

Honduras' China Hangover

Honduras is not alone in finding China's promises fell short of reality. Now calls to reestablish relations with Taiwan have become a central campaign issue.

By **R. Evan Ellis**

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On November 30, [Hondurans will vote](#) to elect a new president, [128 National Assembly members](#), and [approximately 300 mayors](#). [Polls indicate](#) that the race for the presidency – between Rixi Moncada of the governing Libre party, Nasry Asfura of the National Party, and Salvador Nasrallah of the Liberal Party – is [too close to predict](#).

The election is strategically important in determining the path of a country whose current government has established relations with the People's Republic of China – and facilitated a rapid advance in Beijing's influence. Both opposition candidates, [Asfura](#) and [Nasrallah](#), have said that they might [switch Honduras' diplomatic recognition](#) from China back to Taiwan, which the current Libre government abandoned [in March 2023](#).

Such a change would be the biggest diplomatic reversal for Beijing since [November 1990](#), when the Nicaraguan government of Violetta Chamorro restored its own relations with Taiwan. It would also be an extraordinary strategic opportunity for the United States in the competition with China in its own near abroad.

Since March 2023, when the current Libre government established relations with China, China's advance in Honduras has been

particularly rapid and has gone far beyond the business sector. Honduran President Xiomara Castro traveled to China in June 2023, [signing 22 agreements](#) that facilitated the expanding engagement on multiple fronts.

Even before Castro's trip to Beijing, China's government began bringing numerous Honduran journalists to the country – [29 in April 2023 alone](#) – on trips designed to shape their coverage of China.

China has also stepped up outreach to Honduran students. Beijing established a Confucius Institute in Honduras at the [Francisco Morazán National Teaching University](#), which opened in May 2025. As seen across the region, Beijing began offering scholarships for study in China, with [27 awarded](#) to Hondurans for the 2025-2026 academic year.

Since recognition, Beijing has brought [National Assembly members](#), as well as [mayors and other local officials](#), to China. The number of Hondurans traveling to China, according to official records, swelled from a mere 13 prior to recognition, to [772 by September 2025](#).

Beijing has also built relationships with Honduras at the subnational level, including a friendship agreement signed in August 2025

between China's [Hunan Province and the Honduran Department of Cortés](#).

As elsewhere in Latin America, China has complemented its people-to-people engagement with economic and social assistance, promising [\\$100 million](#) for health and education projects in 2025 alone.

In [July 2023](#), Honduras began negotiating a free trade agreement (FTA) with China, which would open up the country to Chinese companies and products. For Honduras, the hope was that such a deal would also facilitate Honduran exports to China.

Even before recognition, Chinese companies had done [five projects in the country worth over \\$500 million](#), including the Patuca III hydroelectric facility. Since recognition, China-based companies have won [significant telecommunication sector contracts with Hondutel](#), while Power China secured major contracts from the National Electrical Energy Company (ENEE) for [new power generation](#).

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Chinese firms are currently favored to win the contract for the [Patuca II](#) hydroelectric dam, worth \$525 million, and the [El Tablon dam](#), worth an estimated \$390 million. Chinese companies are also positioned to build a new [convention center](#) and urban park in Tegucigalpa.

The expansion of Chinese projects in Honduras has brought a surge in Chinese businesspeople and workers. By 2025, according to Honduran immigration data, China had jumped [from ninth place to second place](#) among nationalities to whom the government was granting long-term or residential visas.

Even while China has rapidly penetrated the Honduran economy and expanded its political and other engagement in the country, the benefits to Honduras have been less, and the harms greater, than expected. This is the cause of the discontent that has made the China-Honduras relationship an important question in the upcoming presidential election.

In the shrimp industry, a key Honduran export sector, the switch from Taiwan to China

caused the loss of exports to the Taiwanese market, while exports of shrimp to China were much less expected and at lower prices. Since recognizing China, overall Honduran shrimp exports [have fallen by 67 percent](#), causing the closure of [60 Honduran companies and the loss of 14,000 jobs](#).

Overall, Honduran imports from China have swelled, while exports have remained minimal. In 2024, for example, Honduras imported [\\$8.8 billion](#) from China, while exporting a paltry [\\$108 million](#) there, about a third of which was coffee.

Complementing the explosion of imports from China, Chinese retail outlets in the country have multiplied rapidly. Eighteen [new Chinese stores](#) have established themselves in Tegucigalpa since recognition. In San Pedro Sula, [10 Chinese stores](#) have been established in the last seven months alone. The new competition has hurt traditional local retailers, some of whom report [sales down as much as 70 percent](#). Compounding Honduran discontent, [counterfeit Chinese goods](#) have become a growing problem.

There have also been frictions with China-based companies that are doing infrastructure work in the country. The Chinese company building Honduras' new Hospital del Sur, for

example, has been criticized for using an [excessive number of Chinese](#) workers at the expense of locals. Honduran law requires that 90 percent of such labor be local.

Finally, some of the donated projects promised by China have been [slow to materialize](#). These include the \$97 million in housing for Honduran hurricane victims, as well as the \$285 million to rebuild Honduran schools.

The expansion of China's presence in Honduras, the problems associated with it, and the disconnect between post-recognition reality and expectations are all consistent with the experience of other countries that have changed relations from Taiwan to China in recent years. What is unique about the Honduran case is the coincidence with elections and candidates interested in highlighting that discontent, creating the conditions for a change in political direction with a new government that restores relations with Taiwan.

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Despite declarations by Honduran politicians, whoever wins will likely be subject to considerable pressure from China not to switch. That is why it is particularly important that both candidates who have pledged to return to Taiwan are also seeking greater commerce with, investment from, and [improved relations with the U.S.](#)

In this context, it is thus in the strategic interest of the United States to be clear with the next Honduran government that living up to their campaign commitments to return to a relationship with Taiwan is a necessary and fundamental part of the improved relationship they seek with the U.S.

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