

## **V. EXCHANGE SYSTEM<sup>41</sup>**

### **A. Antecedents to the Present Exchange System**

61. After the collapse of the exchange peg in 1990 that was triggered by the expansionary policies of the 1980s, the central bank initiated efforts to reform the exchange system. Under these initial reforms, a number of distortions and exchange restrictions that had been used to defend the exchange peg were eliminated. Also, all restrictions on the holdings of foreign exchange deposits in the commercial banks and on their use were removed, and most foreign exchange transactions were shifted to the commercial banks, and conducted at freely negotiated rates within a band of 2.5 percent around the official rate. In turn, the central bank set the official exchange rate on the basis of conditions prevailing in the interbank and parallel markets.

62. The exchange system was liberalized further in 1992 as the lempira was allowed to float freely in the interbank market. The central bank intervened in the foreign exchange market only to ensure that its target for net international reserves was met, but banks and exchange houses were obliged to surrender 20 percent of their foreign exchange purchases. Under the reform, the lempira depreciated substantially (50 percent in real effective terms during the period 1990–92), and helped restore external competitiveness in the face of a decline in the terms of trade (30 percent during the same period). Also, the exchange rate spread between the parallel and official markets declined to less than 2 percent from the much higher differentials (at times, as high as 70 percent) observed prior to 1990.

63. Financial policies were relaxed in the wake of a general election in November 1993, and the exchange rate depreciated further, i.e., by 17 percent in real terms in the 18-month period ended in mid-1994. Imperfections in the functioning of the interbank market amplified the volatility in the exchange rate in this period, and in June 1994 the authorities decided to suspend temporarily the exchange rate float. It was expected that an auction mechanism would be introduced as a temporary measure while weaknesses in the interbank market were addressed. Steps were identified in 1994, with the technical assistance from the Fund, to improve the infrastructure, increase supervision, and enhance transparency in the interbank market. However, progress in implementing these steps was slow and the auction has been converted into a virtually permanent arrangement.

### **B. The Interbank Market**

64. For many years, the development of the interbank market had been inhibited by a high degree of concentration in the banking system and the active role of the central bank as a provider of short-term liquidity. These conditions changed little with the advent of floating in the context of the interbank market, with the result that the market lacked sufficiently broad

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participation by financial institutions which led to some concerns about collusion among the main, large participants. The key problems that had impaired the functioning of the interbank market centered on the following areas:

- **Inadequate trading infrastructure:** Lack of trading desks and an underdeveloped clearing system for foreign exchange operations resulted in low trading activity among intermediaries (banks and exchange houses) and poor dissemination of data within the market. Appropriate information standards were not put in place, making it difficult to obtain a representative exchange rate used in daily operations with the public.
- **High concentration of operations in a few banks:** Six banks accounted for an estimated half of foreign exchange purchased from the public. This situation limited access to the exchange market because those banks were inclined to sell foreign exchange to their associated industrial and/or trading groups. Smaller agents usually looked to the parallel market to satisfy their foreign exchange needs.
- **Insufficient supervision and restrictive regulations:** Lack of prudential standards, including a conduct code for operators, made supervision of intermediaries weak. The central bank maintained restrictive foreign exchange regulations that resulted in high surrender requirements (up to 50 percent of purchases); purchases of exchange surrenders at below-market exchange rates; and a structure of operating fees, which did not permit intermediaries to determine their own spread.
- **Weak instruments of monetary policy:** The central bank continued to be an important source of short-term liquidity, preventing the development of an interbank market and secondary trading of open market instruments. Also, weak enforcement of existing reserve requirements, and the absence of limits on open foreign exchange positions allowed banks to satisfy their liquidity requirements without recourse to other financial intermediaries.

### C. Features of the Present Exchange System

65. The exchange system is based on a daily foreign exchange auction conducted by the central bank. The supply of foreign exchange to the auction is based on the requirement for full surrender of all current proceeds, except for exports to Central America and private remittances. Currently, the central bank offers for sale in the auction a minimum of 60 percent of its purchases of foreign exchange from banks and other authorized institutions. This minimum amount, as well as the base price obtained in the previous day's auction are announced before each new auction. Prospective buyers in the auction have to make offers to purchase amounts ranging from US\$5,000 to US\$300,000, and the auction rate is determined as the

average of accepted bids on the basis of a Dutch auction, and may not exceed the base rate<sup>42</sup> by +/- 7 percent. Regarding the buying and selling rate spread, current rules mandate that intermediaries sell foreign exchange with a markup of up to 1.5 percent over the auction rate and that the central bank buys foreign exchange at the auction rate of the previous day plus a commission of 0.6 percent.

#### **D. Recent Exchange Rate Developments**

66. Over most of the period from June 1994 to December 1996, the exchange rate was at the most depreciated limit of the bidding band and, in view of the authorities' policy of maintaining unchanged the nominal exchange rate, rationing of foreign exchange had to be used as the basis for meeting demands and the real exchange rate appreciated sharply. Despite this, the spread between the parallel and auction exchange rates remained small. The net international reserves position of the central bank improved significantly during this period while short-term private capital inflows emerged, reflecting a sharp increase in domestic interest rates. The interest rate differential between central bank instruments and those available in the United States rose from about 10 percent at end-1994 to close to 30 percent at end-1996 (Figure 5).

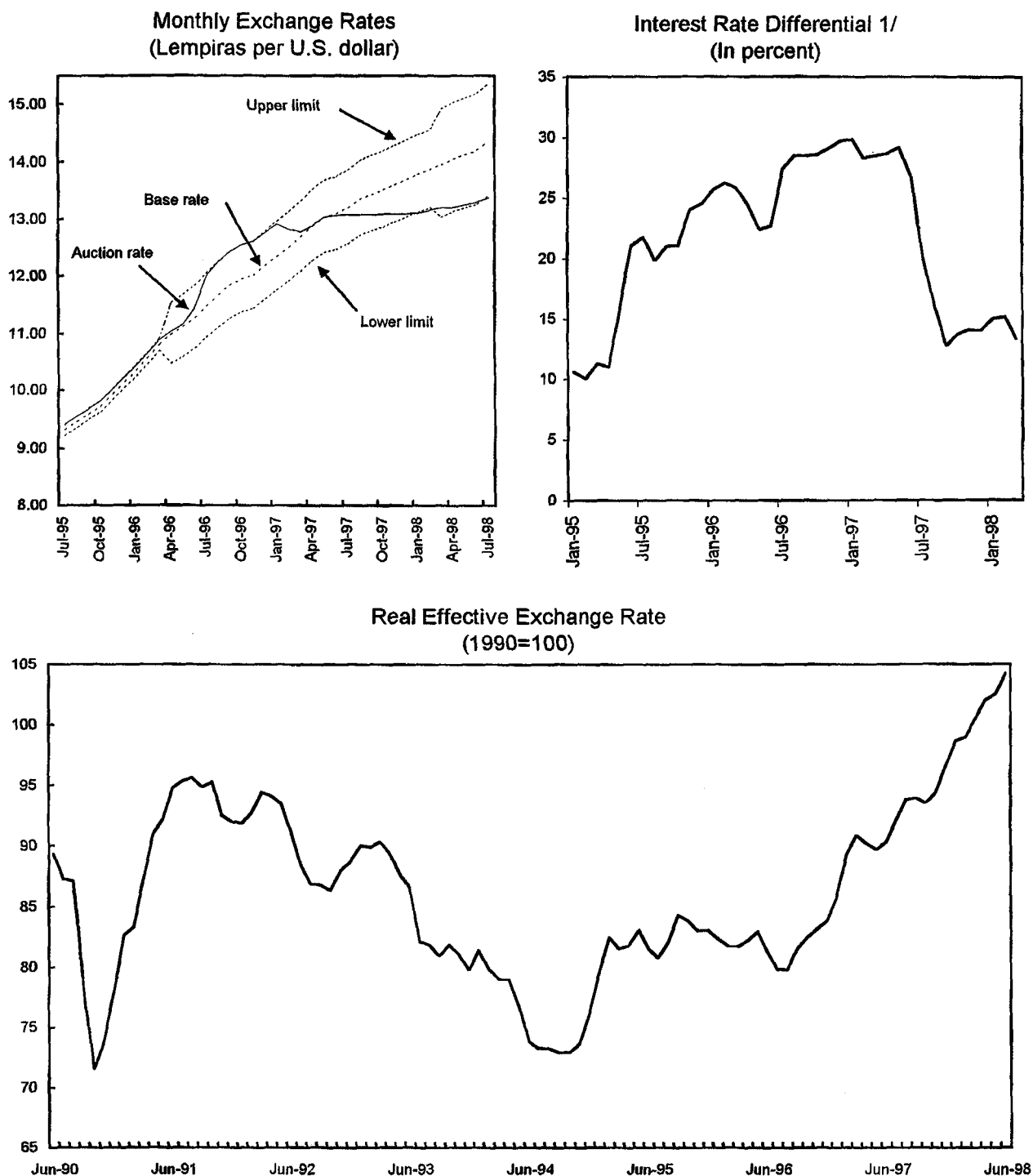
67. The central bank continued to pursue a policy of maintaining largely fixed the nominal exchange rate during 1997 in an attempt to hold down inflationary pressures. This policy, combined with a marked inflow of short-term private capital inflows that stemmed from high interest rates and the government's exchange rate policy, led to a marked increase in net international reserves and sales of foreign exchange in the auction (Tables 1 and 2),<sup>43</sup> and the real exchange rate appreciated by almost 17 percent. The rate of appreciation slowed slightly in the first half of 1998 in line with a small decline in coffee prices and a downturn in capital inflows.

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<sup>42</sup>The base rate is adjusted every 5 auctions in line with the (estimated) differential in inflation rates between Honduras and its main trading partners.

<sup>43</sup>Sales of foreign exchange in the auction increased markedly in the third and fourth quarters of 1997, and gross international reserves declined markedly.

Figure 5. Honduras: Exchange and Interest Rate Developments



Sources: Central Bank of Honduras; and Fund staff estimates.

1/ Spread between interest rate on 90-day central bank bonds (adjusted by the depreciation of the lempira against the U.S. dollar) and LIBOR.

Table 1. Honduras: Foreign Exchange Operations in the Auction

(Monthly average in millions of U.S. dollars)

Period	Purchases by the Central Bank	Amount Supplied 1/	Amount Sold
1994			
III	85.4	60.0	59.9
IV	120.9	65.6	64.4
1995			
I	137.5	104.8	95.1
II	104.9	73.1	73.1
III	70.3	49.3	49.2
IV	94.6	46.2	44.7
1996			
I	99.7	68.6	68.6
II	103.5	62.5	66.0
III	90.3	56.2	61.2
IV	108.4	53.7	58.5
1997			
I	148.7	52.0	87.7
II	134.6	57.2	75.7
III	131.1	62.0	98.8
IV	168.5	66.0	120.9
1998			
I	219.3	75.0	147.6
II	194.0	65.2	126.7

Source: Central Bank of Honduras.

1/ In June 1996 the amount offered became the minimum amount to be sold in the auction.

Table 2. Honduras: Net International Reserve Coverage

	Dec.		1997				1998	
	1995	1996	March	June	Sept.	Dec.	March	June
(In millions of U.S. dollars; end of period stocks)								
<b>Net international reserves</b>	<b>113.2</b>	<b>211.0</b>	<b>314.1</b>	<b>425.6</b>	<b>445.6</b>	<b>491.5</b>	<b>606.0</b>	<b>639.8</b>
<b>Short-term liabilities</b>	<b>282.2</b>	<b>343.7</b>	<b>514.1</b>	<b>578.1</b>	<b>576.0</b>	<b>614.8</b>	<b>753.0</b>	<b>692.2</b>
Currency issue	200.9	201.6	209.0	201.4	180.3	250.1	262.2	234.5
Reserve requirements	72.3	120.0	217.4	257.3	253.1	307.2	332.0	308.0
Bonds	9.0	22.1	87.7	119.4	142.6	57.5	158.9	149.7
(In percent of net international reserves)								
<b>Short-term liabilities</b>	<b>249.4</b>	<b>162.9</b>	<b>163.7</b>	<b>135.8</b>	<b>129.3</b>	<b>125.1</b>	<b>124.3</b>	<b>108.2</b>
Currency issue	177.5	95.6	66.5	47.3	40.5	50.9	43.3	36.7
Reserve requirements	63.9	56.9	69.2	60.5	56.8	62.5	54.8	48.1
Bonds	7.9	10.5	27.9	28.1	32.0	11.7	26.2	23.4
(In percent of liabilities)								
<b>Short-term liabilities</b>	<b>40.1</b>	<b>61.4</b>	<b>61.1</b>	<b>73.6</b>	<b>77.4</b>	<b>79.9</b>	<b>80.5</b>	<b>92.4</b>
Currency issue	56.3	104.6	150.3	211.3	247.2	196.5	231.1	272.8
Reserve requirements	156.5	175.8	144.5	165.4	176.1	160.0	182.6	207.7
Bonds	1,258.5	956.2	358.1	356.4	312.4	855.1	381.5	427.3
<b>Memorandum items:</b>								
Net foreign assets of the banking system (In millions of U.S. dollars)	19.4	63.0	38.0	73.8	55.3	8.4	1.2	...
Exchange rate (L per US\$)	10.34	12.87	12.74	13.07	13.09	13.09	13.16	13.32

Source: Central Bank of Honduras.

Table 1. Honduras: National Accounts

(In millions of current lempiras)

	1993	1994	1995	1996	Prel. 1997
<b>Consumption</b>	<b>17,442</b>	<b>21,646</b>	<b>28,606</b>	<b>37,762</b>	<b>48,515</b>
General government	2,405	2,780	3,535	4,556	5,377
Private sector	15,037	18,866	25,071	33,206	43,138
<b>Gross domestic investment</b>	<b>7,614</b>	<b>10,861</b>	<b>11,836</b>	<b>14,510</b>	<b>18,318</b>
Fixed capital formation	6,535	8,110	8,994	11,110	14,425
Public sector	2,839	3,001	3,504	3,929	4,095
Private sector	3,696	5,109	5,490	7,181	10,330
Inventory changes	1,079	2,751	2,842	3,400	3,893
<b>Gross domestic expenditure</b>	<b>25,056</b>	<b>32,507</b>	<b>40,442</b>	<b>52,272</b>	<b>66,833</b>
Exports of goods and nonfactor services	7,107	10,201	14,158	19,386	23,342
Imports of goods and nonfactor services	-9,474	-13,846	-17,094	-23,884	-29,090
<b>GDP at market prices</b>	<b>22,689</b>	<b>28,862</b>	<b>37,507</b>	<b>47,774</b>	<b>61,084</b>
Net factor payments	-906	-740	-967	-659	975
Factor receipts from abroad	673	1,232	1,799	2,755	4,467
Factor payments abroad	-1,579	-1,972	-2,767	-3,415	-3,492
<b>GNP at market prices</b>	<b>21,783</b>	<b>28,123</b>	<b>36,539</b>	<b>47,114</b>	<b>62,059</b>
Indirect taxes	3,314	4,230	4,976	6,733	8,332
Subsidies	120	138	95	130	120
<b>GDP at factor cost</b>	<b>19,495</b>	<b>24,770</b>	<b>32,626</b>	<b>41,171</b>	<b>52,872</b>
<b>GNP at factor cost</b>	<b>18,589</b>	<b>24,031</b>	<b>31,658</b>	<b>40,511</b>	<b>53,847</b>
Depreciation	-1,372	-1,707	-2,258	-2,798	-3,390
<b>National income</b>	<b>17,217</b>	<b>22,324</b>	<b>29,400</b>	<b>37,713</b>	<b>50,457</b>

Sources: Central Bank of Honduras; and Fund staff estimates.

Table 2. Honduras: National Accounts at Constant Prices

(In millions of 1978 lempiras)

	1993	1994	1995	1996	Prel. 1997
<b>Consumption</b>	<b>4,495</b>	<b>4,506</b>	<b>4,843</b>	<b>4,940</b>	<b>5,148</b>
General government	532	505	496	516	548
Private sector	3,963	4,001	4,347	4,424	4,600
<b>Gross domestic investment</b>	<b>1,693</b>	<b>1,817</b>	<b>1,621</b>	<b>1,700</b>	<b>1,782</b>
Fixed capital formation	1,516	1,514	1,312	1,387	1,502
Public sector	665	548	490	457	385
Private sector	851	966	822	930	1,117
Inventory changes	177	303	309	313	280
<b>Gross domestic expenditure</b>	<b>6,188</b>	<b>6,323</b>	<b>6,463</b>	<b>6,640</b>	<b>6,930</b>
Exports of goods and nonfactor services	1,547	1,366	1,511	1,633	1,570
Imports of goods and nonfactor services	-1,750	-1,782	-1,826	-1,899	-1,842
<b>GDP at market prices</b>	<b>5,985</b>	<b>5,907</b>	<b>6,148</b>	<b>6,374</b>	<b>6,658</b>
Net factor payments	-143	-89	-102	-39	75
Factor receipts from abroad	149	165	194	234	295
Factor payments abroad	-292	-254	-296	-273	-220
<b>GNP at market prices</b>	<b>5,842</b>	<b>5,818</b>	<b>6,047</b>	<b>6,335</b>	<b>6,733</b>
Indirect taxes	-612	-634	-576	-629	-648
Subsidies	23	21	11	12	9
<b>GDP at factor cost</b>	<b>5,396</b>	<b>5,294</b>	<b>5,583</b>	<b>5,757</b>	<b>6,019</b>
<b>GNP at factor cost</b>	<b>5,253</b>	<b>5,205</b>	<b>5,482</b>	<b>5,718</b>	<b>6,094</b>
Depreciation	-335	-343	-353	-360	-368
<b>National income</b>	<b>4,918</b>	<b>4,862</b>	<b>5,129</b>	<b>5,358</b>	<b>5,726</b>
Terms of trade effect	-259	-60	2	-107	-113
<b>National income adjusted by terms of trade</b>	<b>4,659</b>	<b>4,802</b>	<b>5,131</b>	<b>5,251</b>	<b>5,613</b>

Sources: Central Bank of Honduras; and Fund staff estimates.

Table 3. Honduras: Origin of Gross Domestic Product

	1993	1994	1995	1996	Prel. 1997
(In millions of current lempiras)					
<b>Gross domestic product at factor cost</b>	<b>19,495</b>	<b>24,770</b>	<b>32,779</b>	<b>41,648</b>	<b>53,330</b>
<b>Primary production</b>	<b>4,383</b>	<b>6,484</b>	<b>7,655</b>	<b>9,946</b>	<b>12,868</b>
Agriculture and related sectors	4,014	6,030	7,026	9,188	11,971
Mining	369	454	629	763	920
<b>Secondary production</b>	<b>5,502</b>	<b>6,679</b>	<b>9,540</b>	<b>12,231</b>	<b>15,504</b>
Manufacturing	3,456	4,275	5,818	7,455	9,535
Construction	1,457	1,465	1,791	1,900	2,268
Utilities	589	939	1,778	2,540	3,263
<b>Services</b>	<b>9,610</b>	<b>11,607</b>	<b>15,584</b>	<b>19,471</b>	<b>24,958</b>
Transport and communications	1,116	1,309	1,546	1,824	2,557
Commercial services	2,056	2,555	3,915	4,903	6,264
Financial services	1,654	2,205	3,007	3,678	5,061
Housing services	1,162	1,441	1,832	2,317	2,941
Public administration	1,509	1,547	1,912	2,429	2,896
Other services	2,113	2,550	3,372	4,174	5,196
(In millions of 1978 lempiras)					
<b>Gross domestic product at factor cost</b>	<b>5,396</b>	<b>5,290</b>	<b>5,603</b>	<b>5,796</b>	<b>6,045</b>
<b>Primary production</b>	<b>1,490</b>	<b>1,499</b>	<b>1,636</b>	<b>1,681</b>	<b>1,737</b>
Agriculture and related sectors	1,404	1,416	1,540	1,578	1,629
Mining	86	83	96	103	108
<b>Secondary production</b>	<b>1,297</b>	<b>1,210</b>	<b>1,275</b>	<b>1,325</b>	<b>1,371</b>
Manufacturing	813	798	842	881	935
Construction	344	282	264	234	240
Utilities	140	130	149	172	185
<b>Services</b>	<b>2,609</b>	<b>2,581</b>	<b>2,692</b>	<b>2,790</b>	<b>2,938</b>
Transport and communications	456	443	477	498	532
Commercial services	572	572	604	631	653
Financial services	449	479	524	555	606
Housing services	347	361	369	384	399
Public administration	334	281	269	275	273
Other services	451	449	449	446	459

Source: Central Bank of Honduras.

Table 4. Honduras: Financing of Investment

	1993	1994	1995	1996	Prel. 1997
(In millions of lempiras)					
<b>Gross domestic investment</b>	<b>7,614</b>	<b>10,861</b>	<b>11,836</b>	<b>14,510</b>	<b>18,318</b>
Fixed capital formation	6,535	8,110	8,994	11,110	14,425
Public sector	2,839	3,001	3,504	3,929	4,095
Private sector	3,696	5,109	5,490	7,181	10,330
Change in inventories	1,079	2,751	2,842	3,400	3,893
<b>Financing of investment</b>	<b>7,614</b>	<b>10,861</b>	<b>11,836</b>	<b>14,510</b>	<b>18,318</b>
Gross national savings	5,770	8,305	10,413	12,649	17,600
Public sector 1/	448	1,010	2,666	2586	3481
Private sector	5,322	7,295	7,747	10,063	14,119
External savings	1,844	2,556	1,423	1,861	718
(In percent of GDP)					
<b>Gross domestic investment</b>	<b>33.6</b>	<b>37.6</b>	<b>31.6</b>	<b>30.4</b>	<b>30.0</b>
Fixed capital formation	28.8	28.1	24.0	23.3	23.6
Public sector	12.5	10.4	9.3	8.2	6.7
Private sector	16.3	17.7	14.6	15.0	16.9
Change in inventories	4.8	9.5	7.6	7.1	6.4
<b>Financing of investment</b>	<b>33.6</b>	<b>37.6</b>	<b>31.6</b>	<b>30.4</b>	<b>30.0</b>
Gross national savings	25.4	28.8	27.8	26.5	28.8
Public sector 1/	2.0	3.5	7.1	5.4	5.7
Private sector	23.5	25.3	20.7	21.1	23.1
External savings	8.1	8.9	3.8	3.9	1.2
Gross national savings as percent of national disposable income	25.1	27.8	26.7	25.1	26.6
<b>Memorandum items:</b>					
Nominal GDP (in millions of lempiras)	22,689	28,862	37,507	47,774	61,084
Average exchange rate (lempira/U.S. dollar)	6.5	8.4	9.5	11.7	13.0
National disposable income 2/	22,988	29,917	39,026	50,391	66,113

Sources: Central Bank of Honduras; and Fund staff estimates.

1/ Equivalent to the current account balance of the nonfinancial public sector.

2/ Equivalent to the sum of GNP plus external transfers.

**Table 5. Honduras: Composition of Fixed Capital Formation**

(In millions of current lempiras)

	1993	1994	1995	1996	Prel. 1997
<b>Gross fixed capital formation</b>	<b>6,535</b>	<b>8,110</b>	<b>8,994</b>	<b>11,110</b>	<b>14,425</b>
<b>Machinery and equipment</b>	<b>2,617</b>	<b>4,245</b>	<b>4,477</b>	<b>6,296</b>	<b>8,685</b>
Public sector	228	700	1,646	1,567	1,473
Private sector	2,389	3,545	2,831	4,729	7,212
<b>Construction</b>	<b>3,918</b>	<b>3,865</b>	<b>4,517</b>	<b>4,814</b>	<b>5,740</b>
Public sector	2,611	2,301	1,858	2,362	2,622
Private sector	1,307	1,564	2,659	2,452	3,118

Sources: Central Bank of Honduras; and Fund staff estimates.

Table 6. Honduras: Statistics on Selected Agricultural Products

(Area in thousands of hectares; production and exports in thousands of quintals; yield in quintals per hectare; values in millions of current lempiras)

	1993	1994	1995	1996	Prel. 1997
<b>Bananas</b>					
Area	22	19	20	20	20
Yield	948	897	956	1,127	1,042
Volume of production	20,751	17,049	19,110	22,534	20,848
<i>Of which</i>					
Exported	14,530	10,730	12,690	15,499	13,250
Gross value of production	1,631	1,626	2,408	3,254	3,300
Value added	379	409	635	1,023	1,017
<b>Coffee</b>					
Area	174	181	192	202	205
Yield	15	14	15	16	16
Volume of production	2,665	2,597	2,919	3,210	3,217
<i>Of which</i>					
Exported	2,225	2,241	2,343	2,687	2,246
Gross value of production	959	2,295	3,376	3,365	5,096
Value added	908	2,270	2,136	2,827	4,281
<b>Corn</b>					
Area	415	382	417	386	390
Yield	32	29	36	30	34
Volume of production	13,163	11,200	14,889	11,689	13,440
Gross value of production	558	784	1,063	1,322	1,722
Value added	351	494	670	833	1,085
<b>Beans</b>					
Area	58	99	96	92	108
Yield	15	13	15	13	15
Volume of production	857	1,310	1,426	1,195	1,643
Gross value of production	159	287	228	556	791
Value added	63	115	91	222	317
<b>Rice</b>					
Area	11	12	14	17	18
Yield	77	87	88	78	62
Volume of production	852	1,047	1,238	1,318	1,109
Gross value of production	45	65	89	137	132
Value added	15	22	29	45	44
<b>Plantains</b>					
Area	11	8	8	8	8
Yield	346	538	527	559	567
Volume of production	3,908	4,303	4,218	4,469	4,536
<i>Of which</i>					
Exported	519	654	628	0	0
Gross value of production	172	267	299	388	495
Value added	105	180	182	222	282

Table 6. Honduras: Statistics on Selected Agricultural Products

(Area in thousands of hectares; production and exports in thousands of quintals; yield in quintals per hectare; values in millions of current lempiras)

	1993	1994	1995	1996	Prel. 1997
<b>Sorghum</b>					
Area	81	65	71	79	95
Yield	25	18	19	24	22
Volume of production	1,990	1,143	1,369	1,888	2,117
Gross value of production	72	65	82	196	250
Value added	39	36	45	108	137
<b>Tobacco</b>					
Area	9	7	7	7	7
Yield	17	19	21	14	14
Volume of production	146	136	149	99	97
Of which					
Exported	63	57	53	51	60
Gross value of production	66	66	78	84	114
Value added	41	36	55	46	62
<b>Sugarcane</b>					
Area	40	39	41	44	46
Yield	1,586	1,611	1,645	1,794	1,806
Volume of production	63,452	62,836	67,442	78,930	83,078
Gross value of production	163	242	371	443	604
Value added	118	165	211	267	364
<b>African palm</b>					
Area	32	25	26	27	29
Yield	264	357	393	405	434
Volume of production	8,443	8,931	10,224	10,936	12,577
Gross value of production	121	129	226	358	445
Value added	68	85	203	272	337
<b>Melon</b>					
Area	6	5	5	5	5
Yield	351	549	452	522	592
Volume of production	2,103	2,745	2,261	2,610	2,960
Gross value of production	61	68	81	106	137
Value added	31	37	44	56	71
<b>Pineapple</b>					
Area	3	3	3	3	3
Yield	452	424	455	384	367
Volume of production	1,357	1,271	1,365	1,151	1,100
Gross value of production	89	98	123	167	202
Value added	36	38	60	75	89

Source: Central Bank of Honduras.

**Table 7. Honduras: Production and Prices of Basic Grains**

(Production in thousands of quintals; prices in lempiras per quintal)

	Production	Wholesale Prices	Support Prices Paid to Producers
<b>Corn</b>			
1992-93	13,163.0	56.0	42.4
1993-94	11,200.0	95.5	70.0
1994-95	14,889.0	92.2	71.4
1995-96	11,689.0	146.1	113.1
1996-97	13,440.0	161.0	128.1
<b>Beans</b>			
1992-93	857.0	251.9	185.0
1993-94	1,310.0	257.4	219.0
1994-95	1,426.0	205.9	160.0
1995-96	1,195.0	597.6	464.9
1996-97	1,643.0	581.5	481.6
<b>Rice</b>			
1992-93	852.0	163.9	53.0
1993-94	1,047.0	257.4	62.5
1994-95	1,238.0	236.8	71.9
1995-96	1,318.0	341.8	103.9
1996-97	1,109.0	382.3	119.3
<b>Sorghum</b>			
1992-93	1,990.0	58.8	36.0
1993-94	1,143.0	79.0	57.0
1994-95	1,369.0	84.0	60.0
1995-96	1,888.0	140.4	104.0
1996-97	2,117.0	155.5	117.9

Sources: Honduran Institute for Agricultural Marketing (IHMA); and Central Bank of Honduras.

Table 8. Honduras: Consumer Price Index

(1978 = 100)

	Weight 1/	1993	1994	1995	1996	1997
(Period averages) 2/						
<b>Total</b>	<b>100.0</b>	<b>451.8</b>	<b>550.0</b>	<b>712.0</b>	<b>881.7</b>	<b>1,059.6</b>
<b>By expenditure</b>						
Food	41.2	439.5	559.7	718.1	895.3	1,072.4
Housing	30.6	408.2	483.2	633.5	783.7	904.7
Clothing	9.1	602.6	671.9	826.8	1,008.9	1,295.0
Health care	4.0	488.3	621.9	784.9	960.5	1,195.1
Personal care	3.0	384.4	465.5	605.6	751.3	917.0
Beverages and tobacco	3.8	631.4	740.8	914.1	1,120.5	1,322.0
Transportation	3.0	323.5	366.6	612.1	791.4	948.6
Other	5.3	494.2	610.3	830.3	1,014.9	1,308.3
<b>By region</b>						
Central	47.5	437.6	523.8	674.8	818.8	978.2
Northern	40.2	468.2	581.3	758.7	957.5	1,161.5
Southern	4.7	453.7	549.0	682.5	847.8	993.0
Eastern	5.9	454.3	549.4	718.5	893.9	1,059.8
Western	1.9	449.3	545.2	707.6	897.2	1,102.4
(End of period) 3/						
<b>Total</b>	<b>100.0</b>	<b>475.7</b>	<b>613.2</b>	<b>777.5</b>	<b>974.3</b>	<b>1,098.8</b>
<b>By expenditure</b>						
Food	41.2	465.6	631.6	771.2	992.6	1,083.8
Housing	30.6	427.6	537.7	699.9	849.8	944.2
Clothing	9.1	628.3	715.4	903.5	1,160.2	1,388.0
Health care	4.0	532.2	688.9	860.2	1,039.9	1,284.8
Personal care	3.0	416.3	506.7	652.9	820.9	963.2
Beverages and tobacco	3.8	653.3	869.2	1,077.8	1,172.4	1,450.7
Transportation	3.0	331.0	416.9	648.2	914.0	948.5
Other	5.3	514.4	659.8	914.1	1,176.9	1,380.8
<b>By region</b>						
Central	47.5	458.9	577.8	735.7	901.2	1,006.0
Northern	40.2	497.1	654.0	832.9	1,066.3	1,209.4
Southern	4.7	474.2	607.0	732.3	949.5	1,059.0
Eastern	5.9	468.2	622.9	778.1	967.2	1,107.0
Western	1.9	469.8	621.0	758.6	982.1	1,149.3

Source: Central Bank of Honduras.

1/ In percent.

2/ Average over 12-month period ended in December.

3/ Data refers to the month of December.

Table 9. Honduras: Wholesale Price Index

(1978 = 100)

	Weight 1/	1991	1992	1993	1994	1995	1996	1997
(Period average) 2/								
<b>Total</b>	<b>100.0</b>	<b>373.8</b>	<b>411.5</b>	<b>463.9</b>	<b>585.8</b>	<b>752.8</b>	<b>926.2</b>	<b>1,062.4</b>
<b>National</b>	<b>67.2</b>	<b>358.9</b>	<b>404.7</b>	<b>466.3</b>	<b>590.7</b>	<b>784.5</b>	<b>968.9</b>	<b>1,110.0</b>
Agriculture and livestock	28.2	359.1	386.7	488.5	610.2	758.3	933.1	1,046.6
Agriculture	10.9	317.5	275.6	349.1	506.2	597.9	924.7	1,010.0
Livestock	10.3	364.3	378.4	416.9	537.9	691.2	783.0	950.8
Other	7.0	415.1	568.7	805.4	873.9	1,101.0	1,162.8	1,240.9
Industrial	39.1	358.8	417.7	450.2	576.6	803.4	994.7	1,155.8
Food	12.3	307.9	352.0	376.8	506.0	712.7	842.1	955.2
Beverages and tobacco	7.2	385.0	498.1	542.0	635.9	835.7	1,006.1	1,200.7
Construction material	4.0	297.9	303.6	360.7	537.5	740.6	866.2	999.4
Textile	2.9	372.6	457.1	444.2	546.4	795.1	916.3	1,105.1
Clothing	2.1	333.9	389.5	387.8	455.8	609.7	760.2	892.2
Chemical	3.3	342.4	546.8	632.0	805.8	1,249.4	1,628.7	1,924.6
Oil products	4.6	506.3	479.1	502.8	647.8	830.8	1,219.9	1,394.0
Other	2.7	384.7	404.3	415.0	521.8	786.6	951.8	1,089.3
<b>Imported</b>	<b>32.8</b>	<b>404.4</b>	<b>425.5</b>	<b>458.4</b>	<b>575.8</b>	<b>687.7</b>	<b>838.6</b>	<b>964.6</b>
Food	6.4	381.3	424.0	479.1	596.1	693.5	903.8	1,087.6
Beverages and tobacco	0.6	517.0	612.0	626.8	683.7	658.4	839.4	1,143.4
Textile	4.9	314.0	321.2	345.1	451.1	520.9	546.7	594.8
Chemical	9.8	477.3	474.9	503.0	603.6	731.1	903.1	965.4
Pharmaceutic	3.6	323.3	412.4	452.7	590.3	703.6	844.9	1,134.9
Other	7.5	418.0	422.0	445.8	589.5	730.0	886.3	1,003.4
(End of period) 3/								
<b>Total</b>	<b>100.0</b>	<b>388.7</b>	<b>426.4</b>	<b>485.9</b>	<b>856.2</b>	<b>795.6</b>	<b>1,007.4</b>	<b>1,074.1</b>
<b>National</b>	<b>67.2</b>	<b>374.0</b>	<b>425.0</b>	<b>483.7</b>	<b>671.9</b>	<b>824.2</b>	<b>1,050.7</b>	<b>1,114.0</b>
Agriculture and livestock	28.2	355.7	423.8	506.1	666.9	783.7	983.8	1,023.2
Agriculture	10.9	250.1	278.4	354.1	552.9	607.1	989.2	934.8
Livestock	10.3	386.9	383.2	448.6	595.9	715.2	847.6	987.4
Other	7.0	472.6	704.8	822.0	943.9	1,152.9	1,172.4	1,210.4
Industrial	39.1	387.1	425.9	467.5	675.6	853.4	1,099.1	1,179.6
Food	12.3	326.5	357.7	392.0	611.4	730.3	809.2	983.9
Beverages and tobacco	7.2	439.1	506.6	557.7	749.1	940.6	1,019.3	1,289.5
Construction material	4.0	291.4	308.8	383.1	583.8	756.5	973.3	1,008.7
Textile	2.9	439.4	462.8	467.6	609.3	816.3	1,037.1	1,103.0
Clothing	2.1	358.0	361.5	419.1	509.5	641.2	827.8	906.9
Chemical	3.3	408.4	591.0	664.8	853.1	1,391.0	1,852.6	1,947.5
Oil products	4.6	502.7	483.0	510.7	803.4	892.3	1,548.2	1,328.7
Other	2.7	410.5	405.7	417.9	870.4	802.5	1,032.9	1,126.5
<b>Imported</b>	<b>32.8</b>	<b>418.9</b>	<b>429.2</b>	<b>490.5</b>	<b>624.2</b>	<b>736.9</b>	<b>918.4</b>	<b>992.1</b>
Food	6.4	408.1	437.1	508.9	635.9	730.3	1,000.5	1,093.1
Beverages and tobacco	0.6	517.0	612.0	645.0	651.2	660.7	1,191.7	1,141.8
Textile	4.9	320.8	319.7	364.9	501.9	536.9	576.0	626.6
Chemical	9.8	490.8	476.2	527.0	654.3	814.1	956.1	963.2
Pharmaceutic	3.6	334.3	418.6	506.8	638.1	732.6	1,010.8	1,305.9
Other	7.5	431.3	423.1	489.1	645.9	781.0	956.1	1,019.2

Source: Central Bank of Honduras.

1/ In percent.

2/ Average over 12-month period ended in December.

3/ Data refers to the month of December.

Table 10. Honduras: Average Daily Minimum Wage by Sector

	1993	1994	1995	1996	1997
(In lempiras)					
<b>Annual average</b>	<b>16.9</b>	<b>17.9</b>	<b>21.2</b>	<b>25.3</b>	<b>33.5</b>
Agriculture and related sectors	13.1	13.7	16.7	20.3	27.5
Mining of metals	20.8	22.6	26.0	30.6	39.7
Other mining	16.1	16.9	19.5	21.9	28.5
Manufacturing	13.8	14.4	17.9	22.0	28.5
Construction	12.6	13.2	16.7	21.7	28.5
Commerce, hotels, and restaurants	14.4	15.1	18.6	22.0	28.5
Transport	15.6	16.3	19.8	24.0	30.0
Financial services	16.5	17.9	21.0	24.2	31.0
Other services	13.7	14.3	17.9	21.7	38.5
Dockage services	20.0	20.7	24.5	29.1	39.7
Petroleum refining	20.0	20.7	24.5	29.1	39.7
Railroad repairing	20.0	20.7	24.5	29.1	39.7
Banana exporting	20.0	20.7	24.5	29.1	39.7
(Annual percentage increase)					
<b>Annual average</b>	<b>12.7</b>	<b>4.7</b>	<b>19.9</b>	<b>19.0</b>	<b>32.5</b>
Agriculture and related sectors	12.3	4.4	21.9	21.4	35.6
Mining of metals	19.5	8.4	15.0	17.6	29.7
Other mining	12.0	4.5	15.8	12.4	29.9
Manufacturing	12.1	4.4	24.4	23.1	29.4
Construction	15.8	5.4	26.0	30.2	31.3
Commerce, hotels, and restaurants	12.2	4.4	23.5	18.4	29.3
Transport	11.9	4.4	21.7	21.0	25.1
Financial services	19.3	8.5	17.8	15.0	28.2
Other services	12.0	4.4	24.7	21.2	31.6
Dockage services	10.6	3.5	18.6	18.7	36.3
Petroleum refining	10.6	3.5	18.6	18.7	36.3
Railroad repairing	10.6	3.5	18.6	18.7	36.3
Banana exporting	10.6	3.5	18.6	18.7	36.3
Consumer price index	10.7	21.7	29.5	23.8	20.2
<b>Memorandum item:</b>					
Annual average in U.S. dollars	2.6	2.1	2.3	2.2	2.6

Source: Central Bank of Honduras.

Table 11. Honduras: Total Labor Remuneration by Sector

(In millions of current lempiras)

	1993	1994	1995	1996	1997
<b>Total</b>	<b>9,197</b>	<b>11,036</b>	<b>14,304</b>	<b>17,708</b>	<b>20,352</b>
Agriculture and related sectors	1,818	2,294	3,163	4,156	4,632
Mining	164	213	234	271	302
Manufacturing	1,683	1,840	2,356	2,733	3,098
Construction	732	743	918	1,076	1,230
Utilities	118	169	335	344	414
Transport and communication	686	726	781	860	1,009
Commercial services	682	858	1,365	1,696	1,870
Financial services	577	745	934	1,232	1,496
Housing services	141	174	206	265	289
Public administration	997	1,136	1,538	1,650	2,067
Other services	1,598	2,138	2,474	3,425	3,945
Public services	1,068	1,319	1,625	2,250	2,591
Private services	530	819	849	1,175	1,354

Source: Central Bank of Honduras.

Table 12. Honduras: Labor Force by Sector

(In percent of total labor force)

	1993	1994	1995	1996	1997
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Primary production</b>	<b>44.7</b>	<b>43.8</b>	<b>42.9</b>	<b>42.0</b>	<b>41.1</b>
Agriculture and related sectors	44.4	43.5	42.7	41.8	40.9
Mining	0.3	0.3	0.2	0.2	0.2
<b>Secondary production</b>	<b>18.7</b>	<b>18.9</b>	<b>19.2</b>	<b>19.4</b>	<b>19.6</b>
Manufacturing	11.8	11.7	11.8	11.8	11.7
Construction	6.2	6.4	6.6	6.8	7.0
Utilities	0.7	0.8	0.8	0.8	0.9
<b>Services</b>	<b>36.6</b>	<b>37.3</b>	<b>37.9</b>	<b>38.6</b>	<b>39.3</b>
Transport and communications	2.8	2.8	2.8	2.8	2.8
Commercial services	10.5	10.7	10.8	10.9	11.0
Financial services	1.9	2.0	2.0	2.1	2.2
Other services	21.4	21.8	22.3	22.8	23.3
<b>Memorandum item:</b>					
Labor force as a percent of total population	31.5	31.8	32.1	32.4	32.7

Source: Central Bank of Honduras.

Table 13. Honduras: Consolidated Operations of the Nonfinancial Public Sector

(In millions of lempiras)

	1993	1994	1995	1996	Prel. 1997
I. Central Government					
<b>Total revenue</b>	<b>3,964</b>	<b>4,709</b>	<b>6,979</b>	<b>8,027</b>	<b>10,318</b>
Current revenue	3,847	4,589	6,952	8,006	10,305
Tax revenue	3,609	4,383	6,691	7,542	9,667
Direct taxes	1,167	1,144	1,798	2,034	2,508
Property and income	1,082	1,101	1,757	1,968	2,410
Other 1/	85	43	41	66	98
Indirect taxes	2,442	3,239	4,678	5,469	7,159
Goods and services	1,384	1,845	2,552	3,114	3,956
Sales tax	697	885	1,331	1,698	2,270
Other	687	960	1,221	1,416	1,686
International trade	1,057	1,295	1,751	1,804	2,155
Import	986	1,185	1,430	1,706	2,066
Export 2/	71	110	321	98	89
Petroleum derivatives	0	98	373	548	1,046
Other	1	1	2	3	2
Nontax revenue	70	76	107	154	226
Transfers	168	130	154	310	412
Capital revenue	117	120	27	21	13
<b>Total primary expenditure</b>	<b>5,381</b>	<b>4,967</b>	<b>6,273</b>	<b>7,297</b>	<b>9,211</b>
Current primary expenditure	3,221	3,063	3,959	5,441	6,980
Wages and salaries	1,524	1,791	2,317	2,865	3,417
Social security contributions	130	155	180	245	293
Goods and services	628	607	744	1,089	1,527
Current transfers	939	510	718	1,242	1,743
Rest of general government	343	283	530	756	951
Public enterprises	0	0	13	0	88
Private sector	572	200	141	439	631
Other	24	27	34	48	73
Capital expenditure	2,126	1,505	1,791	1,599	2,194
Fixed capital formation	1,503	995	1,218	1,114	1,608
Capital transfers	623	510	573	485	586
Rest of general government	276	319	298	308	437
Public enterprise	147	179	269	175	148
Private sector	200	12	6	2	1
Net lending	34	399	523	257	37
Rest of general government	2	30	27	25	0
Public enterprise	32	369	496	232	37
<b>Current primary balance</b>	<b>626</b>	<b>1,526</b>	<b>2,993</b>	<b>2,565</b>	<b>3,325</b>
<b>Primary balance</b>	<b>-1,417</b>	<b>-258</b>	<b>706</b>	<b>730</b>	<b>1,107</b>
<b>Interest obligations</b>	<b>979</b>	<b>1,458</b>	<b>1,510</b>	<b>1,966</b>	<b>2,685</b>
External 3/	745	1,143	1,053	1,296	1,501
Internal	233	315	457	671	1,184
<b>Current balance</b>	<b>-356</b>	<b>45</b>	<b>1,196</b>	<b>2,565</b>	<b>3,325</b>
<b>Overall balance</b>	<b>-2,398</b>	<b>-1,776</b>	<b>-1,211</b>	<b>-1,236</b>	<b>-1,578</b>

Table 13. Honduras: Consolidated Operations of the Nonfinancial Public Sector

(In millions of lempiras)

	1993	1994	1995	1996	Prel. 1997
II. Rest of General Government					
<b>Total revenue</b>	<b>1,477</b>	<b>1,881</b>	<b>2,278</b>	<b>2,574</b>	<b>3,834</b>
<b>Current revenue</b>	<b>1,172</b>	<b>1,368</b>	<b>1,922</b>	<b>2,177</b>	<b>3,065</b>
Tax revenue	197	212	206	283	346
Contributions to social security	433	512	624	684	979
Private sector	240	299	376	417	588
Central government	133	158	176	184	278
Rest of general government	22	18	24	27	38
Public enterprises	38	37	49	56	76
Interest earnings	195	218	308	404	570
Current transfers	302	309	508	448	692
Central government	299	306	503	448	692
Public enterprises	3	3	5	0	0
Private sector	0	0	0	0	0
Other nontax revenue	114	178	229	323	414
Change in accounts receivable (increase -)	-69	-62	47	37	64
<b>Capital revenue</b>	<b>305</b>	<b>513</b>	<b>355</b>	<b>396</b>	<b>769</b>
Central government transfers	276	466	323	360	630
Other	29	47	33	37	139
<b>Total expenditure</b>	<b>1,445</b>	<b>1,958</b>	<b>2,121</b>	<b>2,394</b>	<b>3,650</b>
<b>Current expenditure</b>	<b>852</b>	<b>983</b>	<b>1,059</b>	<b>1,283</b>	<b>2,066</b>
Wages and salaries	315	335	429	539	596
Goods and services	144	154	183	194	237
Interest payments	29	28	21	25	65
Contribution to social security	19	18	24	26	37
Current transfers	361	359	384	488	1,130
To private sector	361	354	384	480	1,123
Other	0	5	0	8	7
Change in accounts payable	-16	90	18	11	2
<b>Capital expenditure and net lending</b>	<b>593</b>	<b>976</b>	<b>1,062</b>	<b>1,111</b>	<b>1,584</b>
Fixed capital formation	484	880	968	817	1,075
Other	15	0	0	4	41
Net lending	94	95	93	291	469
<b>Primary balance</b>	<b>-135</b>	<b>-267.7</b>	<b>-130.7</b>	<b>-199.0</b>	<b>-322</b>
<b>Current account balance</b>	<b>320</b>	<b>384.8</b>	<b>863.0</b>	<b>894.4</b>	<b>999</b>
<b>Overall balance</b>	<b>32</b>	<b>-77.4</b>	<b>156.6</b>	<b>179.9</b>	<b>184</b>

Table 13. Honduras: Consolidated Operations of the Nonfinancial Public Sector

(In millions of lempiras)

	1993	1994	1995	1996	Prel. 1997
III. General Government					
<b>Total primary revenue</b>	<b>4,375</b>	<b>5,212</b>	<b>7,404</b>	<b>8,633</b>	<b>11,153</b>
Current primary revenue	4,229	5,045	7,345	8,575	11,001
Tax revenue	3,805	4,596	6,897	7,825	10,013
Nontax revenue	184	254	336	477	640
Contributions to social security institutions 4/	278	337	424	473	664
From state enterprises	38	37	49	56	76
From private sector	240	299	376	417	588
Current transfers	171	133	159	310	412
From state enterprises	171	133	159	310	412
Change in accounts receivables (increase -)	-69	-62	47	37	64
Capital revenue	146	167	60	58	152
<b>Total expenditure</b>	<b>6,071</b>	<b>5,923</b>	<b>7,316</b>	<b>8,733</b>	<b>11,145</b>
Current expenditure	3,596	3,540	4,290	5,980	7,960
Wages and salaries	1,839	2,126	2,746	3,404	4,013
Goods and services	772	761	927	1,283	1,764
Current transfers	957	586	572	974	1,922
To private sector	933	554	525	919	1,753
To abroad	24	32	34	56	80
Adjustment for current transfers	44	-23	27	308	259
Capital expenditure	2,349	1,919	2,437	2,230	2,679
Fixed capital formation	1,987	1,875	2,186	2,101	2,683
Inventory changes	15	0	0	4	41
Capital transfers	347	191	275	177	149
To state enterprises	147	179	269	175	148
To private sector	200	12	6	2	1
Adjustment for capital transfers	0	-147	-25	-52	-193
Net lending	126	464	589	523	506
To state enterprises	32	369	496	232	37
Pension funds lending to members	94	95	93	291	469
<b>Primary current balance</b>	<b>634</b>	<b>1,505</b>	<b>3,054</b>	<b>2,595</b>	<b>3,041</b>
<b>Primary balance</b>	<b>-1,696</b>	<b>-711</b>	<b>88</b>	<b>-100</b>	<b>8</b>
Interest revenue	195	218	308	404	570
Interest obligations	1,007	1,486	1,531	1,991	2,750
External	745	1,143	1,053	1,296	1,501
Internal	262	343	478	695	1,248
<b>Current balance</b>	<b>-178</b>	<b>237</b>	<b>1,831</b>	<b>1,007</b>	<b>861</b>
<b>Overall balance</b>	<b>-2,507</b>	<b>-1,979</b>	<b>-1,135</b>	<b>-1,687</b>	<b>-2,172</b>

Table 13. Honduras: Consolidated Operations of the Nonfinancial Public Sector

(In millions of lempiras)

	1993	1994	1995	1996	Prel. 1997
IV. Nonfinancial Public Enterprises					
<b>Operating revenue</b>	<b>1,699</b>	<b>2,120</b>	<b>2,895</b>	<b>4,299</b>	<b>5,080</b>
Sale of goods and services	1,703	2,126	3,144	4,267	4,986
Interest received	0	5	8	81	120
Other 5/	-4	-12	-257	-49	-26
<b>Operating expenditure</b>	<b>599</b>	<b>1,211</b>	<b>2,179</b>	<b>2,984</b>	<b>2,910</b>
Wages and salaries	262	328	456	569	651
Goods and services	245	442	1,157	1,575	1,715
Interest	284	466	537	617	440
External	225	309	488	543	418
Domestic	60	157	49	75	23
Other 6/	-192	-25	30	222	104
<b>Operating balance</b>	<b>1,100</b>	<b>909</b>	<b>716</b>	<b>1,316</b>	<b>2,170</b>
<b>Net current transfers</b>	<b>-224</b>	<b>-196</b>	<b>-178</b>	<b>-22</b>	<b>-43</b>
Transfers receipts	0	3	0	232	314
From central government	0	3	0	232	314
Transfers and tax payments	224	199	178	253	357
To central government	193	164	146	210	270
To rest of general government	16	12	11	13	17
To private sector	15	23	20	29	70
<b>Current account balance</b>	<b>876</b>	<b>713</b>	<b>538</b>	<b>1,294</b>	<b>2,127</b>
<b>Net capital revenue</b>	<b>285</b>	<b>191</b>	<b>348</b>	<b>232</b>	<b>116</b>
Capital revenue	2	75	0	70	0
Capital transfers receipts	288	116	348	161	116
From central government	288	116	253	161	116
From abroad	0	0	95	0	0
Capital transfers payments	6	0	0	0	0
<b>Capital expenditure and net lending</b>	<b>968</b>	<b>1,244</b>	<b>1,287</b>	<b>1,611</b>	<b>1,280</b>
Fixed investment	852	1,126	1,318	1,554	1,207
Other	116	118	-31	57	71
Net lending	0	0	0	0	2
<b>Primary balance</b>	<b>477</b>	<b>121</b>	<b>128</b>	<b>450</b>	<b>1,283</b>
<b>Overall balance</b>	<b>193</b>	<b>-340</b>	<b>-402</b>	<b>-86</b>	<b>963</b>

## V. Consolidated Nonfinancial Public Sector

<b>Total revenue</b>	<b>6,001</b>	<b>7,448</b>	<b>10,690</b>	<b>13,151</b>	<b>16,313</b>
Current revenue	5,859	7,201	10,543	13,111	16,292
Tax revenue	3,805	4,596	6,897	7,825	10,013
Nontax revenue	115	192	383	513	704
Private sector contributions to social security institutions 4/	240	299	376	417	588
Operating revenue of public enterprises	1,699	2,114	2,887	4,356	4,987
Capital revenue	142	247	147	40	21

Table 13. Honduras: Consolidated Operations of the Nonfinancial Public Sector

(In millions of lempiras)

	1993	1994	1995	1996	Prel. 1997
<b>Total expenditure 2/</b>	<b>7,299</b>	<b>7,602</b>	<b>9,816</b>	<b>12,089</b>	<b>14,422</b>
Current primary expenditure	3,948	4,336	5,940	8,008	9,914
Wages and salaries	2,101	2,454	3,201	3,984	4,662
Goods and services	1,017	1,203	2,084	2,852	3,483
Current transfers	1,038	614	606	980	1,807
To private sector	947	575	539	927	1,817
To abroad	25	35	40	75	98
Adjustment for current transfers	66	4	27	-22	-108
Capital expenditure	3,258	3,171	3,782	3,790	4,038
Fixed capital formation	2,894	3,002	3,524	3,606	3,809
Capital transfers	59	-72	-3	-36	-160
Capital transfers to private sector	200	12	6	2	1
Adjustment for capital transfers	-141	-84	-9	-38	-161
Other capital expenditure	305	241	261	220	390
Net lending	94	95	94	291	471
Pension funds loans to members	94	95	93	291	469
<b>Primary current balance</b>	<b>1,912</b>	<b>2,866</b>	<b>4,603</b>	<b>5,103</b>	<b>6,378</b>
<b>Primary balance</b>	<b>-1,298</b>	<b>-153</b>	<b>874</b>	<b>1,062</b>	<b>1,891</b>
Interest revenue	195	213	301	340	416
Interest obligations	1,291	1,952	2,068	2,650	3,241
External	970	1,452	1,541	1,880	1,970
Internal	321	500	527	770	1,271
<b>Current balance</b>	<b>816</b>	<b>1,127</b>	<b>2,835</b>	<b>2,793</b>	<b>3,553</b>
<b>Overall balance</b>	<b>-2,394</b>	<b>-1,893</b>	<b>-893</b>	<b>-1,249</b>	<b>-934</b>
<b>Identified financing</b>	<b>2,309</b>	<b>1,926</b>	<b>922</b>	<b>1,525</b>	<b>932</b>
<b>Net foreign financing</b>	<b>1,976</b>	<b>1,483</b>	<b>1,733</b>	<b>1,789</b>	<b>1,868</b>
Net foreign borrowing	1,793	1,235	982	1,112	1,204
Disbursements	2,332	2,174	3,012	3,263	3,396
Amortization	-1,107	-1,575	-2,522	-2,151	-2,192
Debt relief	569	635	492	398	358
Change in arrears	-84	-109	501	35	-151
Foreign grants	321	352	259	244	457
Change in government bonds held by international organizations	-54	6	-9		
<b>Net domestic financing</b>	<b>334</b>	<b>443</b>	<b>-811</b>	<b>-264</b>	<b>-936</b>
Banking system	149	377	-881	-735	-1,873
Central bank	154	125	-670	-292	-604
Rest of banking system	-5	251	-210	-443	-1,269
Private sector bonds	28	7	70	221	627
Transfers from ESF and other	157	60	0	250	310
<b>Statistical discrepancy</b>	<b>-113</b>	<b>-181</b>	<b>29</b>	<b>276</b>	<b>-3</b>

Source: Ministry of Finance.

1/ Includes taxes in the revaluation of assets in 1993 and on net assets in 1994 -1997.

2/ Excludes interest obligations.

3/ Estimated as total interest obligations minus interest payments by the rest of the public sector.

4/ Includes contributions to IHSS, INJUPEM, and IMPREMA.

5/ Includes change in accounts receivable.

6/ Includes change in accounts payable.

Table 14. Honduras: Central Government Revenue

	1993	1994	1995	1996	Prel. 1997
(In millions of lempiras)					
<b>Total revenue</b>	<b>3,961</b>	<b>4,709</b>	<b>6,764</b>	<b>7,989</b>	<b>10,318</b>
Current revenue	3,844	4,589	6,737	7,968	10,305
Tax revenue	3,609	4,384	6,476	7,503	9,666
Direct taxes	1,167	1,145	1,799	2,034	2,508
Income tax	1,049	1,062	1,716	1,900	2,289
Property tax	34	40	41	68	121
Asset revaluation tax	85	0	2	0	0
Net assets	0	43	40	66	98
Domestic indirect taxes	1,384	1,845	2,552	3,114	3,956
Sales tax	697	885	1,331	1,698	2,270
Petroleum derivatives	154	270	371	459	406
Alcohol and nonalcohol beverages	224	279	418	378	446
Other	309	411	432	579	834
International trade	1,057	1,295	1,751	1,804	2,154
Imports	986	1,185	1,430	1,706	2,066
Petroleum	154	251	324	405	404
Other	832	934	1,106	1,301	1,662
Exports	71	110	321	98	89
Bananas	60	67	91	82	77
Coffee 1/	0	29	215	0	0
Other	11	14	15	16	12
Petroleum derivatives	0	98	373	548	1,046
Other	1	1	2	3	2
Nontax revenue	70	76	107	155	227
Current transfers	165	130	154	310	412
Capital revenue	117	120	27	21	13
(In percent of GDP)					
<b>Total revenue</b>	<b>17.5</b>	<b>16.3</b>	<b>18.0</b>	<b>16.7</b>	<b>16.9</b>
Current revenue	16.9	15.9	18.0	16.7	16.9
Tax revenue	15.9	15.2	17.3	15.7	15.8
Direct taxes	5.1	4.0	4.8	4.3	4.1
Income tax	4.6	3.7	4.6	4.0	3.7
Property tax	0.1	0.1	0.1	0.1	0.2
Asset revaluation tax	0.4	0.0	0.0	0.0	0.0
Net assets	0.0	0.1	0.1	0.1	0.2
Domestic indirect taxes	6.1	6.4	6.8	6.5	6.5
Sales tax	3.1	3.1	3.5	3.6	3.7
Petroleum derivatives	0.7	0.9	1.0	1.0	0.7
Alcohol and nonalcohol beverages	1.0	1.0	1.1	0.8	0.7
Other	1.4	1.4	1.2	1.2	1.4
International trade	4.7	4.5	4.7	3.8	3.5
Imports	4.3	4.1	3.8	3.6	3.4
Petroleum	0.7	0.9	0.9	0.8	0.7
Other	3.7	3.2	2.9	2.7	2.7
Exports	0.3	0.4	0.9	0.2	0.1
Bananas	0.3	0.2	0.2	0.2	0.1
Coffee	0.0	0.1	0.6	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Petroleum derivatives	0.0	0.3	1.0	1.1	1.7
Other	0.0	0.0	0.0	0.0	0.0
Nontax revenue	0.3	0.3	0.3	0.3	0.4
Current transfers	0.7	0.4	0.4	0.6	0.7
Capital revenue	0.5	0.4	0.1	0.0	0.0

Source: Ministry of Finance.

Table 15. Honduras: Operations of the Social Security Institute

	1993	1994	1995	1996	Prel. 1997
(In millions of lempiras)					
<b>Total revenue</b>	<b>247.0</b>	<b>283.2</b>	<b>443.3</b>	<b>526.5</b>	<b>600.6</b>
Current revenue	247.0	283.2	443.3	526.5	600.6
Contributions from	201.6	220.1	260.1	297.0	385.3
Private sector	138.1	163.1	195.0	222.7	288.8
Central government	21.1	21.6	20.0	22.8	29.6
Social security institute	4.7	4.2	4.1	4.5	4.7
Pension funds	4.6	1.8	3.0	3.4	4.4
Local governments	6.1	4.1	5.0	5.9	8.8
Public enterprises	27.0	25.3	33.0	37.7	48.9
Interest earnings	49.6	68.6	111.0	152.4	148.3
Other	2.2	4.8	25.0	77.1	32.8
Change in accounts receivable (increase -)	-6.4	-10.3	47.2	0.0	34.2
<b>Total expenditure</b>	<b>193.6</b>	<b>211.8</b>	<b>229.6</b>	<b>268.5</b>	<b>333.2</b>
Current expenditure	176.5	196.5	225.6	228.8	298.8
Wages and salaries	75.9	84.9	100.3	131.4	146.7
Goods and services	63.6	63.9	65.0	67.2	70.6
Contribution to social security	4.7	4.2	4.1	4.5	4.7
Current transfers	32.3	50.0	56.6	25.7	78.4
To private sector (benefits)	32.2	45.0	56.6	22.5	71.0
Other	0.1	5.0	0.0	3.2	7.4
Change in accounts payable (increase -)	0.0	-65.0	-0.4	0.0	-1.6
Capital expenditure	17.1	15.3	4.0	39.7	34.4
Fixed capital formation	17.1	15.3	4.0	39.7	2.9
Inventory change	0.0	0.0	0.0	0.0	31.5
<b>Primary current balance</b>	<b>20.9</b>	<b>18.1</b>	<b>106.7</b>	<b>145.3</b>	<b>153.5</b>
<b>Primary balance</b>	<b>3.8</b>	<b>2.8</b>	<b>102.7</b>	<b>105.6</b>	<b>119.1</b>
<b>Current account balance</b>	<b>70.5</b>	<b>86.7</b>	<b>217.7</b>	<b>297.7</b>	<b>301.8</b>
<b>Overall balance</b>	<b>53.4</b>	<b>71.4</b>	<b>213.7</b>	<b>258.0</b>	<b>267.4</b>
(In percent of GDP)					
<b>Current revenue</b>	<b>1.1</b>	<b>1.0</b>	<b>1.2</b>	<b>1.1</b>	<b>1.0</b>
Contributions	0.9	0.8	0.7	0.6	0.6
Interest earnings	0.2	0.2	0.3	0.3	0.2
Other	0.0	0.0	0.2	0.2	0.1
<b>Current expenditure</b>	<b>0.8</b>	<b>0.7</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>
Wages and salaries	0.3	0.3	0.3	0.3	0.2
Current transfers	0.1	0.2	0.2	0.1	0.1
Other	0.3	0.2	0.2	0.1	0.1
Capital expenditure	0.1	0.1	0.0	0.1	0.1
Primary balance	0.0	0.0	0.3	0.2	0.2
Current account balance	0.3	0.3	0.6	0.6	0.5
Overall balance	0.2	0.2	0.6	0.5	0.4

Sources: Central Bank of Honduras; Honduran Institute Social Security; and Fund staff estimates.

Table 16. Honduras: Operations of INJUPEMP 1/

	1993	1994	1995	1996	Prel. 1997
(In millions of lempiras)					
<b>Total revenue</b>	<b>234.0</b>	<b>279.9</b>	<b>337.0</b>	<b>421.7</b>	<b>527.6</b>
<b>Current revenue</b>	<b>209.1</b>	<b>244.5</b>	<b>310.1</b>	<b>401.1</b>	<b>527.6</b>
Contributions	110.2	143.8	177.1	204.3	311.8
Government employees	50.9	72.3	103.1	118.9	181.5
Central government	44.1	55.1	50.6	58.4	89.1
Local governments	0.9	0.9	1.1	1.3	1.9
Decentralized agencies	3.3	3.5	6.8	7.8	12.0
Public enterprises	11.0	12.0	15.5	17.9	27.3
Interest earnings	95.6	98.3	118.0	158.0	167.8
Other revenue	9.3	2.4	15.0	4.2	46.3
Change in accounts receivable (increase -)	-6.0	0.0	0.0	34.6	1.7
<b>Capital revenue</b>	<b>24.9</b>	<b>35.4</b>	<b>26.9</b>	<b>20.6</b>	<b>0.0</b>
<b>Total expenditure</b>	<b>241.2</b>	<b>395.4</b>	<b>464.5</b>	<b>489.5</b>	<b>569.2</b>
<b>Current expenditure</b>	<b>40.0</b>	<b>103.1</b>	<b>102.0</b>	<b>121.8</b>	<b>121.1</b>
Wages and salaries	7.1	9.4	9.6	12.2	15.1
Goods and services	9.3	7.1	8.9	5.7	5.5
Contribution to social security	0.8	0.8	1.0	1.3	1.6
Current transfers	36.5	43.5	62.8	83.9	96.1
To private sector (benefits)	36.5	43.3	62.5	79.6	96.1
Other	0.0	0.2	0.3	4.3	0.0
Change in accounts payable (increase -)	-13.7	42.3	19.7	18.7	2.8
<b>Capital expenditure and net lending</b>	<b>201.2</b>	<b>292.3</b>	<b>362.5</b>	<b>367.7</b>	<b>448.1</b>
Fixed capital formation	152.2	228.4	295.1	226.4	144.2
Other	0.0	0.0	0.0	1.7	2.6
Net lending	49.0	63.9	67.4	139.6	301.3
<b>Primary balance</b>	<b>-102.8</b>	<b>-213.8</b>	<b>-245.5</b>	<b>-225.8</b>	<b>-209.4</b>
<b>Current account balance</b>	<b>169.1</b>	<b>141.4</b>	<b>208.1</b>	<b>279.3</b>	<b>406.5</b>
<b>Overall balance</b>	<b>-7.2</b>	<b>-115.5</b>	<b>-127.5</b>	<b>-67.8</b>	<b>-41.6</b>
(In percent of GDP)					
<b>Current revenue</b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.9</b>
Contributions	0.5	0.5	0.5	0.4	0.5
Interest earnings	0.4	0.3	0.3	0.3	0.3
Other	0.0	0.0	0.0	0.1	0.1
<b>Current expenditure</b>	<b>0.2</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>
Current transfers	0.2	0.2	0.2	0.2	0.2
Other	0.0	0.2	0.1	0.1	0.0
Current account balance	0.7	0.5	0.6	0.6	0.7
Capital expenditure and net lending	0.9	1.0	1.0	0.8	0.7
Overall balance	0.0	-0.4	-0.3	-0.1	-0.1

Sources: Ministry of Finance; Central Bank of Honduras; INJUPEMP; and Fund staff estimates.

1/ National Institute of Pensions for public employees.

Table 17. Honduras: Operations of INPREMA 1/

	1993	1994	1995	1996	Prel. 1997
(In millions of lempiras)					
<b>Total revenue</b>	<b>119.1</b>	<b>176.4</b>	<b>270.1</b>	<b>295.2</b>	<b>620.8</b>
<b>Current revenue</b>	<b>119.1</b>	<b>168.5</b>	<b>268.5</b>	<b>288.3</b>	<b>526.8</b>
Contributions from	120.7	148.2	186.4	182.6	282.4
Private sector	51.0	63.8	77.4	75.8	117.3
Central government	67.4	81.4	105.0	102.9	159.1
IMPREMA as employer	2.3	3.0	4.0	3.9	6.1
Interest earnings	50.1	51.0	79.5	90.0	182.9
Other	4.9	20.9	2.6	13.7	33.1
Change in accounts receivable (increase -)	-56.6	-51.6	0.0	2.0	28.4
<b>Capital revenue</b>	<b>0.0</b>	<b>7.9</b>	<b>1.6</b>	<b>6.9</b>	<b>94.0</b>
<b>Total expenditure</b>	<b>180.2</b>	<b>186.6</b>	<b>291.2</b>	<b>384.3</b>	<b>435.8</b>
<b>Current expenditure</b>	<b>73.9</b>	<b>89.8</b>	<b>133.6</b>	<b>152.6</b>	<b>213.8</b>
Wages and salaries	6.3	7.9	9.7	11.3	14.5
Goods and services	4.4	4.9	8.9	8.1	9.4
Contribution to social security	3.1	4.2	5.5	5.7	8.3
Transfers to private sector (benefits)	62.7	76.1	110.5	135.6	180.9
Change in accounts payable (increase -)	-2.6	-3.4	-1.0	-8.1	0.7
<b>Capital expenditure and net lending</b>	<b>106.3</b>	<b>96.8</b>	<b>157.6</b>	<b>231.7</b>	<b>222.0</b>
Capital expenditure	61.5	65.3	131.6	80.5	57.8
Fixed capital formation	46.1	65.2	131.3	78.6	51.4
Other	15.4	0.1	0.3	1.9	6.4
Net lending	44.8	31.5	26.0	151.2	164.2
<b>Primary balance</b>	<b>-111.2</b>	<b>-61.2</b>	<b>-100.6</b>	<b>-179.1</b>	<b>2.1</b>
<b>Current account balance</b>	<b>45.2</b>	<b>78.8</b>	<b>134.9</b>	<b>135.7</b>	<b>313.0</b>
<b>Overall balance</b>	<b>-61.1</b>	<b>-10.2</b>	<b>-21.1</b>	<b>-89.1</b>	<b>185.0</b>
(In percent of GDP)					
Current account balance	0.2	0.3	0.4	0.3	0.5
Capital expenditure and net lending	0.5	0.3	0.4	0.5	0.4
Overall balance	-0.3	0.0	-0.1	-0.2	0.3

Sources: Central Bank of Honduras; IMPREMA; and Fund staff estimates.

1/ Pension fund for civil service and teachers.

Table 18. Honduras: Operations of the Local Governments

	1993	1994	1995	1996	Prel. 1997
(In millions of lempiras)					
<b>Total revenue</b>	<b>424.4</b>	<b>486.9</b>	<b>582.2</b>	<b>677.6</b>	<b>962.5</b>
<b>Current revenue</b>	<b>306.4</b>	<b>375.9</b>	<b>446.8</b>	<b>520.5</b>	<b>655.5</b>
Tax revenue	196.8	212.4	206.2	282.6	345.8
Nontax revenue	97.5	150.0	186.1	227.7	301.9
Current transfers from	12.1	13.5	54.5	6.8	0.0
Central government	9.1	10.3	49.5	6.8	0.0
Public enterprises	3.0	3.2	5.0	0.0	0.0
Interest earnings	0.0	0.0	0.0	3.4	7.8
<b>Capital revenue</b>	<b>118.0</b>	<b>111.0</b>	<b>135.4</b>	<b>157.1</b>	<b>307.0</b>
From central government	114.0	107.0	131.4	147.7	262.1
Other	4.0	4.0	4.0	9.4	44.9
<b>Total expenditure</b>	<b>482.0</b>	<b>655.4</b>	<b>758.1</b>	<b>767.7</b>	<b>1,275.4</b>
<b>Current expenditures</b>	<b>274.0</b>	<b>352.4</b>	<b>384.1</b>	<b>425.9</b>	<b>571.5</b>
Wages and salaries	168.0	162.4	194.9	245.9	275.6
Goods and services	66.8	78.1	100.5	113.4	151.5
Interest	28.9	27.6	21.2	24.9	62.7
Contributions to social security	7.0	5.0	6.1	7.2	10.7
Transfers to private sector	3.3	22.1	61.5	34.5	71.0
Change in accounts payables (increase -)	0.0	57.2	0.0	0.0	0.0
<b>Capital expenditures</b>	<b>208.0</b>	<b>303.0</b>	<b>374.0</b>	<b>341.8</b>	<b>703.9</b>
Fixed capital formation	208.0	303.0	374.0	341.8	700.5
Net lending	0.0	0.0	0.0	0.0	3.4
<b>Primary current account balance</b>	<b>61.3</b>	<b>51.1</b>	<b>83.8</b>	<b>116.1</b>	<b>138.9</b>
<b>Primary balance</b>	<b>-28.7</b>	<b>-140.9</b>	<b>-154.8</b>	<b>-68.6</b>	<b>-258.0</b>
<b>Current account balance</b>	<b>32.4</b>	<b>23.5</b>	<b>62.7</b>	<b>94.6</b>	<b>84.0</b>
<b>Overall balance</b>	<b>-57.6</b>	<b>-168.5</b>	<b>-175.9</b>	<b>-90.1</b>	<b>-312.9</b>
(In percent of GDP)					
Capital expenditure	0.9	1.0	1.0	0.7	1.1
Current account balance	0.1	0.1	0.2	0.2	0.1
Primary balance	-0.1	-0.5	-0.4	-0.1	-0.4
Overall balance	-0.3	-0.6	-0.5	-0.2	-0.5

Source: Central government budget.

Table 19. Honduras: Operations of the Decentralized Agencies 1/

	1993	1994	1995	1996	Prel. 1997
(In millions of lempiras)					
<b>Total revenue</b>	<b>452.3</b>	<b>654.7</b>	<b>645.0</b>	<b>652.6</b>	<b>1,122.8</b>
Current revenue	290.3	295.7	453.6	440.8	754.6
Central government transfers	290.3	295.7	453.6	440.8	691.5
Interest earnings	0.0	0.0	0.0	0.0	63.1
Capital revenue	162.0	359.0	191.4	211.8	368.2
Central government transfers	162.0	359.0	191.4	211.8	368.2
Other	0.0	0.0	0.0	0.0	0.0
<b>Total expenditure</b>	<b>348.2</b>	<b>509.3</b>	<b>377.5</b>	<b>483.8</b>	<b>1,036.9</b>
Current expenditure	287.6	241.2	213.9	353.8	861.0
Wages and salaries	58.0	70.2	114.2	138.2	143.6
Interest	0.0	0.0	0.0	0.0	1.8
Contributions to social security	3.3	3.5	6.8	7.8	12.0
Transfers to private sector	226.3	167.5	92.9	207.8	703.6
Capital expenditure	60.6	268.1	163.6	130.0	175.9
Fixed capital formation	60.6	268.1	163.6	130.0	175.9
<b>Primary balance</b>	<b>104.1</b>	<b>145.4</b>	<b>267.5</b>	<b>168.8</b>	<b>24.6</b>
<b>Current account balance</b>	<b>2.7</b>	<b>54.5</b>	<b>239.7</b>	<b>87.0</b>	<b>-106.4</b>
<b>Overall balance</b>	<b>104.1</b>	<b>145.4</b>	<b>267.5</b>	<b>168.8</b>	<b>85.9</b>
(In percent of GDP)					
Capital expenditure	0.3	0.9	0.4	0.3	0.3
Current account balance	0.0	0.2	0.6	0.2	-0.2
Primary balance	0.5	0.5	0.7	0.4	0.0
Overall balance	0.5	0.5	0.7	0.4	0.1

Source: Central government budget.

1/ Includes SID, INA, INFOP, IHADFA, IHDECOOP, JNBS, UNAH, UPN, PANI, EDUCREDITO, JOURNALISTS CORP, SPORTS FED. Excluding FHIS.

Table 20. Honduras: Operations of National Enterprise of Electricity Energy, ENEE

	1993	1994	1995	1996	Prel. 1997
(In millions of lempiras)					
<b>Operating revenue</b>	<b>865.7</b>	<b>1,032.3</b>	<b>1,435.6</b>	<b>2,104.5</b>	<b>2,567.7</b>
Sales of electricity 1/	894.0	986.7	1,542.6	2,156.9	2,525.0
Interest earnings	0.0	0.0	0.0	13.4	32.4
Other goods and services	25.8	81.8	30.4	103.7	132.9
Change in accounts receivable (increase -)	-54.1	-36.2	-137.4	-169.5	-122.6
<b>Operating expenditure</b>	<b>334.4</b>	<b>763.3</b>	<b>1,544.2</b>	<b>2,029.7</b>	<b>2,035.6</b>
Wages and salaries 2/	81.4	101.8	99.1	144.8	160.7
Severance payments	0.0	0.0	13.1	12.5	7.9
Goods and services	156.6	343.2	1,033.6	1,337.2	1,488.1
Fuels	99.9	87.1	270.5	56.9	59.4
Others including maintenance	51.7	60.6	65.8	76.8	8.3
Purchase of energy	5.0	195.5	697.3	1,203.5	1,420.4
Interest	220.6	311.4	398.4	466.0	301.9
External	163.9	187.9	364.8	412.1	286.4
Domestic	56.7	123.5	33.6	53.9	15.5
Other	8.2	6.9	0.0	42.4	161.8
Change in accounts payable (increase -)	-132.4	0.0	0.0	26.8	-84.8
<b>Operating balance</b>	<b>531.3</b>	<b>269.0</b>	<b>-108.6</b>	<b>74.8</b>	<b>532.1</b>
<b>Net transfer payments</b>	<b>28.1</b>	<b>2.3</b>	<b>4.0</b>	<b>-224.0</b>	<b>-274.5</b>
Taxes and transfer payments	28.1	5.7	4.0	7.5	39.3
To central government	25.9	3.4	0.0	0.1	0.0
To rest of general government	2.2	2.3	0.0	0.0	0.0
To private sector	0.0	0.0	4.0	7.4	39.3
Transfer receipts	0.0	3.4	0.0	231.5	313.8
From central government	0.0	3.4	0.0	231.5	313.8
<b>Current account balance</b>	<b>503.2</b>	<b>266.6</b>	<b>-112.6</b>	<b>298.8</b>	<b>806.6</b>
<b>Net capital revenue</b>	<b>66.6</b>	<b>0.0</b>	<b>36.4</b>	<b>10.0</b>	<b>20.0</b>
Capital transfers receipts	66.6	0.0	36.4	10.0	20.0
From central government	66.6	0.0	36.4	10.0	20.0
<b>Capital expenditure</b>	<b>424.8</b>	<b>408.2</b>	<b>170.4</b>	<b>305.9</b>	<b>382.3</b>
<b>Primary balance</b>	<b>365.6</b>	<b>169.8</b>	<b>151.8</b>	<b>455.5</b>	<b>713.8</b>
<b>Overall balance</b>	<b>145.0</b>	<b>-141.6</b>	<b>-246.6</b>	<b>2.9</b>	<b>444.3</b>
<b>Financing</b>	<b>-145.0</b>	<b>141.6</b>	<b>246.6</b>	<b>-2.9</b>	<b>-444.3</b>
Foreign (net)	-216.1	-308.4	-90.3	-274.8	-214.8
Drawings	310.9	232.1	246.7	7.7	15.9
Amortization payments	527.0	540.5	281.3	282.5	230.7
Payment of arrears	0.0	0.0	55.7	0.0	0.0
Domestic	71.1	450.0	336.9	271.9	-229.5
Central bank	59.3	-43.1	-34.4	27.1	-16.1
Rest of banking system	-0.2	-12.4	-3.1	7.4	-69.4
Government emergency loan	0.0	468.0	500.4	203.0	105.2
From government with foreign resources	0.0	0.0	-46.2	53.1	-183.7
Investment in securities and foreign account	0.0	0.0	16.3	16.3	-67.0
Other	12.0	37.5	-96.1	-35.0	1.5

Table 20. Honduras: Operations of National Enterprise of Electricity Energy, ENEE

	1993	1994	1995	1996	Prel. 1997
(In percent of GDP)					
Operating revenue	3.8	3.6	3.8	4.4	4.2
Operating expenditure	1.5	2.6	4.1	4.2	3.3
Net current transfer payments	0.1	0.0	0.0	-0.5	-0.4
Net capital revenue	0.3	0.0	0.1	0.0	0.0
Capital expenditure	1.9	1.4	0.5	0.6	0.6
Operating balance	2.3	0.9	-0.3	0.2	0.9
Current account balance	2.2	0.9	-0.3	0.6	1.3
Primary balance	1.6	0.6	0.4	1.0	1.2
Overall balance	0.6	-0.5	-0.7	0.0	0.7
External financing	-1.0	-1.1	-0.2	-0.6	-0.3
Domestic financing	0.3	1.6	0.9	0.6	-0.4
<b>Memorandum items:</b>					
Tariff in lempiras per KWH, average	0.49	0.57	0.80	0.99	1.14
Tariff in U.S. cents per KWH, average	7.53	6.79	7.82	7.76	8.70
Output sold in GW/H (in millions of lempiras)	1,820	1,730	1,586	2,193	2,828

Sources: Ministry of Finance; ENEE; Central Bank; and Fund staff estimates.

1/ On accrual basis; cash amounts obtained by deducting changes in accounts receivable.

2/ Includes employers contributions to the social security system.

Table 21. Honduras: Operations of the National Telecommunications Enterprise,  
HONDUTEL

	1993	1994	1995	1996	Prel. 1997
(In millions of lempiras)					
<b>Operating revenue</b>	<b>637.4</b>	<b>780.1</b>	<b>1,074.7</b>	<b>1,688.8</b>	<b>1,874.2</b>
Sales of goods and services 1/	624.3	856.8	1,235.4	1,645.1	1,884.5
Interest earnings	0.0	5.3	7.5	50.8	51.9
Other	22.7	12.2	75.9	136.8	32.3
Change in accounts receivable (increase -)	-9.6	-94.2	-244.1	-143.9	-94.5
<b>Operating expenditure</b>	<b>173.5</b>	<b>315.1</b>	<b>451.6</b>	<b>677.1</b>	<b>565.6</b>
Wages and salaries 2/	114.3	141.5	211.9	260.1	324.0
Severance payments	0.0	0.0	29.4	29.5	7.4
Goods and services	40.7	53.6	66.9	171.3	124.4
Interest	57.0	143.5	107.6	123.2	109.8
External	57.0	111.1	94.0	111.6	103.3
Domestic	0.0	32.4	13.6	11.6	6.5
Other	8.7	16.5	8.8	0.0	0.0
Change in accounts payable (increase -)	-47.2	-40.0	27.0	93.0	0.0
<b>Operating balance</b>	<b>463.9</b>	<b>465.0</b>	<b>623.1</b>	<b>1,011.7</b>	<b>1,308.6</b>
<b>Net transfer payments</b>	<b>156.8</b>	<b>147.2</b>	<b>138.4</b>	<b>202.7</b>	<b>212.3</b>
Taxes and transfer payments	156.8	147.2	138.4	202.7	212.3
To central government	135.3	129.4	123.2	184.4	189.6
To rest of general government	11.5	0.0	0.0	0.0	0.0
To private sector	8.9	15.6	9.5	0.0	6.6
To abroad	1.1	2.2	5.7	18.3	15.9
<b>Current account balance</b>	<b>307.1</b>	<b>317.8</b>	<b>484.7</b>	<b>809.0</b>	<b>1,096.3</b>
<b>Net capital revenue</b>	<b>0.0</b>	<b>16.9</b>	<b>0.0</b>	<b>58.0</b>	<b>0.0</b>
Capital revenue	0.0	16.9	0.0	58.0	0.0
<b>Capital expenditure</b>	<b>179.7</b>	<b>592.2</b>	<b>681.7</b>	<b>1,093.1</b>	<b>711.9</b>
Fixed investment	91.8	509.9	701.6	1,078.0	724.9
Inventory changes	45.2	39.8	-21.6	14.5	-13.5
Other	42.7	42.5	1.7	0.6	0.5
<b>Primary balance</b>	<b>184.4</b>	<b>-119.3</b>	<b>-96.9</b>	<b>-153.7</b>	<b>442.3</b>
<b>Overall balance</b>	<b>127.4</b>	<b>-257.5</b>	<b>-197.0</b>	<b>-226.1</b>	<b>384.4</b>
<b>Total financing</b>	<b>-127.4</b>	<b>257.5</b>	<b>197.0</b>	<b>226.1</b>	<b>-384.4</b>
Foreign	-40.6	161.6	-39.1	-486.4	-357.9
Drawings	860.7	440.0	3.2	4.3	30.8
Amortization	102.7	80.0	42.3	490.7	388.7
Investment trust amortization	798.6	198.4	0.0	0.0	0.0
Domestic	-86.8	95.9	236.1	712.5	-26.5
Central bank	-19.9	55.2	64.0	-130.3	5.3
Rest of banking system	32.0	55.9	11.0	-9.5	-70.9
Government with foreign resources	0.0	0.0	-144.9	0.0	0.0
Investment in securities and foreign account	0.0	0.0	0.0	554.9	-22.3
Other	-98.9	-15.2	306.0	297.4	61.4

Table 21. Honduras: Operations of the National Telecommunications Enterprise,  
HONDUTEL

	1993	1994	1995	1996	Prel. 1997
	(In percent of GDP)				
Operating revenue	2.8	2.7	2.9	3.5	3.1
Operating expenditure	0.8	1.1	1.2	1.4	0.9
Net current transfers payments	0.7	0.5	0.4	0.4	0.3
Net capital revenue	0.0	0.1	0.0	0.1	0.0
Capital expenditure	0.8	2.1	1.8	2.3	1.2
Operating balance	2.0	1.6	1.7	2.1	2.1
Current account balance	1.4	1.1	1.3	1.7	1.8
Primary balance	0.8	-0.4	-0.3	-0.3	0.7
Overall balance	0.6	-0.9	-0.5	-0.5	0.6
External financing	-0.2	0.6	-0.1	-1.0	-0.6
Domestic financing	-0.4	0.3	0.6	1.5	0.0

Sources: Ministry of Finance; HONDUTEL; Central Bank of Honduras; and Fund staff estimates.

1/ On accrual basis; cash amounts obtained by deducting changes in accounts receivable.

2/ Includes employers contributions to the social security system.

Table 22. Honduras: Operations of the National Autonomous Water and Sewerage Service, SANAA

	1993	1994	1995	1996	Prel. 1997
(In millions of lempiras)					
<b>Operating revenue</b>	<b>30.5</b>	<b>59.9</b>	<b>92.5</b>	<b>110.9</b>	<b>158.7</b>
Sales of goods and services 1/	39.5	46.9	74.6	104.1	117.3
Interest earnings	0.0	0.0	0.0	0.0	4.2
Other	0.1	12.1	17.9	26.3	27.9
Change in accounts receivable (increase -)	-9.1	0.9	0.0	-19.5	9.3
<b>Operating expenditure</b>	<b>2.8</b>	<b>50.5</b>	<b>68.5</b>	<b>107.9</b>	<b>112.5</b>
Wages and salaries 2/	22.5	28.2	34.8	42.7	58.0
Severance payments	0.0	0.0	3.2	5.7	5.4
Goods and services	28.6	21.0	29.7	33.5	59.9
Interest	0.9	0.8	0.8	0.9	0.0
External	0.0	0.0	0.0	0.0	0.0
Domestic	0.9	0.8	0.8	0.9	0.0
Other	0.5	0.5	0.0	1.8	0.0
Change in accounts payable (increase -)	-49.7	0.0	0.0	23.3	-10.8
<b>Operating balance</b>	<b>27.7</b>	<b>9.4</b>	<b>24.0</b>	<b>3.0</b>	<b>46.2</b>
<b>Net transfer payments</b>	<b>6.5</b>	<b>10.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>
Taxes and transfer payments	6.5	10.6	0.0	0.0	0.1
To central government	5.2	5.1	0.0	0.0	0.0
To rest of general government	1.3	1.3	0.0	0.0	0.0
To private sector	0.0	4.1	0.0	0.0	0.1
<b>Current account balance</b>	<b>21.2</b>	<b>-1.2</b>	<b>24.0</b>	<b>3.0</b>	<b>46.1</b>
<b>Net capital revenue</b>	<b>221.5</b>	<b>123.7</b>	<b>311.7</b>	<b>151.3</b>	<b>95.7</b>
Capital revenue	0.0	7.3	0.0	0.0	0.0
Capital transfers receipts	221.5	116.4	311.7	151.3	95.7
From central government	221.5	116.4	216.8	151.3	95.7
From other	0.0	0.0	94.9	0.0	0.0
<b>Capital expenditure</b>	<b>228.4</b>	<b>124.1</b>	<b>311.7</b>	<b>161.0</b>	<b>137.7</b>
Fixed investment	173.3	123.7	291.4	165.4	127.6
Inventory changes	55.1	0.4	20.3	-4.4	10.1
<b>Primary balance</b>	<b>15.2</b>	<b>-0.8</b>	<b>24.8</b>	<b>-5.8</b>	<b>-0.1</b>
<b>Overall balance</b>	<b>14.3</b>	<b>-1.6</b>	<b>24.0</b>	<b>-6.7</b>	<b>4.1</b>
<b>Financing</b>	<b>-14.3</b>	<b>1.6</b>	<b>-24.0</b>	<b>6.7</b>	<b>-4.1</b>
Foreign	-0.3	-3.2	0.0	0.0	0.0
Drawings	2.1	0.0	0.0	0.0	0.0
Amortization payments	2.4	3.2	0.0	0.0	0.0
Domestic	-14.0	4.8	-24.0	6.7	-4.1
Central bank	0.0	-4.8	0.0	-0.4	-12.9
Rest of banking system	0.1	1.4	-0.1	0.0	0.0
Other	-14.1	8.2	-23.9	7.1	8.8

**Table 22. Honduras: Operations of the National Autonomous Water and Sewerage Service, SANAA**

	1993	1994	1995	1996	Prel. 1997
(In percent of GDP)					
Operating revenue	0.1	0.2	0.2	0.2	0.3
Operating expenditure	0.0	0.2	0.2	0.2	0.2
Net current transfer payments	0.0	0.0	0.0	0.0	0.0
Net capital revenue	1.0	0.4	0.8	0.3	0.2
Capital expenditure	1.0	0.4	0.8	0.3	0.2
Operating balance	0.1	0.0	0.1	0.0	0.1
Current account balance	0.1	0.0	0.1	0.0	0.1
Primary balance	0.1	0.0	0.1	0.0	0.0
Overall balance	0.1	0.0	0.1	0.0	0.0

Sources: Ministry of Finance; SANAA; Central Bank; and Fund staff estimates.

1/ On accrual basis; cash amounts obtained by deducting changes in accounts receivable.

2/ Includes employers contributions to the social security system.

Table 23. Honduras: Operations of the National Ports Enterprise, ENP

	1993	1994	1995	1996	Prel. 1997
(In millions of lempiras)					
<b>Operating revenue</b>	<b>165.8</b>	<b>247.3</b>	<b>291.9</b>	<b>394.9</b>	<b>479.7</b>
Sales of goods and services 1/	145.2	235.5	291.8	360.7	459.1
Interest earnings	0.0	0.0	0.0	17.0	31.9
Other	16.0	14.1	14.7	18.1	6.7
Change in accounts receivable (increase -)	4.6	-2.3	-14.6	-0.9	-18.0
<b>Operating expenditure</b>	<b>88.3</b>	<b>81.8</b>	<b>114.9</b>	<b>168.9</b>	<b>196.3</b>
Wages and salaries	44.2	56.3	56.2	68.0	77.7
Severance payments 2/	0.0	0.0	7.9	5.7	10.0
Goods and services	18.7	23.9	26.4	33.2	42.3
Interest	5.9	10.6	30.0	27.0	28.7
External	4.0	10.2	29.2	18.8	28.0
Domestic	1.9	0.4	0.8	8.2	0.7
Other	0.0	0.3	7.6	7.1	0.0
Change in accounts payable (increase -)	19.5	-9.3	-13.2	27.9	37.6
<b>Operating balance</b>	<b>77.5</b>	<b>165.5</b>	<b>177.0</b>	<b>226.0</b>	<b>283.4</b>
<b>Net transfer payments</b>	<b>32.6</b>	<b>35.6</b>	<b>35.5</b>	<b>42.8</b>	<b>105.6</b>
Taxes and transfer payments	32.6	35.6	35.5	42.8	105.6
To central government	27.0	25.6	23.0	25.7	80.7
To rest of general government	0.7	8.7	11.3	13.4	17.1
To private sector	4.8	0.8	0.5	2.4	6.4
To abroad	0.1	0.5	0.7	1.3	1.4
<b>Current account balance</b>	<b>44.9</b>	<b>129.9</b>	<b>141.5</b>	<b>183.2</b>	<b>177.8</b>
<b>Net capital revenue</b>	<b>-3.4</b>	<b>50.7</b>	<b>0.0</b>	<b>12.3</b>	<b>0.0</b>
Capital revenue	2.2	50.7	0.0	12.3	0.0
Capital transfers payments	5.6	0.0	0.0	0.0	0.0
To rest of general government	5.6	0.0	0.0	0.0	0.0
<b>Capital expenditure</b>	<b>135.2</b>	<b>119.5</b>	<b>123.4</b>	<b>51.1</b>	<b>47.8</b>
Fixed investment	132.1	114.4	122.5	43.8	44.5
Inventory changes	2.9	2.4	0.6	7.3	1.7
Other	0.2	2.7	0.1	0.0	0.0
Net lending	0.0	0.0	0.2	0.0	1.6
<b>Primary balance</b>	<b>-87.8</b>	<b>71.7</b>	<b>48.1</b>	<b>154.4</b>	<b>126.8</b>
<b>Overall balance</b>	<b>-93.7</b>	<b>61.1</b>	<b>18.1</b>	<b>144.4</b>	<b>130.0</b>
<b>Financing</b>	<b>93.7</b>	<b>-61.1</b>	<b>-18.1</b>	<b>-144.4</b>	<b>-130.0</b>
Foreign	51.6	39.0	55.1	-115.7	-32.9
Drawings	63.3	61.8	67.0	0.0	0.0
Amortization	11.7	22.8	11.9	115.7	32.9
Domestic	42.1	-100.1	-73.2	-28.7	-97.1
Central bank	-7.8	-17.1	-73.9	-7.2	0.7
Rest of banking system	-27.9	1.0	-71.3	3.3	-20.6
Investment in securities	-19.8	1.0	-2.2	-33.6	-90.1
Other	97.6	-85.0	74.2	8.8	12.9

Table 23. Honduras: Operations of the National Ports Enterprise, ENP

	1993	1994	1995	1996	Prel. 1997
(In percent of GDP)					
Operating revenue	0.7	0.9	0.8	0.8	0.8
Operating expenditure	0.4	0.3	0.3	0.4	0.3
Net transfer payments	0.1	0.1	0.1	0.1	0.2
Net capital revenue	0.0	0.2	0.0	0.0	0.0
Capital expenditure	0.6	0.4	0.3	0.1	0.1
Operating balance	0.3	0.6	0.5	0.5	0.5
Current account balance	0.2	0.5	0.4	0.4	0.3
Primary balance	-0.4	0.2	0.1	0.3	0.2
Overall balance	-0.4	0.2	0.0	0.3	0.2
External financing	0.2	0.1	0.1	-0.2	-0.1
Domestic financing	0.2	-0.3	-0.2	-0.1	-0.2

Sources: Ministry of Finance; Central Bank; and Fund staff estimates.

1/ On accrual basis; cash amounts obtained by deducting changes in accounts receivable.

2/ Includes employers contributions to the social security system.

Table 24. Honduras: Detailed Accounts of the Financial System

(In millions of lempiras)

	L 10.34 = US\$1			L 13.0 = US\$1		
	1993	1994	1995	1995	1996	1997
<b>I. Central Bank</b>						
<b>Net international reserves</b>	<b>-284.8</b>	<b>-27.0</b>	<b>1,170.4</b>	<b>1,471.0</b>	<b>2,743.1</b>	<b>6,388.9</b>
Foreign assets	1,359.8	2,123.5	3,058.5	3,844.2	3,677.9	7,680.2
Net IMF position	-1,266.3	-1,099.9	-1,079.7	-1,357.0	-759.2	-601.7
Other short-term foreign liabilities	-378.3	-1,050.6	-808.4	-1,016.2	-175.6	-689.6
<b>Domestic assets</b>	<b>5,647.6</b>	<b>6,937.1</b>	<b>6,439.2</b>	<b>6,938.8</b>	<b>6,351.8</b>	<b>1,930.8</b>
<b>Credit to public sector</b>	<b>413.9</b>	<b>336.6</b>	<b>-316.9</b>	<b>-459.2</b>	<b>-693.4</b>	<b>-1,610.5</b>
<b>Central government</b>	<b>481.6</b>	<b>424.2</b>	<b>-68.0</b>	<b>-167.5</b>	<b>-431.5</b>	<b>-1,002.0</b>
Credit	1,974.2	1,478.4	1,250.8	1,250.8	1,138.2	1,411.3
Deposits	-1,492.6	-1,054.2	-1,318.8	-1,418.3	-1,569.7	-2,413.3
<b>Rest of the public sector</b>	<b>-67.7</b>	<b>-87.6</b>	<b>-248.9</b>	<b>-291.7</b>	<b>-261.9</b>	<b>-608.5</b>
Credit	164.3	137.0	140.0	140.0	173.0	99.2
Deposits	-232.0	-224.6	-388.9	-431.7	-434.9	-707.7
Government trust fund	-104.8	-130.9	-174.3	-174.3	-200.6	0.0
FHIS	-29.8	-23.7	-8.7	-8.7	-22.0	-7.5
Official capital	-925.9	-1,160.6	-1,468.5	-1,468.5	-1,577.1	-1,286.4
Credit to the private sector	59.2	58.1	63.7	63.7	57.7	5.0
Arrears deposits	-20.0	0.0	0.0	0.0	0.0	0.0
Credit to banks, net	1,017.4	894.7	429.8	429.8	-137.3	-3,820.8
Claims on banks	1,214.6	1,250.0	1,187.4	1,187.4	1,274.7	288.5
Development banks	352.6	342.8	331.3	331.3	311.9	151.1
Commercial banks	664.6	678.2	615.7	615.7	720.4	135.7
Specialized saving institutions	197.4	229.0	240.4	240.4	242.4	1.7
Liabilities to banks	-197.2	-355.3	-757.6	-757.6	-1,412.0	-4,109.3
Net unclassified assets	5,498.1	7,243.0	8,224.2	8,945.8	9,280.1	8,991.7
Exchange losses	5,818.3	6,061.7	6,006.9	6,006.9	7,220.7	5,923.8
Other 1/	-320.2	1,181.3	2,217.3	2,938.9	2,059.4	3,067.9
Allocation of SDRs	-280.5	-280.1	-310.1	-389.8	-355.6	-340.7
<b>Medium- and long-term foreign liabilities</b>	<b>3,671.5</b>	<b>4,498.4</b>	<b>4,825.4</b>	<b>5,625.6</b>	<b>5,540.2</b>	<b>3,672.7</b>
<b>Private sector deposits</b>	<b>48.6</b>	<b>98.6</b>	<b>274.2</b>	<b>274.2</b>	<b>377.0</b>	<b>568.0</b>
Money	28.7	74.3	191.4	191.4	142.6	264.2
Sight deposits	20.0	43.7	19.8	19.8	18.4	22.5
Time and savings deposits	8.7	30.6	171.6	171.6	124.2	241.7
Bonds	19.9	24.3	32.2	32.2	37.3	0.0
CAMs	0.0	0.0	50.6	50.6	197.1	303.8
<b>Currency issue</b>	<b>1,642.7</b>	<b>2,313.1</b>	<b>2,510.0</b>	<b>2,510.0</b>	<b>3,177.7</b>	<b>4,079.0</b>
Cash in vault	217.6	347.2	432.3	432.3	582.8	804.1
Currency in circulation	1,425.1	1,965.9	2,077.7	2,077.7	2,594.9	3,274.9

Table 24. Honduras: Detailed Accounts of the Financial System

(In millions of lempiras)

	L 10.34 = US\$1			L 13.0 = US\$1		
	1993	1994	1995	1995	1996	1997
<b>II. Commercial Banks</b>						
<b>Net international reserves</b>	<b>661.9</b>	<b>571.8</b>	<b>803.2</b>	<b>1,009.5</b>	<b>1,312.1</b>	<b>2,185.4</b>
Foreign assets	777.7	853.2	1,262.3	1,586.5	2,079.0	3,470.3
Short-term foreign liabilities	-115.8	-281.4	-459.1	-577.0	-766.9	-1,284.9
<b>Claims on central bank</b>	<b>451.8</b>	<b>694.5</b>	<b>1,145.4</b>	<b>1,145.4</b>	<b>1,993.5</b>	<b>4,459.4</b>
Cash in vaults	195.1	318.3	398.9	398.9	547.4	763.9
Deposits	227.7	349.3	558.6	558.6	578.0	1,378.7
FOVI bonds 2/	29.0	26.9	27.8	27.8	27.0	0.0
CAMs 3/	0.0	0.0	160.1	160.1	841.1	2,316.8
<b>Domestic assets</b>	<b>6,608.3</b>	<b>8,938.1</b>	<b>10,601.5</b>	<b>10,997.3</b>	<b>15,047.7</b>	<b>19,144.5</b>
Credit to public sector (net)	464.3	798.6	651.1	641.0	193.5	-728.6
Central government	937.1	1,253.4	1,155.9	1,155.9	816.3	275.0
Credit	937.8	1,260.1	1,177.6	1,177.6	840.6	275.0
Deposits	-0.7	-6.7	-21.7	-21.7	-24.3	0.0
Rest of public sector	-472.8	-454.8	-504.8	-514.9	-622.8	-1,003.6
Credit	2.4	1.2	9.9	9.9	15.2	53.8
Deposits	-475.2	-456.0	-514.7	-524.8	-638.0	-1,057.4
Credit to rest of banking system	0.0	0.0	0.0	0.0	0.0	0.0
Credit to nonbank private financial intermediaries	0.0	0.0	0.0	0.0	0.0	0.0
FHIS	-12.8	-44.3	-13.1	-13.1	-23.4	-12.8
Credit to the private sector	5,008.5	6,363.9	7,711.4	7,711.4	10,957.8	16,744.2
Unclassified assets 1/	1,148.3	1,819.9	2,252.1	2,658.0	3,919.8	3,141.7
<b>Medium- and long-term foreign liabilities</b>	<b>71.4</b>	<b>312.5</b>	<b>539.8</b>	<b>678.5</b>	<b>1,116.6</b>	<b>2,006.1</b>
<b>Liabilities to central bank</b>	<b>692.7</b>	<b>691.1</b>	<b>619.3</b>	<b>619.3</b>	<b>760.4</b>	<b>155.6</b>
<b>Liabilities to rest of banking system</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Liabilities to the private sector</b>	<b>6,957.9</b>	<b>9,200.8</b>	<b>11,391.0</b>	<b>11,854.4</b>	<b>16,476.3</b>	<b>23,627.6</b>
Liquid liabilities	5,723.5	7,540.2	9,171.3	9,634.7	13,643.8	19,742.1
Sight deposits	1,804.9	2,472.3	3,077.8	3,077.8	4,427.0	5,606.1
Quasi-money	3,535.3	4,378.7	5,695.0	6,154.6	8,769.9	13,608.3
Domestic currency	2,902.8	3,183.7	3,850.1	3,850.1	4,741.1	8,389.0
Time and savings deposits	2,724.1	3,033.5	3,675.9	3,675.9	4,594.9	8,237.9
Specialized savings	103.0	91.4	102.5	102.5	98.7	111.8
Other deposits	75.7	58.8	71.7	71.7	47.5	39.3
Deposits in foreign currency	632.5	1,195.0	1,844.9	2,304.5	4,028.8	5,219.3
Bonds	16.1	13.9	29.4	29.4	33.0	60.8
Other obligations	367.2	675.3	369.1	372.9	413.9	466.9
Capital and surplus	1,234.4	1,660.6	2,219.7	2,219.7	2,832.5	3,885.5

Table 24. Honduras: Detailed Accounts of the Financial System

(In millions of lempiras)

	L 10.34 = US\$1			L 13.0 = US\$1		
	1993	1994	1995	1995	1996	1997
<b>III. Consolidated Development Banks</b>						
<b>Net international reserves</b>	<b>2.2</b>	<b>0.7</b>	<b>1.5</b>	<b>1.9</b>	<b>1.7</b>	<b>1.6</b>
Foreign assets	2.2	0.7	2.2	2.8	2.6	4.1
Short-term foreign liabilities	0.0	0.0	-0.7	-0.9	-0.9	-2.5
<b>Claims on central bank</b>	<b>26.3</b>	<b>61.6</b>	<b>35.5</b>	<b>35.5</b>	<b>34.9</b>	<b>207.8</b>
Cash in vaults	10.8	13.5	14.5	14.5	13.9	20.8
Deposits	15.5	48.1	19.5	19.5	17.9	168.4
CAMs	0.0	0.0	1.5	1.5	3.1	18.6
<b>Domestic assets</b>	<b>581.6</b>	<b>635.3</b>	<b>628.6</b>	<b>664.3</b>	<b>687.4</b>	<b>445.5</b>
Credit to public sector (net)	28.5	9.3	15.5	15.5	32.3	-152.0
Central government	-20.7	-29.8	-34.1	-34.1	-10.9	-231.5
Credit	7.2	6.9	7.7	7.7	35.4	219.7
Deposits	-27.9	-36.7	-41.8	-41.8	-46.3	-451.2
Rest of public sector	49.2	39.1	49.6	49.6	43.2	79.5
Credit	107.1	104.7	111.9	111.9	114.2	173.1
Deposits	-57.9	-65.6	-62.3	-62.3	-71.0	-93.6
Government trust fund	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0
Official capital and surplus	-186.1	-263.1	-265.4	-265.4	-272.7	-1,514.7
Credit to nonbank private						
financial intermediaries	0.0	0.0	0.0	0.0	0.0	0.0
Credit to the private sector	143.1	163.1	192.2	192.2	237.6	330.2
FHIS	0.0	0.0	0.0	0.0	0.0	0.0
Unclassified assets 1/	597.1	727.0	687.3	723.0	691.2	1,783.0
<b>Medium- and long-term foreign liabilities</b>	<b>95.6</b>	<b>126.4</b>	<b>140.3</b>	<b>176.3</b>	<b>165.0</b>	<b>160.0</b>
<b>Liabilities to central bank</b>	<b>371.4</b>	<b>407.2</b>	<b>330.1</b>	<b>330.1</b>	<b>321.4</b>	<b>164.7</b>
<b>Liabilities to rest of banking system</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Liabilities to the private sector</b>	<b>143.1</b>	<b>164.0</b>	<b>195.2</b>	<b>195.3</b>	<b>237.6</b>	<b>330.2</b>
Sight deposits	13.9	15.5	13.9	13.9	17.0	31.6
Quasi-money	76.2	77.5	89.4	89.5	99.3	117.4
Domestic currency	74.9	77.1	89.0	89.0	97.5	115.0
Time and savings deposits	73.3	75.1	85.3	85.3	91.9	106.2
Other deposits in local currency	1.6	2.0	3.7	3.7	5.6	8.8
Deposits in foreign exchange	1.3	0.4	0.4	0.5	1.8	2.4
Bonds	0.5	1.0	1.0	1.0	0.3	17.4
Other obligations	52.5	70.0	90.9	90.9	121.0	163.8

Table 24. Honduras: Detailed Accounts of the Financial System

(In millions of lempiras)

	L 10.34 = US\$1			L 13.0 = US\$1		
	1993	1994	1995	1995	1996	1997
<b>IV. Specialized Savings Institutions</b>						
<b>Net international reserves</b>	<b>83.6</b>	<b>94.7</b>	<b>76.0</b>	<b>95.5</b>	<b>156.7</b>	<b>88.3</b>
Foreign assets	83.6	101.2	93.4	117.4	156.8	88.3
Short-term foreign liabilities	0.0	-6.5	-17.4	-21.9	-0.1	0.0
<b>Claims on central bank</b>	<b>68.6</b>	<b>97.9</b>	<b>109.2</b>	<b>109.2</b>	<b>106.3</b>	<b>227.3</b>
Cash in vaults	11.7	15.4	18.9	18.9	21.5	19.4
Deposits	37.4	62.0	69.7	69.7	55.2	105.3
FOVI bonds	19.5	20.5	20.6	20.6	20.1	0.0
CAMs	0.0	0.0	0.0	0.0	9.5	102.6
<b>Domestic assets</b>	<b>849.5</b>	<b>971.8</b>	<b>1,434.1</b>	<b>1,444.0</b>	<b>1,506.6</b>	<b>1,250.7</b>
Credit to public sector (net)	-141.3	-208.5	-90.4	-90.4	-17.8	-104.8
Central government	25.9	55.6	78.7	78.7	81.8	1.3
Credit	27.9	60.7	85.7	85.7	81.8	1.3
Deposits	-2.0	-5.1	-7.0	-7.0	0.0	0.0
Rest of public sector	-167.2	-264.1	-169.1	-169.1	-99.6	-106.1
Credit	2.5	2.5	3.6	3.6	0.0	0.0
Deposits	-169.7	-266.6	-172.7	-172.7	-99.6	-106.1
Credit to rest of banking system	0.0	0.0	0.0	0.0	0.0	0.0
Credit to the private sector	858.9	1,033.8	1,332.5	1,332.5	1,305.7	1,439.1
FHIS	-2.0	-5.1	-7.0	-7.0	0.0	0.0
Unclassified assets 1/	133.9	151.6	199.0	208.9	218.7	-83.6
<b>Liabilities to central bank</b>	<b>207.9</b>	<b>239.9</b>	<b>255.4</b>	<b>255.4</b>	<b>262.3</b>	<b>12.3</b>
<b>Liabilities to rest of banking system</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Liabilities to the private sector</b>	<b>793.8</b>	<b>924.5</b>	<b>1,363.9</b>	<b>1,393.3</b>	<b>1,507.3</b>	<b>1,554.0</b>
Liquid liabilities	678.6	781.1	1,180.8	1,210.2	1,282.9	1,358.3
Quasi-money	587.6	654.1	827.1	856.5	945.1	1,001.8
Deposits in domestic currency	526.3	552.4	712.5	712.5	766.9	908.0
Time and savings deposits	526.3	552.4	712.5	712.5	766.9	908.0
Deposits in foreign currency	61.3	101.7	114.6	144.0	178.2	93.8
Other obligations	91.0	127.0	353.7	353.7	337.8	356.5
Capital and surplus	115.2	143.4	183.1	183.1	224.4	195.7

**V. Honduras: Consolidated Banking System**

<b>Net international reserves</b>	<b>462.9</b>	<b>640.2</b>	<b>2,051.1</b>	<b>2,577.9</b>	<b>4,213.6</b>	<b>8,664.2</b>
Foreign assets	2,223.3	3,078.6	4,416.4	5,550.9	5,916.3	11,242.9
Net IMF position	-1,266.3	-1,099.9	-1,079.7	-1,357.0	-759.2	-601.7
Short-term foreign liabilities	-494.1	-1,338.5	-1,285.6	-1,616.0	-943.5	-1,977.0

Table 24. Honduras: Detailed Accounts of the Financial System

(In millions of lempiras)

	L 10.34 = US\$1			L 13.0 = US\$1		
	1993	1994	1995	1995	1996	1997
<b>Net domestic assets</b>	<b>12,744.1</b>	<b>16,650.9</b>	<b>18,756.4</b>	<b>19,697.4</b>	<b>23,801.3</b>	<b>26,529.3</b>
Credit to public sector	765.4	936.0	259.3	106.9	-485.4	-2,595.9
Central government	1,423.9	1,703.4	1,132.5	1,033.0	455.7	-957.2
Credit	2,947.1	2,806.1	2,521.8	2,521.8	2,096.0	1,907.3
Deposits	-1,523.2	-1,102.7	-1,389.3	-1,488.8	-1,640.3	-2,864.5
Rest of public sector	-658.5	-767.4	-873.2	-926.1	-941.1	-1,638.7
Credit	276.3	245.4	265.4	265.4	302.4	326.1
Deposits	-934.8	-1,012.8	-1,138.6	-1,191.5	-1,243.5	-1,964.8
Government trust fund	-105.8	-131.9	-175.3	-175.3	-201.6	-1.0
Credit to nonbank private						
financial intermediaries	0.0	0.0	0.0	0.0	0.0	0.0
Credit to private sector	6,069.7	7,618.9	9,299.8	9,299.8	12,558.8	18,518.5
Arrears deposits	-20.0	0.0	0.0	0.0	0.0	0.0
Official capital	-1,112.0	-1,423.7	-1,733.9	-1,733.9	-1,849.8	-2,801.1
FHIS	-44.6	-73.1	-28.8	-28.8	-45.4	-20.3
Unclassified assets 1/	7,377.4	9,941.5	11,362.6	12,535.7	14,109.8	13,832.8
Allocation of SDRs	-280.5	-280.1	-310.1	-389.8	-355.6	-340.7
Interbank float	74.5	63.3	82.8	82.8	70.5	-63.0
<b>Medium- and long-term foreign liabilities</b>	<b>3,838.5</b>	<b>4,937.3</b>	<b>5,505.5</b>	<b>6,480.4</b>	<b>6,821.8</b>	<b>5,838.8</b>
Central bank	3,671.5	4,498.4	4,825.4	5,625.6	5,540.2	3,672.7
Rest of banking system	167.0	438.9	680.1	854.8	1,281.6	2,166.1
<b>Liabilities to the private sector</b>	<b>9,368.5</b>	<b>12,353.8</b>	<b>15,302.0</b>	<b>15,794.9</b>	<b>21,193.1</b>	<b>29,354.7</b>
Liquid liabilities	8,018.9	10,549.8	12,899.2	13,392.1	18,136.2	25,273.5
Money	3,263.9	4,497.4	5,189.2	5,189.2	7,057.3	8,935.1
Currency in circulation	1,425.1	1,965.9	2,077.7	2,077.7	2,594.9	3,274.9
Sight deposits	1,838.8	2,531.5	3,111.5	3,111.5	4,462.4	5,660.2
Quasi-money	4,207.8	5,140.9	6,783.1	7,272.2	9,938.5	14,969.2
Domestic currency	3,512.7	3,843.8	4,823.2	4,823.2	5,729.7	9,653.7
Time and savings deposits	3,332.4	3,691.6	4,645.3	4,645.3	5,577.9	9,493.8
Specialized savings	103.0	91.4	102.5	102.5	98.7	111.8
Other deposits in local currency	77.3	60.8	75.4	75.4	53.1	48.1
Deposits in foreign exchange	695.1	1,297.1	1,959.9	2,449.0	4,208.8	5,315.5
Bonds	36.5	39.2	62.6	62.6	70.6	78.2
Other obligations	510.7	872.3	813.7	817.5	872.7	987.2
CAMs	0.0	0.0	50.6	50.6	197.1	303.8
Capital and surplus	1,349.6	1,804.0	2,402.8	2,402.8	3,056.9	4,081.2

Source: Central Bank of Honduras.

1/ Includes valuation adjustment.

2/ Housing Fund.

3/ Open market operations.

Table 25. Honduras: Destination of Banking System Credit to the Private Sector

	1993	1994	1995	1996	Prel. 1997
(In millions of lempiras)					
<b>Total</b>	<b>5,970</b>	<b>7,450</b>	<b>9,022</b>	<b>12,106</b>	<b>14,492</b>
Agriculture and related sectors	1,199	1,480	1,576	1,938	2,208
Agriculture	883	1,093	1,104	1,333	1,484
Coffee	238	282	268	406	505
Cotton	10	9	8	11	11
Basic grains	174	212	203	239	285
Other	462	590	626	677	683
Livestock	251	348	403	484	528
Fishing	65	38	68	122	197
Mining	5	3	3	9	15
Manufacturing	1,149	1,260	1,563	2,382	2,647
Transport and communications	99	121	193	201	294
Construction and real estate	1,076	1,328	1,755	2,114	2,629
Commerce	1,664	2,124	2,786	3,923	4,762
Consumption	380	445	527	702	876
Other	399	689	620	837	1,061
(In percent of GDP)					
<b>Total</b>	<b>26.3</b>	<b>25.8</b>	<b>24.0</b>	<b>25.3</b>	<b>23.6</b>
Agriculture and related sectors	5.3	5.1	4.2	4.1	3.6
Agriculture	3.9	3.8	2.9	2.8	2.4
Coffee	1.0	1.0	0.7	0.8	0.8
Cotton	0.0	0.0	0.0	0.0	0.0
Basic grains	0.8	0.7	0.5	0.5	0.5
Other	2.0	2.0	1.7	1.4	1.1
Livestock	1.1	1.2	1.1	1.0	0.9
Fishing	0.3	0.1	0.2	0.3	0.3
Manufacturing	0.0	0.0	0.0	0.0	0.0
Transport and communications	5.1	4.4	4.2	5.0	4.3
Construction and real estate	0.4	0.4	0.5	0.4	0.5
Commerce	4.7	4.6	4.7	4.4	4.3
Consumption	7.3	7.4	7.4	8.2	7.8
Other	1.7	1.5	1.4	1.5	1.4
(In percent of total)					
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Agriculture and related sectors	20.1	19.9	17.5	16.0	15.2
Agriculture	14.8	14.7	12.2	11.0	10.2
Coffee	4.0	3.8	3.0	3.4	3.5
Cotton	0.2	0.1	0.1	0.1	0.1
Basic grains	2.9	2.8	2.2	2.0	2.0
Other	7.7	7.9	6.9	5.6	4.7
Livestock	4.2	4.7	4.5	4.0	3.6
Fishing	1.1	0.5	0.8	1.0	1.4
Mining	0.1	0.0	0.0	0.1	0.1
Manufacturing	19.2	16.9	17.3	19.7	18.3
Transport and communications	1.7	1.6	2.1	1.7	2.0
Construction and real estate	18.0	17.8	19.5	17.5	18.1
Commerce	27.9	28.5	30.9	32.4	32.9
Consumption	6.4	6.0	5.8	5.8	6.0
Other	6.7	9.2	6.9	6.9	7.3

Source: Central Bank of Honduras.

Table 26. Honduras: Legal Reserve Requirements, End of Period

	1993	1994	1995	1996	1997
<b>Commercial and development banks</b>					
Local currency deposits					
Demand, saving, and time deposits 1/	36.0	40.0	34.0	34.0	12.0
Other deposits 1/2/	36.0	40.0	34.0	34.0	12.0
Housing	10.0	10.0	15.0	15.0	15.0
"Bonos de caja" 3/	20.0	20.0	15.0	15.0	15.0
Foreign currency deposits					
Demand, saving, and time deposits 4/	100.0	100.0	100.0	100.0	12.0
Certificates of deposit 3/5/	100.0	100.0	100.0	100.0	12.0
"Free availability" deposits 4/5/	100.0	100.0	100.0	100.0	12.0
<b>Specialized saving institutions</b>					
Local currency deposits 6/7/	17.0	21.0	21.0	21.0	12.0
Foreign currency deposits 6/7/	100.0	100.0	100.0	100.0	12.0
<b>Investment companies ("financieras")</b>					
Local currency deposits 6/8/	0.0	0.0	0.0	0.0	12.0
<b>Special requirements for agricultural banks</b>					
Local currency deposits 9/	20-30	20-30	20-30	20-30	20-30

Source: Central Bank of Honduras.

1/ In addition, 19 percent as obligatory investment in official securities for 1997.

2/ Savings certificates and certificates of deposit.

3/ Long-term bonds issued to finance specific activities.

4/ In addition, 38 percent in foreign deposits and investments abroad for 1997.

5/ US\$25,000 minimum balance.

6/ Banks are authorized to hold these reserves in deposits abroad or in credits for exports.

7/ In addition, 9 percent as obligatory investment in official securities for 1997.

8/ In addition, 3 percent as obligatory investment in official securities for 1997.

9/ For banks lending mainly to the agricultural sector.

Table 27. Honduras: Distribution of Domestic Bonded Debt

(In millions of lempiras)

	1993	1994	1995	1996	1997
<b>Central government bonds</b>	<b>3,469.0</b>	<b>3,587.4</b>	<b>3,719.6</b>	<b>3,875.6</b>	<b>3,574.1</b>
By holder:	1,921.9	1,434.9	1,250.8	1,138.3	561.3
Central bank	938.5	1,260.2	1,177.6	840.6	575.0
Commercial banks	7.3	6.9	6.9	32.6	38.7
BANADESA	27.9	60.7	85.7	81.4	1.3
Savings and loan associations	0.0	0.0	120.8	142.7	28.9
Nonbank financial institutions	46.2	52.6	178.8	399.4	683.8
IHSS	248.6	481.1	445.9	606.8	458.4
Rest of public sector	17.8	11.7	40.8	37.5	70.6
Insurance companies	249.6	262.3	404.4	596.3	1,156.1
Private sector	11.2	17.0	7.9	0.0	0.0
International organizations					
<b>Local government bonds</b>	<b>590.5</b>	<b>816.5</b>	<b>1,044.8</b>	<b>1,175.7</b>	<b>1,472.9</b>
By holder:	63.3	59.5	63.1	50.6	116.4
Central bank	80.2	85.1	92.3	154.7	148.4
Other credit institutions	29.6	25.0	31.9	22.0	19.2
Rest of public sector	417.4	646.9	857.5	852.1	1,100.1
Central government	0.0	0.0	0.0	96.3	88.8
<b>Other public sector bonds</b>					
By holder:	3,735.2	4,547.8	5,441.7	7,635.0	8,139.5
Central bank	101.0	77.5	86.9	81.5	69.6
Commercial banks	4.1	2.7	3.6	0.0	0.0
BANADESA	8.5	19.0	19.0	19.0	19.0
Central government	3,620.4	4,448.6	5,295.8	7,491.5	8,023.9
Private sector	1.2	0.0	0.0	11.7	0.0
IHSS and INJUPEM	0.0	0.0	36.4	31.3	27.0
By debtor:	3,735.2	4,547.8	5,441.7	7,635.0	8,139.5
ENEE	2,269.2	2,776.3	3,506.3	5,636.2	6,501.2
SANAA	4.2	3.0	3.7	0.0	0.0
ENP	302.7	391.2	419.6	454.1	228.6
HONDUTEL	800.8	935.0	999.4	1,015.6	964.1
Others	358.3	442.3	512.7	529.1	445.6

Source: Central Bank of Honduras.

Table 28. Honduras: Weighted Interest Rates of the Banking System

(In percent, end of period)

	1993	1994	1995	1996	1997
<b>I. Nominal Rates</b>					
<b>Lending rates</b>					
Loans	23.4	26.1	28.4	29.8	32.1
Overdraft	29.7	35.3	35.6	38.1	39.6
Weighted average	23.4	30.9	37.8		
<b>Deposit rates</b>					
Saving deposits	9.3	9.7	10.1	10.0	12.6
Term deposits	11.4	11.1	12.6	17.4	19.3
Certificates	14.1	15.9	17.1	19.5	21.7
Annual inflation (CPI)	13.0	28.9	23.8	20.2	14.8
<b>II. Real Rates 1/</b>					
<b>Lending rate</b>					
Loans	9.2	-2.2	3.7	8.0	15.1
Overdraft	14.8	5.0	9.5	14.9	21.6
Weighted average	13.8	4.1	14.1		
<b>Deposit rates</b>					
Saving deposits	-3.3	-14.9	-11.1	-8.5	-1.9
Term deposits	-1.4	-13.8	-9.0	-2.3	3.9
Certificates	1.0	-10.1	-5.4	-0.6	6.0

Source: Central Bank of Honduras.

1/ Nominal rates deflated by the estimated inflation.

Table 29. Honduras: Balance of Payments, 1993-97

(In millions of U.S. dollars; unless otherwise indicated)

	1993	1994	1995	1996	Prel. 1997
<b>Current account</b>	<b>-284</b>	<b>-349</b>	<b>-177</b>	<b>-190</b>	<b>-101</b>
Trade balance	-397	-382	-273	-336	-429
Exports of goods (f.o.b.)	878	1,017	1,298	1,423	1,536
Coffee	125	200	350	279	327
Bananas and other fruit	266	199	261	334	271
Other exports	486	618	687	810	938
Imports of goods (f.o.b.)	-1,275	-1,399	-1,571	-1,759	-1,964
Services	-105	-178	-168	-130	16
Of which					
Interest on external debt	-188	-212	-228	-218	-195
Value added from maquila industries	114	125	163	204	308
Current transfers	218	211	264	277	312
<b>Capital accounts</b>	<b>205</b>	<b>252</b>	<b>216</b>	<b>228</b>	<b>263</b>
Foreign direct investment	56	42	69	90	114
Portfolio investment 1/	0	0	0	0	54
Medium- and long-term loans	294	112	74	-5	39
Disbursements	497	340	373	366	371
Amortizations	-203	-228	-299	-371	-332
Short-term loans	-145	99	72	142	56
<b>Errors and Omissions</b>	<b>-125</b>	<b>94</b>	<b>-43</b>	<b>-121</b>	<b>62</b>
<b>Overall balance</b>	<b>-204</b>	<b>-3</b>	<b>-4</b>	<b>-83</b>	<b>224</b>
Change in reserves (increase -)	117	-23	-90	13	-308
Exceptional financing 2/	87	26	94	71	84
<b>Memorandum items:</b>					
Current account (in percent of GDP)	-8.1	-10.2	-4.5	-4.7	-2.2
Overall balance (in percent of GDP)	-5.8	-0.1	-0.1	-2.0	4.8
Gross reserves	182	205	296	283	591
Reserves in months of imports 3/	1.5	1.5	2.0	1.7	3.2
Export growth	-5.9	15.9	27.6	9.6	7.9
Import growth	1.0	9.7	12.3	11.9	11.7
Outstanding debt 4/	3,629	3,752	3,952	3,767	3,643
External debt arrears 5/	205	145	127	179	120
Debt to GDP ratio	104	109	100	92	78
Debt service to exports ratio 6/	34.8	35.9	33.3	33.5	26.2
GDP	3,506	3,428	3,961	4,080	4,699
Exchange Rate (period average)	6.5	8.4	9.5	11.7	13.0

Sources: Central Bank of Honduras; and Fund staff estimates.

1/ Data on portfolio investment is not available before 1996.

2/ Imports of goods and non factor services.

2/ Includes arrears to the Paris Club.

4/ Medium and long-term public and publically guaranteed external debt.

5/ Principal and interest arrears, includes arrears to the Paris Club.

6/ Exports of goods and non factor services.

Table 30. Honduras: Exports by Product, 1993-97

	1993	1994	1995	1996	Prel. 1997
(Value in millions of dollars, unit value in dollars)					
<b>Traditional exports</b>	<b>590.8</b>	<b>618.8</b>	<b>800.8</b>	<b>817.5</b>	<b>828.0</b>
Coffee	124.6	200.1	349.3	278.9	326.3
Volume ('000 of quintals)	2,225.0	2,241.0	2,343.0	2,687.0	2,246.0
Unit Value (per 100 lb.)	56.0	89.3	149.1	103.8	145.3
Bananas	225.6	155.1	214.2	279.8	205.3
Volume (millions of 40 lb. boxes)	36.3	26.8	31.7	38.7	31.6
Unit Value (per box)	6.2	5.8	6.8	7.2	6.5
Wood	21.9	21.3	19.0	21.7	9.7
Volume ('000 cubic meters)	85.9	76.2	67.6	71.1	30.4
Unit Value (per cubic meter)	255.0	279.6	281.0	305.2	319.1
Beef	39.6	39.0	13.0	11.0	11.0
Volume (millions of kilograms)	16.9	16.2	6.0	5.8	5.5
Unit Value (per kilogram)	2.3	2.4	2.2	1.8	2.0
Lead	1.8	1.7	1.8	2.7	4.6
Volume (millions of lbs.)	7.8	6.3	5.8	7.4	13.6
Unit Value (per lb.)	0.2	0.3	0.3	0.4	0.3
Zinc	23.0	21.1	27.1	25.7	53.8
Volume (millions of lbs.)	58.5	51.4	63.2	61.5	96.6
Unit Value (per lb.)	0.4	0.4	0.4	0.4	0.6
Silver	3.5	4.4	5.5	4.7	6.5
Volume (millions troy ounces)	0.9	0.9	1.1	0.9	1.4
Unit Value (per ounce)	4.1	5.1	4.9	5.0	4.5
Shrimps	112.4	133.6	124.5	143.2	164.1
Volume (millions of kilograms)	10.2	10.3	9.2	10.7	11.4
Unit Value (per kilogram)	11.0	13.0	13.5	13.4	14.4
Lobsters	26.8	31.9	34.1	35.0	26.5
Volume (millions of kilograms)	1.2	1.0	1.1	1.1	0.8
Unit Value (per kilogram)	22.6	30.5	32.0	32.4	32.5
Sugar	5.2	4.8	6.8	9.5	12.1
Volume (millions of kilograms)	11.6	9.6	13.3	19.3	24.9
Unit Value (per kilogram)	0.4	0.5	0.5	0.5	0.5
Tobacco	6.4	5.8	5.5	5.3	8.1
Volume (millions of kilograms)	2.9	2.6	2.4	2.3	2.7
Unit Value (per kilogram)	2.2	2.3	2.3	2.3	3.0
<b>Nontraditional exports</b>	<b>271.0</b>	<b>346.7</b>	<b>419.4</b>	<b>503.3</b>	<b>614.8</b>
<b>Total exports, customs basis</b>	<b>861.8</b>	<b>965.5</b>	<b>1,220.2</b>	<b>1,320.8</b>	<b>1,442.8</b>
<b>Adjustments</b>	<b>49.7</b>	<b>51.1</b>	<b>77.5</b>	<b>101.7</b>	<b>88.6</b>
Unrecorded exports	34.0	46.1	69.1	79.2	83.1
Re-exports	15.7	5.0	5.0	5.0	5.0
Other	0.0	0.0	3.4	17.5	0.5
<b>Total exports, BOP basis</b>	<b>911.5</b>	<b>1,016.6</b>	<b>1,297.7</b>	<b>1,422.5</b>	<b>1,531.4</b>
(In percent)					
<b>Memorandum items:</b>					
Traditional share, customs basis	68.6	64.1	65.6	61.9	57.4
Nontraditional share, customs basis	31.4	35.9	34.4	38.1	42.6

Sources: Central Bank of Honduras; and Fund staff estimates.

Table 31. Honduras: Economic Classification of Imports, 1993-97

	1993	1994	1995	1996	Prel. 1997
(In millions of U.S. dollars)					
<b>Total imports, c.i.f. 1/</b>	<b>1,290.6</b>	<b>1,460.3</b>	<b>1,642.7</b>	<b>1,840.0</b>	<b>2,048.4</b>
<b>Consumer goods</b>	<b>278.1</b>	<b>318.8</b>	<b>356.8</b>	<b>400.2</b>	<b>455.7</b>
Durables	82.7	94.8	106.1	119.0	135.5
Nondurables	195.4	224.0	250.7	281.2	320.2
<b>Raw materials</b>	<b>460.1</b>	<b>527.2</b>	<b>590.1</b>	<b>661.6</b>	<b>753.3</b>
Agriculture	95.8	109.7	122.8	137.5	156.5
Manufacturing	364.3	417.5	467.3	524.1	596.8
<b>Lubricants and fuels</b>	<b>182.7</b>	<b>190.6</b>	<b>221.6</b>	<b>246.2</b>	<b>233.7</b>
<b>Capital goods</b>	<b>344.0</b>	<b>393.6</b>	<b>440.7</b>	<b>494.1</b>	<b>561.6</b>
Agriculture	12.8	14.6	16.4	18.4	21.0
Manufacturing	169.5	194.2	217.4	243.8	277.6
Transport	123.7	141.8	158.7	178.0	202.7
Construction	38.0	43.0	48.2	53.9	60.3
<b>Other</b>	<b>25.7</b>	<b>30.1</b>	<b>33.5</b>	<b>37.9</b>	<b>44.1</b>
(In percent of total imports)					
Consumer goods	21.5	21.8	21.7	21.8	22.2
Raw material	35.7	36.1	35.9	36.0	36.8
Lubricants and fuels	14.2	13.1	13.5	13.4	11.4
Capital goods	26.7	27.0	26.8	26.9	27.4
Other	2.0	2.1	2.0	2.1	2.2

Sources: Central Bank of Honduras; and Fund staff estimates.

1/ Customs basis.

Table 32. Honduras: Foreign Trade Indices, 1993-97 1/

	1993	1994	1995	1996	Prel. 1997
(Index 1987 = 100)					
<b>Exports, f.o.b.</b>					
Value	122.0	132.7	170.3	185.5	194.8
Volume	125.6	124.0	132.2	153.1	151.3
Unit value	97.2	107.0	128.8	121.2	128.7
<b>Imports, c.i.f.</b>					
Value	126.6	146.7	165.1	186.4	198.8
Volume	115.1	130.1	141.5	152.2	158.5
Unit value	117.9	119.4	123.3	128.9	130.2
<b>Terms of trade</b>	<b>82.4</b>	<b>89.6</b>	<b>104.5</b>	<b>94.0</b>	<b>98.9</b>
(Percentage change)					
<b>Exports, f.o.b.</b>					
Value	2.4	8.8	28.3	9.0	5.0
Volume	-0.5	-1.2	6.6	15.8	-1.2
Unit value	3.0	10.1	20.3	-5.9	6.3
<b>Imports, c.i.f.</b>					
Value	17.5	15.9	12.5	12.9	6.6
Volume	16.7	12.1	8.8	7.6	4.1
Unit value	0.8	1.3	3.2	4.6	1.0
<b>Terms of trade</b>	<b>2.1</b>	<b>8.8</b>	<b>16.5</b>	<b>-10.0</b>	<b>5.2</b>

Sources: Central Bank of Honduras; and Fund staff estimates.

1/ All indices are Laspeyres.

Table 33. Honduras: Distribution of Exports, f.o.b. by Destination, 1993-96

(As percent of total)

	1993	1994	1995	1996
<b>Total exports</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>United States</b>	<b>50.2</b>	<b>48.7</b>	<b>48.5</b>	<b>44.7</b>
<b>Other Western Hemisphere</b>	<b>16.4</b>	<b>19.2</b>	<b>19.5</b>	<b>21.6</b>
CACM countries 1/	12.2	14.5	14.8	15.6
Dominican Republic	0.1	0.1	0.1	0.6
Trinidad and Tobago	0.2	0.3	0.3	0.0
Venezuela	0.0	0.0	0.0	0.0
<b>Other</b>	<b>3.9</b>	<b>4.3</b>	<b>4.3</b>	<b>5.4</b>
<b>Europe</b>	<b>27.9</b>	<b>24.6</b>	<b>24.6</b>	<b>24.5</b>
Belgium	6.5	4.3	3.5	4.8
France	1.0	1.2	1.2	1.0
Germany	11.6	6.2	8.6	6.5
Italy	1.0	1.7	1.7	2.2
Netherlands	1.0	1.9	1.9	2.3
Spain	1.9	3.2	3.2	3.3
Other	4.9	6.1	4.5	4.4
<b>Other countries</b>	<b>5.5</b>	<b>7.5</b>	<b>7.4</b>	<b>9.2</b>
Japan	2.2	3.2	3.2	2.8
Other	3.3	4.3	4.2	6.4

Source: Central Bank of Honduras.

1/ Central American Common Market countries include Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.

Table 34. Honduras: Distribution of Imports, c.i.f., by Origin, 1993-96

(In percent of total)

	1993	1994	1995	1996
<b>Total imports 1/</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>North America</b>	<b>46.7</b>	<b>43.8</b>	<b>43.6</b>	<b>47.3</b>
Canada	1.1	0.9	0.7	0.7
United States	45.6	42.9	42.9	46.6
<b>Other Western Hemisphere</b>	<b>35.6</b>	<b>34.5</b>	<b>34.9</b>	<b>36.3</b>
CACM countries 2/	15.4	14.7	17.7	16.3
Brazil	1.9	1.8	1.6	1.1
Colombia	1.3	0.9	1.1	1.0
Mexico	2.8	3.0	4.4	4.9
Trinidad and Tobago	0.3	0.3	0.1	0.2
Venezuela	0.9	0.9	1.3	1.6
Other	13.0	12.9	8.7	11.2
<b>Europe</b>	<b>9.2</b>	<b>12.4</b>	<b>11.3</b>	<b>8.1</b>
Belgium	0.6	1.4	0.9	0.8
France	0.7	0.6	0.3	1.1
Germany	2.3	3.6	2.3	1.7
Italy	1.0	0.7	0.7	0.6
Netherlands	0.9	1.5	3.4	1.0
Spain	0.6	1.8	1.6	1.1
United Kingdom	0.8	0.7	0.4	0.5
Other	2.3	2.1	1.7	1.3
<b>Other countries</b>	<b>8.5</b>	<b>9.3</b>	<b>10.2</b>	<b>8.3</b>
Japan	4.4	4.7	3.6	4.3
Other	4.1	4.6	6.6	4.0

Source: Central Bank of Honduras.

1/ Excludes adjustments for undervaluation and coverage.

2/ Central America Common Market countries include Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua.

Table 35. Honduras: Visible Trade with the  
Central American Common Market, 1993-97

(In millions of U.S. dollars)

	1993	1994	1995	1996	Prel. 1997
<b>Exports, f.o.b. 1/</b>	<b>105.2</b>	<b>139.9</b>	<b>180.8</b>	<b>206.3</b>	<b>213.0</b>
<b>By destination</b>					
Costa Rica	10.5	21.5	23.5	27.2	28.1
El Salvador	32.7	43.5	51.9	59.1	61.0
Guatemala	25.5	34.7	49.2	56.0	57.8
Nicaragua	36.5	40.2	56.2	64.0	66.1
<b>By commodity</b>					
Soap	3.2	2.1	2.4	...	...
Barbed wire	1.0	0.2	0.2	...	...
Natural and vulcanized rubber	0.8	0.3	0.3	...	...
Edible corn starches	0.7	0.4	0.5	...	...
Plywood	0.8	0.4	0.5	...	...
Fruit juices	0.1	0.1	0.1	...	...
Crown corks and metal stoppers	0.7	0.2	0.2	...	...
Other	44.1	43.5	49.3	...	...
<b>Imports, c.i.f. 1/</b>	<b>198.8</b>	<b>214.2</b>	<b>290.2</b>	<b>299.6</b>	<b>334.5</b>
<b>By origin</b>					
Costa Rica	55.3	47.9	57.4	59.3	57.4
El Salvador	50.3	59.0	83.6	89.4	115.1
Guatemala	83.0	93.7	134.4	133.5	149.5
Nicaragua	10.2	13.6	14.8	17.4	12.5
<b>By commodity</b>					
Foodstuff, beverages, and tobacco	25.2	24.7	35.4	...	...
Raw materials	28.9	28.3	40.7	...	...
Chemicals	47.2	46.2	66.4	...	...
Manufactures	53.3	52.2	75.0	...	...
Capital goods	12.6	12.3	17.7	...	...

Source: Central Bank of Honduras.

1/ Excludes adjustments for undervaluation and coverage.

Table 36. Honduras: Medium- and Long-term, Public and Publicly Guaranteed  
External Debt and Debt Service, 1993-97

	1993	1994	1995	1996	Prel. 1997
(In millions of U.S. dollars)					
<b>Total outstanding (end of period)</b>	<b>3,675.2</b>	<b>3,751.7</b>	<b>3,951.7</b>	<b>3,767.2</b>	<b>3,642.5</b>
IMF	119.2	109.2	97.9	57.8	46.1
Multilaterals 1/	2,013.3	2,174.6	2,296.5	2,245.2	2,227.8
Paris Club creditors	1,073.0	1,125.3	1,227.3	1,170.6	1,073.7
Other bilaterals	256.7	173.1	201.9	195.8	225.0
Private creditors	213.0	169.5	128.1	97.8	69.9
<b>Disbursements</b>	<b>509.6</b>	<b>308.3</b>	<b>381.9</b>	<b>301.1</b>	<b>247.7</b>
IMF	9.3	0.0	30.1	0.0	0.0
Multilaterals	267.4	194.1	236.2	278.3	173.5
Paris Club creditors	70.9	83.5	58.6	11.3	27.6
Other bilaterals	8.1	30.7	57.0	11.5	46.6
Private creditors	153.9	0.0	0.0	0.0	0.0
<b>Debt service due before rescheduling</b>	<b>425.7</b>	<b>419.4</b>	<b>468.3</b>	<b>532.2</b>	<b>372.9</b>
IMF	11.1	20.2	47.1	39.7	9.8
Multilaterals	234.4	273.0	282.2	347.7	232.7
Paris Club creditors	93.5	43.8	63.3	76.8	59.7
Other bilaterals	47.7	39.1	22.0	30.4	34.5
Private creditors	39.0	43.3	53.7	37.6	36.2
<b>Debt service due after rescheduling</b>	<b>359.8</b>	<b>384.8</b>	<b>422.7</b>	<b>505.9</b>	<b>376.4</b>
IMF	11.1	20.2	47.1	39.7	9.8
Multilaterals	234.4	266.1	252.2	347.7	225.4
Paris Club creditors	28.1	38.6	53.0	48.5	74.8
Other bilaterals	47.2	19.1	20.5	32.4	31.7
Private creditors	39.0	40.8	49.9	37.6	34.7
<b>Debt service cash payments</b>	<b>343.2</b>	<b>351.2</b>	<b>415.5</b>	<b>481.5</b>	<b>374.0</b>
IMF	11.1	20.2	47.0	39.7	9.8
Multilaterals	229.0	241.1	251.4	340.7	225.4
Paris Club creditors	21.7	34.3	52.6	44.4	74.6
Other bilaterals	43.4	15.6	14.6	20.9	29.5
Private creditors	38.0	40.0	49.9	35.8	34.7
<b>Stock of arrears</b>	<b>149.1</b>	<b>111.3</b>	<b>114.6</b>	<b>166.7</b>	<b>109.1</b>
Multilaterals	8.9	41.2	7.2	7.2	9.8
Paris Club creditors	6.5	6.3	34.3	91.6	52.8
Other bilaterals	98.3	41.5	38.5	33.9	33.4
Private creditors	35.4	22.3	34.6	34.0	13.1
(In percent)					
Debt to GDP ratio	104.8	109.3	99.7	92.2	77.1
Debt service ratios 2/					
Before rescheduling	34.8	33.1	33.2	32.5	19.6
After rescheduling	29.2	30.3	30.0	30.9	19.8
Cash payments	28	27.7	29.5	29.4	19.7

Sources: Central Bank of Honduras; and Fund staff estimates.

1/ Including CABEL.

2/ Debt service in percent of export of goods and services.

Table 37. Honduras: Stock of Arrears, 1994-97

(In millions of U.S. dollars)

	1994	1995	1996	Prel. 1997
<b>Stock of arrears</b>	<b>145</b>	<b>127</b>	<b>179</b>	<b>120</b>
Multilaterals	41	7	7	10
Official bilateral	82	85	138	97
Paris Club creditors	6	34	92	53
Non-Paris Club	75	51	47	44
Commercial	22	35	34	13
<b>Principal</b>	<b>99</b>	<b>77</b>	<b>118</b>	<b>73</b>
Multilaterals	34	5	4	6
Official bilateral	50	51	93	60
Paris Club creditors	0	19	65	34
Non-Paris Club	50	31	29	26
Commercial	15	22	21	7
<b>Interest</b>	<b>46</b>	<b>50</b>	<b>61</b>	<b>47</b>
Multilaterals	7	3	3	4
Official bilateral	32	35	45	37
Paris Club creditors	6	15	27	19
Non-Paris Club	26	20	18	18
Commercial	7	13	13	7

Source: Central Bank of Honduras.

Table 38. Honduras: Nominal and Real Effective Exchange Rates, 1993-97 1/

(Period Averages; 1990 = 100)

Period	Lempiras/ U.S. Dollar	Nominal Effective Exchange Rate Index 1/	Real Effective Exchange Rate Index 1/
1993	6.5	74.1	85.2
1994	8.4	63.1	76.0
1995	9.5	56.1	82.3
1996	11.7	47.1	81.9
1997	13.0	45.0	91.7
<b>1993</b>			
I	5.8	78.5	90.1
II	6.1	76.7	87.9
III	6.9	70.5	81.7
IV	7.1	70.8	80.9
<b>1994</b>			
I	7.4	70.0	80.1
II	8.1	65.0	76.5
III	8.9	59.8	73.2
IV	9.2	57.7	74.2
<b>1995</b>			
I	9.2	58.9	81.2
II	9.2	56.9	82.1
III	9.5	55.5	82.4
IV	10.0	53.3	83.3
<b>1996</b>			
I	10.7	50.9	81.9
II	11.2	48.6	82.2
III	12.2	44.8	80.5
IV	12.6	44.0	83.2
<b>1997</b>			
I	12.8	44.9	88.6
II	13.0	44.6	90.0
III	13.1	45.1	93.3
IV	13.1	45.4	94.9
<b>1997</b>			
January	12.9	43.8	85.7
February	12.7	45.3	89.1
March	12.8	45.6	91.0
April	12.8	45.1	90.3
May	13.1	44.4	89.5
June	13.1	44.3	90.3
July	13.1	44.8	92.1
August	13.1	45.4	93.9
September	13.1	45.1	94.0
October	13.1	50.0	93.6
November	13.1	45.2	94.4
December	13.1	46.0	96.6

Sources: Central Bank of Honduras; and the Information Notice System.

1/ A decline in the index reflects depreciation.