

Intercity Rail

In 1910, *Ferrocarriles Nacionales de México (FNM)*, the national railway, was formed in association with the Wells Fargo Company. Today, Mexican railways are used mostly for freight. In 1989, they accounted for 16 percent of national land cargo and 1 percent of passenger traffic. Mexico has about 1,000 intercity passenger rail cars, of which a large proportion are not operational.

Urban Rail

Three Mexican cities have urban rail systems: Mexico City, Guadalajara and Monterrey. Tijuana is in the process of contracting a build-operate-transfer (BOT) concession to private-sector companies for the construction of a light rail transit (LRT) system. Puebla is considering a rapid-transit system.

Urban Bus

The major Mexican cities have large fleets of buses, a large proportion of which are privately owned. Small 10- to 15-passenger vehicles are common, but the government has recently mandated a shift to larger vehicles. Fares are low, and a large proportion of the fleet is owned by small owner-operators. As a result, low-technology designs predominate.

Outside of these urban areas, public transit is provided almost entirely by private bus companies operating under local government supervision. The average age of buses is much older than in Canada, and scheduling and fare collection systems tend to be unsophisticated. School buses are uncommon and limited mainly to private schools.

Intercity Bus

About 95 percent of all intercity passenger travel is by bus, with service delivered by about 700 bus companies. In 1992, traffic exceeded two billion trips. The air travel share was 4 percent and rail was 1 percent.

The largest bus company operates 7,500 vehicles. Bus types include

high-quality, 40-foot integral designs with air suspension, air conditioning, reclining seats and washrooms. There are also many low-cost body-on-chassis types as well as mini-buses and modified vans. Only the largest operators participate in service and fare interlining arrangements.

THE ROLE OF IMPORTS

Imports of public-type passenger motor vehicles rose steadily to reach US \$223 million in 1993. In the same year, US \$93 million worth of railway vehicles and associated equipment was imported. Total imports of both categories for 1994 were projected at about US \$390 million. These data exclude bus components, such as engines and chassis, because bus components cannot be distinguished from truck components in the statistics. The major producers make both buses and trucks and may use the same components in both.

More than 90 percent of Mexico's bus-related imports originate in Brazil. The only other significant

suppliers are the United States and North Korea. The US is also a major supplier of truck and bus components.

The US dominates the market for rail-related products, with a 79 percent import market share in 1992. Germany had a 14 percent share. France, Brazil, Italy, Spain and Sweden were the other suppliers, with relatively small sales volumes.

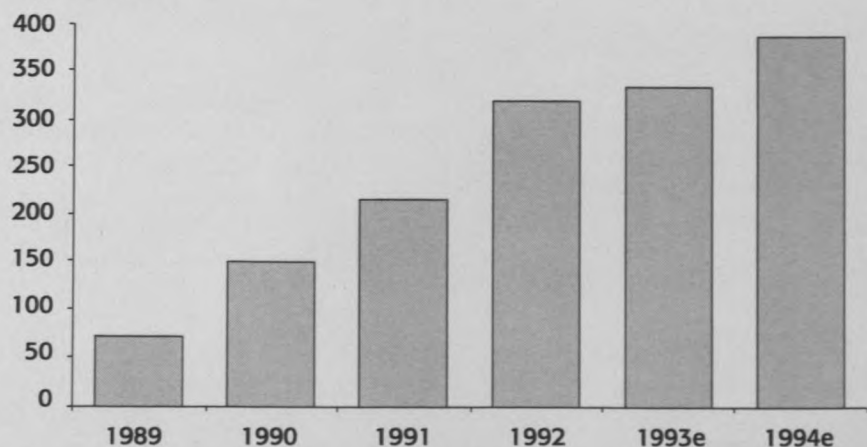
CUSTOMERS

MEXICAN NATIONAL RAILWAY

Ferrocarriles Nacionales de México (FNM), the national railway, has the exclusive constitutional right to operate intercity railway services in Mexico. The *FNM* has been neglected by the government for many years, and the length of the principal network was increased by only 1.5 percent in the ten years ending in 1992. The number of locomotives and available horsepower actually decreased over the same period. The system now totals just over 25,000 kilometres, half of which is in need of urgent maintenance.

BUS AND RAIL TRANSPORTATION PRODUCTS – MEXICAN IMPORTS

US \$ millions



Note: "e" denotes estimated figures.

Source: Statistics Canada World Trade Database.