



Ventanilla Única Marítima -VUMAR-
para la modernización de los controles portuarios Interinstitucionales

To get involved or for more information, please contact us at info@tradefacilitation.org or www.tradefacilitation.org

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