TRANSNATIONAL ALLIANCE TO COMBAT ILLICIT TRADE
TRACIT.ORG

COUNTRY PROFILE

HONDURAS

In recent years Honduras has become a primary transit and consumption hub for illicit goods across a variety of sectors. This growth in illicit commerce combined with flourishing money laundering schemes in the country costs the Honduras government billions each year. Rampant illicit activity makes up a significant shadow economy, estimated to approximately 40% of Honduras' overall GDP.

AT A GLANCE

129th
GLOBAL RANK

6th
REGIONAL RANK

39.3
SCORE OUT OF 100

STRONGEST AREA
Taxation and Economic Environment

WEAKEST AREA
Supply Chain Intermediaries

OVERVIEW

Honduras' high-risk assessment can be attributed to its low scores across the six categories reviewed by the TRACIT Illicit Trade Index, which evaluates the country's vulnerability to illicit trade. Honduras' total score of 39.3 places it among the lowest performers globally and and over ten points below the global average score on the Illicit Trade Index. This poor performance reflects the impacts of systemic vulnerabilities across Honduras' government.

KEY VULNERABILITIES

- **Large informal economy and widespread poverty**
- **High-profile corruption and organized crime**
- **Weak judiciary processes and poor enforcement**

KEY SECTORS AFFECTED

- Illicit Tobacco
- Illicit Alcohol
- Counterfeit Goods

MAJOR DRIVER

High Informality

A large informal economy enables illicit goods to circulate through unregulated markets and reduces tax collection and enforcement outcomes.

Consequences of Informality

- Weak economy
- Lowered Tax Revenue
- Labor exploitation

POLICY RECOMMENDATIONS

- Expand technology-enabled, risk-based border management across critical transit points.
- Mandate comprehensive digital record-keeping and real-time track-and-trace for all high-risk goods across the supply chain.
- Disrupt criminal enablers by embedding anti-corruption and institutional reforms across enforcement bodies and the judiciary.
- Launch a national economic formalization strategy aligned with international standards.