

The Taxi Industry in Huatulco

By Randy Jackson

One prominent feature on the streets of Huatulco is the abundance of taxis. Many, including both tourists and locals, rely on taxi service. At a casual glance, the diversity of colored cabs suggests numerous taxi companies. But how many companies exist, and how do taxi regulations and economic factors shape the industry in Huatulco? For the taxi curious of Huatulco, I have pulled together some information on the taxi industry here.

Taxis – a Public Service

Taxis throughout the world make up part of government-regulated public transportation networks. The importance of taxis is most critical in places like Mexico, where many people do not own their own vehicles. In Mexico overall, there are 391 private vehicles per 1,000 people (2022 data). By comparison, in the United States there are 908 private vehicles per 1,000 people, and in Canada that number is 790 per 1,000 people. In Huatulco, with poor rural communities alongside a tourism area, taxis are in great demand. According to the 2019 taxi registration list for the state of Oaxaca, there are 629 taxis within the municipality of Santa María Huatulco, the local governing body for the resort area of Huatulco. These taxis service the needs of a population of about 50,000-55,000 people.

The state of Oaxaca oversees taxis throughout the entire state, which includes 570 municipalities. In order to operate, each taxi requires a “concession,” good for five years, which can then be renewed. The concessions are usually owned by a taxi company, although any given taxi can be owned by the company or by the driver. Since 2013, the number of taxi concessions in Santa María Huatulco (629) has remained relatively constant.

Taxis in Huatulco

In Huatulco, the various cab colors signify different taxi companies. The names of these companies are prominently displayed on the front doors of each taxi. There are 19 distinct taxi companies within the municipality of Santa María Huatulco, with 16 servicing the tourist development (Bahías de Huatulco). The largest company, Sitio Santa Cruz, boasts a fleet of 74 taxis. *Sitio* in Spanish means “location” and precedes each taxi company’s name, signifying specific pick-up areas assigned to that company. For example, each of the all-inclusive resorts in Tangolunda has its own sitio or company. There are also sitios for the different bays and residential areas such as Entrega, Arrocito, Chahue and Conejos.

These taxi companies maintain strict control over their territories. While any taxi can drop off or pick up passengers anywhere, only taxis designated for a specific area can park at that location. This territorial protection is observable in popular spots like the shopping center Chedraui or the main square at La Crucecita.

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SERVICIOS ESPECIALES		
ORIGEN	DESTINO	TARIFA
SERVICIO LOCAL		\$35
CENTRO	BAHÍA MAGUEY	\$70
CENTRO	PLAYA LA ENTREGA	\$80
CENTRO	PLAYA ARROCITO	\$55
CENTRO	BAHÍA TANGOLUNDA	\$80
CENTRO	RESIDENCIAL BALCONES	\$70
CENTRO	BAHÍA CONEJOS	\$85
CENTRO	BOCANA DE COPALITA	\$100
CENTRO	PUENTE COPALITA	\$130
CENTRO	SECTOR O	\$45
CENTRO	SECTOR NAVAL	\$45
CENTRO	COL. VICENTE QUERRERO	\$90
CENTRO	AEROPUERTO	\$180
CENTRO	FRACC. EL CRUCERO	\$115
CRUCECITA	SANTA MARÍA HUATULCO	\$160
BAHÍA TANGOLUNDA	AEROPUERTO	\$250
BAHÍA TANGOLUNDA	SANTA MARÍA HUATULCO	\$220
BAHÍA TANGOLUNDA	RESIDENCIAL BALCONES	\$50
BAHÍA TANGOLUNDA	U2-U2 NORTE-H3-UMAR-U2 B-AMPL. J	\$65
BAHÍA MAGUEY	AEROPUERTO	\$250
BAHÍA MAGUEY	PLAYA LA ENTREGA	\$60
BAHÍA MAGUEY	PLAYA ARROCITO	\$90
BAHÍA MAGUEY	BAHÍA CONEJOS	\$100
BAHÍA MAGUEY	SECTOR O	\$80
BAHÍA MAGUEY	BOCANA COPALITA	\$140
BAHÍA MAGUEY	U2-U2 NORTE-H3-UMAR-U2 B-AMPL. J	\$75
BAHÍA CHAHUE	U2-U2 NORTE-H3-UMAR-U2 B-AMPL. J	\$45
BAHÍA SANTA CRUZ	U2-U2 NORTE-H3-UMAR-U2 B-AMPL. J	\$50
PLAYA LA ENTREGA	U2-U2 NORTE-H3-UMAR-U2 B-AMPL. J	\$75
SECTOR U2	SECTOR O	\$45
SECTOR U2	SECTOR H3	\$45
SECTOR H3	U2-U2 NORTE-U2 B-AMPL. J	\$45

NOTA: EL COSTO DE LA TARIFA AUTORIZADA ES POR SERVICIO

Taxi Fares

Taxi fares in Huatulco are regulated by the state of Oaxaca. There are variations in fares in different municipalities of the state as a result of the government applying certain socio-economic factors (affordability). As of January 2024, the taxi fares have not changed since 2019. According to José Alfredo Cruz Acevedo, former president of Sitio Santa Cruz, there are no new fare changes scheduled.

The Economics of Taxis in Huatulco

Taxi companies in Huatulco operate as civil associations, the designation for non-profit organizations. These associations, owned jointly by the concession holders and the drivers, charge drivers a daily fee for dispatch and operational services. The profit in the taxi industry is thus derived from two sources: the concession owners and the drivers.

Monthly Fixed-Cost Items	Approximate cost (in pesos)
Taxi concession	\$4,500
State taxi tax	208
Insurance	250
Dispatch service fee	900
Vehicle maintenance*	800
Car loan payment	6,000
Total monthly fixed costs	\$12,658

* Oil changes, maintenance for tires and brakes

For taxi drivers in Huatulco, the economics vary. The table above shows the approximate monthly fixed costs – i.e., not including gas – for a driver who owns their own vehicle.

The fixed costs amount to \$422 MXN per day. Adding one tank of gas per day at current rates would bring the total daily cost to approximately \$1,322 MXN. This amount, before the taxi driver earns any income, is equivalent to the fare for 38 local trips (at \$35 MXN each). Taxi drivers often work long hours to earn a living wage beyond the costs of running and maintaining a taxi.

The primary source of profit in the taxi industry appears to be the ownership of taxi concessions (the right to operate a taxi) and renting that right to taxi drivers. There is no public market for taxi concessions and they are rarely sold. The rumored price for a concession is in the hundreds of thousands of pesos. However, the value of a concession can be estimated using the approximate monthly amount paid by a taxi driver for a concession, about \$4,500 MXN. Through a calculation resembling reverse engineering, e.g., when you figure out the present value of an annuity, the value of a 20-year taxi concession is roughly \$500,000 MXN (\$29,000 USD).

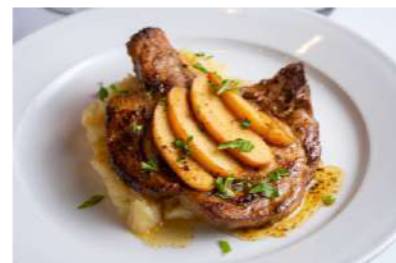
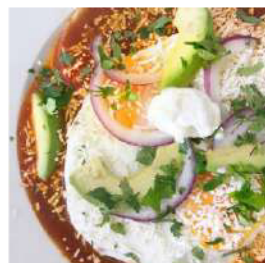
In conclusion, understanding the taxi industry's importance to Huatulco involves recognizing that around 600 to 700 local families depend, at least in part, on this industry to meet their basic needs. Recognizing the challenges faced by taxi drivers in earning a living wage is essential for those of us who regularly use taxi services. A small tip on each taxi ride can be a meaningful contribution to support these hardworking taxistas.

For contact or comment, Email: box95jackson@gmail.com.



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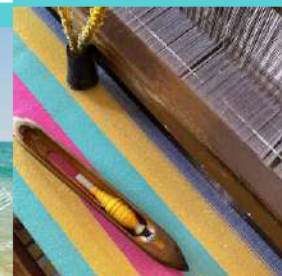
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