

## A Look at Mexico's Revenue

The structure of Mexico's foreign currency revenue has changed radically in the last decade. The proportion that oil, exports and services, particularly tourism, used to occupy has ceded room to remittances sent by our fellow countrymen and women from the United States. This is why a detailed analysis of the quality and destination of these revenues is needed to understand the impact they have had and continue to have on the country's economy and development. We should also add the recent boom in oil prices, which in the last three years has made for additional unexpected income and has had an impact on Mexico's political and economic spheres.

In this issue, three specialists reflect on foreign currency revenues from three fundamental sources. In the case of oil, we see how recent surpluses have sparked a test of strength between the main political/institutional actors, the federal government and the state governors. The author also reports about how the current fiscal regimen for oil revenues has led to the undesirable effect of the state-owned Mexican Petroleum Company (Pemex) being technically, financially and administratively unviable. With regard to remittances, we can see how, despite the rapid increase that has made them the country's biggest source of foreign currency, most of this revenue does not contribute to national development or productive investment since it is used above all for families' day-to-day expenses. Lastly, foreign currency income from tourism, although it undoubtedly contributes to creating jobs and participates indirectly—even though in a small way—to investment in infrastructure, ends up completing its natural economic cycle by returning in larger quantities to its places of origin, given the multinational nature of the vast majority of the companies in this sector.

The panorama is not very encouraging. Mexico has become less attractive for foreign investors and its three main sources of foreign currency have not been used to advance its economic development and, therefore, to fight the country's great social inequalities. Profound and urgent changes are required to turn this situation around before we regret it even more.

