



## DOING BUSINESS - 2020

PILLAR	Global		LATAM and Caribbean	
	HN	GT	HN	GT
GLOBAL RANKING	133	96	23	10
Starting a business	170	99	27	12
Dealing with construction permits	158	118	26	17
Getting electricity	138	46	28	3
Registering property	101	89	11	10
Getting credit	25	15	7	4
Protecting minority investors	120	153	20	26
Paying taxes	167	104	27	10
Trading across borders	130	82	23	9
Enforcing contracts	154	176	27	30
Resolving insolvency	143	157	24	25

## GLOBAL COMPETITIVENESS INDEX - 2019

PILLAR	Global		LATAM and Caribbean	
	HN	GT	HN	GT
GLOBAL RANKING	101	98	14	11
Institutions	116	121	13	8
Infrastructure	99	102	17	12
ICT adoption	124	110	16	15
Macroeconomic stability	83	81	8	9
Health	80	88	12	19
Skills	108	103	16	15
Product market	65	46	11	3
Labor market	95	122	16	10
Financial system	71	81	8	3
Market Size	100	75	17	10
Business dynamism	103	96	14	6
Innovation capability	106	98	12	9

Both in the overall ranking (considering Latin American and Caribbean countries) for Doing Business and for Global Competitiveness, Guatemala is above Honduras. When comparing both countries, Guatemala stands out in Doing Business pillars such as starting a business, getting electricity, paying taxes, and trading across borders, among others. On the other hand, it is essential that some pillars like protecting minority investors, enforcing contracts, and resolving insolvency be improved, since they are below those of Honduras. In the Global Competitiveness Index, Guatemala ranks among the first 10 in pillars such as institutions, product market, financial system, business dynamism, and innovation capability.

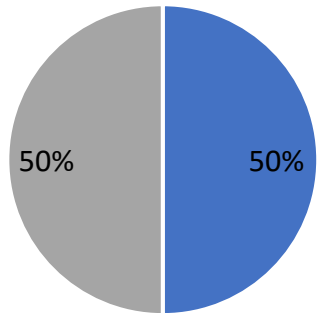


**INVESTMENT PROJECTS 2021**

**2 Investment Projects in Honduras  
From January 2021 to August 2021**

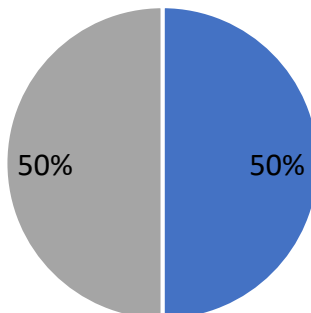
**Investment Sources**

■ United States ■ Jamaica



**Investment Sectors**

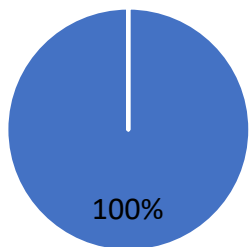
■ Business services  
■ Consumer goods



During the January 2021 to August 2021 period, Honduras has only registered one investment Project

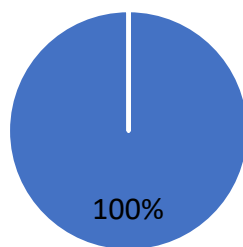
**Investment Destinations**

■ Argentina



**Investment Sectors**

■ Financial services

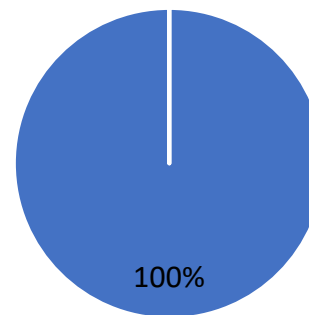


**INVESTMENT SIGNS 2021**

**1 Signs of Investments with Honduras  
as Their Destination  
From January 2021 to October 2021**

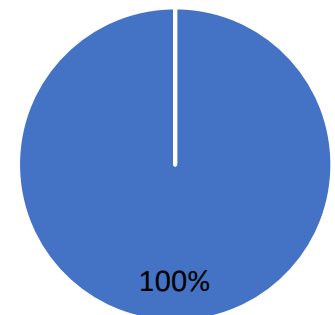
**Investment Source**

■ United States



**Investment Sectors**

■ Business services



During the January 2021 to October 2021 period, no signs of investments by Honduras have been registered in fDi Markets.



## ECONOMIC ACTIVITY

In 2021, Honduras was affected by both storms and the COVID-19 coronavirus pandemic. In the month of January, a drop of 6.3% was registered in economic activities according to the Monthly Index of Economic Activity. Most of the economic activities showed a negative result and the activities that were most impacted were agriculture; livestock, forestry, and fishing (-16.9%); manufacturing industries (-8.8%); transportation and storage (-26.4%); private construction (-17.0%), and hotels and restaurants (-31.5%).

However, from January to July 2021, economic activity in Honduras recorded a growth of 12.6% (there had been a drop of 10.3% in the same period in 2020). This reflects growth in five consecutive months, which is due to both companies and households adapting to the new normal. The economic activities that have registered the highest growth in this period are hotels and restaurants (59.4%), the manufacturing industry (28.0%), and private construction (22.0%).

## COMPETITIVENESS FACTORS

The Board of Directors of the Honduran Council of Private Enterprise performed a legal analysis of the Employment and Economic Development Zones. Based on this analysis, they state that these Zones have been denaturalized in every sense, to the point that they pose risks to investors. COHEP warned both national and foreign businesspersons that investments made in ZEDEs could be at substantial risk due to the lack of legal certainty.

## POLITICAL SITUATION IN HONDURAS

On November 28th, general elections will be held in Honduras. Electoral preferences are focused mainly on four political parties:

- Libre
- Nacional
- Liberal
- Salvador de Honduras

These elections generate uncertainty for both national and foreign investors, since there is the possibility that the election process could generate internal conflicts –an assumption based mainly on the fact that several conflicts have arisen from the last electoral processes. If this were to happen, it would be detrimental to investment.

Several businesspersons have decided to postpone investments in Honduras in the short term. This is something normal in all electoral processes, since when there is a change in government, there could be changes in some of the normative aspects. The Executive Secretary of Honduras' National Investment Council stated:

“One of the greatest challenges is that we are amid a political campaign, so many investors are going to wait until November to know for sure which party is going to win and whether there will be a complete change of Government. That is one of the issues that places us at a slight disadvantage over our neighbors (countries).”



## NEWS

**Container Crisis! China Jeopardizes Honduras' and the Whole World's Logistical Markets**

<https://www.laprensa.hn/economia/crisis-contenedores-escasez-productor-honduras-china-EILPI494437>

With the current container crisis, higher prices and greater product shortages are expected. Now it costs 8,000, 10,000 or even 15,000 US dollars to move a container between Asia and America, when last year it only cost 1,200 dollars.

**Energy Prices Remain Frozen until December**

<https://www.laprensa.hn/economia/tarifas-energia-que-dan-congeladas-diciembre-honduras-CD2401242>

The price of energy will remain unchanged until December of this year. Thus, this is the second quarter in which prices have been frozen and subsidized by the Government.

**Food and Rent Prices Trigger Inflation**

<https://www.laprensa.hn/economia/precios-alimentos-alquileres-disparan-inflacion-honduras-economia-LH2449841>

In the past year, prices rose by 4.62%. The sectors registering the highest increases were food and non-alcoholic beverages, clothing and footwear, lodging, water, electricity, gas, and other fuels. Honduran businesspersons have warned of an increase in the price of products. Fuels continue to rise, as does energy, which is subsidized for vulnerable sectors, but is not subsidized for industry.

**We Expect that Democracy Will Be Strengthened by the Coming Elections**

<https://elmundo.hn/esperamos-que-la-democracia-se-fortalezca-en-las-proximas-elecciones/>

The Assistant Secretary of the Honduran Council of Private Enterprise (COHEP), Juan José Cruz, stated that businesspersons and investors hope that Honduras' democracy will be strengthened by the general elections.

**Sharp Increase in the Price of a Gallon of Diesel**

<https://www.laprensa.hn/economia/fuerte-aumento-al-galon-de-diesel-FC2455403>

A gallon of household gas increases today by 1.40 lempiras and a gallon of Diesel increases by 1.25 lempiras. A gallon of gas for vehicles increases by 1.57 lempiras.

**The Foreign Minister, Lisandro Rosales, Seeks Investments in Honduras from the United Arab Emirates.**

<https://www.laprensa.hn/honduras/canciller-honduras-lisandro-rosales-busca-inversion-en-emiratos-arabes-unidos-DC2985173>

Minister Rosales will visit Expo 2020 which was re-scheduled for 2021 due to the COVID-19 pandemic. Honduras is participating in the Opportunities Pavilion.