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Rail and Bus Equipment, Urban Transit



HIGHLIGHTS

Mexico is highly dependent on public transportation for both urban and intercity travel. This means long-term opportunities for Canadian suppliers of bus and rail equipment and services.

- Mexico is rapidly becoming urbanized. The nation now has 15 cities with more than one million people and roughly 100 cities between 200,000 and 1 million.
- The four largest cities, Mexico City, Guadalajara, Monterrey and Puebla, have one-third of the population, but generate about 90 percent of the gross domestic product (GDP).
- Car ownership is low, and the average urban transit fare in Mexico City is only one peso, a small fraction of the equivalent fares in Canada.

The devaluation of the peso will slow down Mexico's infrastructure development plans in the short run, but the stabilization program calls for the privatization of the national intercity railway system. The urban transit systems are under increased pressure to operate efficiently. For companies able to adopt a medium-term strategy, the sector offers many interesting opportunities, especially in niche markets.

MEXICO'S TRANSPORTATION INFRASTRUCTURE

Mexico has a huge but neglected transportation infrastructure. Intercity passengers travel almost entirely by privately-operated bus lines. *Ferrocarriles Nacionales de México (FNM)*, the national railway, handles mostly freight. Urban transit systems are a mixture of private and public systems. The subway and light rail transit (LRT) systems are generally modern, but linked with unsophisticated bus systems. Marine traffic is oriented towards bulk commodities, while air travel remains out of reach for most Mexicans.

The Mexican government has made extensive use of private concessions to finance major highway projects. During the administration of former president Carlos Salinas, some 6,000 kilometres of new private toll roads were built. Mexico now has a total of about 250,000 kilometres of roads, including 46,000 kilometres of federal trunk roads. About 95 percent of intercity passenger transportation, and 59 percent of cargo transportation is by bus or truck.

SUMMARY REPORT

In addition to this market summary, the Department of Foreign Affairs and International Trade (DFAIT) has prepared a market profile entitled *Opportunities in Mexico: Rail and Bus Equipment, Urban Transit*. This market information on the Mexican rail and bus sector has been produced and published by Prospectus Inc. under contract with DFAIT, along with other market profiles and summaries on business opportunities in Mexico. It is available from:

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The market profiles are available in electronic form from the IBB and in hard copy at a cost of \$10.00 plus shipping and applicable taxes, from Prospectus Inc. Please contact:

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