

Bahías de Huatulco: Three Important Developments

By Randy Jackson

Back in December 2021, I wrote an article for *The Eye* ([Understanding Huatulco](#)) that outlined some of the future uncertainty of the Bays of Huatulco as a resort area created and funded by the federal agency FONATUR (*Fondo Nacional de Fomento al Turismo*). The last official plan for Huatulco under FONATUR was issued by the federal administration of Felipe Calderón (2006-12). Since then, development has continued, but on a smaller scale than had been anticipated by the Calderón plan. Nonetheless, in recent years there has been a flourishing of residential real estate projects, and a continuous increase in the number of tourists, particularly domestic tourists.

Under the current Federal administration of AMLO (Andrés Manuel López Obrador), funding for and responsibilities of FONATUR were reduced in favor of AMLO's pet project, the Mayan Train in the Yucatán. As his term comes to an end, AMLO has issued new directives that will have significant impacts on Huatulco, its current level of functioning, and its future development:

- (1) The transfer of the ownership, governance, and maintenance of Huatulco from FONATUR to the State of Oaxaca and the municipality of Santa María Huatulco.
- (2) The creation of three new national parks within the boundaries of Huatulco, along with the conversion of the Tangolunda golf course to a Natural Protected Area (*Áreas Naturales Protegidas, ANPs*).
- (3) The opening of the toll road from the City of Oaxaca to the Oaxacan Coast.

FONATUR Set To Leave Bahías de Huatulco

The long-running rumor of the exit of FONATUR from Huatulco seems to have come to pass. In January of this year, the State of Oaxaca issued a press release announcing joint actions by the State of Oaxaca and FONATUR for the purpose of "rehabilitation of the Huatulco Comprehensive Planned Center [CIP, *Centro Integramente Planeado*]." On May 30, 2023, a collaboration agreement was announced by the federal Government of Mexico, the State of Oaxaca, FONATUR, and Tourism Mexico. I paraphrase the salient clauses of this agreement:



- FONATUR will transfer to the State of Oaxaca responsibility for operating the services it has provided to CIP Huatulco through FONATUR infrastructure.
- FONATUR will transfer to the State of Oaxaca responsibility for all matters related to the transfer of FONATUR real estate.
- The collaborating parties will enter into a series of specific agreements to enable the transfer of all assets, properties, licenses, permits, and staff of CIP Huatulco from FONATUR to the State of

Oaxaca. The State government will accept the staff for which it has sufficient funds in its budget.

- FONATUR and the State Government will enter into specific agreements with the Municipality of Santa María Huatulco for the provision of services.
- The working group of the parties to this agreement will provide a critical path of actions required to carry out the transfer agreement. This critical path will be provided within 30 days of May 30, 2023.

Following this agreement, the State of Oaxaca announced a list of 700 real estate properties to be transferred from FONATUR to the state. In an October 26 article on [NVI Noticias](#), an online Oaxacan news service, Saymi Pineda Velasco, Oaxaca's Secretary for Tourism, announced the setting up of nine "work tables" (*mesas de trabajo*) to clarify the status of infrastructure for CIP Huatulco (for wells, sewage, water systems, treatment plants, etc.). This article also mentioned the only timeline I could find on the actual transfer of CIP Huatulco from FONATUR to the Oaxacan state; Pineda Velasco said it was "two months before the deadline for the delivery and receipt of the Huatulco CIP." As the article was published on October 26, 2023, the putative transfer target date is December 31, 2023.

Will It Happen?

So, is this a done deal? Well, maybe, maybe not. The clock is ticking on AMLO's mandate. The next federal election will take place on June 2, 2024, and the new president will take office on December 1, 2024. The number of agreements, legal documents, and possibly legislation required to make the transfer within both the state and federal bureaucracies would be substantial. Also, four of the 19 signatories to the transfer agreement have left their positions, most notably the head of FONATUR, Javier May Rodríguez, who has announced he is running to be the governor of the state of Tabasco. Also, the FONATUR Directors of Development, Commercialization, and Strategic Management and Institutional Liaison have all left their positions since signing the agreement.

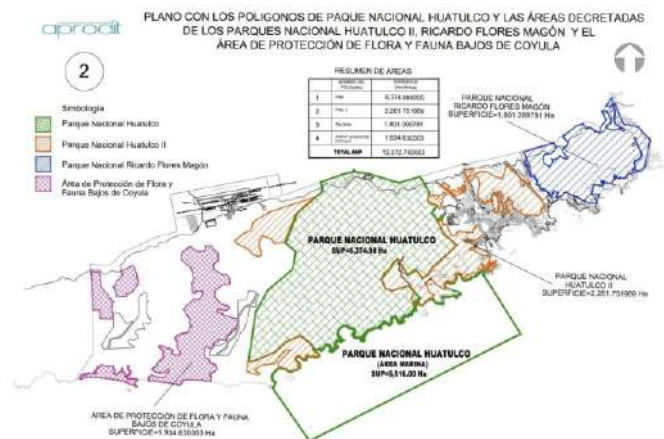
Will time run out, and a new federal administration have a different approach to Huatulco? Who knows? But the motivation of the State of Oaxaca (the governor of Oaxaca, Salomón Jara Cruz, is now in the first year of his six-year term) could be a factor. Huatulco receives 17% of the state's tourists and 45% of the state's tourism revenue, and the potential sale of the 700 real estate properties that FONATUR would transfer to the state is certainly a source of revenue. It's possible, as well, that Huatulco would be better off if it were operated by the State of Oaxaca; it would not be competing for funding with all the other priorities of a Federal government, although the state's funds are more limited. I guess time will tell.

Creation of New National Parks within CIP Huatulco

On August 16, 2023, SEMARNAT, the federal Secretariat of Environment and Natural Resources, announced 13 new national protected areas within six states of Mexico. Three of those new areas are within the boundaries of the CIP Huatulco. These are:

- Ricardo Flores Magón National Park (1,801 hectares, about 4,450 acres)
- Oaxaca: Huatulco II National Park (2,261 hectares, about 5,587 acres)
- Bajos de Coyula National Flora and Fauna Protection Area (1,935 hectares, about 4780 acres)

The addition of these three new parks (5,997 hectares, $\pm 14,820$ acres), when added to the existing National Park of Huatulco (6,375 hectares, $\pm 15,752$ acres), brings the total hectares in CIP Huatulco under natural protection to 12,372 hectares ($\pm 30,572$ acres). The parks are shown on the map below (courtesy of APRODIT – *Asociación de Promotores Inmobiliarios y Turísticos de Bahías de Huatulco*)



The Ricardo Flores Magón National Park will contain the Copalita Archaeological Park, which has been closed in the recent past but is currently open (except for the museum) to visitors.

Protests against the New Parks

The formation of these natural protected areas is not without controversy and protests. A number of business and environmental organizations (Association of Hotels & Motels of Huatulco, real estate and hotel promoter APRODIT, Equipo Verde Huatulco, tourism and hotel promoter PROHOTUR, and the Mexican Association of Travel Agents) have formally protested the new national parks, citing multiple issues.

- Huatulco draws people searching for economic opportunities; a good number of people have set up settlements in forested areas. These irregular settlements, like the settlements inside the existing national park at Cacaluta, are not controlled. More such dedicated protected land would exacerbate this issue.
- The sudden declaration of the new parks does not respect the development plan of CIP Huatulco, adding uncertainty for investors.
- The funding of national parks is woefully inadequate and more national parks dilutes this even further. The environment group NOSSA (*Noroeste Sociedad Civil para la Sustentabilidad Ambiental*), reported that the funds budgeted for national parks and protected areas in Mexico come to \$10.7 pesos per hectare for 2024. For Huatulco, that would amount to \$64,168 pesos (\$3,620 USD) per year to staff, maintain, and operate all the newly announced protected areas of Huatulco.
- The natural area proposed for Bajos de Coyula is widely contested by the residents in and around Coyula, who were not consulted in the process.

A formal objection to these new protected areas has been submitted by the Municipality of Santa María Huatulco to María Luisa Albores González, head of SEMARNAT.

Turning the Golf Course into Parque Nacional Tangolunda

On October 12, 2023, AMLO announced that the golf course in Tangolunda would be converted to a national protected area. Up until August of this year, the concession for the golf course was held by Ricardo Salinas Pliego, a wealthy businessman who is head of TV Azteca. AMLO announced that the golf course would be auctioned off, expecting to raise \$600 million pesos, with priority given to Salinas Pliego.

As there was no agreement with Salinas Pliego nor any other offers, AMLO declared it a National Protected Area, to be amalgamated with the Ricardo Flores Magón National Park. The 229-page [study and justification document](#) for “Parque Nacional Tangolunda” states that it will be converted to conditions before the golf course was established.

Here, too, there have been protests to the golf course conversion. These protests were acknowledged by Pineda Velasco, Oaxaca's Secretary of Tourism, in an announcement of the Huatulco CIP transition ([AVI Noticias, October 10, 2023](#)). Currently, the golf course is still operating.

Overall, the new national parks and protected areas announced for Huatulco are being contested at the same time as FONATUR is transferring Huatulco CIP to the state of Oaxaca. As a result, uncertainty reigns.

New Toll Road from Oaxaca City to the Coast

The new *autopista* (highway) is a toll road to connect Oaxaca City, and thereby the toll road system of Mexico, to the Oaxacan coast. The latest (of many) officially scheduled opening was November 29, as per AMLO's announcement that he would inaugurate the new highway on this date. However, on November 6, AMLO announced that because of a collapse, the highway wouldn't open until January 2024.

The original concession to build the highway was granted in 2007, with an original projected opening date in 2010. This highway has had numerous opening dates announced that were subsequently canceled over the years, but it seems different this time. The construction seems largely complete and it has been touted as an infrastructure project that AMLO wants included in his legacy.



The official name is Barranca Larga-Ventanilla highway, although it's usually called the Oaxaca-Puerto Escondido highway. The highway will shorten the travel time from Oaxaca City to the Oaxacan coast near Puerto Escondido from six hours to two hours; it will connect to Route 200, the coastal highway, 15 kilometers (± 9 miles) east of Puerto Escondido and about 100 kilometers (± 60 miles) from Huatulco.

The highway will have two lanes and run 102.4 kilometers (± 61 miles), with nine interchanges and two toll booths along its length. Traffic is estimated at 4,253 vehicles per day traveling at speeds between 90 and 100 km/hr. The relative ease of connecting from the capital to the coast has important implications for Huatulco.

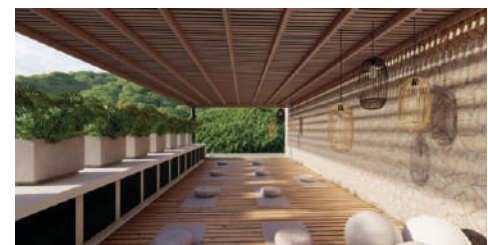
On the one hand, goods, services, and visitors from Oaxaca City and central Mexico can flow more quickly and cheaply than ever before. On the other hand, it raises the specter of an influx of people into an area where existing infrastructure is at or near capacity. And in some areas, during peak season, demand for water, sewage, and electricity already exceeds capacity.

These points were raised in an *NVI Noticias* article on [infrastructure and massive tourism](#) to the Oaxaca Coast. The article cites Gaulberta Rodríguez, President of the Mexican Association of Hotels and Motels of Oaxaca, on the fear that the new highway would cause a huge influx of tourists and economic migrants, possibly causing a collapse in infrastructure services as well as damage to the environment.

The More Things Change, the More They DON'T Stay the Same!

These three important developments, although the exact timing and final outcomes are somewhat uncertain, will significantly affect Huatulco. However, if you put these developments in the context of the history of Huatulco, it becomes easier to see these changes as steps along the development road. Until the 1980s, when the Mexican government sought to develop this area, there wasn't even a paved road connecting Huatulco to anything – only a fishing village and coffee plantations existed here. The cruise ship dock at Santa Cruz only opened in 2003. As residents and long-term visitors, many of us have witnessed, over decades, many changes in the development of Huatulco. And now, with these three developments on the horizon, there is more change to come.

Email: box95jackson@gmail.com



CONTEMPORARY BEACH LIVING

Starting at **\$97,000 USD**

— \$1,753,480 MXN —



MX (+52) 958.118.7187

biaanicondos@gmail.com