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China's Advance in Guatemala

Despite a lack of diplomatic relations, Beijing has been remarkably successful in expanding its economic and even political influence in Guatemala.

By **R. Evan Ellis**

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Guatemala-U.S. Chamber of Commerce. While there, I spoke to senior businesspeople, academics and others regarding China's advances in the country, and the work of Taiwan to support its diplomatic partner. The main takeaway is this: China and China-based companies have made substantial progress in advancing their position through a web of business and personal influence relationships, opening the door to Beijing's influence and digital access. This foothold could help Beijing to establish diplomatic relations when Guatemala's next government comes to power in January 2028.

As in other countries recognizing Taiwan, China's advance in Guatemala has been spearheaded by Huawei and the courtship of political, business, media and other elites. Although Huawei has operated in Guatemala for over 15 years, it reportedly made particular progress during the prior two administrations of Jimmy Morales and Alejandro Giammetti. During this period, Huawei began to bring Guatemalan elites to China, and tempted them through business deals and employment arrangements.

Huawei has reportedly sold components and data services to Guatemala's principal financial institutions, including Banco de los

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Trabajadores (Bantrab), Banco Rural, and Credito y Hipocatrio Nacional, thus potentially gaining access to their sensitive data.

Huawei's former country manager, Jorge Mondal Chew – who was [sanctioned by the United States for corruption](#) – was once appointed to a position on the [board of Bantrab](#), although he was [removed by the current government](#).

Huawei has also reportedly sought to market its digital products to Guatemala's electrical authority, INDE; its taxation authority, SAT; and the Guatemalan Social Security Institute (IGSS). A [\\$51 million contract](#) Huawei had won with IGSS was [canceled over security concerns](#), just after U.S. Secretary of State Marco Rubio's visit to Guatemala.

Huawei further attempted to [provide equipment](#) to the Guatemalan professional training organization INTECAP, [including a cellphone tower](#), in support of a project to train workers to build such towers in the United States. The initiative was cancelled because of the inherent security concerns Huawei's role raised.

Beyond Huawei, China's government has reportedly used the presence of its observer in the Central American Parliament (PARLACEN), whose headquarters is in Guatemala City, to

facilitate regular visits to Guatemala by its ambassador in Costa Rica. (Because Guatemala recognizes Taipei instead of Beijing, China has no embassy in Guatemala itself.) This workaround allows China's diplomats to interact with Guatemalan politicians, local officials and businesspeople, including arranging paid trips for them to visit China.

Such a trip in 2025 reportedly included Luis Aguirre of CABAL, Cristian Alvarez and Jose Pablo Mendoza of Creo, Luis Rodriguez of VAMOS, and Cornelio Garcia of TODOS, among others. According to those monitoring such matters in Guatemala, another such trip is being discussed for the first half of 2026.

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In addition to trips to China, Guatemalan congresspersons have also been hosted by the

Beijing-influenced Latin America and Caribbean Parliament (PARLATINO), including Andrea Villagran of Semilla and Duay Martinez of Vamos. China has further used lobbyists to build relationships with Guatemalan officials.

Beijing is also reportedly attempting, with less success, to gain representation in the Central American Integration System (SICA) and the Central American Integration Bank (BCIE).

In the commercial domain, imports of Chinese products have become a lucrative business for Guatemalan importers such as [Cofiño Stahl](#), [Grupo de los Tres](#), [Grupo Q](#), and Siekavizza in the [automotive](#) and motorcycle sectors. Large outlets for importing and selling Chinese goods, including [China Mall](#), [China City](#), and [China Depot](#) have expanded significantly in the country, undercutting local retail stores and producers. Guatemalan businessman Luis Pedro Barnoya, a mid-level importer of Chinese products and an organizer of commerce-seeking trips to China, has established [a small council](#) for promoting such activities.

China's semi-covert commercial facilitation activities in Guatemala City are matters of public gossip, including its trade promotion organization CCPIT, which for a time

conducted meetings in the Barcelo hotel, and has been known to use the Tamarindo restaurant on 5th Avenue to host meetings for visiting executives from China.

In the telecommunications sector, beyond Huawei's previously noted initiatives, the company's devices, as well as those of ZTE, are offered through Guatemala's two principal telecommunications providers Claro and Tigo. China's Xiaomi and Honor also have a presence in the country.

The Shenzhen-based company [Hytera](#), convicted of [intellectual property theft from Motorola](#), has reportedly supplied digital radios to Guatemalan security forces.

In the security sector, the Guatemalan police made a major purchase of [1,000 Chinese-made Isuzu](#) vehicles under current President Bernardo Arevalo's first Interior Minister Francisco Jimenez. The deal, however, [was later canceled](#) due to concerns regarding corruption. The China-based surveillance equipment company [Hikvision has a significant role](#) in the Guatemalan commercial and personal security market.

During prior administrations, China-based companies unsuccessfully sought to acquire land on both the Atlantic and Pacific for port facilities. Chinese ZPMC cranes, scanners, and

other digital equipment are reportedly used by Guatemala's private port operators, such as APM and Chiquita Brands.

In the criminal domain, Chinese businesspeople have also been accused of money laundering and other illicit activities. Chinese national Wenshen "Alex" Xu was arrested in July 2025 for importing precursor chemicals for synthetic drugs through Guatemala, and extradited to the United States.

In journalism, persons such as Claudia Mendez of Con Criterio, and high-profile blogger Ben Kei Chin, have been brought by Chinese agents to China and other destinations on multiple occasions and have become well-known public advocates of changing the country's diplomatic relations.

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As China's influence has advanced in Guatemala, Taiwan has sought to inoculate the country against such efforts by being a good partner across multiple domains including security, development, education, and commerce. In August 2025, Taiwan [donated 252 motorcycles](#) to the Guatemalan police and [50 vehicles](#) to Guatemala's Social Development Ministry (MDS). Taiwan built a hospital in Chimaltenango, [inaugurated in February 2023](#), and a [neonatal facility in San Juan de Dios](#), Guatemala City, in April 2024.

Taiwan also regularly funds and oversees Guatemalan transportation infrastructure projects, most notably [improvements to a highway](#) connecting Guatemala City to the country's Atlantic coast. In education, Taiwan has provided [600 scholarships](#) to Guatemalans in the last two decades, including 66 in 2025 alone.

In the past three decades, Taiwan has imported approximately [\\$1 billion](#) of Guatemalan products, including [\\$90 million of Guatemalan sugar](#) in the past year, as well as coffee and other products.

Despite such activities, Taiwan has a relatively low profile among Guatemalans as a major provider of benefits for the country. Some experts consulted for this work expressed

frustration that Taiwan has not provided more high-visibility projects like a stadium. Although Taiwanese companies [Lakymen](#) and [Diforza](#) are important employers in Guatemala, some interviewees perceive that Taiwanese companies could invest more in the country to generate high-quality jobs.

Some individual members of the Guatemalan government reportedly are sympathetic to establishing relations with China.

Nonetheless, virtually all of those consulted for this work believed that President Arevalo will not abandon Taiwan.

Guatemalans, however, are already focusing on the nation's upcoming July 2027 national elections, with the new government to take office in early 2028. Leaders from virtually all its principal parties have been courted by China. Whoever prevails could calculate that the material benefits from abandoning Taiwan outweigh the risks of offending the United States. Washington and Taipei will doubtlessly continue to closely monitor that possibility.

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