1-31-1992

Honduras: Debt Restructuring & Debt-equity Swap Agreement With Britain's Commonwealth Development Corporation

Deborah Tyroler

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

Recommended Citation


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: Debt Restructuring & Debt-equity Swap Agreement With Britain's Commonwealth Development Corporation

by Deborah Tyroler
Category/Department: General
Published: Friday, January 31, 1992

On Jan. 23 in London, the British government's Commonwealth Development Corporation (CDC) announced that a debt restructuring agreement with the Honduran government had been finalized. (See Update 09/18/91 for previous coverage of CDC relations with Tegucigalpa.) Under the agreement signed Jan. 22, the Honduran government is committed to a US$727,000 payment to CDC to settle interest arrears accumulated since 1987. The arrears pertain to a US$16.5 million loan earmarked for a water treatment and distribution system in San Pedro Sula. Next, Tegucigalpa has agreed to settle nearly US$6.5 million in interest arrears accumulated on other public sector loans by late 1992. Arrears are to be paid in cash, and in the form of debt-equity swaps. Loan principal of US $20.5 million was restructured over the 1992-1999 period. Principal payments are to be made in local currency, and re-invested in the Honduran economy by domestic companies. Business ventures resulting from the former arrangement will be considered CDC investments. The CDC has specified that debt-equity swap investments are to be concentrated in developing tourism, agricultural and manufacturing exports (particularly textiles and palm oil), water treatment and distribution, and electricity generation plants. (Basic data from Spanish news service EFE, 01/23/92)

-- End --