

AMLO cancels Special Economic Zones; 'they were of no benefit'

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'They never did anything to help,' president says



President López Obrador confirmed today that his government will eliminate the country's seven Special Economic Zones (SEZs), declaring that they were of "no benefit" to the economy.

The president responded bluntly to a reporter who asked at his morning press conference whether the SEZs are going to disappear.

"Yes, completely," López Obrador said.

"They were supposed to help but they never did anything to help. They [the former government] did business, they bought land, they squandered resources [but] there was no benefit at all."

The Enrique Peña Nieto-led administration created SEZs in Puerto Chiapas, Chiapas; Salina Cruz, Oaxaca; Lázaro Cárdenas-La Unión, Michoacán and Guerrero; Coatzacoalcos, Veracruz; Seybaplaya, Campeche; Dos Bocas, Tabasco; and Progreso, Yucatán.

Each zone offered generous financial incentives to attract investment including a zero corporate tax rate for 10 years.

Gerardo Gutiérrez Candiani, former head of the federal agency responsible for the SEZs, had predicted they would attract investment of US \$42 billion over the next 15 to 20 years.

But last month his successor, Rafael Marín Mollinedo, [said the government was analyzing the viability of the zones](#) and that the Secretariat of Finance (SHCP) had taken the view that it would be more beneficial to concentrate government resources on the establishment of [a trade corridor on the Isthmus of Tehuantepec](#).

Sources inside the president's office confirmed that the government will pursue "development projects" instead of the SEZs.

The zones were created in late 2017 and early 2018. One year ago, the federal government announced [a 50-billion-peso stimulus package](#) to encourage investment in them.

In addition to canceling the SEZs, López Obrador said that his administration has eliminated other government programs and agencies that generated little or no benefit for the country.

"The Tourism Promotion Council was canceled yesterday," he said, referring to a vote in the lower house of Congress that approved the agency's disbandment.

"It was a bottomless pit, it didn't promote tourism, it used money to buy loyalty . . . to pay for advertising in newspapers . . . Do you remember [international trade and investment agency] ProMéxico? It doesn't exist anymore either."

Source: [El Financiero](#) (sp)