Mexico Market Transportation Update

August 27, 2021





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 <u>Schneider's Trending</u> <u>Topics page</u>.





CUSTOMER ADVISORY: Mexico implements new bill of lading requirements – effective September 30, 2021 for all cross-border transportation moves

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

There is an important new requirement to shipping your cross-border freight, which is currently in effect and will be required by Mexico law by September 30, 2021.

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.

Learn more >





CUSTOMER ADVISORY, CONT. What impacts will this have over Mexico/U.S. cross-border shippers?

The reform will have an impact on practically all shippers and the different players across the transportation supply chain. Mexican shippers will now be required to share additional information with their Mexican carrier base in order to adequately document a shipment. This will include piece count, weight, merchandise to be moved, final destination of said merchandise and in the case of International Transportation, the Pedimento associated to that move; among other things.

What modes of transportation does this requirement apply to?

The requirement applies to all modes of transportation crossing over the Mexico and U.S. border – truckload, intermodal and bulk.

When will the Bill of Lading complement to the CFDI requirement come into effect?

The requirement came into effect on June 1, 2021 with a 120-day grace period –meaning the requirement will become mandatory on September 30, 2021.

Learn more >





CUSTOMER ADVISORY, CONT.

As a cross-border shipper, what do I need to do to prepare for this new requirement?

The first thing you need to do is to make sure that you are working with carriers that have procedures, policies, controls and correct tax compliance in place that guarantee that these types of changes are considered and complied with.

Your Schneider Customer Service Representative will be working with you to proactively determine any additional data needs you will need to send prior to implementation. Due to the additional data needed to schedule a pick-up, it will be important to provide the information early and accurately. Working under a pre-dispatch scenario or using a consolidated Pedimento for your outbound needs will also drive efficiencies.

READ THE FULL FAQ HERE



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Shaleen Devgun, Michael Kukiela and Julie Lambie Schneider



Join us for a discussion on the state of supply chain technology today, where the value lies and how you create a roadmap to the best strategies for your business. Some topics we will cover are:

- Taking digitization beyond shipment level tracking and utilizing data to optimize supply chains.
- Technology architecture ecosystems including Transportation Management Systems (TMS), Warehousing Management Systems (WMS), Application Program Interfaces (API's) and more.
- How the industry is approaching the exploration and development of technology to meet shipper needs.

Watch now



In the news: U.S. extends travel curbs at Canada and Mexico land borders

- The U.S. Department of Homeland Security has extended the closure of its land borders with both Canada and Mexico to non-essential travel through at least Septemeber 21.
- The land border closures do not apply to essential travel such as transportation.
- The White House confirmed on Aug. 5 it may require visitors from abroad to be vaccinated as part of its plans to eventually reopen international travel but it had yet to decide and would not immediately lift restrictions.

Read the full article



To minimize the spread of #COVID19, including the Delta variant, the United States is extending restrictions on nonessential travel at our land and ferry crossings with Canada and Mexico through September 21, while continuing to ensure the flow of essential trade and travel. 7:03 AM · Aug 20, 2021

Tweet your reply

Sources: reuters.com; 8/24/21



In the news: Chip shortage sinks Mexican auto exports in July

- Automobile manufacturing in Mexico fell 27% in July compared to the same month last year, while exports fell 24% year-overyear, according to Mexico's National Institute of Statistics and Geography (INEGI) due to the semiconductor shortage.
- More than 76% of the vehicles assembled in Mexico were exported to the U.S., followed by Canada (6.7%), Germany (5.3%), Colombia (1.5%) and the United Arab Emirates (1.4%).



Read the full article

Source: Jim Allen/FreightWaves

Sources: freightwaves.com; 8/16/21



Laredo outbound tender volumes consistently higher in 2021 vs. 2020





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 much lower right now vs. the same time last year, when they spiked during Peak Season.

Sources; FreightWaves SONAR; Updated 8/24/2021



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? <u>Read this case study</u> to learn how one manufacturer gained reliable, consistent cross-border capacity.



U.S. COVID-19 cases increase primarily due to localized outbreaks in places with low vaccination rates; some struggling as the delta variant spreads.



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.





Mexico COVID-19 cases have recently increased, likely attributed to easing restrictions and a slow vaccine rollout

New reported cases





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.



About this data;

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

Source: nytimes.com; Updated 8/24/2021



Most Mexico states now back on some level of alert

The Mexican federal government had gradually eased COVID-19–related restrictions and lifted them entirely in 19 of the nation's 32 states in accordance with the biweekly four-tiered traffic light epidemiological monitoring system. But now most states are back on a medium to high risk level of alert due to the recent increase of COVID-19 cases. Learn more about each area's policies on this <u>map</u>.

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: nytimes.com, jdsupra.com; Updated 8/24/2021



Vaccination plans in Mexico to accelerate, hopefully getting closer to easing U.S./Mexico border restrictions

Percent of population vaccinated (8/24/21)		
	Vaccinated	Fully vaccinated
United States	61%	52%
Canada	74%	66%
Mexico	44%	24%

The appearance of new cases in Mexico is much greater than what was seen in the first and second waves, likely due to the more contagious delta variant.

Mexico has received 91.2 million doses of five different vaccines and <u>the U.S. has stated it will send</u> 8.5 million more doses.





Cross borders as if there are none

<u>Learn more about Schneider's reliable,</u> <u>expert Mexico/U.S. cross-border freight shipping solutions.</u>