

ROAD

Road transportation to and from Mexico has grown in importance over the past four years. Only large quantities of bulk commodities are outside the domain of truck transportation. Refrigerated cargo moves almost exclusively by truck. Road transportation from major Canadian cities to the Mexican border at Laredo, Texas takes between three and seven days. Once customs is cleared, another one to two days are required to reach Mexico City.

An exporter should make sure that arrangements have been made to transfer the shipment to a domestic carrier at the Mexican border. Some trucking companies simply transfer their cargo to a Mexican tractor. Recently, Canadian trucking companies have concluded interchange or partnership agreements with Mexican trucking companies. In addition, Mexico has recently reformed its customs procedures and has enacted new federal transport regulations. This has opened the trucking sector to new competition, has simplified licensing procedures and has eliminated route and freight restrictions, which should decrease the delays and problems at the border.

Many Canadian trucking companies have developed arrangements with U.S. and Mexican truckers and can provide a complete transportation package for the Canadian exporter. Examples of such companies include Cabano-Kingsway, Can Pac International Freight Service, Canadian Freightways, Challenger Motor Freight, Frederick Transport, Future Fast Freight and Trimac.

RAIL

The use of rail as a mode of transportation for exports to Mexico has declined in recent years from 20 percent of total exports in 1988 to 14 percent in 1992. Rail transportation is used mostly for bulk commodities and for inter-modal traffic and double stack.

The Canadian exporter must first ship the goods to the United States, as the trains to Mexico originate there, before they can continue on to Mexico. Changes have been made recently in the way that rail cargo is cleared through Mexican customs. A new customs pre-clearing system through the San Antonio, Texas border to Nuevo Laredo has improved efficiency and shortened the time it takes to cross the border. Shipments can, with correct preclearing procedures, move across the border in less than 24 hours. It should be noted, however, that high priority trains such as those carrying auto parts have benefited more from this system than other trains. Trains carrying products that have been designated as low priority or are not classified as "just in time" shipments may still experience delays.

Nevertheless, U.S. rolling stock can now cross into Mexico, eliminating the need for re-loading at the border. Rail service is improving with the increasing availability of double stack trains, express trains and inter-modal trains. In addition, rail traffic congestion is being alleviated with the construction of new facilities on the American side of the border and slow, but continuous, upgrading of the Mexican rail system.

