

AMLO's \$7.4 Billion USD Tourist Train Threatens Fragile Ecosystem

By Yucatan Times on July 19, 2019

(Bloomberg)

One day last December, Mexican President Andrés Manuel López Obrador donned a beaded necklace and bowed his head reverently before a fire pit, to ask Mother Earth for permission to build a railroad through the heart of Maya territory.

The line, which will stretch 1,460 kilometers (900 miles) across five Mexican states, may carry more than 8,000 passengers a day. It will serve some of the country's most popular tourist destinations, including seaside resorts Cancún and Tulum, Mérida and other colonial-era towns, and archaeological sites like Chichén Itzá. For AMLO, as Mexico's leader is widely known, the Maya Train is something of a passion project. Critics call it an expensive folly.

Rusty railways dating to the 1950s cover less than half of the proposed route, but they'll have to be completely overhauled to handle modern rolling stock. That's the easy part. To lay track along the rest of the route, construction crews will have to cut through miles of rainforest, home to jaguars, which are endangered in Mexico, and pumas.



President Andrés Manuel López Obrador (center) takes part in a ceremony in Palenque to launch the construction of the Mayan Train, a rail network in the Yucatán Peninsula, on Dec. 16, 2018.

The most difficult part of the undertaking may be finding investors to finance the project's cost of as much as 150 billion pesos (about \$7.9 billion). AMLO's government hasn't specified how it came up with that number, nor has it commissioned a study to prove there will be sufficient passenger and cargo volume to make the line commercially viable.

The agency in charge of the endeavor, Fonatur, has described the Mayan Train as a "social" project whose main goal is boosting the economy of the Yucatán Peninsula by way of hotel construction and tourism. "What we're looking for is for the towns along the train's routes to be profitable, and that goes beyond how many tourists use the train," says Aarón Rosado, the Yucatán liaison at Fonatur, the national fund for tourism promotion. The median household income across the five states is half that of the capital, Mexico City. Chiapas, one of the states on the route, is the country's poorest, according to statistics agency [Inegi](#).

"It would be a huge mistake to plan this poorly," says Alexandra Zapata, adjunct director at Mexico's Competitiveness Institute, [IMCO](#), a think tank that studies the impact of policy on the Mexican economy. "There's a profound difference between betting on regional development and ending up with an abandoned ghost project because it cost 10 times more than what was originally thought."

Fonatur opened bidding for engineering work on the Mayan Train in May. The tender elicited enough questions from interested yet confused parties to fill a 253-page document. The session scheduled to respond to those queries had to be delayed a month to allow Fonatur enough time to come up with answers. "Look, I'm not against the train," says Eduardo Ramírez, president of the Mexican Chamber of the Construction Industry. "But they need to prove this is economically feasible and that it won't be a burden for future administrations. We can't keep absorbing governments' mistakes—it's always the Mexican people who end up paying."

Fonatur chief Rogelio Jiménez Pons told Bloomberg in February that "a group of 100 of López Obrador's closest friends" has funded studies that contain traffic projections, but his agency "can't share them just yet."

The Mayan Train's current estimates put its per-kilometer cost at \$5.2 million, on par with France's Valence-Marseille route, the sixth-lowest among 22 lines worldwide that IMCO studied. "It's not clear how they got to that number," Zapata says. "But what is clear is that international experience shows these projects—even when they're perfectly planned—tend to end up costing as much as 130% more."

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