

COUNTRY PROFILE



Honduras

GLOBAL RANK: 83rd= of 104



Honduras ranks better on Comparative Liveability (76th) than on Economic Competitiveness (84th). Its favourable climate and high employment rates contrast with rather poor scores for many Economic Competitiveness indicators, such as education and innovation. Honduras' overall ranking is 83rd, equal with Moldova.

● BACKGROUND

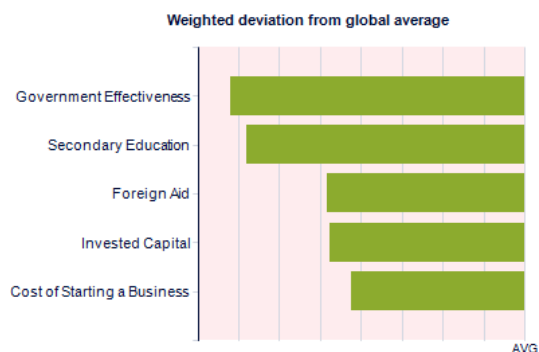
Honduras is one of the poorest countries in Central America, dependent upon international aid, tourism, and exports of bananas, coffee, and seafood. However, the government continues to implement structural reforms in the financial sector, and IMF debt relief is aiding the fight against poverty. Transport infrastructure is underdeveloped, with only three railways in operation. Violent crime levels are extremely high, and the police and prison systems are underfunded. 25,000 children are chronically malnourished, and HIV infection rates are among the highest in Latin America. Tens of thousands of 'street children' suffer high levels of solvent abuse, sexual molestation, and murder.

FAST FACTS

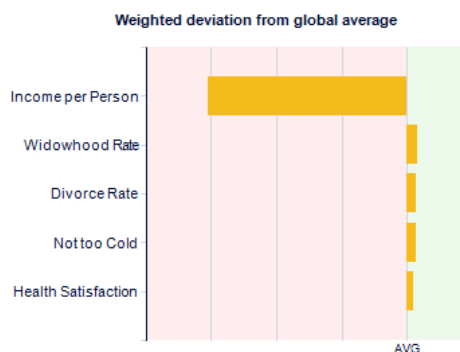
Population:	7.6 million (2008 est.)	FDI (net inflow):	5.60% (2005 est.)
Life Today	5.3 (2007 est.)	Exports	21.27% (2006 est.)
GDP (PPP)	\$30.65 billion (2007 est.)	Imports	59.73% (2006 est.)
GDP (Growth)	6.3% (2007 est.)	Unemployment:	27.8% (2007 est.)
GDP (per Capita)	\$4,100 (2007 est.)	Life Expectancy	69.37 years (2008 est.)
Political System:	Democratic Constitutional Republic		
Foreign Aid:	4.45% (2006 est.)		

● KEY SCORE DRIVERS

ECONOMIC COMPETITIVENESS



COMPARATIVE LIVEABILITY



Despite signs of optimism and recuperation, economic growth in Honduras has been generally slow and weak, and is characterized by underproduction, low levels of capital investment and low average wages. Honduras' economic niche is textile manufacturing, which represents nearly 6.5% of the growth in GDP, and provides employment to one in three Hondurans.

The country has not moved to higher value-added activities, and records low scores for commercialisation of innovation, exporting few high tech products and registering few patents. Entrepreneurship is similarly lacking. The level of mass education is also a serious weakness: a Honduran worker has on average less

Honduras is one of the poorest countries in the Western Hemisphere. It ranks below the global average and the regional average on all the indicators, although the picture is not unremittingly bleak.

Just a couple of decades ago, Honduras was considered a repressive society, and human-rights abuses were a common occurrence. The government's human rights record has improved but serious problems persist. Health-adjusted life expectancy languishes at 58.4 years, but Honduran citizens report surprisingly high levels of satisfaction with personal health, according to the Gallup World Poll. The moderate climate and strong family life provide a social basis for life satisfaction. Rates of widowhood for Honduras are a low 1.9%⁹,

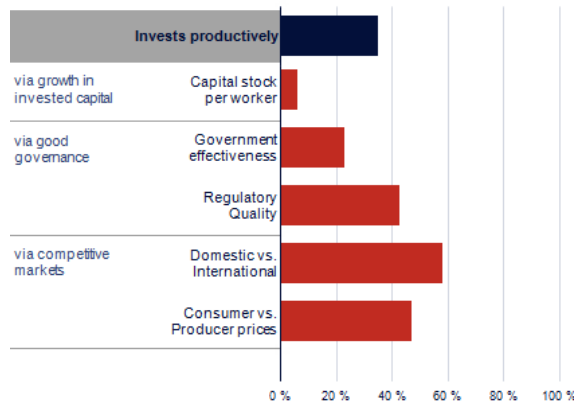
than 18 months of secondary education. Given that 41% of the country's 7 million inhabitants are under 14, an ailing education system is a serious threat to the nation's future.

Honduras' efforts at policy implementation are plagued by ineffective governance and limited institutional capacity, although there has been significant progress in the developing banking sector in terms of regulation and transparency. Honduras also remains somewhat dependent on foreign aid, as economic growth is weak.

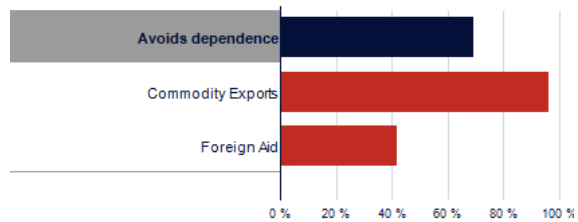
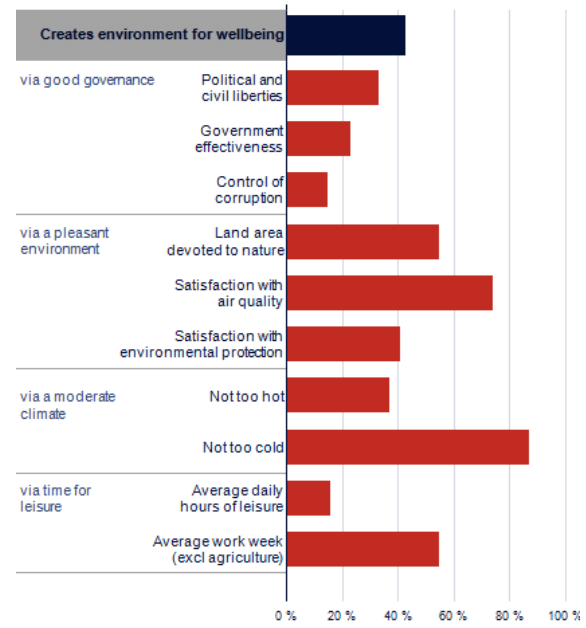
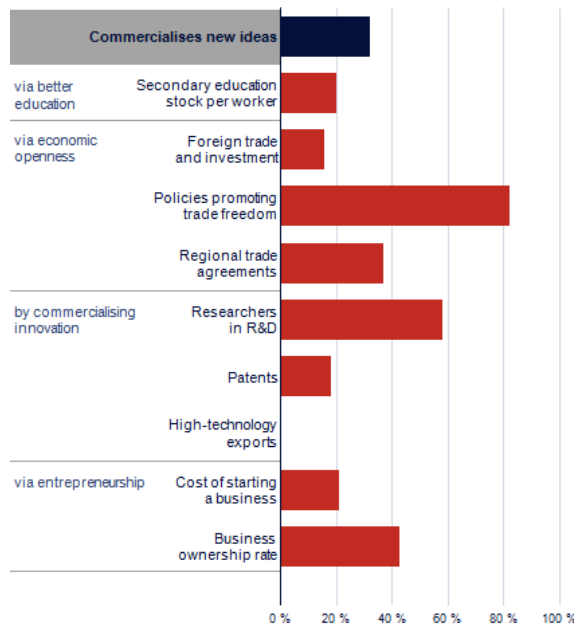
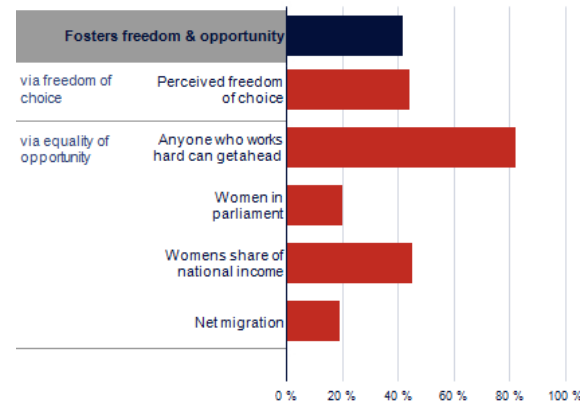
and divorce rates are just 0.6%⁹.

At \$4,150, Honduras' income per capita is far below the global and the regional average. According to USAID, around 70% of Hondurans live in poverty, and nearly 80% of the rural population is poor. Unemployment is also very high at 27%.

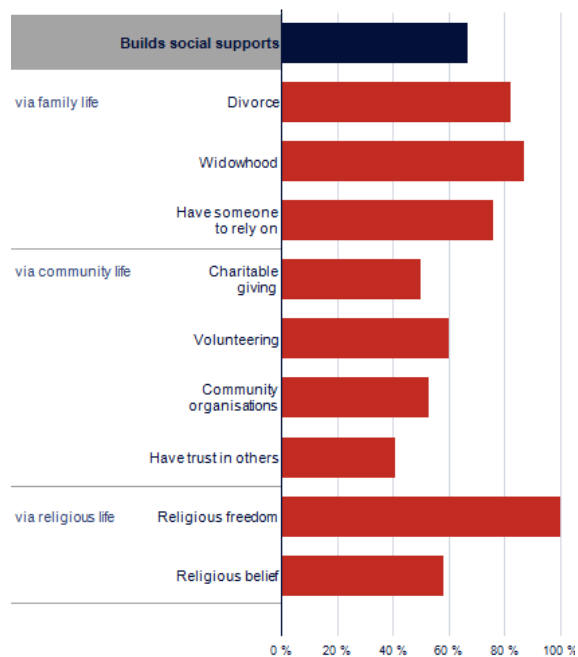
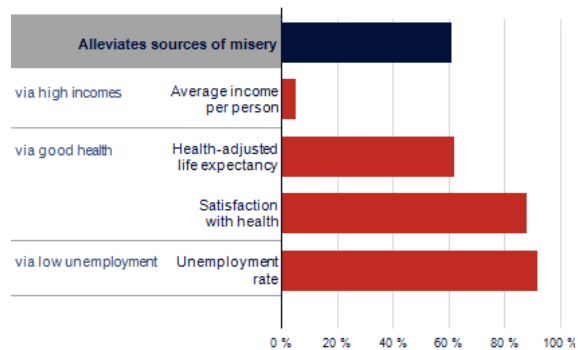
ECONOMIC COMPETITIVENESS: SCORECARD



COMPARATIVE LIVEABILITY: SCORECARD



All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.