

HONDURAS



Embajada de Honduras

Washington D.C.

General Information

Population	7.5 million
Capital	Tegucigalpa
Currency	Lempira
Currency Exchange Rate	L. 19.10/ USD (May 08)
Language	Spanish
Government	Democratic Constitutional Republic
Airports	4 international airports
Ports	4
Distance from US	Plane 2 hrs. Boat 2-4 days

Source: BCH, FIDE, INE

Social Performance Indicators

Source: BCH, FIDE, INE

DEMOGRAPHY

Population under 18 years(%) 49.9%

Population Growth(%) 2.3%

EDUCATION

Literacy (2006) 82.7%

Years of schooling 6.9

LABOR

Open Unemployment (2007) 3.1%

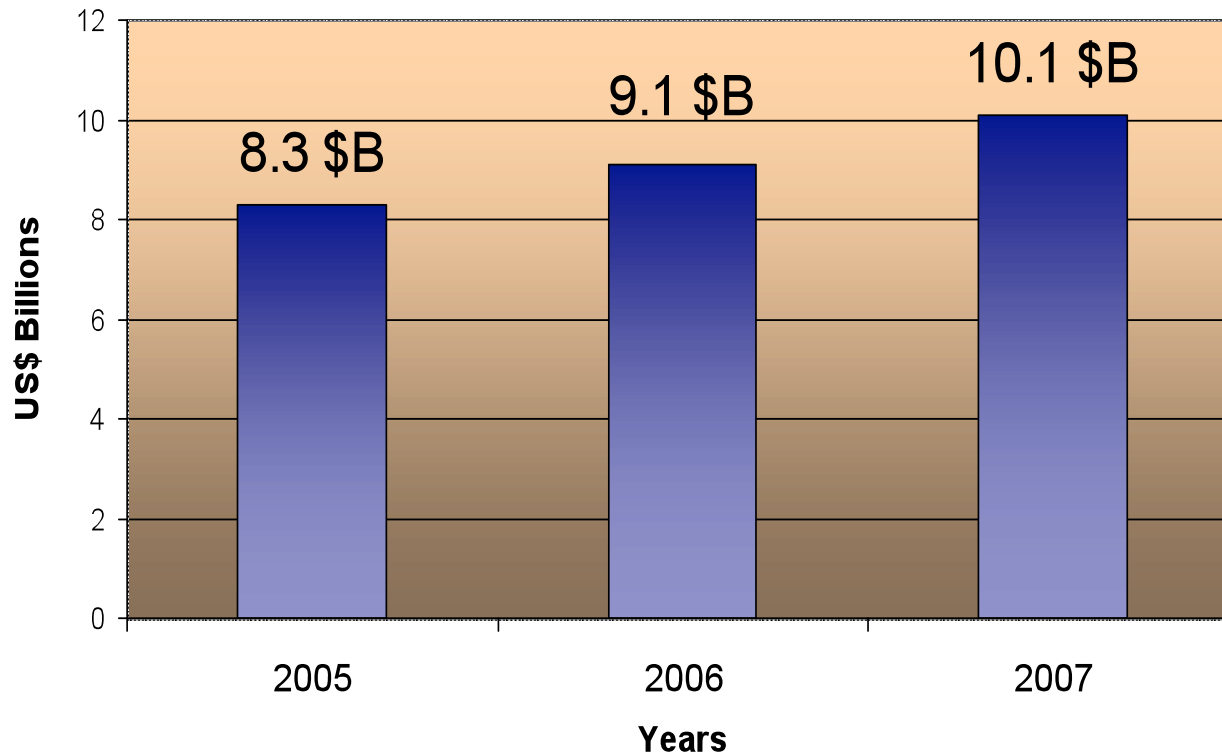
Visible Unemployment 6.0%

Invisible Unemployment 30.2%

Economy: Evolution of GDP

Source: BCH

GDP Evolution

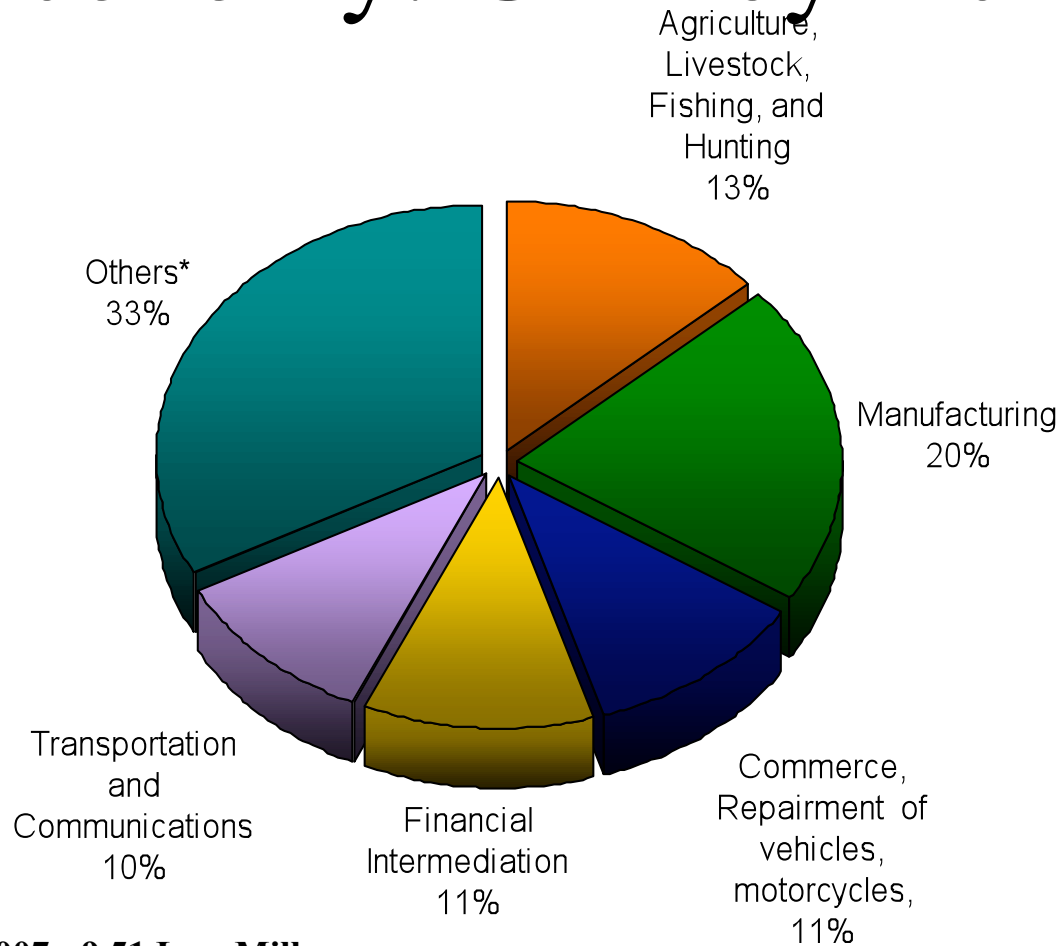


Variacion %
2004-2005: 4.1
2005-2006: 6.3
2006-2007: 6.3

GDP per capita
(2006): \$1,170
Source: World Bank

Economy: GDP by Activity 2007

Source: BCH

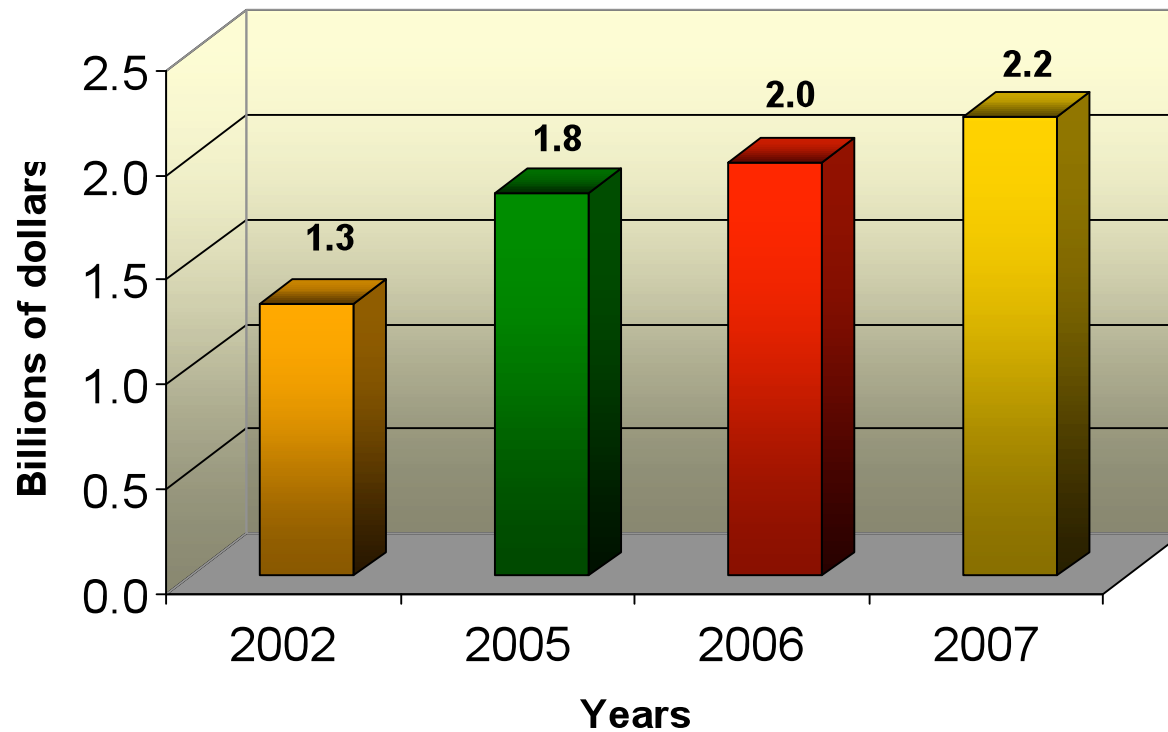


GDP 2007 : 9,51 Lps. Mill

Others	%
Community, Social and Personal Services	2
Housing Property	4
Public Administration and Defense	6
Electricity, Gas and Water Distribution	2
Construction	4
Mining	0.4
Restaurants and Hotels	2
Real estate activities	4
Teaching services	5
Health and Social Services	2
Total	33

Commerce: Goods Exports Growth

*** Exports Growth US\$ BILLIONS
(FOB)**



2002-2006: 31%
2005-2006: 8%
2006-2007: 11%

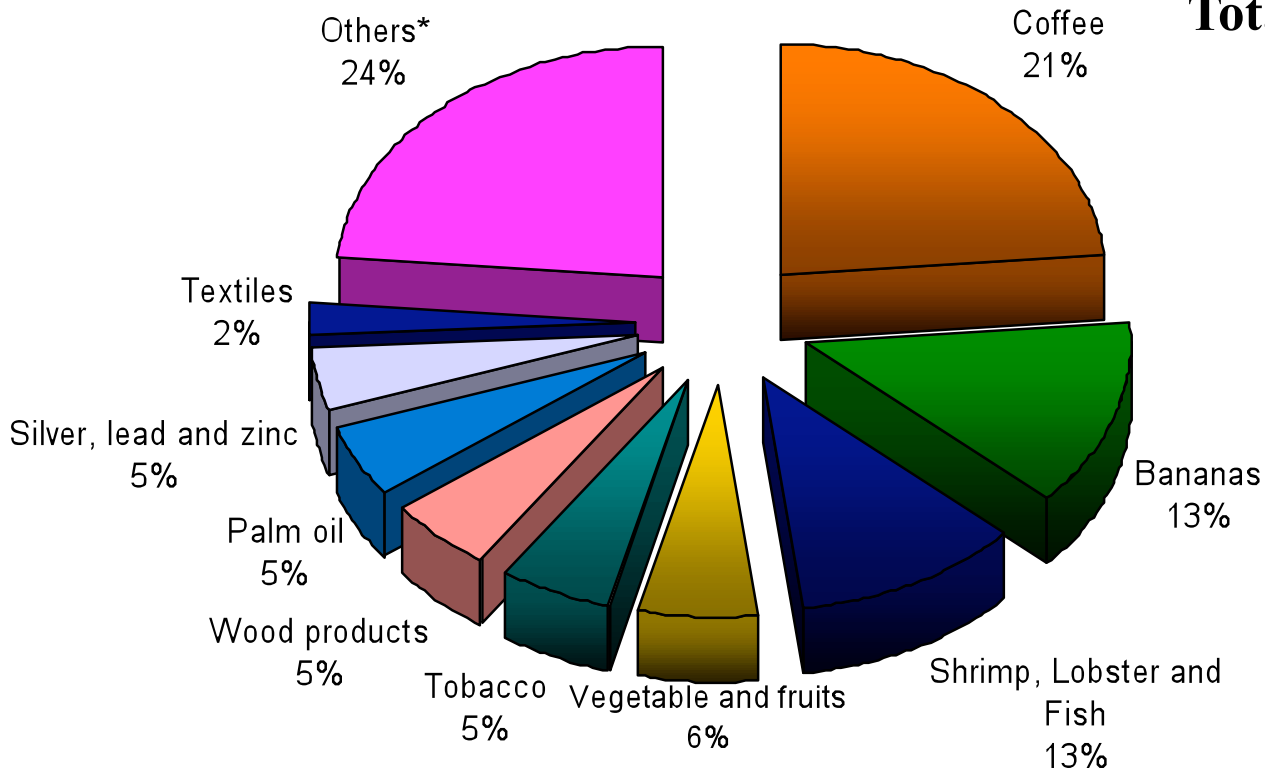
Source: BCH
* Apparel Not
Included

Commerce: Exports by Commodity

Main Products

Total: USD 2.2 Billion

Source: BCH

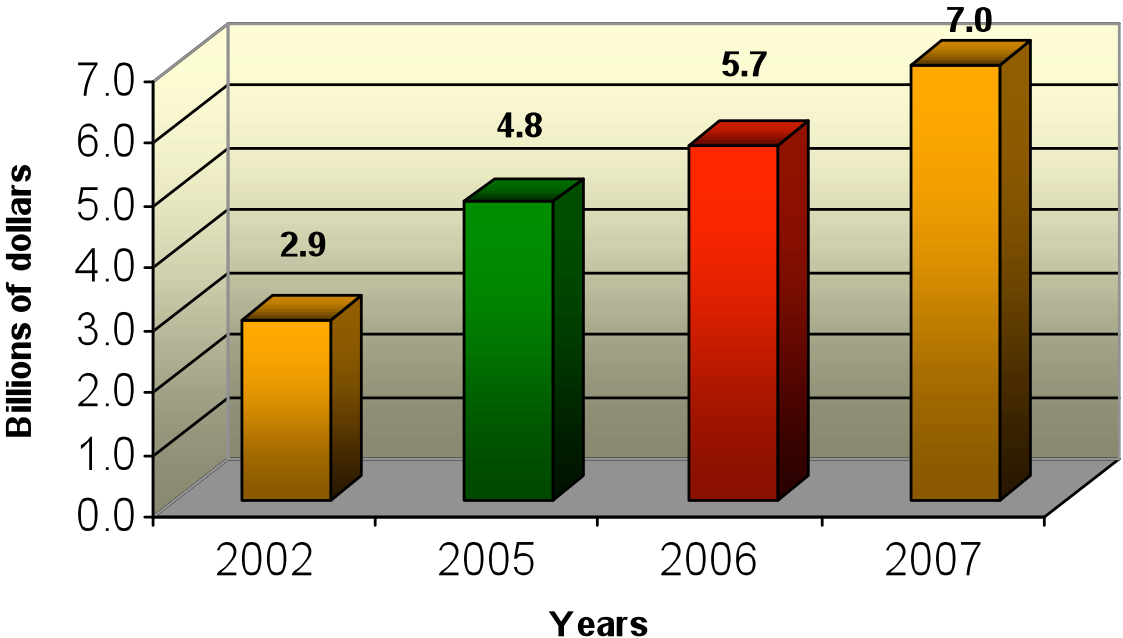


Others* 24%
Sugar
Soaps and detergents
Plastics
Paper and cardboard

Commerce: Import Growth

Import Growth US\$ BILLION (CIF)

% Growth



2002-2006: 45%
2005-2006: 17.4%
2006-2007: 22.6

Source: BCH

Commerce: Main Imports

Imports 2007 US \$ Millions

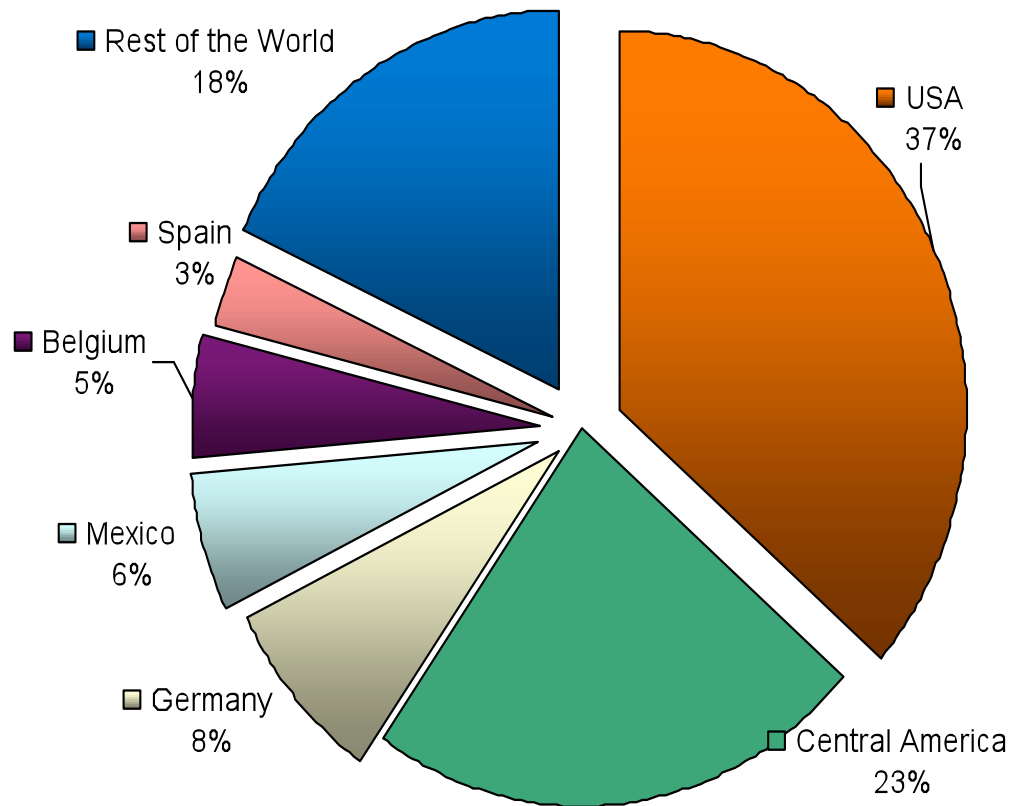
Source: BCH

Commercial Activity	U.S. Dollars	% of Total	% Growth 06-07
Consumer goods	1,995.4	29	25.5
Oil and lubricants	1,304.8	19	19.9
Raw materials and intermediate goods (for agriculture and industry)	1,934.6	28	16.7
Construction materials	244.4	3	-2.4
Capital goods (agriculture, industry, transportation)	1,320.6	19	36.9
Others	183.7	3	28.4
Total	6,983.4	100	22.6

Commerce: Exports by Country

Exports by Country (2007) USD Millions (Commodity-FOB)

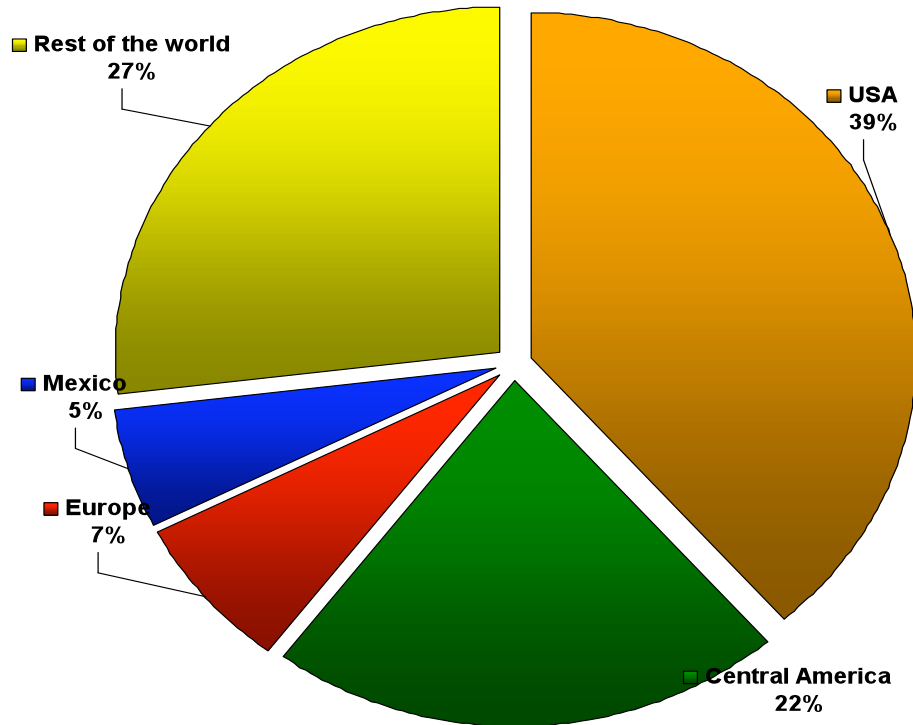
Source: BCH



Country	2007
USA	782.2
Central America	511.4
Germany	185.9
Mexico	124.8
Belgium	115.6
Spain	71.5
Rest of the World	401
Total	2,192.3

Commerce: Imports by Country

Imports by Country (2007) USD Millions (Commodity-CIF)



Country	2007
USA	2,695
Central America	1,509.3
Europe	518.4
Mexico	378.9
Rest of the World	1,881.1
Total	6,983.4

Source: BCH

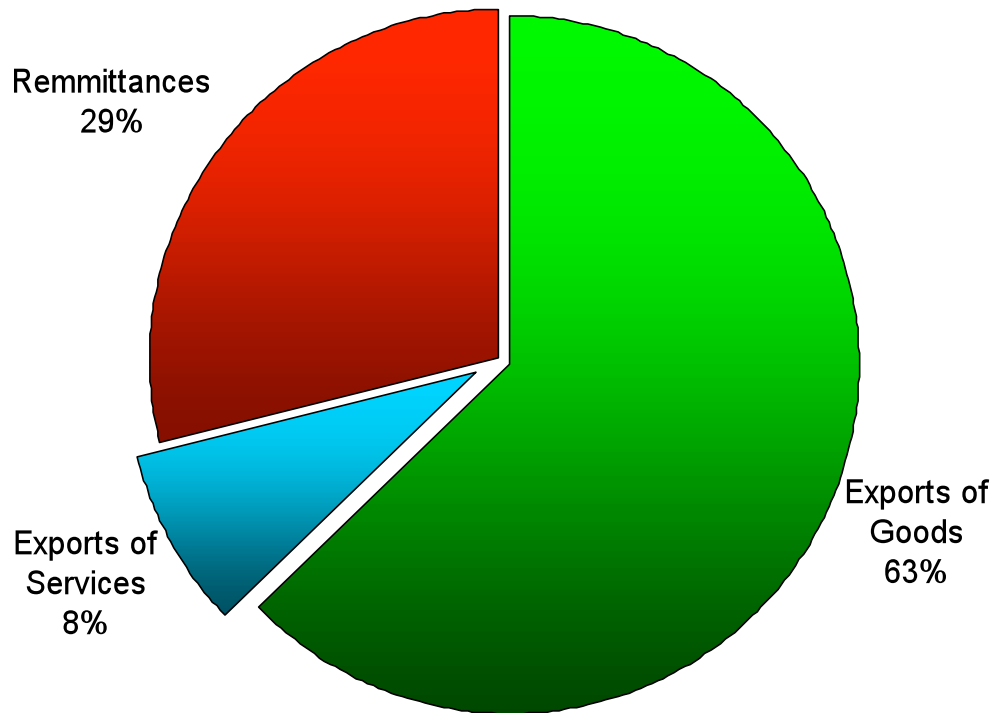
Foreign Direct Investment (FDI): By Country of Origin

2006 FDI by country non-apparel
Total USD \$489.4 million

2006	\$Million	%
USA	263.3	53
Central America	76.3	16
Rest of America	74.3	15
Europe	56.4	12
Other countries	19.1	4
Total	489.4	100

Source:Flujos de Inversión
Extranjera Directa en
Honduras 2006, BCH

Exports of Goods and Services 2007



Exports of Goods and Services 2007			
Exports of Goods			5,594
Exports of Services			750
Remittances			2,561
Total			8,905
Source:	BCH		

Foreign Investment 2007

Total 2007

USD 814.9 million

Apparel

→ **USD 280.1 million (34.4%)**

Other Activities

→ **USD 534.8 million (65.6%)**

Millenium Challenge Corporation

- Honduras signed the \$ 215 million compact with the MCC on June 13, 2005.
- The objective is to provide financing to projects that have helped in the fight against poverty (Poverty Reduction Strategy Plan).
- Main projects are aimed to:
 - 1) Increase productivity and added value manufacturing in agriculture and,
 - 2) The improvement of transportation systems from the production sites to the national, regional and international markets.
- Amount committed: \$39.8 million
- Amount disbursed: \$15.9 million

Puerto Cortés



PUERTO CORTES IS THE MAIN GATEWAY FOR CONTAINERS FROM OTHER CENTRAL AMERICAN COUNTRIES TO USA PORTS :

- **24 HOUR SERVICE ALL YEAR ROUND**
- **48-72 HOURS BY SHIP TO USA S.E.**
- **4 CARIBBEAN AND 1 PACIFIC SEAPORT**

Certification validated by the IMO and US Coast Guard

- *USA Custom Office in Port of Cortes (CSI: Container Security Initiative)*
- *1st Port of Latin America considered as Megaport after Brazil and Argentina.*
- *CSI MPI Port – Dec 2005, SFI Port-Dec 2007*

<http://www.enp.hn>



Houston

New Orleans

Gulfport

Port Everglades

Miami

Port of Cortes

Vessels Frequency per Shipping Co.: Three times/week

SCS

Investment Areas: Apparel Industry

Honduras is today:

No. 1 apparel supplier to the US (from the CBI countries)

No. 1 from the countries of Central America

No. 4 from the world after Mexico, China, and Bangladesh

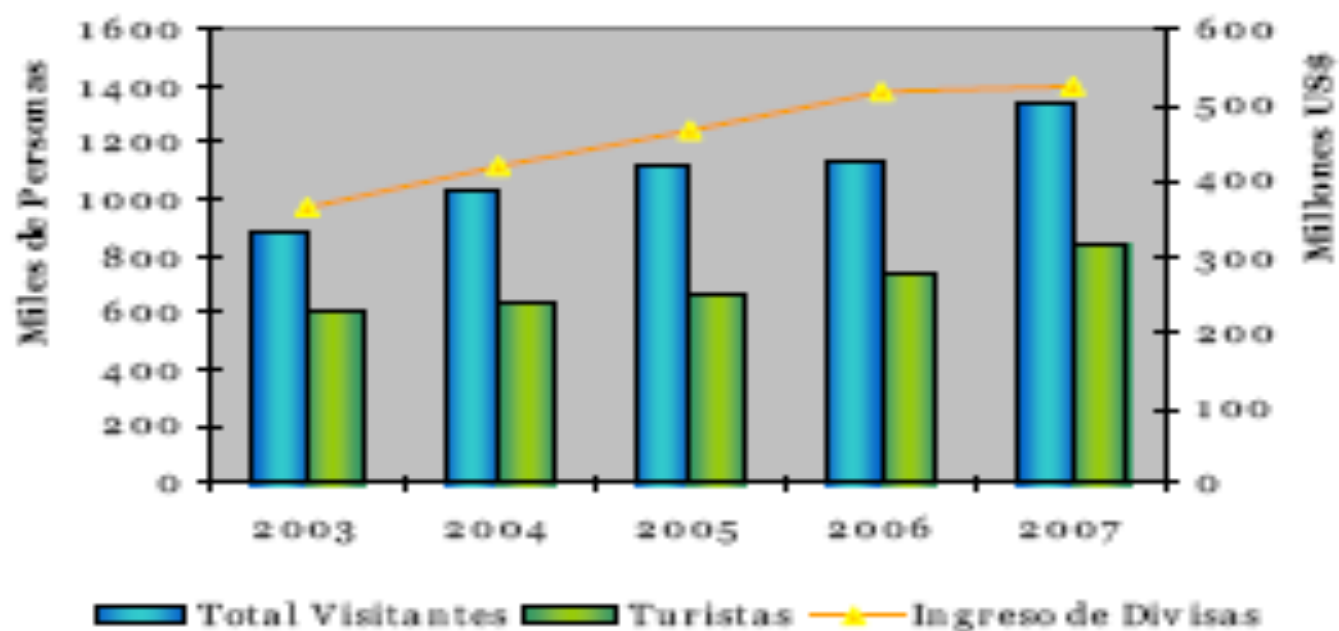
Investment Areas: Tourism

Tourism

- Service exports for tourism in 2007 were USD 546 million US Dollars.
- In the last 5 years the amount of total visitors has had an average growth of 31%. In 2007 Honduras had a total of 1.3 million visitors.

Source: FIDE, IHT

Ingreso de Visitantes, Turistas y Divisas



Turistas por Región de Procedencia

Región	Unidad	2003	2004	2005	2006	2007 <i>P</i>
Norteamérica	Miles	185.4	194.4	225.8	260.9	318.1
Centroamérica	Miles	353.1	370.7	360.8	377.9	448.5
Europa	Miles	44.1	46.4	52.2	60.3	38.2
Resto del Mundo	Miles	27.9	29.5	34.2	39.6	26.6
Total	Miles	610.5	641.0	673.0	738.7	831.4

Free Trade Agreements (FTA'S)

Effective
Free Trade Agreement RD-CAFTA: Since April 1, 2006.
Central America and Dominican Republic: Since December 19, 2001
El Salvador, Guatemala, Honduras, and Mexico: Since June 1, 2001

Perspective
Free Trade Agreement C.A. with the European Union
Free Trade Agreement C.A. with Panama.
Free Trade Agreement C.A. with Chile
Free Trade Agreement C.A. 4 with Canada.
Free Trade Agreement with Colombia.

HONDURAS



Embassy of Honduras in Washington D.C.

Investment Promotion & Trade

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