

# HONDURAS

in perfect position

## Honduras in Brief

### Location:

About 1,000 miles southwest and only two hours by air from Miami. Located in the heart of Central America, Honduras is the second largest country in the region.

### Population:

7,415,000

### Language:

Spanish, but English is used widely.

### Time Zone:

Central

### Currency:

Lempira, although U.S. dollars generally are accepted.

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## HONDURAS' INVESTMENT CLIMATE IS RIGHT FOR THE TOURISM AND HOSPITALITY INDUSTRY

### Honduras Offers

#### 1. Stable investment climate

- Honduras has had consecutive democratically elected governments for more than 26 years.
- Honduras has simplified administrative procedures for setting up businesses, registering property, and other investment procedures.
- Government policy ensures free competition.
- Honduran investment law guarantees equal treatment to foreign and national investors.
- The World Bank's "Doing Business 2008" business-climate study identified Honduras as one of the "best reformers of the region." New businesses can be started in 21 days, the shortest time in Central America.
- Honduras adopted the Law of Transparency and Access to Public Information mandating complete, 100 percent transparency in the government.

#### 2. Uniquely diverse tourism product.

- The only country in Central America with attractions in archeology, beaches, colonial architecture, culture, diving, and nature.
- The World Tourism Organization has said Honduras has the best potential for growth in the development of tourist products over the next 15 years.

#### *Archeology*

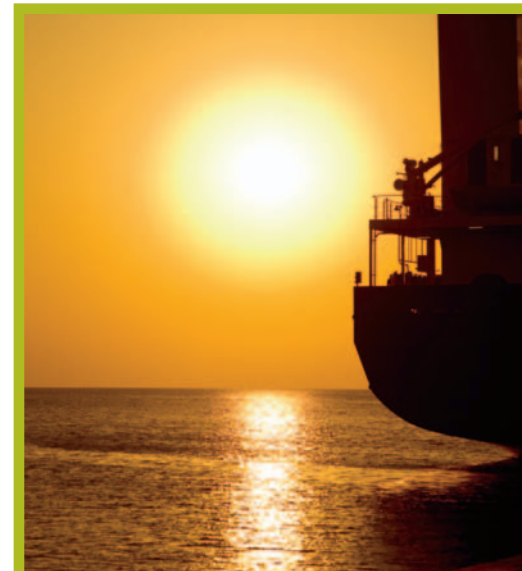
- The Mayan ruins of Copán are considered to be among the most impressive examples of pre-Columbian art in the world. One of the great centers of Mayan civilization, Copán was named a UNESCO heritage site in 1980 and has been studied by archeologists for more than 100 years.

#### *Beaches and diving*

- The Bay Islands (Roatán, Guanaja, and Utila), in the Caribbean share access to the world's second largest coral reef, as well as white-sand beaches, jungle canopy tours, pirate cave exploration, nature hikes, and visits to indigenous communities.
- The MesoAmerican Reef offers unparalleled diving and snorkeling.

#### *Nature and adventure*

- Honduras' diverse ecosystems and 107 nature reserves are ideal for eco-tourism development.
- Major national parks include Celaque National Park, Cuero y Salado Wildlife Reserve, Pico Bonito Cloud Forest, and La Mosquitia. The Biosphere of the Platano River is a UNESCO World Heritage Site.
- Cayos Cochinos Marine Preserve is a network of islands and small keys in the Caribbean.
- Adventure and nature attractions include white-water rafting (class IV rapids), kayaking, hiking in rain forests, birding, boat trips through mango swamps, rivers and wetlands.



The sun sets over the Caribbean, Cortes, Honduras

## *Colonial heritage*

- Glimpses of Honduras' Spanish colonial past may be found in the churches of Tegucigalpa, in historical town center of Comayagua (a former capital) and in the lovely mountain towns of Gracias and Santa Rosa de Copan.
- A Spanish colonial fortress still guards the Atlantic coast in the small beachfront town of Omoa.

## *Living cultures*

- The Garifunas, an ethnic group that has preserved its own language and culture, can be visited in their villages along the Atlantic Coast and the Bay Islands, where visitors can experience their cuisine, dances and music.

### **3. Skilled workforce**

- The workforce is young, readily available, and industrious.
- Active workforce is 2.8 million strong.
- Literacy rates in the largest cities are 92-94 percent.
- Low cost of labor makes Honduras very competitive.
- Extensive educational network educates the population through 1,050 secondary schools (150 bilingual), 122 technical high schools, and 30 universities.

### **4. Modern infrastructure**

- Four international airports: Tegucigalpa, the capital; San Pedro Sula, industrial center and gateway to Copán and Northern Honduras; La Ceiba, the door to the Bay Islands and the Caribbean Coast; and Roatán, the largest of the Bay Islands.
- An additional airport is planned for Copán.
- Continental, Delta, and American Airlines offer direct air service from the United States, as does TACA.
- Hotel Brands in Honduras include Marriott, Hilton, Intercontinental, Crowne Plaza, and Clarion.
- Cruise lines service Roatán and Puerto Cortes and are investing in Honduras.
  - Royal Caribbean is spending \$20 million to expand the cruise terminal at Coxen Hole, Roatán's main town, including a shopping mall and two-berth Terminal, opening in 2008.
  - Carnival will open a \$50 million, two-berth, mega-ship terminal on Roatán, with a welcome center including retail shops, restaurants, bars, a lagoon, and nature trails.
- One of the most advanced telecommunications networks in the region reliably connects Honduras to the world.
- Competitively priced electricity and privately generated thermal energy provide abundant electricity nationwide for commercial, industrial and residential use.

### **5. The government and private-sector support for tourism development:**

- The Government of Honduras has designated the hospitality sector as a top priority. While the government is providing financial incentives to investment, private businesses are forming partnerships and providing services to investors. FIDE, the country's national investment promotion agency provides facilitation services to international investors as they evaluate business opportunities in Honduras.
- Government has negotiated lines of credit with multilateral organizations, including Inter-American Development Bank, World Bank, and the Government of Japan, to invest in further developing and improving infrastructure
- Government has designated the Bay Islands as a duty free zone.
- Honduran investors and financial institutions are interested in partnering with foreign investors.

### **6. Attractive financial incentives including the Law of Tourism Incentives, whose benefits include:**

- Income tax exoneration on new projects
- Tariff-free import of goods and equipment to construct new tourism industry projects or replace equipment
- Duty-free import of new vehicles related to tourism, aircraft, and boats for tourism industry

### **7. Growing tourism destination**

- International tourist arrivals grew by 12 percent in 2007.
- In 2006, 1.14 million visitors came to Honduras.
- The average length of stay for visitors is 9 nights.
- As many as 20,000 rooms are expected to be needed to house visitors during the next 10 years.



## **Resources**

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5. FIDE Investments and Exports. "Investment Guide Honduras." [http://www.investinhonduras.hn/default\\_en.asp](http://www.investinhonduras.hn/default_en.asp)
6. Juan Pablo Carias. "A Shining Diamond off the Honduran Coast." *Central America Today*, May/June 2007.
7. Honduras Tourism Institute. <http://visitehonduras.com/iht/>