

# Lessons from The Honduran Migrant Diaspora

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# Remittances are Critical to the Honduran Economy ...

- n 25% of GDP (Est. 2004)
- n More than USD 1 billion annually (formal and informal) è mostly from the US
- n 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> (%)		35.0%	47.0%	14.0%	41.0%
Exports (FOB)	1,380	1,324	1,312	1,332	1,526
Service exports (Maquilas)	575	560	612	704	830
<u>Total Exports</u>	<u>1,955</u>	<u>1,884</u>	<u>1,924</u>	<u>2,036</u>	<u>2,356</u>

# ... But There Are Issues

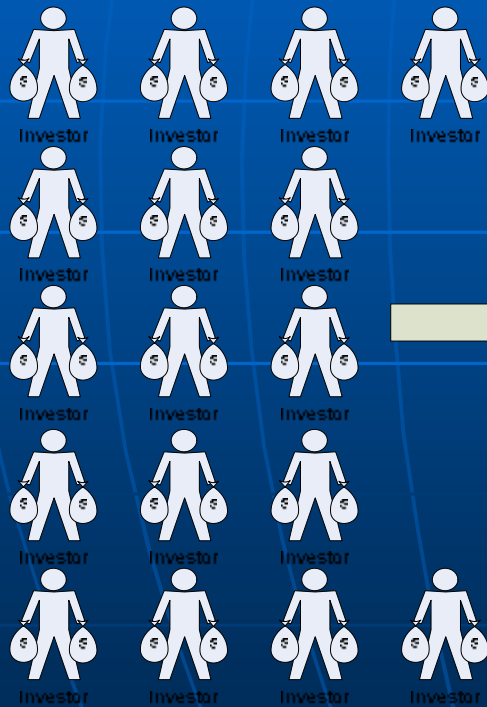
- n Large percentage goes right back to “donor countries” due to purchase of imported products
- n Remittances/Investments are sometimes counter-productive or mismanaged
  - “Assisted” mentality
  - Waste/theft by family members or recipients

# Overseas Hondurans Invest Through Small Businesses ...

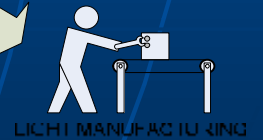
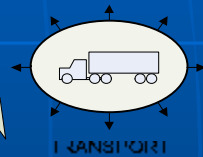
- n Nostalgic products and services provides opportunities, especially in food exports
  
- n Businesses are small and face same challenges as their US counterparts
  - Lack of financing
  - Deficient management skills
  - Competition and lack of growth opportunities
  - Bureaucracy / corruption

# Initiatives from the Diaspora: Numerous but Small

## Diaspora Investors



## Honduras Companies



# ... But Investments Are Not Common

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

# New Horizon Investment Club Overview

## n Structure

- New Horizon Investment Club
- New Horizon Real Estate Partners, LLC
- Garífuna World, Inc. –

## n Capital Structure

- 100% owned by Honduran Americans
- There are 100 partners

## n Focus on larger investments:

- Real Estate
- Tourism



# What Is New Horizon Investment Club?

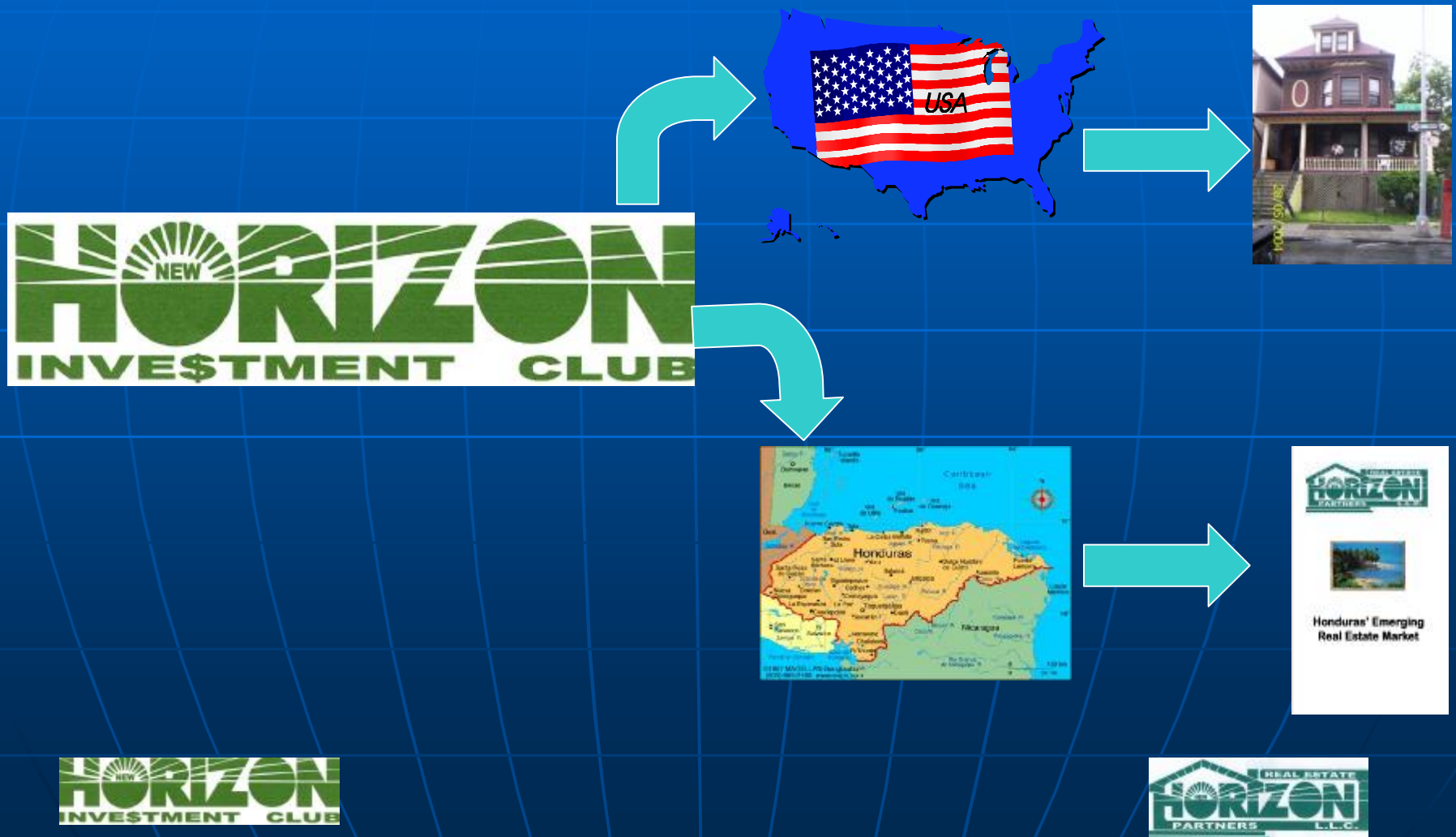
- n A collective investment vehicle to increase efficiency of capital raising process

# Why New Horizon Investment Club?

- n Offers the opportunity to invest efficiently in the USA or Honduras
- n 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

*n Shape Hondurans Future with  
Financial Asset Accumulation*

# NUESTRA META

- n Ser Líderes de la próxima fase de los Derechos Civiles.

**“Derechos Plateados” ó  
Autodeterminación  
Económica**

De Frente al Futuro

\$1,000,000

Garifunas

¡Un Millón de

Dólares Garifunas!



**¡\$! Podemos!**

**¡\$! Podemos!**

**Podemos\$!**