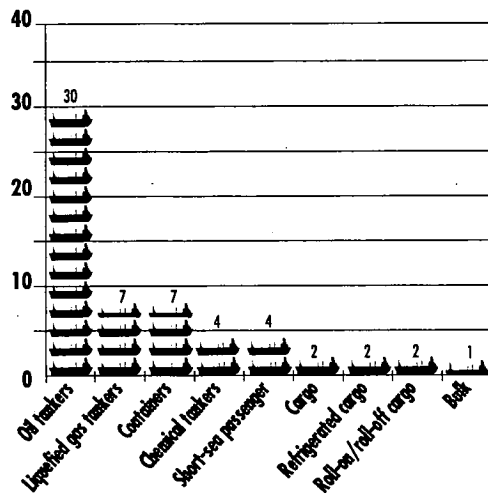


MEXICO'S MERCHANT FLEET, 1995

Total Ships: 59



Source: United States Central Intelligence Agency (CIA) World Factbook, 1995.

According to the *Cámara Nacional de la Industria del Transporte Marítimo* (*Canaitram*), National Chamber of the Maritime Transportation Industry, there are only about 75 cargo ships in the Mexican merchant fleet, with an average capacity of 15,000 tonnes. Data published by the United States Central Intelligence Agency (CIA) put the merchant fleet at 59 ships of 1,000 gross tonnes or more. Most of the domestic fleet consists of older ships using out-dated technologies.

The Mexican government has recognized the importance of ocean shipping in its efforts to develop the export sector. It is taking steps to promote the expansion of the domestic fleet. These efforts have included reforming the foreign investment laws to allow up to 100 percent foreign ownership in Mexican shipping firms.

In 1994, more than 90 percent of the total volume of Mexico's foreign trade was moved by ship, but accounted for only 30 percent of the monetary value of all trade. Mexican ocean traffic has grown by almost 10 percent annually for the past several years, but foreign fleets account for most of the volume. Domestic shipping capacity is oriented towards coastal shipping, where Mexican companies account for a little more than half of the market.

Mexico's passenger fleet is very small and is devoted to coastal transportation and tourist facilities. In 1995, there were 30 registered passenger ships, all of them under 1,000 tonnes. There were 28 ferry boats, of which 8 exceeded 1,000 tonnes.

OCEAN PORTS

Poor port facilities have seriously hurt the shipping industry in Mexico. In 1993, Mexican commercial ports handled 29 million tonnes of cargo, which was less than one-third of the nation's total commercial ocean traffic. Mexico's petroleum exports are handled exclusively by *Petróleos Mexicanos Internacional (PMI)*, the national oil company's international subsidiary, using its own terminals and ships, and this traffic is not included in these statistics.

Veracruz, Mexico's principal port, serves an area of 40 million people. It handled only 7 million tonnes of cargo in 1995. The port of Houston, Texas handles more Mexican cargo than all of the other ports in Mexico combined. More than 10 percent of Mexico's imports are off-loaded in California ports and travel to Mexico by train or truck. Many Mexican exporters ship by land to the US for transshipment offshore because of delays, theft and other problems at the Mexican ports.

For all of these reasons, port modernization is an important part of the government's economic development plans. Beginning in 1993, it embarked on a port privatization program to accelerate the modernization process. This program is creating new demands for both port and shipboard technology.