



Welcome to

**HONDURAS**

**your perfect destination**



## About FIDE

The **Foundation for Investment and Development of Exports** is a private non-profit organization created in 1983 to promote investment in Honduras, support export development and works closely with the government and other private organizations to promote and design new legislation aimed at improving the country's business climate.

Our mission is to encourage sustainable development in Honduras via investment and exports by continually improving the international competitiveness of the country and its companies.



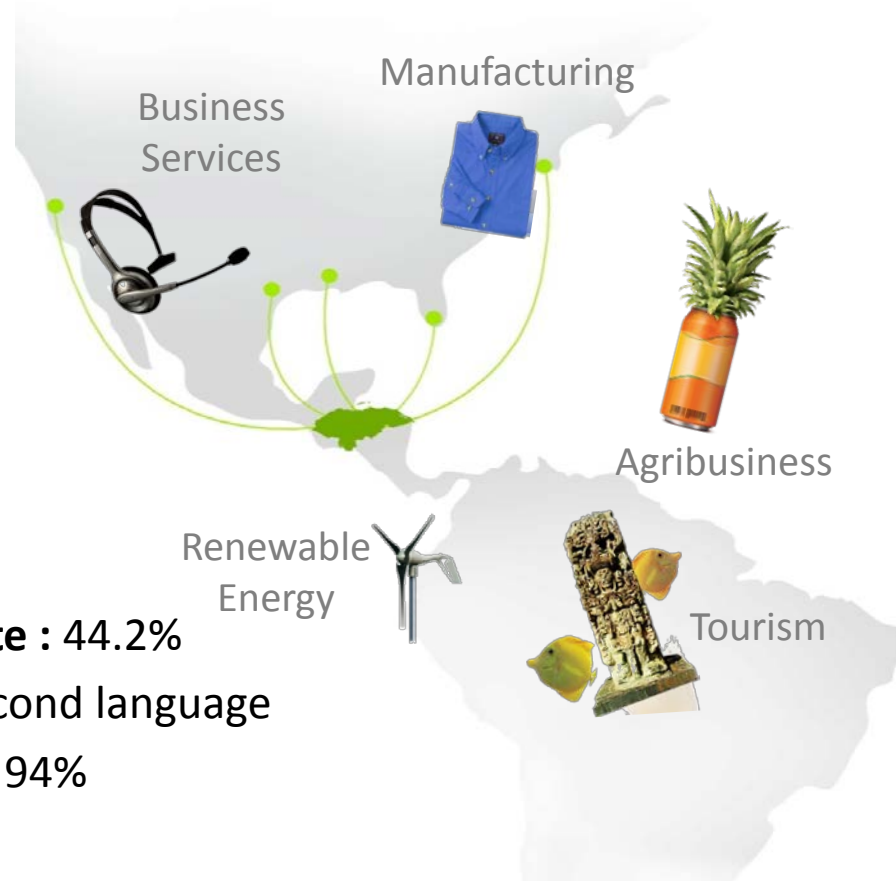
**YOUR ONE STOP OFFICE FOR INVESTMENT AND EXPORTS**

[www.hondurasinfo.hn](http://www.hondurasinfo.hn)

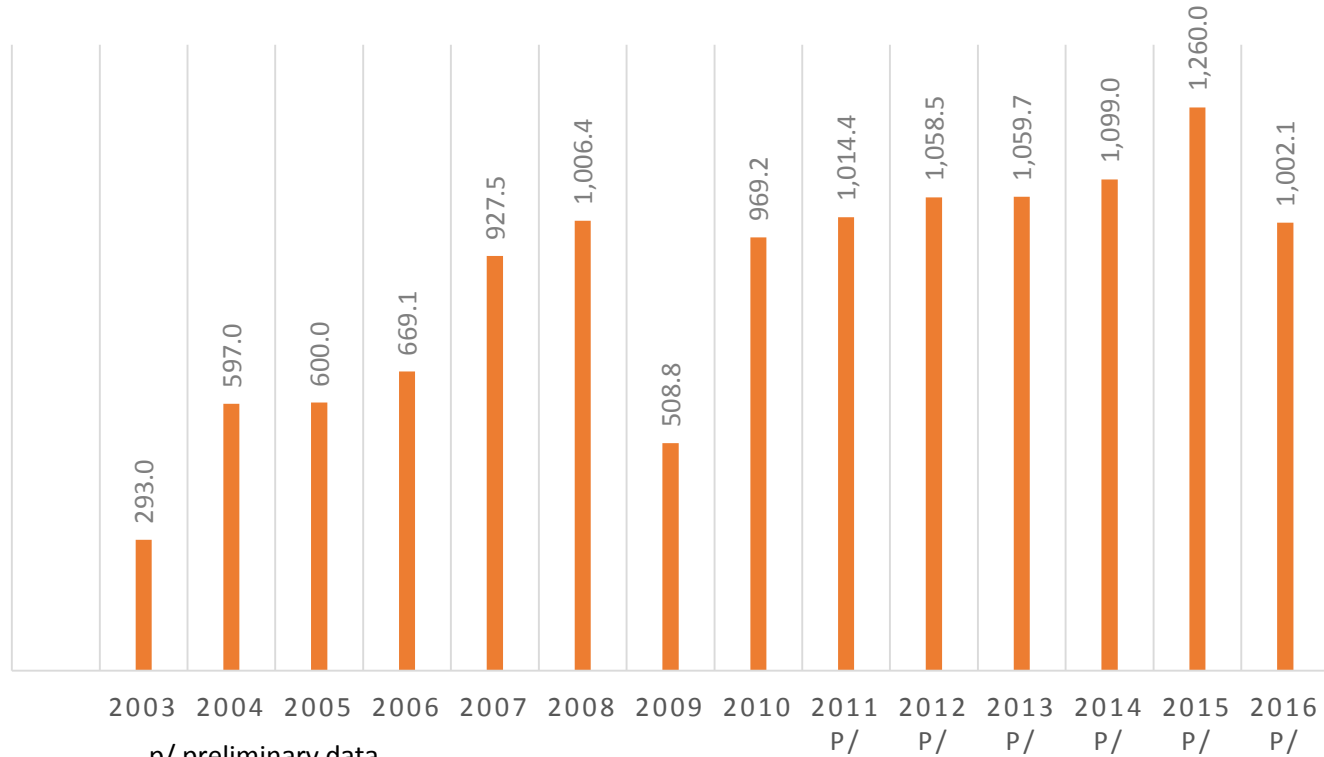


## Facts and Figures

- **Location:** In the Heart of America  
1000 miles Southeast of U.S.A.
- **Time zone:** Central /Eastern Time Zone
- **Area:** 112,492 Km.2 (70,307 M.2)
- **Population:** 8.8 million
- **Population Growth Rate:** 1.91 % per year
- **Labor force:** 3.9 million
- **Unemployment / Underemployment Rate :** 44.2%
- **Major Languages:** Spanish, English as second language
- **Literacy** rates in the largest cities are 92 – 94%



## FOREIGN DIRECT INVESTMENT 2003 -2016



Source: Honduras Central Bank



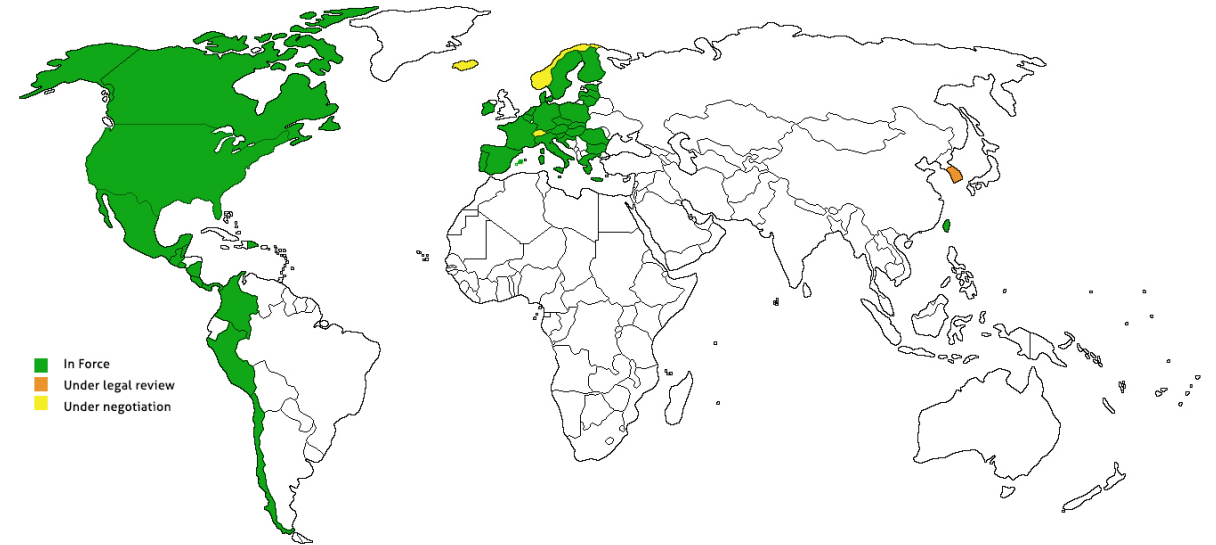
# Free Trade Agreements (FTA)

## In Force:

- DR-CAFTA, this Agreement includes USA, Central America and Dominican Republic.
- Colombia
- Taiwan
- Chile
- Panama
- Dominican Republic
- Mexico
- EU-Central America Association Agreement
- Canada
- Peru

**Under Legal Review:** Korea

**Under Negotiation:** EFTA members.



## DR-CAFTA

The door to the US Market



- ✓ Exports from Honduras can enter the U.S. duty-free
- ✓ Imports from the U.S. can enter Honduras duty-free
- ✓ CAFTA-DR protects U.S. investors in Honduras



## Some of the Foreign Firms operating in Honduras



# Why Honduras?

- Pro Investment Country:

- Laws that offer extensive guarantees and facilities for foreign investment in Honduras:

- ✓ The Public-Private Partnership Promotion Act
    - ✓ National Program of Hourly Employment Act
    - ✓ The Investment Promotion and Protection Act
    - ✓ Call Centers and BPO's Incentive Law
    - ✓ Mining Law
    - ✓ Program "Chamba para vivir mejor" which is seeking to enter into the labor market 25,000 young Hondurans.

## Why Honduras?

- A highly productive labor force at competitive wages
- Low staff turnover
- Numerous personnel training programs
- The best and less expensive communication infrastructure in the region
- Competitive office building rental prices
- Permanent tax exemption laws





## Permanent Tax Exemption Law

Export oriented industries: Products & Business Services

Incentives	Free Zone Law (Business Parks & Industrial Parks) & Business Service Operations Incentive Law
Import Duties	100% permanent exemption
Export Duties	
Sales & Municipal	
Taxes on profits (Income tax)	
Taxes on profit repatriation	
Capital repatriation	unrestricted
Currency conversion	

# Infrastructure

Industrial and Business Parks development

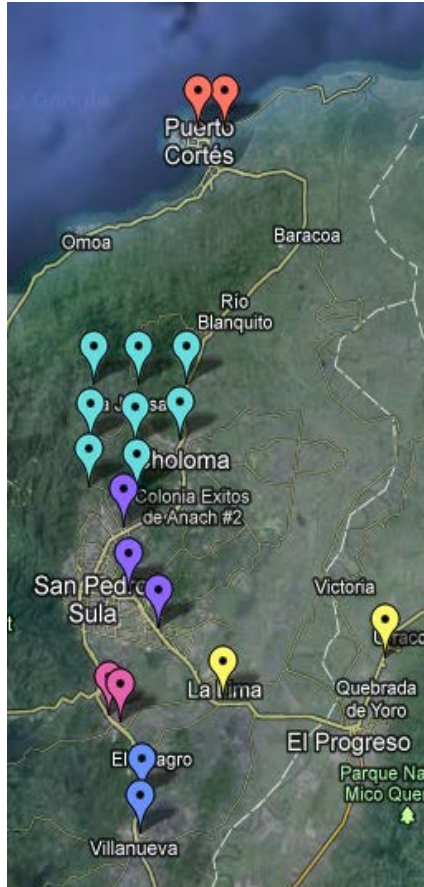


Services offered by the industrial parks in Honduras, among others:

- Customs office on site.
- 24 hour perimeter security.
- Telephone lines included in the building.
- Public cafeterias.
- Social Security Pharmacy (Medical Care) and registration office.
- Maintenance and repair of street and street lighting and other common services to all tenants.
- Maintenance of the green areas.
- Garbage Collection.
- Sewage treatment plant.
- Water supply (doesn't include industrial use).
- Sports areas
- Human Resources Department (Personnel Recruitment).
- Bank Offices



## Industrial Parks in the Sula Valley



### Proximity to Puerto Cortés

- Búfalo: 55 minutes
- Choloma: 20 minutes
- El Progreso: 55 minutes
- La Lima: 45 minutes
- Río Nance: 20 minutes
- San Pedro Sula: 40 minutes
- Villanueva: 65 minutes



Honduras has **24** industrial parks and more than **60** Private Free Zones



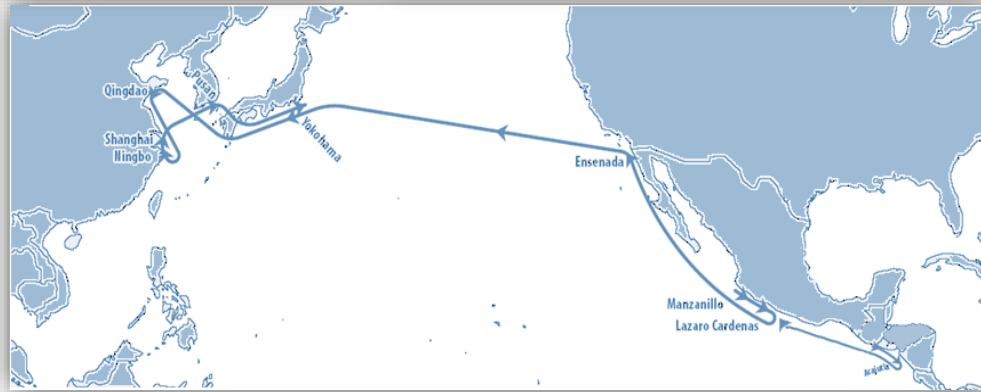
## Logistics to USA



## Logistics to Europe



## Logistics to Asia



# Puerto Cortés



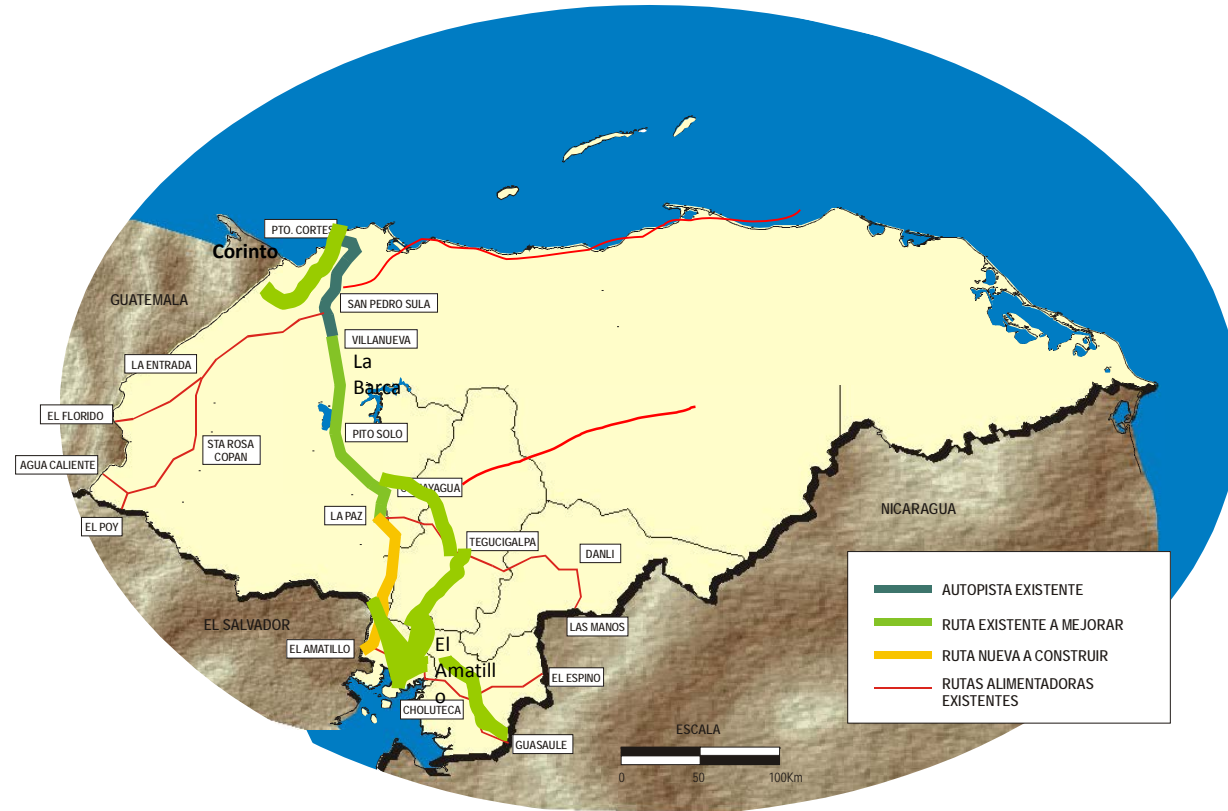
**Puerto Cortés** Central America's most efficient port:

- Certified as the 3rd Megaport in Latin America after Brazil and Argentina
- 24 hour services (24/7/365)
- 48-72 hours by sea to the USA East Coast
- US Customs and Border Protection office  
(CSI: Container Security Initiative)

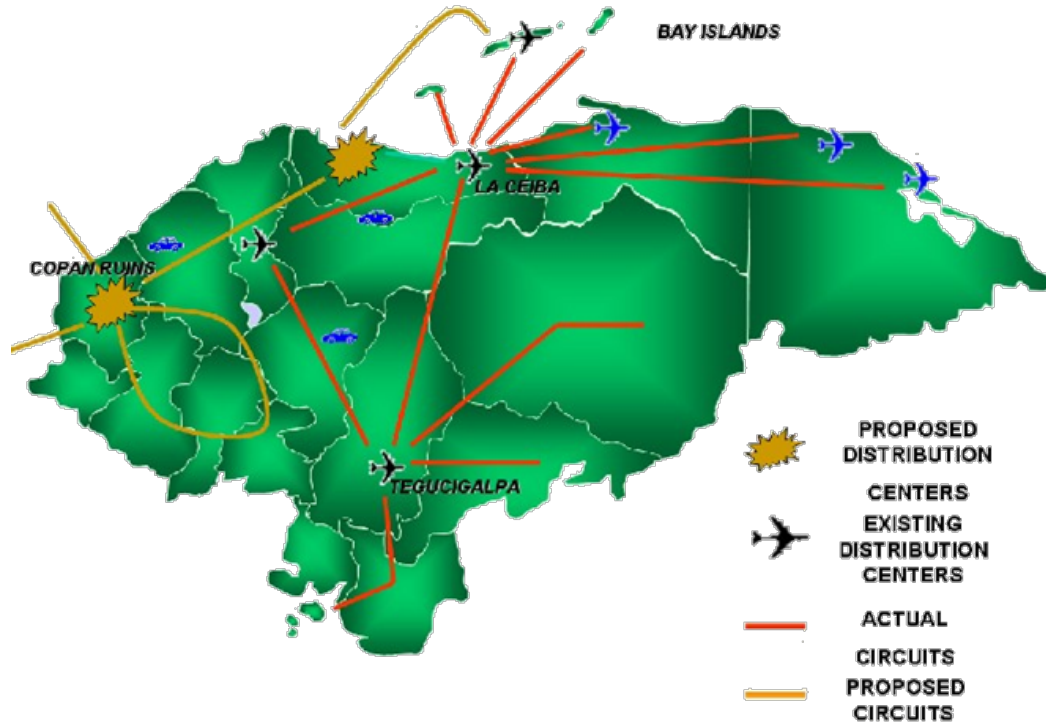
**Honduras has 4 ports in the Caribbean and 1 in the Pacific Ocean**

# Logistic Corridor – The Dry Canal

714 kms. of paved road joining the Atlantic and the Pacific Oceans



# International Airports



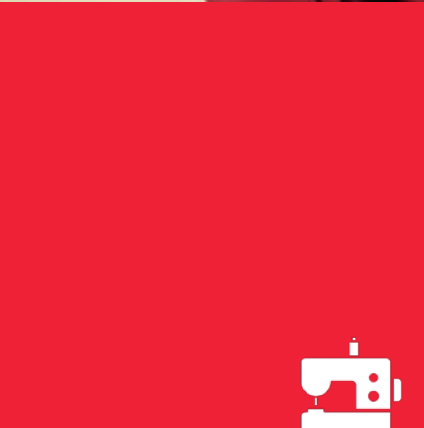
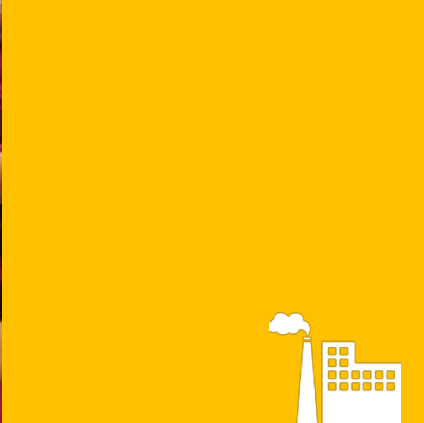
1. Tegucigalpa
2. San Pedro Sula
3. La Ceiba
4. Roatán
5. Copán
6. Palmerola (Project)



# Telecommunication



- Fiber-optic lines connected to the submarine cables of Maya1, Arcos1 Emergia I.
- Reliable international direct dial system, operating companies of international services as: AT&T, Sprint y MCI.
- Cellular and satellite phones, internet services, broadband, dedicated lines and high speed wireless and other modern telecommunication services available.
- Redundancy of 99.9875%
- Delay of 80 millisecond between the communications.



 **FIDE**  
Inversión y Exportaciones



LIGHT  
MANUFACTURING



# Light Manufacturing

## Honduras Competitive Advantages in Light Manufacturing

- Production capacity flexible and adaptable
- Low logistic costs
- Technical and managerial personnel
- Low staff turnover
- Competitive labor costs
- Qualified, young, easily trainable human resources
- Numerous personnel training programs



## HONDURAS:

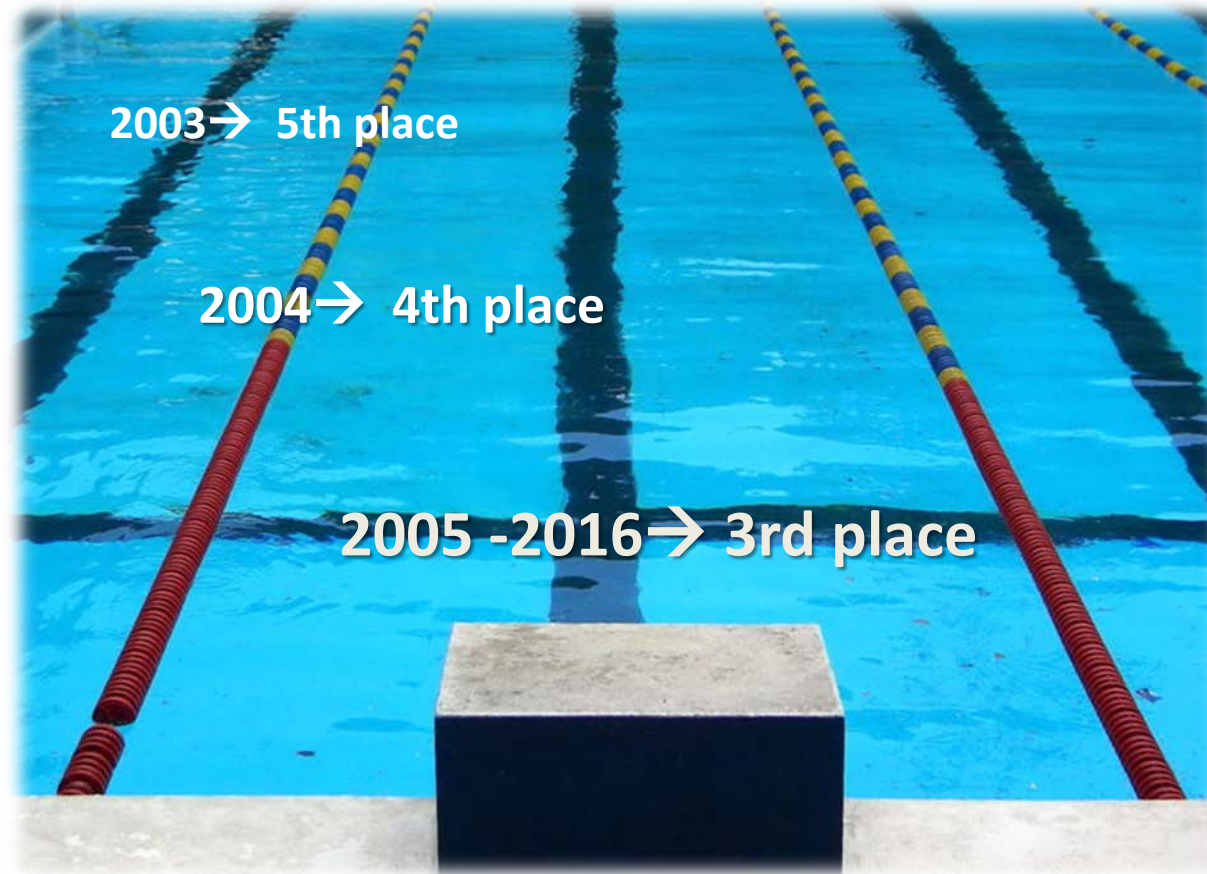
As a supplier to the USA market (garment products)

Area	2001	2002 - 2005	2006 - 2011	2012-2014	2015-2016
World	2nd	3rd	4th	3 <sup>rd</sup>	4 <sup>th</sup>
Central America & Caribbean	1st	1st	1st	1st	1st



# Automotive Wire Harness

3rd Supplier Worldwide to USA



2003 → 5th place

2004 → 4th place

2005 - 2016 → 3rd place









# Automotive – Electronic Cluster

## Manufacturing

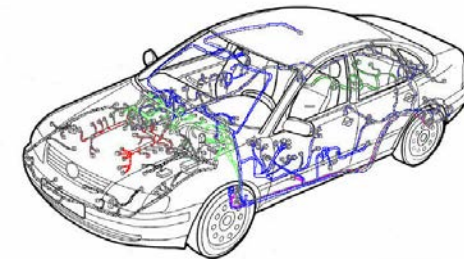
### Supplier ▶

-  Delfingen
-  Phelps Dodge
-  Emdep
-  Coficab
-  FSK

-  Lear Corp.
-  Hyundai (Kyushing)
-  Novem
-  Empire Electronics
-  Delphi
-  SPI Automotive

### ◀ Services

-  TSI
-  Mecanizaciones  
Automatizadas
-  Lagos
-  Profit Mfg.



# Novem (Germany)

Manufacturer of Car Interiors







TOURISM

# Tourism

**Second** largest coral reef in the world - The **best location** to observe the whale shark  
One of the **top 5** best destinations for diving - **ROATAN**, the best destination in Central America for 2017,  
according to Trip Advisor - According to a UN Delegate **Utila** is the best place to dive.



## **Companies that can benefit from this law include:**

- Hotels, hostels, time-share rooms
- Passenger air transportation
- Passenger fluvial transportation
- Recreational centers excluding casinos, night clubs, video arcades, slot machines, cinemas, theaters, and other type of operations not related to tourism
- Artisan shops and Honduran handicraft stores
- Inbound travel agencies
- Convention centers
- Car rental companies



## Law of Incentives to the tourism investor

Income Tax Exoneration on New Projects	<b>10 years</b>
Tariff Exoneration on the import of goods for replacement of damaged goods or equipment	<b>10 years</b>
Tariff and Tax Exoneration on the import of goods and equipment required for constructing and operating a new project	<b>100%</b>
Tariff and Tax Exoneration on the import of new vehicles directly related to the operation of the project	<b>100%</b>
Tariff and Tax Exoneration on the import of aircrafts and new or used vessels for air, maritime or fluvial transportation	<b>100%</b>
Tariff and Tax Exoneration on the import of materials to be used in promoting or advertising new projects.	<b>100%</b>





BUSINESS  
SERVICE



# Services

## Honduran Competitive Advantages for the Business Service Sector

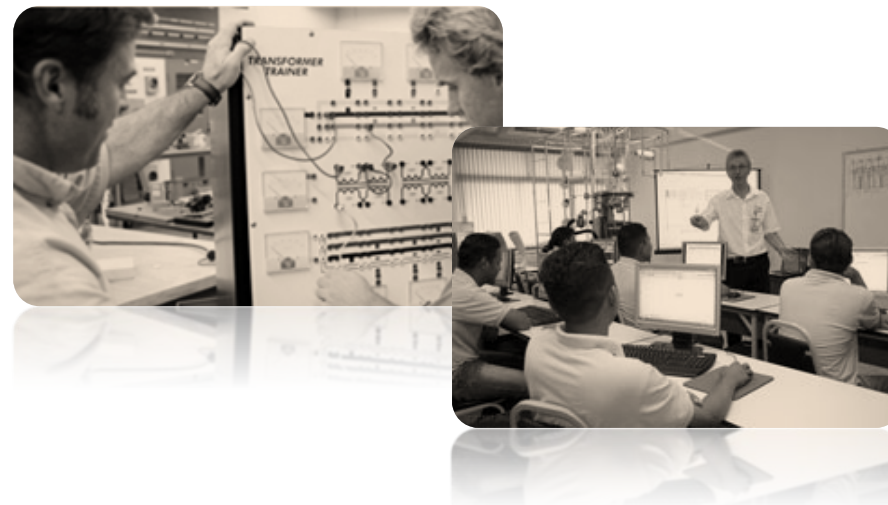
- Qualified, young, bilingual population, with neutral accent and IT knowledge.
- Liberalization of the Telecommunication Network and energy generation
- Central /Eastern Time Zone
- Passion for service culture
- Permanent tax exemption laws
- Numerous personnel training programs



# Training Programs

## Skill Labor

- Extensive Educational network:
- 1,571 high schools
- 824 bilingual schools
- 212 specialized technical schools
- 84 university campuses , 20 universities.
- IPC (Central America Polytechnic Institute)
- National Vocational Training Institute (INFOP)





RENEWABLE  
ENERGY



# Renewable Energy

## INCENTIVES

- Customs tax exemption during research period and construction.
- Sales tax exemption during research period and construction, for equipment, materials, and services.
- Income tax exemption during the first ten (10) years of commercial operation.
- Tax exemption for temporary import
- Direct sale to a distribution company, a qualified large consumer, other power generation companies, trading companies or national or regional opportunity.
- Long-term contracts for up to 20 years for projects with less than 50 MW, up to 30 years to projects with more than 50MW.

The incentives established by the law are directed at those who use hydraulic, geothermal, solar, biomass, eolic, alcohol, urban solid waste, and vegetable sources.







AGRIBUSINESS

# Agribusiness

- High agriculture productivity throughout the year.
- Ample availability of natural resources.
- Several microclimates
- Availability of agricultural universities and technical institutions.
- Easy access to the Central America and North America markets.
- Positive trade balance with USA
- Efficient transportation system to the USA.



Honduras main agribusiness exports:

- **Fish fillets (Tilapia)**
- **Coffee**
- **Banana**
- **Palm Oil**
- **Shrimp**
- **Sugar**
- **Melon (Cantaloupe)**
- **Watermelon**
- **Cigars**

Source: Honduras Central Bank



# Quality of life

**Honduras** is more than a good place to invest –  
**it's a great place to live**, with a most appealing quality of life because...

- It has some of the best beaches in the Caribbean
- Mayan archaeological sites
- A colonial legacy alive today in its cities and villages
- The Bay Islands are located on the second largest coral reef in the world.
- Warm and hospitable people





**Teresa Deras** | Executive Director  
tmderas@fidehonduras.com

**Donna Micheletti** | Senior Investment Promotion Officer  
dmicheletti@fidehonduras.com

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**Tegucigalpa**  
Tel: (504) 2239-6417

**San Pedro Sula**  
Tel.: (504) 2566-3040  
Cel.: (504) 9581-4431

[www.hondurasinfo.hn](http://www.hondurasinfo.hn)

