



REFORM OF ARTICLE 99 OF THE LAND TRANSPORT LAW AND THE IMPORTANCE FOR THE COUNTRY

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The development and performance of the transport sector is relevant to the competitiveness of Honduras due to its interrelation with agriculture and manufacturing; the latter represents 5.2% of GDP, while industrial production linked to the agricultural sector stands out for its relevance in the country's foreign trade, representing 60% of the value of total exports in 2018. [1]

Organizationally, the freight transport sector is composed of 55% of private companies grouped in 1,357 concessionaires; while the remaining 45% are the so-called Unitary Cargo Transport or small entrepreneurs who have from 1 to 10 cargo units, and who in recent years (2016-2019) added a total of 28,171 carriers. Additionally, there is the Chamber of Cargo Transport of Honduras (CATRACHO), whose members are mainly international cargo transport companies. [2]

It is because of the importance it symbolizes and the representativeness of this item for the country, that for productive success a legal framework and regulations are required, which allow everyone to compete on equal terms and result in logistics performance.

A few weeks ago, the reform of Article 99 of the Honduran Land Transport Law was published, which, although it was approved in the National Congress in August 2022, it was not until the first of September 2022 that it entered into force with its publication in Gazette No. 36,017. [2] This regulation strengthens and guarantees the payment of the tariff for cargo

transport users as established in the Transport Law, contained in Legislative Decree No. 155-2015 dated December 17, 2015, which derives from Executive Agreements No. 01417 and 0466 dated December 13, 2011 and July 2, 2013 respectively [3], with this reform the established amounts are not modified, as has been misunderstood, it is a reinforcement so that customers comply with the fair payment according to what has been established for which fines of at least 4 minimum wages are added to those who fail to comply with the established prices.

These amendments to the Transport Law aim to end unfair competition through a legal tool, which also leads to development as it contributes to overcoming the inconveniences that are generated with the paralysis of both products and raw materials, among others, as well as road closures that alter the free movement of people.

This is a first step for the modernization of this important area, although there is still a large gap to be covered with projects focused on fleet upgrades, implementation of technological tools and even for technical training, in order to promote the efficiency of this sector with the generation of legal instruments to support this transformation.

[1] <https://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=EZSHARE-451485631-157>

[2] <https://tiempo.hn/cn-reforma-ley-pago-justo-al-transporte-de-carga/>

[3] <https://www.tsc.gob.hn/web/leyes/Acuerdo-IHTT-002-2019.pdf>

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