

## CANADA - HONDURAS TRADE

Canada's two-way trade with Honduras has been greatly affected by the recent contraction of the Honduran economy.

Although modest in volume, Honduras has held the advantage in the trade balance between our countries since the mid-1980's. Honduran imports totalled \$21.9 million in 1992, up from 1991, while Canada's exports to Honduras also increased to a total of \$12.6 million in 1992.

The Honduran economy is agriculturally based and, consequently, its exports to Canada are comprised primarily of bananas, melons, coffee and wood. Shrimp, lobster and clothing are other important export commodities.

Canadian exports include newsprint, wheat, milk powder, electricity meters, chemicals and pharmaceutical products.

Honduras' wealth of natural resources, including Central America's largest forest reserves, hydroelectric potential and minerals, represent opportunities for Canadian suppliers of forest machinery, mining equipment, agro-chemicals and fertilizers.

The record of the Canada-Honduras bilateral trade relationship is one of modest expansion. The development of the Honduran economy, particularly the realization of its resource potential, will result in expanded trade opportunities in the future. The Honduran market offers several opportunities to Canadian exporters. Health, education, water and power sectors offer the best possibilities for export sales of goods and services. In fact, projects for preinvestment studies in health, medical and educational sectors allow a good scope of opportunities for Canadian consultants. In terms of possible Canadian investments to service third party export markets, some interesting possibilities are offered in food producing, basic electronics and auto parts assembling.

However, the difficulties in conducting business in Honduras should not be discarded. For Canadian exporter to operate successfully requires personal business visits and research, selection of appropriate and well-connected agent and, in case of investment, influential legal adviser.