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MARY INDUSTRY MARKET AND LOGISTICS PROFILE

The Mexican Trucking Industry

Dept. of External Affairs
Min. des Affaires extérieures
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THE OPPORTUNITY

Trucking is much more important in Mexico than it is in Canada. In 1992, about 60 percent of Mexican freight was transported by truck, compared with about 36 percent in Canada. According to projections by the *Secretaría de Comunicaciones y Transportes (SCT)*, the Mexican Secretariat of Communications and Transportation, highway freight traffic will nearly double by the end of the century and trucking will continue to dominate the transportation industry.

The increased freight movements brought about by the NAFTA will largely be transported by truck because of the proximity of major U.S. and Canadian centres, and the shorter delivery times involved. A shipper in Toronto, for example, is closer to Mexico City, than to Calgary. Marine shipments to Mexico from Eastern Canada average 8 days and rail shipments 15 days. Shipments to Mexico by truck can arrive in as few as 6 days.



New rail port and sea port facilities are expected to be established through concessions from the Mexican government. While these facilities will create some competition for trucking, they will also facilitate intermodal transportation, which can benefit Canadian trucking companies which are able to move quickly to take advantage of the new opportunities.

The NAFTA provisions, allowing Canadian trucks into Mexico for the first time, will not come into effect until December 1995. In the mean time, partnering with Mexican companies will be the primary method of market entry.

SUMMARY REPORT

The Department of Foreign Affairs and International Trade has prepared this summary report on the **Mexican Trucking Industry** sector. It has been produced and published by Prospectus Inc. under the Access North America Program, along with other sector profiles and summaries on business opportunities in Mexico. It is available from:

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HIGHLIGHTS

The demand for truck transportation is expected to grow rapidly over the next several years. This will create excellent long-run opportunities for Canadian trucking companies who expand into Mexico. The major factors behind this growth are:

- sustained economic growth;
- a rising demand for "just-in-time" services;
- increased use of intermodal transportation services;
- expanding trade under the NAFTA; and
- the need for Mexican trucking companies to find international partners.

