

# **Honduras**



#### Introduction

The country of Honduras is located in Central America bordering the Caribbean Sea and the Gulf of Fonseca. Neighboring countries include Guatemala, El Salvador, and



Nicaragua. The Honduran territory consists mainly of mountains, with narrow plains along the coasts, the undeveloped lowland jungle La Mosquitia region in the northeast, and the populated lowland Sula

valley in the northwest. The government system is a presidential republic; the chief of state and head of government is the president. Honduras has a mixed

economic system which includes a variety of emerging private freedom, combined with centralized economic planning and government regulation.



Location: Central America

Capital City: Tegucigalpa (-6 GMT)

Chief of State: President Iris Xiomara Castro de

Zelaya

Head of Govt.: President Iris Xiomara Castro de

Zelaya

Currency: Lempira (HNL)

Major Languages: Spanish (official), Amerindian

dialects

Primary Religions: Evangelical/Protestant 48%,

Roman Catholic 34%, other 1%, none

17% (2020 est.)

Calling Code: 504 Voltage: 110

### **Key Websites**

Main Government Page: presidencia.gob.hn Export Promotion Agency: fidehonduras.com Investment Promotion fidehonduras.com Agency:

## **Kev Economic Facts**

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Income Level (by per capita GNI):	Lower Middle Income			
Level of Development:	Developing			
GDP, PPP (current international \$):	\$70.33 billion (2022)			
GDP growth (annual %):	4.00% (2022)			
GDP per capita, PPP (current international \$):	\$6,741.10 (2022)			
External debt stocks, total (DOD, current US\$):	\$11,850,075,702.80 (2021)			
Manufacturing, value added (% of GDP):	16.01% (2022)			
Current account balance (BoP, current US\$):	-\$1.07 billion (2022)			
Inflation, consumer prices (annual %):	9.09% (2022)			
Labor force, total:	4,610,868 (2022)			
Unemployment, total (% of total labor force) (modeled ILO estimate):	7.10% (2022)			
Imports of goods and services (current US\$):	\$20.56 billion (2022)			
Exports of goods and services (current US\$):	\$13.04 billion (2022)			
GDP Composition %				

GDP Composition %				
Agriculture	Services	Industry	Manufacturing	
O		,		
	50			
	56	00		
13		26	16	

\*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

### Rankings

Index	Rank
Corruption Perceptions Index	154 / 178
Global Competitiveness Index	101 / 141
Global Enabling Trade Index	86 / 136
Index of Economic Freedom	94 / 176
International Logistics Performance Index (LPI)	93 / 160
Inward FDI Potential Index	109 / 139
KOF Index of Globalization	72 / 185
Networked Readiness Index (NRI)	94 / 139
Open Budget Index	31 / 114

# Risk Assessment (Provided by Coface)

Country rating: C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

Business Climate rating: C - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

## Strengths

- Privileged relationship with the United States (preferential trade agreement, military presence)
- Agricultural resources
- · Support from international donors

#### Weaknesses

- Dependence on the US economy (exports, FDI and expatriate remittances)
- · Dependence on fuel and grain imports
- High crime and corruption against a backdrop of poverty, food insecurity and drug trafficking
- High informality of the economy: 70% of the working population is affected
- Fiscal resources still too low (16.9% of GDP in 2020)

### U.S. Embassy

U.S. Embassy Tegucigalpa Avenida La Paz Tegucigalpa M.D.C. Honduras

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https://hn.usembassy.gov