

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, undeveloped lowland jungle La Mosquitia region in the northeast, and the populated lowland Sula valley in the northwest. The government system is a democratic constitutional 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 Juan Orlando Hernández

Head of Govt.: President Juan Orlando Hernández

Currency: Lempira (HNL)

Major Languages: <p>Spanish (official), Amerindian dialects</p>

Primary Religions: <p>Roman Catholic 97%, Protestant 3%</p>

Calling Code: 504

Voltage: 110

Key Websites

Main Government Page: presidencia.gob.hn

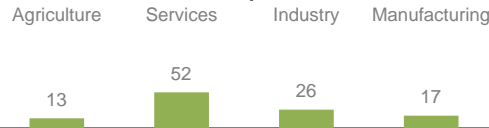
Export Promotion Agency: fidehonduras.com

Investment Promotion Agency: fidehonduras.com

Key Economic Facts

Income Level (by per capita GNI):	Lower Middle Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$46.30 billion (2017)
GDP growth (annual %):	4.79% (2017)
GDP per capita, PPP (current international \$):	\$4,996.81 (2017)
External debt stocks, total (DOD, current US\$):	\$8,670,889,855.80 (2017)
Manufacturing, value added (% of GDP):	17.06% (2017)
Current account balance (BoP, current US\$):	-\$0.38 billion (2017)
Inflation, consumer prices (annual %):	3.93% (2017)
Labor force, total:	4,236,042 (2018)
Unemployment, total (% of total labor force) (modeled ILO estimate):	4.08% (2018)
Imports of goods and services (current US\$):	\$13.52 billion (2017)
Exports of goods and services (current US\$):	\$10.01 billion (2017)

GDP Composition %



**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	135 / 178
Global Competitiveness Index	101 / 139
Global Enabling Trade Index	86 / 136
Index of Economic Freedom	93 / 179
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	39 / 115

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 relations with the United States (preferential trade agreements)
- Agricultural, mining and tourism resources
- IMF agreement

Weaknesses

- Reliance on the US economy (exports, FDI, and expatriate remittances)
- Dependency on imports of fuels and cereals (corn is the staple food)
- Strong crime and corruption against a background of poverty; drug trafficking
- High informality of the economy, affecting 70% of active workers

U.S. Embassy

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