

Mexico Market Transportation Update

December 14, 2021



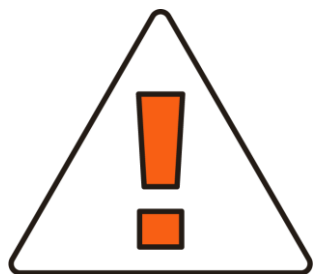
SCHNEIDER

Transportation Market Update

Schneider's goal is to provide the latest market insights to help you navigate the ongoing market volatility.

Whether moving a critical load, keeping your supply chain going or long-term planning, Schneider remains committed to safely and securely delivering your freight.

Schneider leverages data and analytics from multiple sources to provide the most up-to-date insights available including, but not limited to, FTR, DAT, FreightWaves SONAR, Cass Information Systems, Inc., FleetOwner, FMCSA, The New York Times, ATRI and Transport Topics. For the latest information and updates, visit [Schneider's Trending Topics page](#).



CUSTOMER ADVISORY #1:

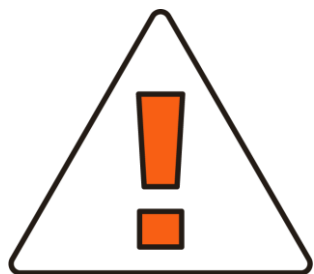
Mexico new Bill of Lading requirements mandatory on January 1st, 2022

What is Complemento Carta Porte al CFDI / Bill of Lading Complement to a CFDI?

The Mexican government has recently issued a new fiscal control that will directly impact all commercial transportation moves in Mexico. As a means to have greater control over the transportation sector, the Mexican government through the Secretariat of Finance (Hacienda) has issued a new requirement that will tie all cargo moves digitally to a formal digital invoice, referred to in Mexico as a CFDI, by obligating the carrier to add certain information to this electronic document in order to create a digital version of a Bill of Lading. The Bill of Lading will now be a “complement” of the digital invoice that was issued for the shipment by the Mexican carrier.

[Bill of Lading Complement >](#)

[Complemento Carta Porte >](#)

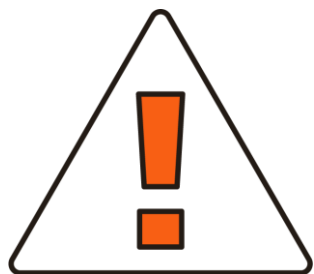


CUSTOMER ADVISORY #1, CONT.

Are you ready?

The Carta Porte requirements require preparation and testing. We have been working with our shippers to proactively determine any additional data needs prior to implementation and test the new process. We have seen varying degrees of preparedness from our customers and if you have not started working on meeting these requirements with your Schneider representative, please reach out to them as soon as possible.

[Need help with your cross-border freight? Contact us.](#)



CUSTOMER ADVISORY #2:

Mexico tax reform changes will also be effective on January 1st, 2022

Mexico will be implementing Tax Reforms in 2022 which include a prospective change to the Value Added Tax (VAT or IVA for its initials in Spanish) Law. These changes will be effective on January 1, 2022.

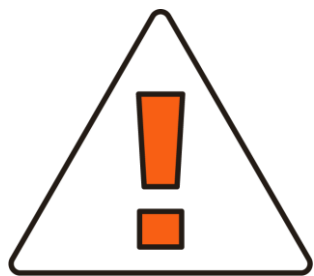
What these reforms will result in is the possible increase in costs associated to VAT that will now need to be accredited to the movement in Mexican territory of imported freight (southbound into Mexico), that were not previously considered.

For customers shipping intermodal freight southbound:

The information we are receiving from our rail partners indicates that intermodal southbound flows will most likely suffer an increase to account for this change in the tax law.

For customers shipping southbound truckload freight:

- If you are currently contracting the transfer carrier service separately, you will be taxed for your truckload southbound freight. The Mexico authorities will consider it a domestic move (say originates in Nuevo Laredo and ends in the interior of Mexico).
- If you work with Schneider to arrange your door-to-door moves, we may be able to mitigate these fees. Please contact your Schneider representative to discuss your options if you have not yet spoken.



Here to ensure your success

We recognize there are many large-scale changes occurring in Mexico directly impacting transportation. Schneider is committed to staying tightly aligned on the changes that are occurring and to communicating them to you as we are made aware.

Should you have any questions on this regulation change, please don't hesitate to contact your local Schneider representative, who will be happy to answer your questions.

Thank you for being a loyal Schneider customer.

In the news: COVID-19 vaccination requirements for cross-border truck drivers coming by January 22nd, 2022

The U.S. administration is requiring all truck drivers who cross U.S. borders to be fully vaccinated for COVID-19 by January 22, 2022.

The rules pertain to non-U.S. nationals. American citizens and permanent residents may still enter the US regardless of their vaccination status, but face additional testing hurdles because officials believe they more easily contract and spread COVID-19 and in order to encourage them to get a shot.

Are your carriers prepared?

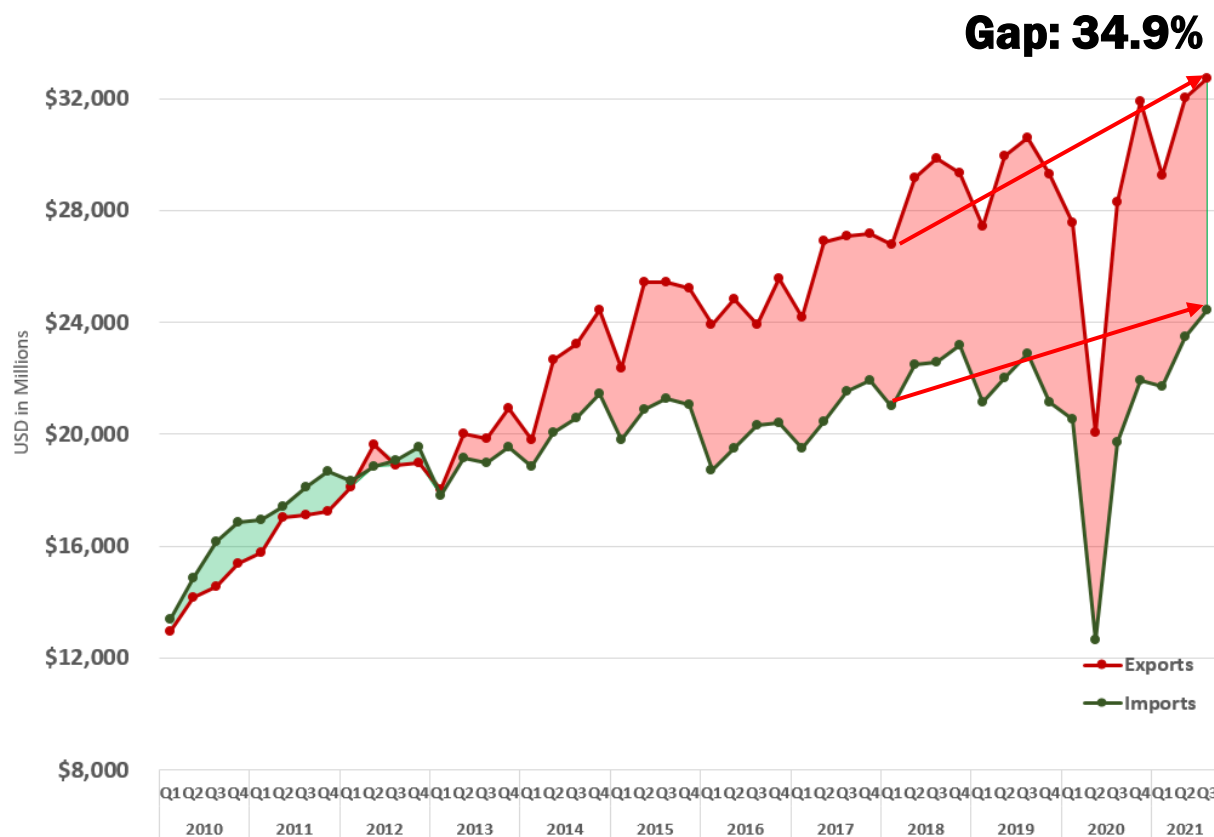
Know that when you work with Schneider, we are prepared. Based on a recent survey of our carriers, 95%+ of our transfer Mexico carrier base is confirmed to be fully vaccinated at the time of this writing. We will keep your cross-border freight moving.

[Read article](#)

Source: [FreightWaves](#); November 2021

Plan ahead for your cross-border capacity needs

Import/Export Over the Road Values – Port of Laredo



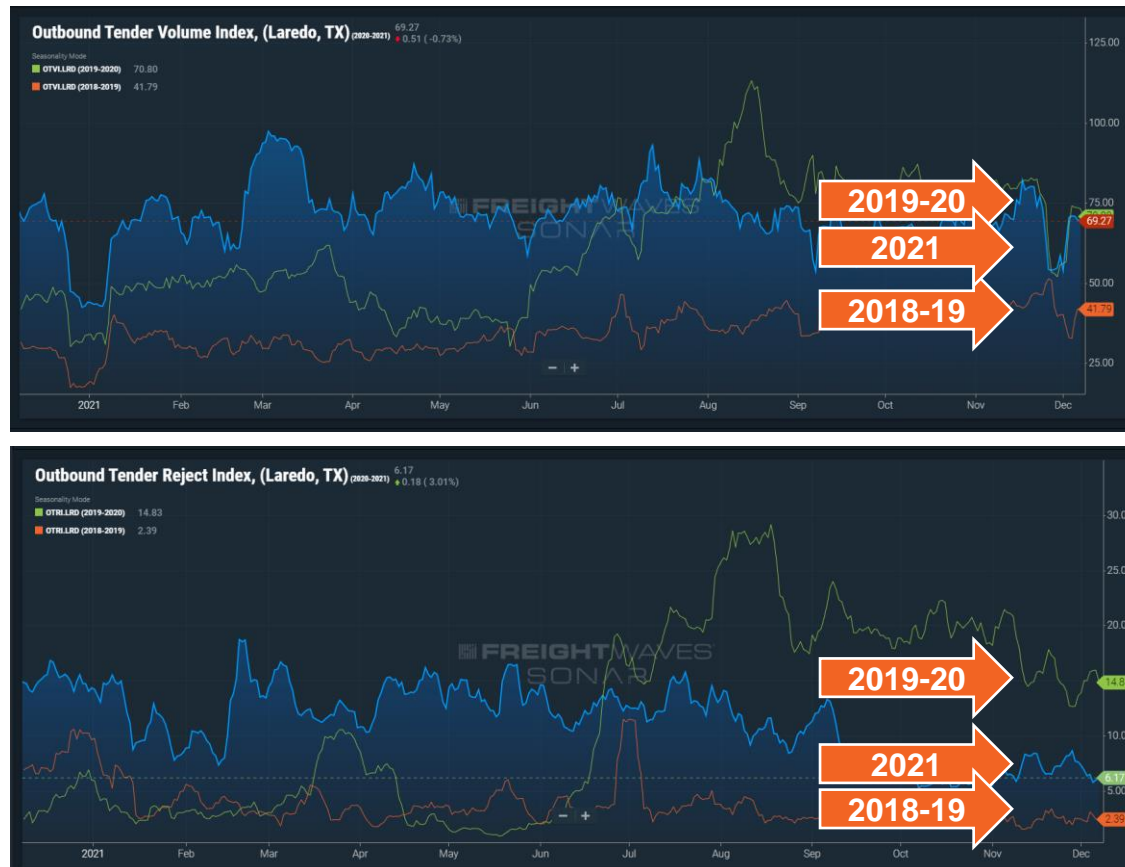
Q3 continued to see a recovery on southbound flows (Mexican imports) placing the gap closer to 2019 levels. We did note though that the gap bounced back to 43% in September.

Northbound demand will continue to be strong. With continued supply chain disruptions and the new Bill of Lading requirements coming, plan now for your capacity needs coming over the next few months.

Need help with your cross-border freight? Contact us.

Source: INEGI; Updated December 2021

Laredo Outbound Tender Volume and Reject Index's declining in second half of the year – possibly a reflection of the capacity imbalance?



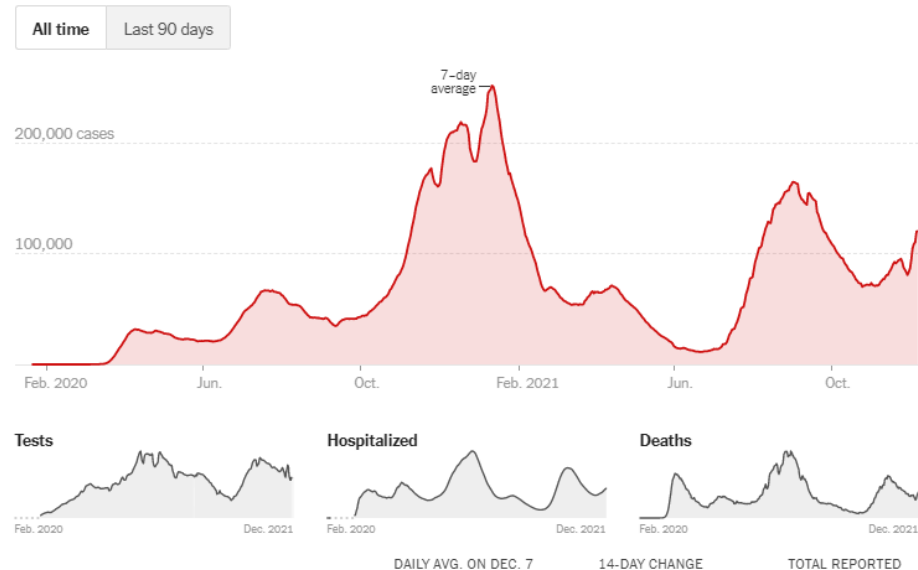
During the first half of the year Laredo's outbound tender volume — a measure of shipper requests for truckload capacity — as well as tender rejects — have both been consistently higher in 2021 than 2020, though are lower right now vs. the same time last year, when they spiked during Peak Season. This may be an indication of the growing northbound/southbound imbalance.

The U.S. Thanksgiving holiday is reflected in the recent dip of outbound tender volumes and is anticipated to quickly readjust as in past years.

Sources: FreightWaves SONAR; Updated 12/8/2021

COVID-19 cases, hospitalizations and deaths are back on the rise, while hot spots are expanding to the northern and eastern parts of the U.S.

New reported cases



	DAILY AVG. ON DEC. 7	14-DAY CHANGE	TOTAL REPORTED
Cases	120,071	+27%	49,356,263
Tests	1,152,160	-1%	—
Hospitalized	60,747	+19%	—
Deaths	1,298	+13%	790,082

About this data:

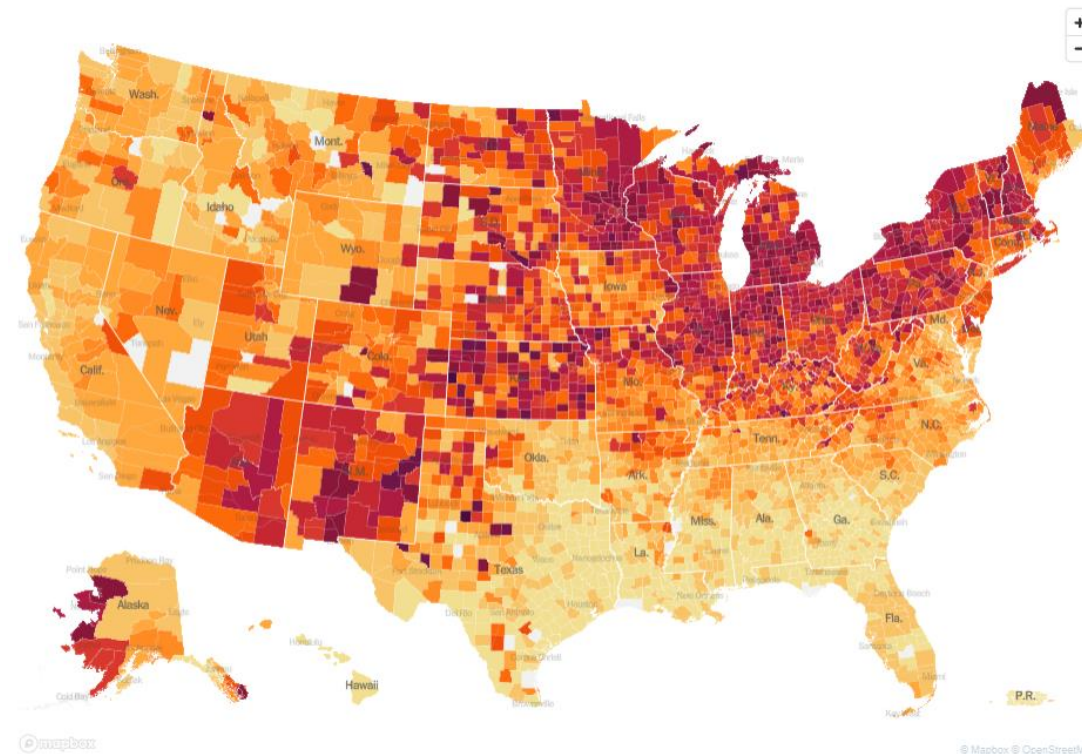
Sources: State and local health agencies (cases, deaths); U.S. Department of Health and Human Services (tests, hospitalizations). Tests, hospitalizations and deaths show seven-day averages. Hospitalization data may not yet be available for yesterday. The number of average tests is for the most recent day for which all states have reported data. 14-day change is hidden if not enough data is available to make a comparison. Figures shown are the most recent data available.

Hot spots

AVERAGE DAILY CASES PER 100,000 PEOPLE IN PAST WEEK

10 20 30 40 50 60 70 80 90 100 110 120 130 140 150 160 170 180 190 200 210 220 230 240 250

FEW OR NO CASES



About this data:

The hot spots map shows the share of population with a new reported case over the last week.

Source: [nytimes.com](https://www.nytimes.com); Updated 12/8/2021

In contrast to the U.S., Mexico COVID-19 cases continue to decrease, likely due to increased restrictions and vaccinations

New reported cases

All time

Last 90 days



DAILY AVG. ON DEC. 7

14-DAY CHANGE

TOTAL REPORTED

Cases	2,493	-2%	3,905,319
Deaths	195	+3%	295,602

[About this data:](#)

Source: Center for Systems Science and Engineering (CSSE) at Johns Hopkins University. Daily cases are the number of new cases reported each day. The seven-day average is the average of a day and the previous six days of data.

Hot spots

AVERAGE DAILY CASES PER 100,000 PEOPLE IN PAST WEEK

10 30 50 70 100 200

mapbox

[About this data:](#)

The hot spots map shows the share of population with a new reported case over the last week.

Source: [nytimes.com](https://www.nytimes.com); Updated 12/8/2021

More than half of Mexico's population has at least one COVID-19 vaccination

Percent of population vaccinated (10/18/21)		
	Vaccinated	Fully vaccinated
United States	71%	60%
Canada	82%	78%
Mexico	61%	51%

More than 4.35 billion people worldwide have received a dose of a Covid-19 vaccine, equal to about 56.7 percent of the world population.

Source: [nytimes.com](https://www.nytimes.com), apnews.com, directrelief.org; Updated 12/8/2021

Almost all Mexico states have fully relaxed restrictions

All but three of Mexico's 32 states have been cleared by the federal government to open for business and social affairs without restrictions under the nation's COVID-19 traffic light monitoring system. Cases remain relatively flat.

As weather turns cooler, states in the North of Mexico have reported a slight increase in cases resulting in 5 of them returning to Yellow status. Many states have now announced the start of booster shots to the elderly population.

While most states are open, local orders may maintain certain restrictions for those areas.

Transportation is an essential business – we continue operations in all geographies in accordance with state and local orders.



Source: coronavirus.gob.mx; Updated 12/8/2021

Struggling to get the capacity you need? Lacking supply chain visibility? Looking to improve your freight procurement process?



Schneider's supply chain experts are here to help you solve your supply chain challenges beyond U.S. borders.

Learn from our experts where more opportunity exists in your supply chain. Just take this quick survey for your free consultation.

[Get your free consultation](#)

Not sure how you could benefit? [Read this case study](#) to learn how one manufacturer gained reliable, consistent cross-border capacity.



Cross borders as if there are none

[Learn more about Schneider's reliable,
expert Mexico/U.S. cross-border freight shipping solutions.](#)