

Huatulco's Next Wave: Adapting to Mexico's Changing Tourism Priorities

By Randy Jackson

Each year, when we arrive at La Bocana for the first time, boogie boards tucked under one arm, we stop to see how the forces of nature have reshaped the beach since our last visit six months earlier. The sand is never the same; sometimes subtly shifted, sometimes dramatically reformed. But we always adapt. We watch the waves, find the rhythm, and surf. Huatulco, too, is shaped by forces of change, not only hurricanes and earthquakes but shifts in national policy and priorities. These changes may not be as visible as a redrawn shoreline, but they carry consequences just the same.



FONATUR's Rise and Retreat

Mexico continues to invest heavily in economic development, but large-scale, master-planned tourist resorts are no longer the centrepiece. When FONATUR was created in the 1970s, its mission was to plan, finance, and build integrated tourism destinations in remote coastal areas. The federal government would install airports, roads, water systems, and other infrastructure, setting the stage for private investors to bring hotels, restaurants, and jobs. The result was supposed to be a trickle-down boost for nearby communities.

A New Presidency, Old Currents

This year, Mexico marks the first anniversary of President Claudia Sheinbaum's term. She has been celebrated for breaking gender barriers and bringing a more academic tone to politics. But for resorts like Huatulco, the most significant shifts began earlier. The rethinking of tourism as an economic driver, along with the changes implemented by agencies like FONATUR, took root under the administration of former President Andrés Manuel López Obrador. So far, Sheinbaum appears poised to follow those policies.

The Fourth Transformation

To understand how Huatulco fits into this national realignment, it's helpful to revisit what AMLO called the Fourth Transformation, his sweeping effort to redefine Mexico's relationship with markets, foreign investment, and development itself. Drawing on three foundational periods in Mexican history—independence from Spain, the 19th-century Reform movement, and the Mexican Revolution—AMLO positioned his administration as the next great change. AMLO's Fourth Transformation (4T) marked a departure from decades of neoliberal policies, aiming to reclaim national sovereignty and redistribute power away from economic elites, allowing the state to play a more active role in development.

Whether the 4T will live up to its historical billing remains to be seen. Still, President Sheinbaum has made her stance clear: "We are going to deepen the transformation, not reverse it." For Huatulco, like other destinations born under FONATUR's original vision, the Bob Dylan refrain still applies: The times, they are a-changin'.

The Eye 6

In the 1980s, FONATUR transformed a string of untouched bays along Oaxaca's coast into the resort of Huatulco. For some time, the concept seemed viable. But like the beachgoers adjusting to new surf, FONATUR found itself navigating shifting economic currents. The global tourism market for beach resorts became crowded, and other destinations, such as Caribbean all-inclusive resorts, and even competing FONATUR projects like Cancún and Los Cabos, offered cheaper and easier alternatives to Huatulco.

From Resorts to Railways

Still, the lesson took some time to sink in. FONATUR continued launching new mega-projects, such as Loreto in Baja California. In 2007, Loreto briefly topped destination real estate sales charts. However, the 2008 global financial crisis and subsequent U.S. recession halted the momentum. Investors paused. Projects stalled. And gradually, Mexico's tourism strategy began to shift.

Under President Peña Nieto (2012–2018), a sector-wide review led to a curtailment of FONATUR's expansion. Funding to destinations like Huatulco focused more on infrastructure maintenance than growth. Then came AMLO, who dramatically reoriented the agency. FONATUR's traditional role in resort development and maintenance was significantly reduced. Resources were redirected to the Maya Train, a controversial infrastructure project billed as a tourism initiative, although it is perhaps better understood as a regional economic development initiative. President Sheinbaum has embraced and extended this strategy, most recently announcing the Maya Train's expansion into Guatemala.

For Huatulco, this confirms what many already sensed: the national spotlight has moved elsewhere. The cartoon image below may exaggerate the moment, but the message is real: while some of us wave tourists into the surf, a much larger wave of policy, budget, and priorities is cresting behind us.

Still, FONATUR isn't gone. It remains a significant landholder in Huatulco, controlling the unsold parcels from its original 1984 expropriation. The question is whether it can be repurposed as a steward, rather than a builder, which is less about launching new resorts and more about maintaining what already exists.



A New Kind of Partnership?

A new pivot might align well with Sheinbaum's emphasis on sustainability. For Huatulco to ride the next wave, a new kind of partnership is needed—one that brings together FONATUR, the state of Oaxaca, and local stakeholders at the same table. A coordinated strategy could target essential needs, such as water and sewage infrastructure. Revenues from FONATUR's Huatulco land sales, combined with FIDELCO's operational expertise and input from local businesses, could support a development plan that is realistic, sustainable, and tailored to the region's needs.

Surfing Ahead

Whatever form it takes, the priority must be to protect what sustains Huatulco's economy while preserving the natural beauty that draws people here in the first place. If successful, it could offer a model for other FONATUR-born resorts navigating similar transitions.

As President Sheinbaum completes her first year in office, balancing domestic pressures and global uncertainties, this type of pragmatic regional initiative could represent a meaningful path forward. The wave of change is real, and while Huatulco may seem like a small fish in Mexico's broader political sea, it is of significant importance to us Huatulcoites. And as the surfers at La Bocana know, timing and effort often make the difference between riding the wave and being pulled under.




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