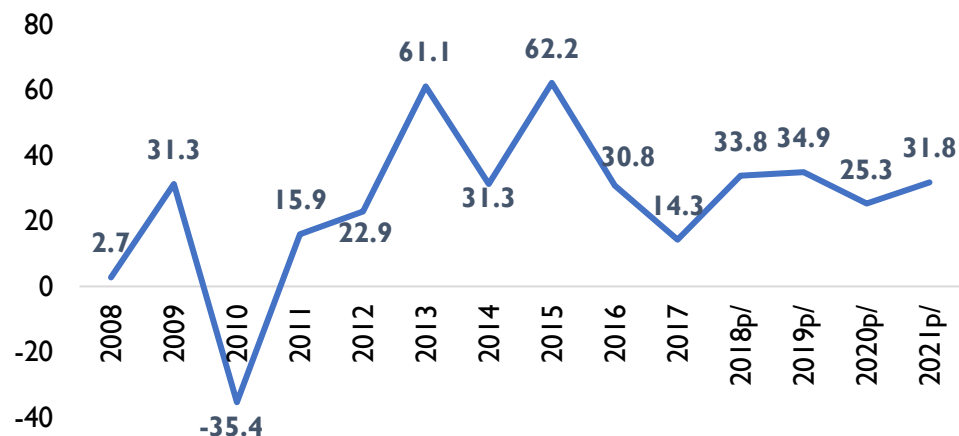



HONDURAN INVESTMENTS IN GUATEMALA
Honduran Investments in Guatemala 2008 - 2021
 in US\$ Millions

Industry Classification of Investments
 Year 2021

Industry Classification	Value (in US\$ millions)
Vehicle trade and repairs	US\$18.7
Financial and insurance activities	US\$13.1
Accommodation and food service activities	US\$0.2
Other activities	US\$0.1
Electricity, water, and sanitation service provision	US\$-0.4

GLOBAL COMPETITIVENESS INDEX - 2019

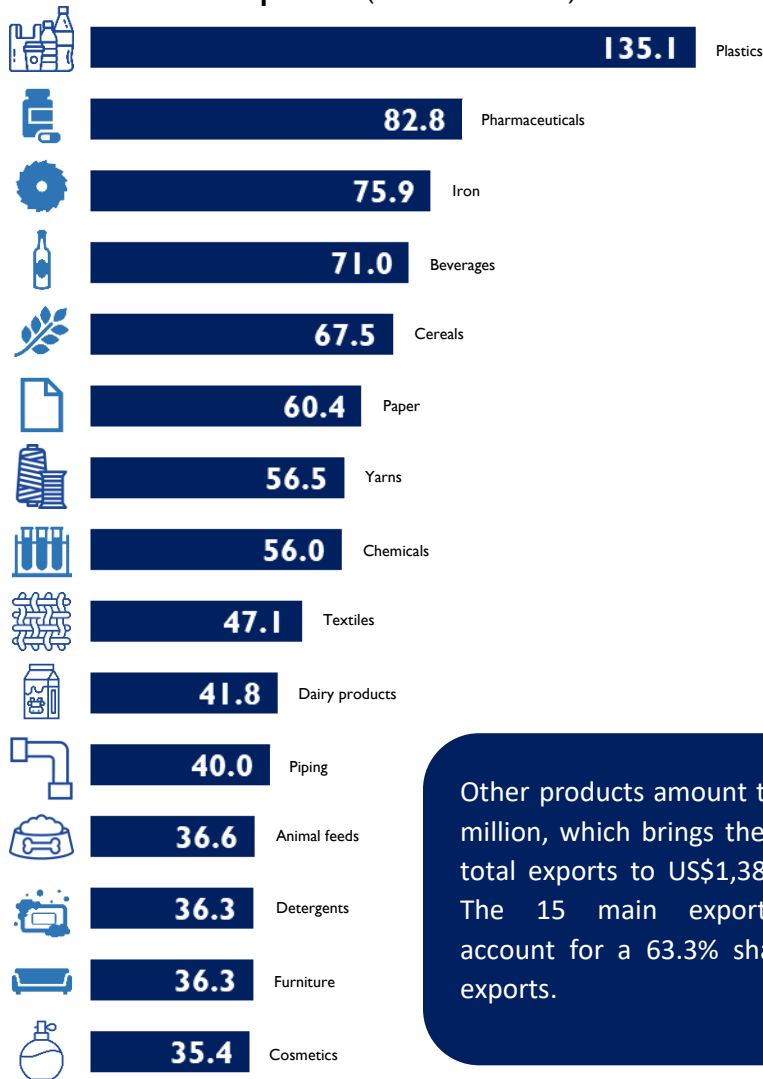
PILLAR	Global		LATAM and Caribbean	
	HN	GT	HN	GT
GLOBAL RANKING	101	98	14	11
Institutions	116	121	13	8
Infrastructure	99	102	17	12
ICT adoption	124	110	16	15
Macroeconomic stability	83	81	8	9
Health	80	88	12	19
Skills	108	103	16	15
Product market	65	46	11	3
Labour market	95	122	16	10
Financial system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

Compared to Honduras, Guatemala ranks three positions above said country, at #11. In the Global Competitiveness Index, Guatemala is placed among the top 10 countries in pillars such as institutions, product market, financial system, business dynamism and innovation capability.



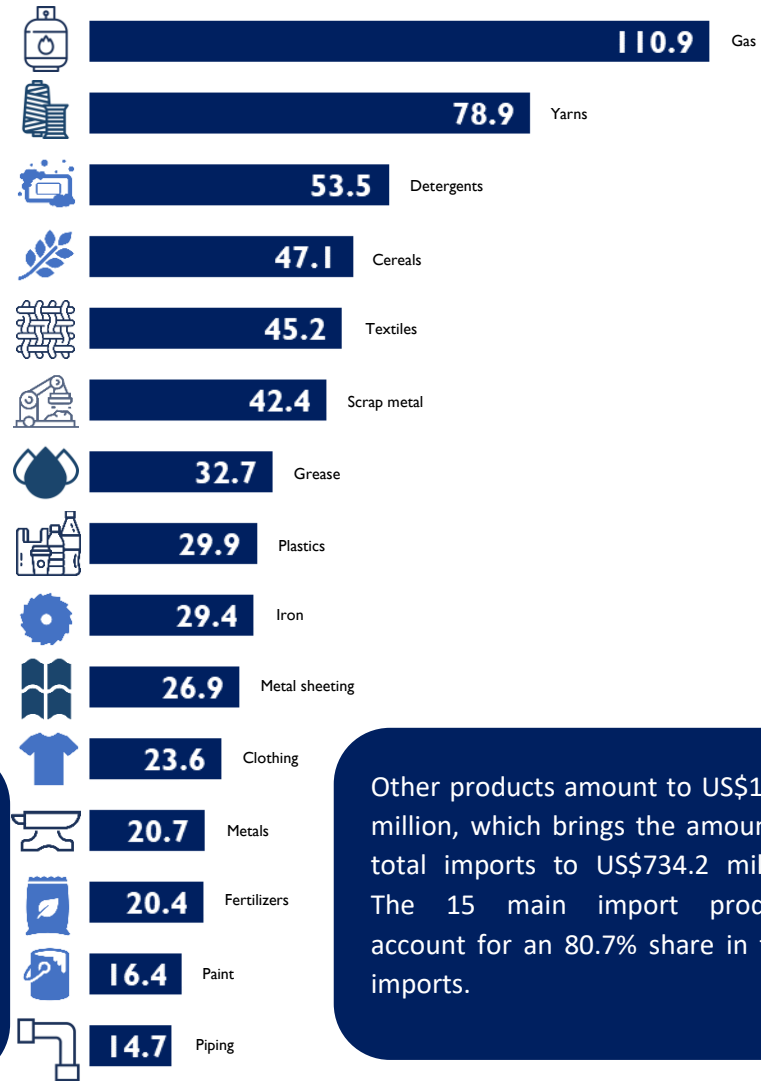
GUATEMALA'S TRADE WITH HONDURAS – 15 Main Products – 2021

Exports (in US\$ millions)



Other products amount to US\$510.1 million, which brings the amount of total exports to US\$1,388.8 million. The 15 main export products account for a 63.3% share in total exports.

Imports (in US\$ millions)

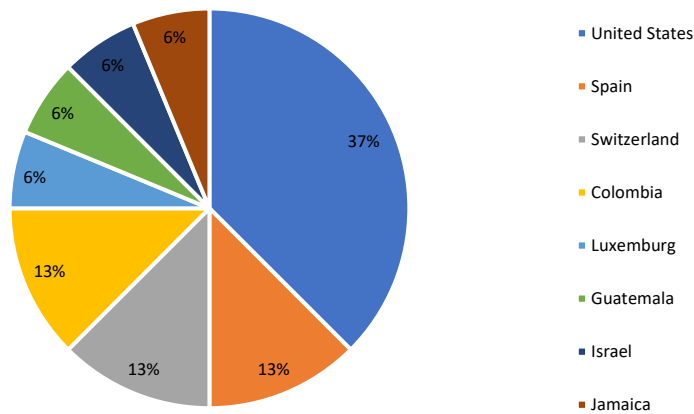


Other products amount to US\$141.7 million, which brings the amount of total imports to US\$734.2 million. The 15 main import products account for an 80.7% share in total imports.

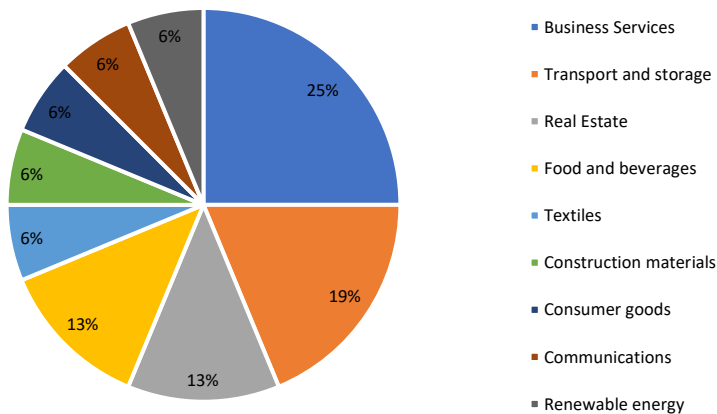
INVESTMENT PROJECTS 2019 – MARCH 2022

16 Investment Projects in Honduras from January 2019 to December 2021

By Source Country

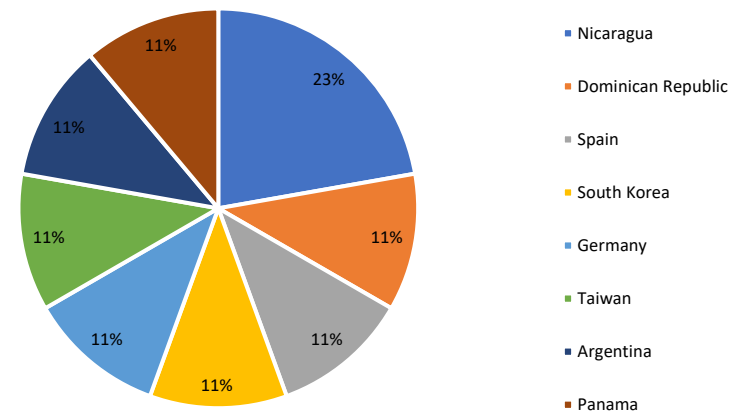


By Sector

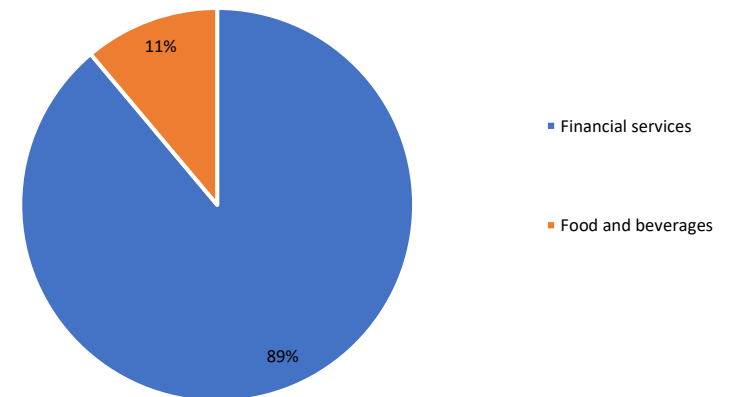


Honduras has undertaken 9 investment projects in other countries from January 2019 to December 2021, and they are disaggregated as follows:

By Destination Country



By Sector

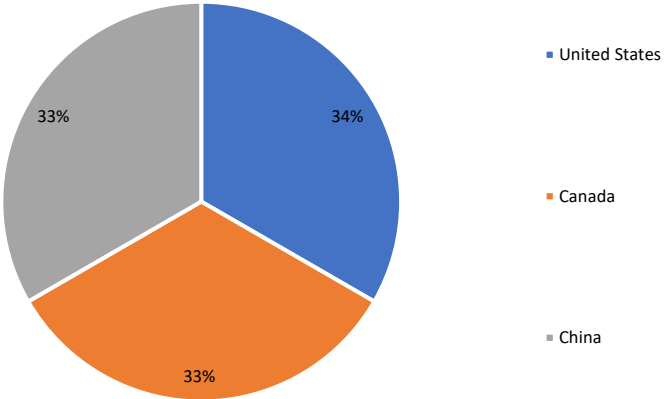




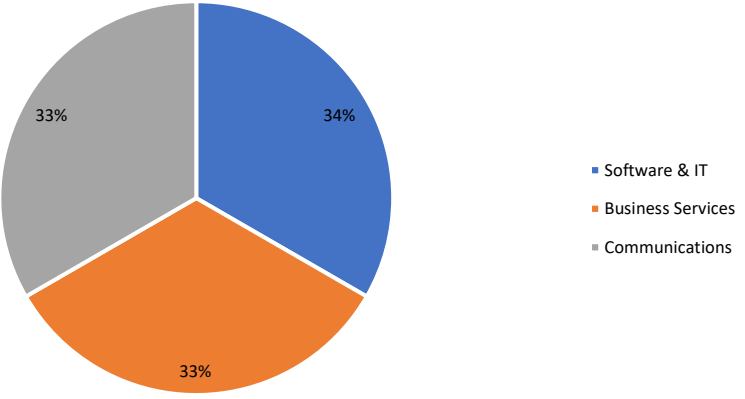
INVESTMENT SIGNALS JULY 2020 – MARCH 2022

3 Investment Signals destined for Honduras from July 2020 to March 2022

By Source Country



By Sector



No investment signals have been registered from Honduras from July 2020 to March 2022.

By Destination Country

There is no information on investment signals from Honduras.

By Sector

There is no information on investment signals from Honduras.



SITUATION IN HONDURAS

ZEDEs Are Repealed

The Employment and Economic Development Zones—ZEDEs— were approved in 2013. This project entailed that they would be autonomous and have their own political, judicial, economic, and administrative systems. According to the plans for their creation, they would be established in several areas of Honduras with the aim of attracting investment and generating employment. However, they were rejected by the population, who argued that they violated the Honduran Constitution and its sovereignty. In addition, they mentioned that, if implemented, they would lead to the displacement of Honduran peasants, indigenous and Garifuna peoples, and to the expropriation of their lands.

Based on these grounds, and considering that they cede sovereignty to foreigners, in April 2022, the National Congress of Honduras repealed the constitutional reform and the Organic Law that gave life to the ZEDEs, with a unanimous vote by the 128 deputies. According to the President of the National Congress, the three ZEDEs that are already operating in Honduras (Ciudad Morazán, Orquídea and Próspera) will become mere companies, like any others. However, the ZEDE Organic Law states that, if the legislation were to be repealed, ZEDEs would remain in force for the term established in the clauses. Therefore, according to Article 45, the transition period cannot be less than 10 years, and during this time, the rights of the inhabitants and investors of the ZEDEs will remain in force.

Repeal of Hourly Employment

The National Congress voted to repeal the Hourly Employment Law in Honduras. According to the business community, the most affected sectors will be micro and small companies, restaurants, the tourism industry, and call centers.

NEWS

Repeal of the Hourly Employment Law in Honduras Passes First Debate

<https://www.bloomberglinea.com/2022/04/27/derogacion-de-la-ley-de-empleo-por-hora-en-honduras-pasa-su-primer-debate/>

In Honduras there are approximately 700,000 people hired under this law, so if it is repealed, the open unemployment rate, which was 8.6% in 2021, would increase.

National Congress Repeals the ZEDEs in Their Entirety

<https://www.laprensa.hn/honduras/congreso-nacional-deroga-totalidad-zede-honduras-DC7765173>

The repeal needed at least 86 votes to pass, but it garnered unanimous support from all 128 deputies. The total repeal of the Economic Development Employment Zones from all legal regulations in the country was approved.

Honduras Foresees a 3.5% to 4.5% Growth in 2022 and 2023

<https://www.laprensa.hn/economia/honduras-preve-un-crecimiento-de-entre-35-y-45-en-2022-y-2023-XD7104077>

In 2022 - 2023, the Honduran economy is expected to grow between 3.5% and 4.5%. Inflation is expected to reach 6.19% in 2022 and 4.44% in 2023.

Minimum Wage 2022-2023 in Honduras: Workers Will Receive Monthly Salary Increases Ranging from 374 to 992 Lempiras

<https://www.elheraldo.hn/economia/salario-minimo-2022-2023-honduras-tabla-aumento-trabajadores-NX7055834>

The labour, private-enterprise, and government sectors agreed on wage increases ranging from 5.32% to 8.00% for 2022-2023. Companies are required to pay the retroactive increases as of January 1, 2022 and the may do so in the months of April, May, and June.