# HONDURAS

## 1. General trends

The Honduran economy experienced a slight slowdown in 2012, posting growth of 3.3% compared with 3.7% in 2011. Overall, this result is attributable to expanding consumption (3.2%) and external demand (2.8%), along with a strong performance by the communications sector (8.4%) and agriculture, livestock, hunting, forestry and fishing (8.1%). Inflation to December was 5.4%, which was under the target range set by the central bank of 5.5% to 7.5%.

According to central bank projections, the Honduran economy will grow by between 3.0% and 4.0% in 2013. ECLAC estimates that growth will stand at around 3.2%, in view of the possible impact on coffee exports of blight, a serious disease of coffee plantations, and smaller year-on-year variation of the trend-cycle series as shown by the monthly index of economic activity (IMAE) in March 2013. No significant changes are expected in other goods exports and domestic consumption should continue to expand.

With regard to inflation, the central bank estimates that the consumer price index (CPI) to December 2013 will be within the target range of 5.0% to 7.0%. In May 2013 year-on-year inflation stood at 4.8%, 0.4 percentage points lower than in May 2012.

The central government deficit in 2012 was 6% of GDP, although a figure of 3.5% had been forecast by the Ministry of Finance. In its monetary programme, the central bank projects a deficit of 4.5% of GDP in 2013, on the basis of Ministry of Finance calculations.

Public debt has trended upwards in recent years, and the fiscal deficit will need to be brought down to more manageable levels in the long term. While public debt is not particularly high, it climbed from 32.6% of GDP in 2011 to 34.8% of GDP in 2012, owing to rising central government deficits as a percentage of GDP.

At year-end 2012, the current account deficit was 9.5% of GDP, compared with 8.5% in 2011. According to ECLAC estimates, the balance-of-payments current account deficit will stand at around 10.0% of GDP in 2013. In light of the performance of general merchandise imports and exports to March 2013 (down 6.7% and 12.6%, respectively, over the year-earlier period) no significant improvement is expected in net exports. The income balance deficit has also widened over the past few years.

No new agreement is likely to be reached with the International Monetary Fund (IMF) in 2013, given that it is an election year and the country’s fiscal position has deteriorated.

## 2. Economic policy

### (a) Fiscal policy

Honduras applied an expansionary fiscal policy in 2012 and will continue to do so in 2013, according to Ministry of Finance projections. The fiscal situation is an area of concern given that the deficit has widened in recent years. In 2011 Honduras failed to meet the central government target agreed upon with IMF and in 2012 the non-financial public sector deficit was 3.8% of GDP and the central government deficit, 6.0% of GDP. Primary deficits have also been high in recent years, representing 3.2% of GDP in 2011 and 4.3% of GDP in 2012.

Total central government revenue was up 6.0% in 2012, while total expenditure jumped 13.4%, mainly due to a surge of 13.4% in current spending and 15.5% in capital transfers. With regard to current expenditure, large percentage increases were seen in debt interest (38.0%) and spending on goods and services (22.4%). In absolute terms, however, the greatest increases were in salaries and wages, goods and services, debt interest and transfers.

Revenue was up thanks to year-on-year growth of 7.6% in tax receipts (including the proceeds from the public security tax), thanks to a rise of 7.9% in income tax receipts and of 6.2% in sales tax revenue. Nevertheless, central government tax revenue in 2012 accounted for just 14.9% of GDP, up only 0.1 percentage point over 2011.

The government has implemented several fiscal reforms since 2010. These include the law to combat income tax evasion, intended to boost tax revenues, and the public security law, intended as an additional weapon in the fight against crime. In 2012, the government also appointed an audit commission to make recommendations for a reform of the Executive Revenue Directorate. Although tax revenue grew over the previous year, the Directorate missed its 2012 revenue target, of which it collected 95.3%. Of the 1.5 billion lempira target under the new public security law, only 821 million was collected in 2012, while income tax receipts came to 88.3% of the respective forecast. In both cases, projections were over-optimistic in light of the Directorate reforms that are under way.

The above factors indicate that budgetary planning and oversight represent significant challenges. Containing extra-budgetary spending is proving difficult, and there are signs of rigidities and inertia. Meanwhile, efforts to boost tax revenues are hampered by ongoing issues such as domestic arrears that are carried over from one fiscal year to the next. According to estimates from the Ministry of Finance, floating debt was around 2.5% of GDP at year-end 2012. Given that the domestic debt reported does not include floating debt, actual domestic debt is higher. Nevertheless, floating debt has fallen from the 4.7% of GDP it represented in April 2010. The government had to borrow from the central bank in exchange for government bonds in order to pay salaries and wages in 2012.

In its monetary programme, the central bank forecasts a central government deficit of 4.5% of GDP in 2013, on the basis of Ministry of Finance projections. However, this deficit is unlikely to come in below 6.0%, given the difficulties in increasing revenues and spending which will probably exceed that of 2012. The 2013 budget is smaller than the previous year, but six State-owned firms were not included since their bailout plans have yet to be approved. In addition, the central government budget for 2013 is 12.6% higher than that approved for 2012. Furthermore, general elections are due to take place in 2013, which could exert upward pressure on public spending.

In 2013 the government has continued to implement fiscal reform. In January, following the entry into force of Decree No. 220-2012, all holidays and exemptions authorized by the Ministry of Finance for natural and legal persons were suspended for 60 days and a commission was set up to study the issue, with a view to adopting an exemptions law this year. In addition, plans to bail out six State-owned companies that are running a deficit are expected to be approved in 2013. In the meantime, these companies are operating on 2012 budgets.

The pressure on the public finances has pushed up debt levels. Public debt edged up from 32.6% of GDP in 2011 to 34.8% in 2012, increasing interest payments. Domestic debt now accounts for a larger share than before, representing 42.7% of total public debt at year-end 2012. The government is carrying out a domestic debt swap intended to improve the maturity profile.

In early 2013, two agencies downgraded the country's rating outlook to negative, partly on account of the unfavourable fiscal outlook. Nevertheless, in March Honduras issued its first bond on the international markets for US$ 500 million at a rate of 7.5%, to finance allocations in the 2013 budget and the floating debt. Given that Congress has given its approval for debt to be issued up to US$ 750 million, another issuance is expected.

On the privatization front, there may be some public-private collaboration this year on the bailout plans for the State-owned companies. The Ministry of Finance and the Commission for the Promotion of Public-Private Partnerships (Coalianza) are working on an objective valuation of the Honduran telecommunications company, Hondutel, with a view to a possible public-private partnership in the future. Coalianza is also involved in reforming the National Electric Power Company (ENEE) and has worked with that company to award three trust contracts. These trusts will now be responsible for issuing requests for tenders for some ENEE services.

### (b) Financial and monetary policy

Central bank monetary policy was tighter in 2012 and the main monetary policy rate was raised twice, to 6.0% in January and 7.0% in May. The weak international climate, adverse shocks to the terms of trade, and the pressure on the international reserves were among the reasons given by the monetary authorities for these increases.

Reflecting the higher monetary policy rate, the average real lending rate during the fourth quarter of 2012 was 12.82% (versus 11.88% during the same period of 2011), while the real deposit rate was 1.18% (compared with -0.15% during the same quarter of 2011). In early 2013 interest rates continued to rise, with an average real lending rate of 13.26% and an average real deposit rate of 1.64% in the first quarter.

Total credit (lending by other depository institutions) to the private sector grew year-on-year by 17% in nominal terms (compared with 11.3% in 2011). Lending to households and non-profit institutions serving households (NPISH) was up 18.3% in 2012, while lending to other non-financial firms grew by 15.5%. The fastest-growing areas for domestic-currency lending were consumption, services and commerce; for foreign-currency lending, commerce, industry and export financing. Lending in foreign currency grew faster than domestic-currency lending. In April 2013 nominal year-on-year growth of total credit to the private sector was 13.8%, while lending to households and NPISH was 16.6% and lending to other non-financial firms was 10.7%.

### (c) Exchange-rate policy

In 2012, the central bank continued to use the exchange-rate band of +/- 7% with respect to a base price and stated that this policy would remain in force in 2013. By December 2012, the lempira had depreciated by 4.9% in nominal terms since December 2011, while the real effective exchange rate as calculated by ECLAC (expressed as an index) rose from 83.24 to 85.12 from December 2011 to December 2012, representing a lempira depreciation. However, by March 2013 the real effective exchange rate had fallen to 83.73, signifying a local-currency appreciation with respect to December 2012. Nevertheless, the lempira continued to depreciate in nominal terms.

### (d) Trade policy

Honduras was one of the signatories of the association agreement concluded between Central America and the European Union in June 2012. Honduras ratified the agreement in January 2013 and it is expected to enter into force in August. The benefits of the agreement include lower tariffs and fewer trade barriers between the two regions. Given that the European Union was the country's second-largest trading partner in 2012, the entry into force of the agreement could have a positive impact on the country's exports in the medium term.

In May 2013, Honduras rejoined the PetroCaribe oil alliance, having been excluded since 2009.

## 3. The main variables

### (a) The external sector

Goods exports and imports expanded marginally in 2012 compared with the previous year, rising 1.7% in both cases. Goods exports amounted to US$ 7.931 billion, while imports stood at US$ 11.179 billion. The most buoyant general merchandise exports were coffee, banana and crude palm oil. The increased value of coffee and palm oil exports is explained by greater volume, while in the case of banana exports it is explained by both greater volume and higher prices. Garments were the main type of goods for processing (maquila), although exports fell steeply. The principal export markets were the United States, Germany and Belgium. Significant growth was recorded in exports to the United States and Germany, and a slight fall in those to Belgium.

To March 2013 the value of general merchandise exports (f.o.b.) was US$ 1.117 billion, down 12.6% compared with the year-earlier period. General merchandise imports (c.i.f.) amounted to US$ 2.216 billion, a drop of 6.7%. The main export destinations during this period were the United States, Germany and El Salvador.

Net goods exports recorded a deficit of US$ 3.248 billion in 2012, slightly larger than the previous year. To March 2013 net exports of general merchandise were down US$ 1.099 billion, US$ 1.5 million more than the year-earlier period. In addition, coffee exports will be severely affected by blight in 2013 and 2014. In fact, for the 2012-2013 harvest, the Regional Cooperative Programme for the Technological Development and Modernization of Coffee Cultivation (PROMECAFE) estimates that their value will drop by US$ 150 million in Honduras. According to the International Coffee Organization, higher production in other countries will offset the drop in production in Central America. Coffee prices are therefore not expected to rise.

The current account deficit in Honduras has widened over the past few years. In 2012, the deficit was 9.5% of GDP (versus 8.5% in 2011). It was affected by deteriorating terms of trade (since the price of coffee fell in 2012 while fuel prices remained high), slackening external demand (which grew by 2.8% in 2012 versus 6.1% in 2011) and a slowdown in the growth of remittances (which expanded by 3.4% in 2012, compared with 7.2% in 2011). The central bank forecasts a deficit of 9.9% of GDP for 2013. Nevertheless, to 6 June 2013, remittances amounted to US$ 1.314 billion, up 7.4% on the year-earlier period.

The financial account, meanwhile, posted a surplus of US$ 1.449 billion in 2012 thanks to direct investment inflows of US$ 1.052 billion (5.6% up on 2011). The model cities project, launched to attract foreign direct investment, suffered from constitutional problems last year. However, in 2013 Congress approved reforms to the Constitution allowing for the creation of the model cities.

International reserves shrank in comparison with the previous year and stood at US$ 2.571 billion at year-end 2012 (versus US$ 2.821 billion in 2011), sufficient to cover three months of imports. The drop was mainly due to greater foreign currency sales, for instance for commerce and fuels, and to lower net external payments. With regard to purchases of foreign currency, growth in remittances has slowed and maquila income has contracted. For 2013, the central bank forecasts that reserves will stand at US$ 2.637 billion.

**(b) Economic growth**

Economic growth in 2012 was 3.3%, lower than the rate of 3.7% recorded 12 months earlier. The best-performing sectors were communications, (8.4%), agriculture, livestock, hunting, forestry and fishing (8.1%), and financial intermediation services (5.4%).

With regard to the components of aggregate demand, expansion was seen in consumption, both private (3.5%) and public (1.7%). Gross domestic investment was down 7.9% in 2012 (versus a surge of 35.4% in 2011). Public and private consumption are likely to continue to grow in 2013, given the uptick in household lending and a significant increase in public spending above receipts. The central bank forecasts growth of 8.0% in gross domestic investment in 2013 owing to rising private sector investment.

ECLAC estimates that economic growth in 2013 will be 3.0%, influenced by the impact of blight disease. In March 2013 the monthly index of economic activity (IMAE) of the trend-cycle series showed year-on-year variation of 2.6%, down 1.1 percentage points on the year-earlier figure.

**(c) Inflation, wages and employment**

Year-on-year inflation in December 2012 was 5.4%, lower than central bank expectations and than the figure recorded the previous year (5.6%). The sectors that contributed most to inflation were food and non-alcoholic beverages, housing, water, electricity, gas and other fuels, and transport. The central bank target range for 2013 is 5.0% to 7.0%. In May 2013 year-on-year inflation was 4.8%, 0.4 percentage points lower than in May 2012.

The employment situation is improving. The urban open unemployment rate recorded in May 2012 was 5.6%, representing a drop of 1.2 percentage points compared with May 2011. The urban participation rate dropped while the urban employment rate remained largely the same as in 2011. Unemployment is expected to rise this year due to blight disease, which, according to PROMECAFE estimates, will result in the loss of 100,000 jobs.

The real minimum wage index showed an increase of 5.9% compared with 2011. Nevertheless, these data must be understood within the context of the large informal sector in Honduras (over 70% of non-agricultural workers were in informal employment in 2009, according to the International Labour Organization (ILO)).[1]

[1] International Labour Organization (ILO), *Statistical Update on Employment in the Informal Economy*, June 2012 [online] http://laborsta.ilo.org/applv8/data/INFORMAL_ECONOMY/2012-06-Statistical%20update%20-%20v2.pdf.

Table 1
**HONDURAS: MAIN ECONOMIC INDICATORS**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 a/ |
|---|---|---|---|---|---|---|---|---|---|
| | **Annual growth rates b/** | | | | | | | | |
| Gross domestic product | 6.2 | 6.1 | 6.6 | 6.2 | 4.2 | -2.4 | 3.7 | 3.7 | 3.3 |
| Per capita gross domestic product | 4.1 | 4.0 | 4.5 | 4.1 | 2.2 | -4.3 | 1.7 | 1.7 | 1.3 |
| Gross domestic product, by sector | | | | | | | | | |
| Agriculture, livestock, hunting, forestry and fishing | 7.2 | -2.3 | 7.6 | 5.5 | 1.9 | -1.9 | 1.8 | 5.8 | 8.1 |
| Mining and quarrying | -5.6 | -0.6 | -3.5 | -13.0 | -9.3 | -0.9 | -4.0 | 0.1 | 2.0 |
| Manufacturing | 4.0 | 7.0 | 4.5 | 5.0 | 3.4 | -8.1 | 4.5 | 3.8 | 1.3 |
| Electricity, gas and water | 6.2 | 52.4 | 22.6 | 21.8 | 4.3 | 4.3 | -0.2 | 3.5 | 2.5 |
| Construction | 1.2 | -2.3 | 9.4 | 6.6 | 7.1 | -13.3 | -2.4 | 4.2 | 2.4 |
| Wholesale and retail commerce, restaurants and hotels | 4.2 | 5.4 | 5.5 | 3.8 | 3.1 | -10.5 | 3.4 | 3.7 | 3.3 |
| Transport, storage and communications | 13.5 | 16.6 | 11.6 | 12.7 | 12.3 | 8.8 | 7.4 | 8.4 | 7.3 |
| Financial institutions, insurance, real estate and business services | 12.4 | 12.3 | 15.1 | 15.4 | 8.2 | 0.1 | 5.7 | 1.9 | 4.1 |
| Community, social and personal services | 5.8 | 5.4 | 6.0 | 6.6 | 6.1 | 6.1 | 3.2 | -1.0 | 1.6 |
| Gross domestic product, by type of expenditure | | | | | | | | | |
| Final consumption expenditure | 5.0 | 6.8 | 7.9 | 7.1 | 3.2 | 1.2 | 2.8 | 2.2 | 3.2 |
| Government consumption | 5.4 | 10.1 | 3.9 | 12.8 | 4.3 | 6.9 | -1.0 | -4.9 | 1.7 |
| Private consumption | 5.0 | 6.1 | 8.7 | 6.1 | 3.0 | 0.1 | 3.6 | 3.7 | 3.5 |
| Gross capital formation | 21.9 | -1.2 | 7.2 | 24.7 | 8.9 | -44.2 | 12.0 | 35.4 | -7.9 |
| Exports (goods and services) | 13.2 | 5.3 | 1.6 | 2.5 | 0.9 | -15.9 | 15.7 | 6.1 | 2.8 |
| Imports (goods and services) | 16.2 | 3.6 | 4.1 | 10.9 | 2.4 | -26.2 | 15.2 | 13.7 | -1.3 |
| Investment and saving c/ | **Percentajes of GDP** | | | | | | | | |
| Gross capital formation | 29.7 | 27.6 | 28.3 | 33.7 | 36.1 | 20.6 | 21.9 | 27.4 | 25.5 |
| National saving | 22.0 | 24.6 | 24.6 | 24.6 | 20.7 | 16.8 | 16.6 | 18.9 | 16.4 |
| External saving | 7.6 | 3.0 | 3.7 | 9.0 | 15.3 | 3.8 | 5.3 | 8.5 | 9.2 |
| Balance of payments | **Millions of dollars** | | | | | | | | |
| Current account balance | -678 | -290 | -404 | -1 116 | -2 128 | -557 | -836 | -1 498 | -1 623 |
| Goods balance | -1 293 | -1 497 | -2 027 | -3 104 | -4 255 | -2 545 | -2 796 | -3 194 | -3 248 |
| Exports, f.o.b. | 4 534 | 5 048 | 5 277 | 5 784 | 6 199 | 4 827 | 6 111 | 7 800 | 7 474 |
| Imports, f.o.b. | 5 827 | 6 545 | 7 303 | 8 888 | 10 453 | 7 372 | 8 907 | 10 994 | 10 882 |
| Services trade balance | -204 | -229 | -291 | -288 | -326 | -18 | -193 | -438 | -448 |
| Income balance | -446 | -460 | -537 | -395 | -521 | -632 | -728 | -974 | -998 |
| Net current transfers | 1 265 | 1 895 | 2 450 | 2 671 | 2 973 | 2 638 | 2 882 | 3 108 | 3 220 |
| Capital and financial balance d/ | 1 040 | 477 | 687 | 930 | 1 971 | 84 | 1 404 | 1 562 | 1 378 |
| Net foreign direct investment | 553 | 599 | 669 | 926 | 1 007 | 505 | 971 | 997 | 1 052 |
| Other capital movements | 487 | -122 | 19 | 4 | 964 | -422 | 434 | 565 | 326 |
| Overall balance | 362 | 187 | 283 | -186 | -157 | -474 | 569 | 64 | -245 |
| Variation in reserve assets e/ | -510 | -346 | -282 | 109 | 78 | 354 | -592 | -81 | 370 |
| Other financing | 149 | 159 | -1 | 78 | 79 | 120 | 24 | 17 | -3 |
| Other external-sector indicators | | | | | | | | | |
| Real effective exchange rate (index: 2005=100) f/ | 100.2 | 100.0 | 98.7 | 97.5 | 93.8 | 87.0 | 86.1 | 84.9 | 83.7 |
| Terms of trade for goods (index: 2005=100) | 100.0 | 100.0 | 95.4 | 93.6 | 87.9 | 94.0 | 96.6 | 104.7 | 91.4 |
| Net resource transfer (millions of dollars) | 743 | 177 | 149 | 612 | 1 530 | -428 | 700 | 605 | 94 |
| Total gross external debt (millions of dollars) | 6 023 | 5 135 | 3 935 | 3 190 | 3 464 | 3 345 | 3 773 | 4 188 | 4 842 |
| Employment | **Average annual rates** | | | | | | | | |
| Labour force participation rate g/ | 50.6 | 50.9 | 50.7 | 50.7 | 51.0 | 53.1 | 53.6 | 51.9 | 50.8 |
| Open unemployment rate h/ | 8.0 | 6.5 | 4.9 | 4.0 | 4.1 | 4.9 | 6.4 | 6.8 | 5.6 |
| Visible underemployment rate h/ | 6.5 | 6.9 | 5.4 | 4.3 | 3.5 | 4.4 | 6.7 | 10.6 | 10.1 |

Table 1 (concluded)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 a/ |
|---|---|---|---|---|---|---|---|---|---|
| Prices | **Annual percentages** | | | | | | | | |
| Variation in consumer prices (December-December) | 9.2 | 7.7 | 5.3 | 8.9 | 10.8 | 3.0 | 6.5 | 5.6 | 5.4 |
| Variation in nominal exchange rate (annual average) | 5.1 | 3.4 | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.2 |
| Variation in minimum urban wage | 0.8 | 5.8 | 5.1 | 2.8 | 0.2 | 70.4 | -4.5 | -0.2 | ... |
| Nominal deposit rate i/ | 11.1 | 10.9 | 9.3 | 7.8 | 9.5 | 10.8 | 9.8 | 8.2 | 8.7 |
| Nominal lending rate j/ | 19.9 | 18.8 | 17.4 | 16.6 | 17.9 | 19.4 | 18.9 | 18.6 | 18.3 |
| Central government | **Percentajes of GDP** | | | | | | | | |
| Total revenue | 17.2 | 17.6 | 18.1 | 19.1 | 19.8 | 17.1 | 16.9 | 17.0 | 17.0 |
| Tax revenue | 14.5 | 14.5 | 15.2 | 16.4 | 16.1 | 14.2 | 14.4 | 14.8 | 15.3 |
| Total expenditure | 19.8 | 19.8 | 19.2 | 22.2 | 22.4 | 23.1 | 21.5 | 21.6 | 19.9 |
| Current expenditure | 14.8 | 15.3 | 16.0 | 18.1 | 17.5 | 18.6 | 17.9 | 17.0 | 16.6 |
| Interest k/ | 1.1 | 1.1 | 1.0 | 0.7 | 0.6 | 0.7 | 1.0 | 1.4 | 1.2 |
| Capital expenditure | 5.0 | 4.5 | 3.3 | 4.1 | 4.8 | 5.1 | 3.7 | 4.6 | 3.3 |
| Primary balance | -1.5 | -1.1 | -0.1 | -2.4 | -1.9 | -5.3 | -3.7 | -3.2 | -1.7 |
| Overall balance | -2.6 | -2.2 | -1.1 | -3.1 | -2.5 | -6.0 | -4.7 | -4.6 | -2.9 |
| Central government public debt | 59.6 | 44.7 | 28.7 | 17.4 | 20.1 | 23.9 | 29.2 | 31.5 | 33.5 |
| Domestic | 4.6 | 3.8 | 3.3 | 2.8 | 4.9 | 8.3 | 12.5 | 14.4 | 15.2 |
| External | 55.0 | 40.9 | 25.4 | 14.6 | 15.2 | 15.5 | 16.6 | 17.1 | 18.3 |
| Money and credit | **Percentages of GDP, end-of-year stocks** | | | | | | | | |
| Domestic credit | 22.1 | 21.2 | 26.5 | 33.4 | 33.1 | 35.6 | 33.3 | 35.4 | 38.7 |
| To the public sector | -1.2 | -1.1 | -2.7 | -2.1 | -1.1 | 1.5 | 2.1 | 4.1 | 4.1 |
| To the private sector | 38.4 | 39.4 | 45.1 | 52.8 | 52.6 | 51.7 | 48.7 | 48.4 | 52.7 |
| Others | -15.2 | -17.2 | -16.0 | -17.3 | -18.4 | -17.6 | -17.4 | -17.1 | -18.1 |
| Monetary base | 9.1 | 8.9 | 9.6 | 11.3 | 11.5 | 10.3 | 10.7 | 10.3 | 10.1 |
| Money (M1) | 49.3 | 50.9 | 55.1 | 56.8 | 53.0 | 50.7 | 51.3 | 51.5 | 51.4 |
| M2 | 35.5 | 37.4 | 41.3 | 42.8 | 39.0 | 37.1 | 38.7 | 39.0 | 37.9 |
| Foreign-currency deposits | 13.8 | 13.5 | 13.8 | 14.0 | 14.0 | 13.7 | 12.6 | 12.5 | 13.4 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Preliminary figures.
b/ Based on figures in local currency at constant 2000 prices.
c/ Based on values calculated in national currency and expressed in current dollars.
d/ Includes errors and omissions.
e/ A minus sign (-) indicates an increase in reserve assets.
f/ Annual average, weighted by the value of goods exports and imports.
g/ Nationwide total.
h/ Urban total.
i/ Weighted average rate of deposit rates.
j/ Weighted average of lending rates.
k/ Central bank data include accrued interest on the public debt.

Table 2
**HONDURAS: MAIN QUARTERLY INDICATORS**

| | 2011 | | | | 2012 | | | | 2013 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q.1 | Q.2 | Q.3 | Q.4 | Q.1 | Q.2 | Q.3 | Q.4 | Q.1 | Q.2 a/ |
| Goods exports, f.o.b. (millions of dollars) | 1 159 | 1 205 | 782 | 856 | 1 279 | 1 194 | 1 099 | 848 | 1 117 | … |
| Goods imports, c.i.f. (millions of dollars) | 2 041 | 2 385 | 2 276 | 2 314 | 2 376 | 2 288 | 2 359 | 2 481 | 2 216 | … |
| Gross international reserves (millions of dollars) | 3 046 | 3 109 | 2 594 | 2 880 | 3 128 | 2 842 | 2 524 | 2 629 | 3 108 | 2 895 b/ |
| Real effective exchange rate (index: 2005=100) c/ | 85.5 | 85.9 | 84.6 | 83.6 | 83.9 | 82.5 | 83.4 | 84.8 | 84.7 | 82.3 b/ |
| Consumer prices | | | | | | | | | | |
| (12-month percentage variation) | 6.6 | 7.7 | 6.8 | 5.6 | 5.7 | 4.7 | 5.3 | 5.4 | 5.6 | 4.8 b/ |
| Average nominal exchange rate | | | | | | | | | | |
| (lempiras per dollar) | 18.90 | 18.89 | 18.85 | 18.94 | 19.05 | 19.06 | 19.40 | 19.77 | 19.86 | 19.73 |
| Nominal interest rates (annualized percentages) | | | | | | | | | | |
| Deposit rate d/ | 8.7 | 8.3 | 7.9 | 7.9 | 8.1 | 8.4 | 9.1 | 10.2 | 11.4 | 12.0 e/ |
| Lending rate f/ | 19.0 | 18.8 | 18.3 | 18.2 | 18.2 | 18.1 | 18.5 | 19.0 | 19.7 | 20.2 e/ |
| Interbank rate | 5.2 | 5.3 | 5.3 | 6.1 | 6.7 | 6.8 | 7.8 | 8.5 | 8.4 | 8.3 |
| Monetary policy rates | 4.5 | 4.5 | 4.7 | 5.3 | 5.8 | 6.7 | 7.0 | 7.0 | 7.0 | 7.0 |
| International bond issues (millions of dollars) | - | - | - | - | - | - | - | - | 500 | - b/ |
| Domestic credit (variation from same | | | | | | | | | | |
| quarter of preceding year) | 5.6 | 9.5 | 12.3 | 16.0 | 19.0 | 20.1 | 18.5 | 17.3 | 12.5 | 7.8 e/ |
| Non-performing loans as | | | | | | | | | | |
| a percentage of total credit | 1.4 | 1.2 | 1.4 | 1.1 | 1.1 | 1.0 | 1.0 | 0.9 | 0.9 | 1.0 e/ |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Preliminary figures.
b/ Figures as of May.
c/ Quarterly average, weighted by the value of goods exports and imports.
d/ Weighted average rate of deposit rates.
e/ Figures as of April.
f/ Weighted average of lending rates.

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