

8-29-1990

Honduras: Negative Foreign Reserves

Deborah Tyroler

Follow this and additional works at: <https://digitalrepository.unm.edu/noticen>

Recommended Citation

Tyroler, Deborah. "Honduras: Negative Foreign Reserves." (1990). <https://digitalrepository.unm.edu/noticen/4314>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in NotiCen by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.

Honduras: Negative Foreign Reserves

by Deborah Tyroler

Category/Department: General

Published: Wednesday, August 29, 1990

On Aug. 23, Central Bank vice president Manuel Fontecha confirmed that Honduran foreign reserves are negative. Although Fontecha would not specify the amount, the local media reported an estimated -\$150 million. Honduran exporters who have allegedly deposited \$180 million in foreign banks were blamed for the current state of affairs. According to Fontecha, the situation can be remedied as soon as the national congress approves legislation submitted two months ago. If approved, domestic companies and foreign transnationals would be required to keep foreign currency earnings from exports in Honduras. The legislation includes rigorous sanctions from tax penalties to a minimum two-year prison term for individuals found guilty of removing foreign currency earned in Honduran-based activities to the exterior. Fontecha said that the scarcity of foreign reserves is contributing to illegal currency exchange. Importers, including Honduran businesses dependent on raw materials imports, are forced to purchase dollars on the black market at a rate of five lempiras per dollar. The official exchange rate is 4.4 (purchase) and 4.3 (sale) per dollar. Export revenues for the year are projected at \$800 million. (Basic data from AFP, 08/23/90)

-- End --