

Lessons from The Honduran Migrant Diaspora

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IDB Conference Center
Washington, D.C.
June 30th, 2005



Remittances are Critical to the Honduran Economy ...

- 25% of GDP (Est. 2004)
- More than USD 1 billion annually (formal and informal) → mostly from the US
- Primarily geared towards consumption
 1. Living Expenses
 2. Gifts for special occasion
 3. Medical expenses
 4. New home constructions

Comparative Data

<i>(millions of USD)</i>	2000	2001	2002	2003	2004
Remittances	354	478	704	803	1,135
<i>y-o-y growth (%)</i>		<i>35.0%</i>	<i>47.0%</i>	<i>14.0%</i>	<i>41.0%</i>
Exports (FOB)	1,380	1,324	1,312	1,332	1,526
Service exports (Maquilas)	575	560	612	704	830
Total Exports	1,955	1,884	1,924	2,036	2,356

... But There Are Issues

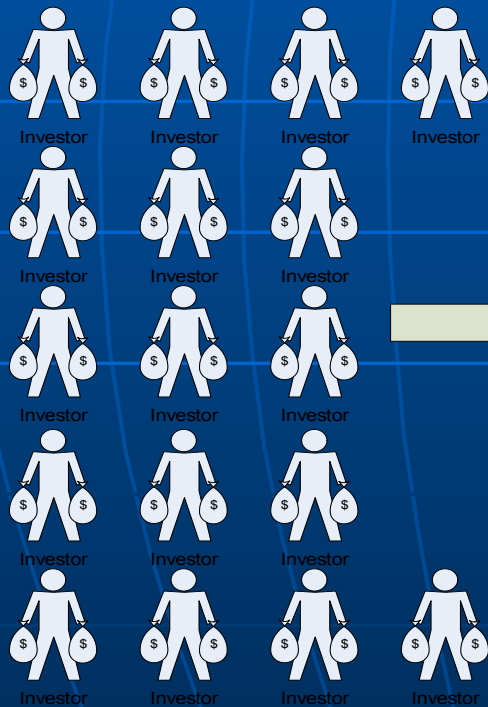
- Large percentage goes right back to “donor countries” due to purchase of imported products
- Remittances/Investments are sometimes counter-productive or mismanaged
 - “Assisted” mentality
 - Waste/theft by family members or recipients

Overseas Hondurans Invest Through Small Businesses ...

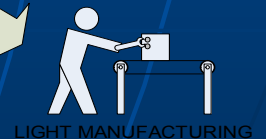
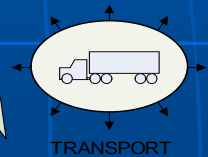
- Nostalgic products and services provides opportunities, especially in food exports
- Businesses are small and face same challenges as their US counterparts
 - Lack of financing
 - Deficient management skills
 - Competition and lack of growth opportunities
 - Bureaucracy / corruption

Initiatives from the Diaspora: Numerous but Small

Diaspora Investors



Honduras Companies



... But Investments Are Not Common

- Priority is supporting family or community through remittances
- “Trust” factor → past scams
- Securities laws in the US → major issue !!!
- No securities markets – liquidity issues
- **New Horizon Investment Club → new approach to the issue**

New Horizon Investment Club Overview

- Structure
 - New Horizon Investment Club
 - New Horizon Real Estate Partners, LLC
 - Garífuna World, Inc. –
- Capital Structure
 - 100% owned by Honduran Americans
 - There are 100 partners
- Focus on larger investments:
 - Real Estate
 - Tourism



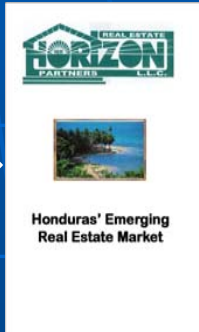
What Is New Horizon Investment Club?

- A collective investment vehicle to increase efficiency of capital raising process

Why New Horizon Investment Club?

- Offers the opportunity to invest efficiently in the USA or Honduras
- Facilitates the capital raising process:
 - Either raise funds for clients on a case-by-case basis
 - Pool investors' assets into a legal vehicle ready to invest

Channeling Diaspora Investments Differently



Our Vision

- *Shape Hondurans Future with Financial Asset Accumulation*

i\$í Podemos!

i\$í Podemos!

Podemos!