

TRUCKING

Trucking is the primary transport mode used for moving goods between Canada and Mexico, with approximately 40% of shipments moving by road. Most refrigerated cargo bound for Mexico is carried on specially equipped trucks, as substantial cold storage facilities can be found in Brownsville and Laredo, Texas. Trucking is also the principal mode of transport for small, less-than-load (LTL) shipments of general merchandise. In general, road transport from major Canadian cities to Laredo takes 3 to 7 days and once customs have been cleared, 1 to 2 days are needed to reach Mexico City. There is currently no customs preclearing system in place for motor transport across the Mexico-U.S. Border. Depending on customs and trans-shipment delays, total transit times from major Canadian cities to Mexico City can range between 6-15 days.

In 1990, the Mexican government enacted new federal transport regulations which dramatically liberalized the domestic transport industry. The trucking sector was opened up to new competition, licensing procedures were simplified and route and freight restrictions were eliminated. Under the NAFTA, Canadian trucking firms will have greater freedom to provide trucking services into Mexico, and by opening up the trucking of cargo between the United States and Mexico over a six-year period.

RAIL

There are ten border points in the United States from which rail shipments can cross into Mexico, with the three primary crossings in Laredo, El Paso and Eagle Pass. Most Mexican importers prefer that shipments be routed through Laredo. Rail transport to Mexico consists mainly of "piggybacking" (TOFC, trailer on flat car) although COFC (container on flat car) and double stack (2 containers on flat car) shipping are becoming more popular. Virtually no mechanical refrigerated cars operate into or out of Mexico. Transit times from major Canadian cities to Laredo can take anywhere from 7 to 12 days depending on the originating city and the routing. However, several days can be added to the transit time when lines are congested near the border or in Mexico. In general, TOFC and COFC train shipments are faster and are given higher priority than box car shipments of bulk goods. Since January 3, 1990, Mexico has had a mandatory system of preclearing, and provided the correct preclearing procedures have been followed, shipments can now move across the border in less than 24 hours. Freight rates on intermodal containers are now set by market forces, without any price fixing arrangements. Exporters should also note that a 15% V.A.T. on total freight charges within Mexico must be paid to the Mexican authorities at the border.

MARINE

There is now a permanent direct marine service to Mexico from the port of Halifax. For details, contact the Port of Halifax or Protos Shipping Limited. In most instances, rail and road rates are competitive with marine rates although marine shipping is substantially slower. For some shipments however (e.g. bulk grains), marine transport is highly suitable and particularly large shipments of any kind, marine transport rates can be very competitive. For general cargo entering Mexico by sea, exporters can expect a 4 to 5 day delay, in addition to transit times of 10 to 20 days, as goods are custom cleared and moved to an importer's warehouse. Most marine shipments are transferred to trucks at Mexican ports for shipment into the interior.

AIR

Air transport is used for the movement of high-value and very perishable goods between Canada and Mexico. At present, most direct air traffic between the two countries is charter vacation traffic which