

A 2008 SAM and AGEM of Mexico and the case of taxes on hydrocarbons extraction

Topic: CGE and SAM Applications

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This paper has three goals. First, to build and publish a transparent Social Accounting Matrix, based on the 2008 Input-Output Table of Mexico. Second, to develop a parsimonious Applied General Equilibrium Model (AGEM), which can be modified, and applied to other research purposes. And third, to apply this AGEM to the analysis of taxes on hydrocarbons extraction, given their importance for public budget and recent energy reforms. Specifically, we analyze an increase in Income Taxes (ISR) that would collect the same amount of money, setting to zero taxes on hydrocarbons; then, we analyze and report our main results and impacts on households' welfare.