

Mexico Transportation Market Update

November 18, 2022



Transportation Market Update

This Market Review Update is intended to provide you with high-level macroeconomic and general industry data that may be relevant to your business. This update should not be used for any other purpose. This update does not state or imply anything about Schneider's performance, results, operations, strategy, projections or plans. The purpose of this update is to relay statistical and relevant facts from various industry professionals. This update does not predict or forecast any economic or industry outcome or results. This update has been prepared on the basis of information made available by third parties; Schneider has not attempted to independently verify any such third-party information.

For the latest information and updates, visit [Schneider's Trending Topics page](#).

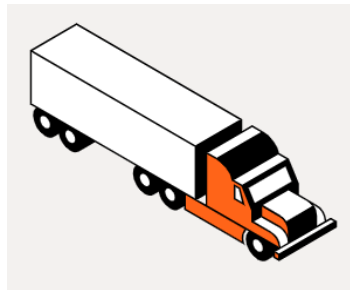


Celebrating 30 years of serving you!

2022 marks 30 years that Schneider has been servicing the Mexico cross-border market. Our decades of cross-border freight experience mean your cargo moves throughout North America without delay. We have the assets, facilities, associates and third-party relationships in place to deliver safely, securely and on-time. Throughout the year you will see more content celebrating the last 30 years!



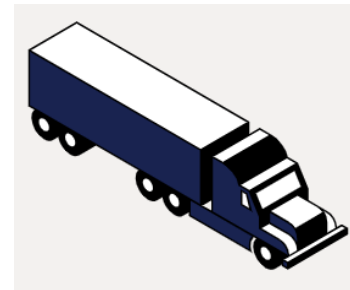
Dry Van Truckload



Dedicated



Intermodal



Brokerage



Bulk



Logistics

Virtual event

The Cross-Border Capacity Evolution

November 22, 2022 11 a.m. CST



**Bernardo Rodarte, Jessica Valdez,
Michael Baumgardt and Dan Flaherty**
Schneider

Enrique Perret
U.S. Mexico
Foundation

Humberto Vargas
Union Pacific
Mexico

Jonathan Mulch
Kansas City
Southern

In this virtual event you will:

- Gain an understanding of ally-shoring and nearshoring, their trends in transportation and how other organizations are incorporating them into their strategies.
- The value in mode diversification – such as intermodal or dedicated transportation solutions – to meet capacity needs.
- How to utilize network engineering to optimize your supply chain network and develop your cross-border strategy.

[Register Now](#)

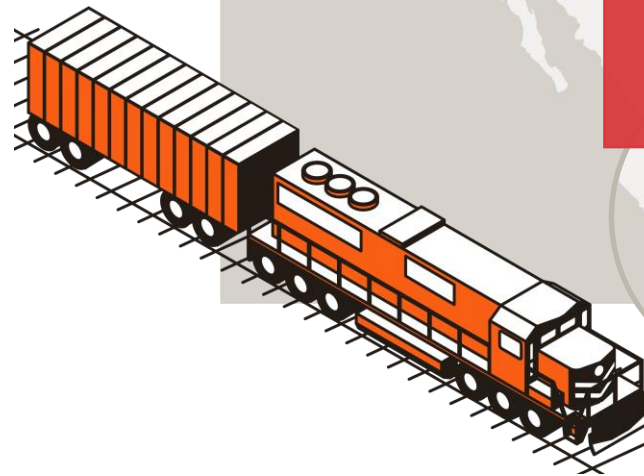
Northbound Capacity Solution: New Intermodal Capacity Options from Silao, Mexico

Schneider is now offering Northbound Intermodal service from the FXE Silao, Mexico ramp. This is a great capacity option for those shipping from:

- The Bajío area
- Queretaro
- Guadalajara

This is in addition to our regular services out of the KCSM ramps in:

- Monterrey
- San Luis Potosi
- Toluca



Schneider offers multiple capacity options to move your freight across the U.S.-Mexico border and beyond

In addition to Truckload and Intermodal cross-border transportation solutions, Schneider offers solutions through Dedicated, Bulk, Brokerage, Logistics and Warehousing.

We can help you achieve your capacity needs through our 30 years of cross-border transportation experience and expertise.

[Learn More](#)

[Talk to an Expert](#)



In the news: More than \$1.6B in Funding for Laredo Transportation Projects

\$1.6B in transportation funding was recently authorized over the next 10 years through the Texas Department of Transportation's 2023 Unified Transportation Program (UTP).

This investment reflects how much Laredo has grown and the potential it has to do so.

It will fund 16 major projects in Laredo, including improvements to: IH-35, US 59, SH 359, SL 20, and Vallecillo Road.

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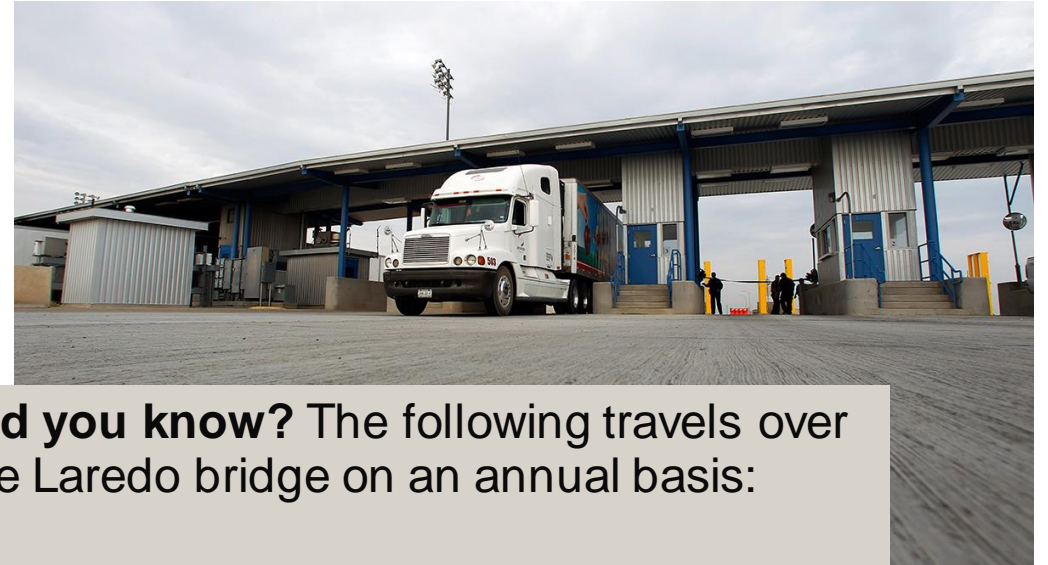
Source: cuellar.house.gov, September 2022

In the News: New International Bridge Aims to Help Laredo Remain No. 1 Inland Port

The No. 1 inland port in North America, Laredo is expected to further solidify its position and see substantial trade growth according to local leaders thanks to the planned addition of a second international railway bridge. The \$100 million project is being entirely funded by Kansas City Southern.

This project will result in a double track that allows travel in both directions without stopping, and is able to operate 24 hours per day, 7 days per week, significantly increasing the traffic over the bridge.

[Read the article](#)



Did you know? The following travels over the Laredo bridge on an annual basis:

- 175,000 finished vehicles
- 1.7 billion liters of gasoline/diesel
- 2 million tons of grain and food products
- 1.4 tons of metals and forest products
- 50,000 loaded intermodal containers

Source: tnews.com; 10/4/22

In the news: 400 companies seek nearshoring opportunities in Mexico, but USMCA dispute needs to be resolved

According to the Economy Ministry, hundreds of companies are interested in relocating to Mexico owing to the country's geographical proximity to the United States and to the [U.S.-Mexico-Canada Agreement \(USMCA\)](#).

Credit Suisse says in October alone, Mexico registered an investment of US \$2.05 billion from nearshoring, and \$17.2 billion so far this year – a 25.5% increase year over year.

But, recently the U.S. requested dispute settlement consultations with Mexico under the USMCA over a series of changes in Mexico's energy policies. If the U.S. decides to call a dispute panel to rule on the energy policy dispute, the sanctions from such a decision could interfere with the nearshoring plans of the 400 companies interested in relocating.



[Read Article](#)

Source: mexiconewsdaily.com; September 2022

In the News: Mexico agrees to tougher emissions reduction goal at COP27

- Mexico has agreed to a tougher new target of reducing greenhouse gas emissions by 35pc by 2030 from a 2000 baseline, the country's foreign minister Marcelo Ebrard recently announced.
- To achieve its new target, Mexico plans to double down on its efforts in clean energy, supporting investments in hydropower, geothermal, wind and solar. This would mean Mexico would have an additional 40GW of renewable capacity in its energy mix within the next eight years, Ebrard said.
- Mexico would need an additional \$48B to make its commitments a reality, with financing coming from both the public and private sectors, Ebrard noted.



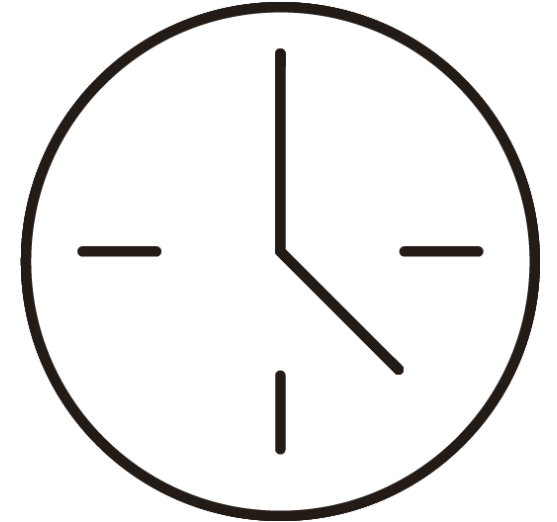
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Source: argusmedia.com; November 2022

In the news: Mexican cyber-attack threatens to cripple road freight movements

Mexico's Secretariat of Infrastructure, Communications and Transportation (SICT) recently disclosed that it was victim to a malicious software attack. It did not damage the agency's systems or compromise the personal data of citizens. But, in an effort to prevent that, they have temporarily suspended their systems.

The temporary system suspension means that Mexico's transportation ministry will not be issuing new permits, license plates and driver's licenses for commercial truck operators through the end of 2022. It is unknown the total effect this will have on capacity, but this could be problematic for some Mexico truck operators.



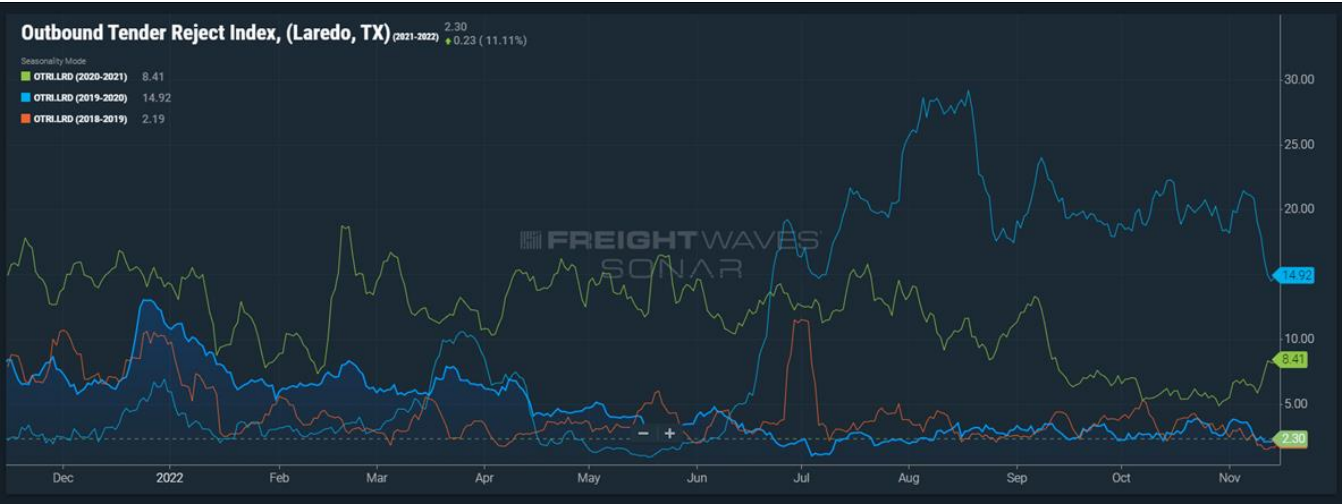
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Source: freightwaves.com; October 2022

Laredo outbound tender volumes competitive with 2020-2021



Compared to the Outbound Tender Volume Index levels during this time in the previous years, current OTVI is -10% lower than 2021, -14% lower than 2020, and 59% higher than 2019.



Outbound Tender Rejects are about -73% lower than they were at the same time last year.

Sources: FreightWaves SONAR; Updated 11/15/22



Cross borders as if there are none

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

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.