

Mexico Transportation Market Update

July 29, 2022



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](#).



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!



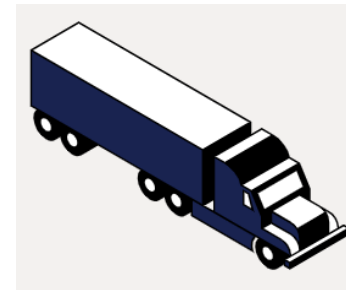
Dry Van Truckload



Dedicated



Intermodal



Brokerage



Bulk



Logistics

An in-person event for our cross-border shippers: The Cross-Border Capacity Evolution, on August 25, 2022



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

Enrique Perret
U.S. Mexico
Foundation

Valeria Moy
IMCO

Humberto Vargas
Union Pacific
Mexico

Jonathan Mulch
Kansas City
Southern

Organizations that are shipping beyond U.S. borders are taking notice that these constant evolutions require revolutionary changes to their transportation strategy. During this event, Schneider is bringing U.S.-Mexico shippers together with the U.S.-Mexico Foundation, Union Pacific and Kansas City Southern Railroads, and the Mexican Institute for Competitiveness (IMCO), to help cross-border shippers revolutionize the way they approach their transportation strategy.

[Register Now](#)

In the news: Are the U.S. and Mexico winning globalization?

The era of globalization could be slowing as companies continue to battle supply chain challenges and reshoring continues to be a trend discussed in all sorts of industries. Two recent examples are:

- In a move toward nearshoring, California-based toymaker Mattel [announced](#) in March it was consolidating all North American manufacturing to its plant in Monterrey, Mexico. It is investing \$47 million to expand the Monterrey plant, where it employs nearly 3,500 workers, becoming the company's largest manufacturing site.
- California-based semiconductor manufacturer Intel Corp.'s [announcement](#) in January that it was investing \$20 billion to build two chip factories near Columbus, Ohio. Construction of the plants is expected to begin later this year, with production coming online at the end of 2025.



[Read the article](#)

Source: [FreightWaves](#); May 2022

Recent study shows American companies are adopting nearshoring/reshoring

Global management consulting firm, Kearney, recently published a report saying that “there are strong indications that attitudes and strategies are changing, thanks to the pandemic, trade wars and tariffs, and ongoing resulting supply chain disruptions.

“American companies are getting more serious about adopting expanded versions of reshoring. Large portions of offshored manufacturing may soon be returning thanks to companies combining their nearshoring production to Mexico, Central America and even Canada, with manufacturing and assembly in the U.S.,” Kearney said.

[Get the report](#)



In this year’s survey, 92 percent of executives express positive sentiments toward reshoring.



Following some of the trends described above, 79 percent of executives who have manufacturing operations in China have either already moved part of their operations to the United States or plan to do so in the next three years, and another 15 percent are evaluating similar moves.



Kearney’s China Diversification Index, which first appeared in the 2018 Reshoring Index report and tracks the shift in US manufacturing imports away from China to other Asian LCCs, found that China’s share continues to decrease, from 66 percent back in 2018 to 55 percent in 2021.



Starting in Q4 2020, US reliance on China diminished as the other Asian LCCs started to recover from the pandemic and American companies began to again diversify away from China as they had begun to do before COVID-19.

Source: [Kearney 2022 Reshoring Index](#)

In the news: US Manufacturers Bring Jobs Closer to Home

- Manufacturers are facing an onslaught of difficult challenges today — but many are finding nearshoring has become the golden solution.
- Barbi Reuter, CEO and principal at Cushman & Wakefield affiliate PICOR, serving as 2022 CREW Network global board president, says that bringing jobs back to North America (Mexico), increases predictability and reliability of the supply chain while retaining favorable labor access and costs compared to the US.
- The nearshoring trend has only accelerated during the pandemic. According to data from the Thomas Report State of North American Manufacturing 2021 Annual Report, **83% of manufacturers are likely or extremely likely to reshore jobs**, up from only 54% in March 2020, before the pandemic was a factor.“



Source: Paul Ratje/Bloomberg News

[Read article](#)



Nearshoring on the Rise

A major topic that will be discussed during our Mexico City event is Nearshoring. The last couple of years have begun a shift in supply chains and more organizations are moving production closer to the United States.

Interested in the shift to Nearshoring and what it could mean to your organization?

[Register to join us in Mexico City on August 25.](#)

Peak Season 2022: Expect the Unexpected

Though the market is beginning to soften from 2021, volumes are still competitive with 2018 – 2020. And, despite the fact that many retailers are sitting on inventory, the second half of the year holiday and promotion seasons are upon us. In an environment where nothing is certain, one thing is – there will always be some level of a Peak Season to meet the holiday and promotion demands of the second half of the year.

Contact Us

Your Peak Season Checklist for 2022, to help you expect the unexpected.

► Plan ahead

Provide your carriers your forecast as soon as possible, so they can understand the surge you are expecting, and help you to develop the best plan for your freight needs. If your business experiences any sort of surge in freight volumes, your carriers need to prepare behind the scenes to meet your needs.

► Leverage strategies like **Schneider Capacity StackingSM**

By planning ahead with your carriers, those that provide multiple services, like Schneider, can help you to develop the best mode diversification plan to move your freight efficiently and cost-effectively, whether via Van Truckload, Intermodal, Port Services, Brokerage, Dedicated, Bulk or more.

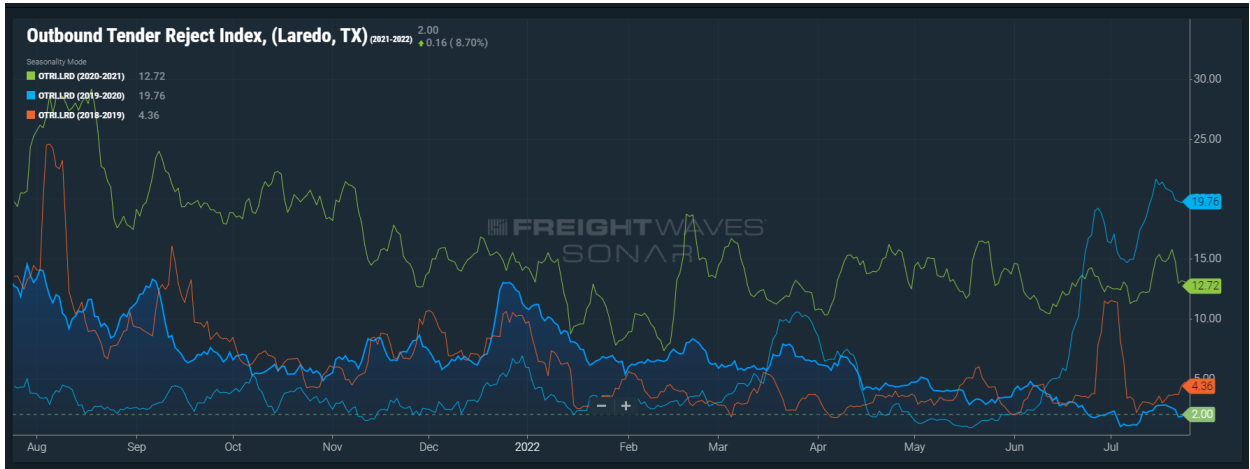
► Set up digital connections with carriers

By connecting digitally via API or TMS with your carriers, you will get quick and easy quotes on your freight, saving you time and resources, when you need to move quickly. In addition, we offer Schneider FreightPower® for quick and easy quoting, booking and tracking of your Schneider freight.

Laredo Outbound Tender Volumes and Rejects continue to slow



Compared to the Outbound Tender Volume Index levels during this time in the previous years, current OTVI is -23% lower than 2021 and -16% lower than 2020, but 43% higher than 2019.

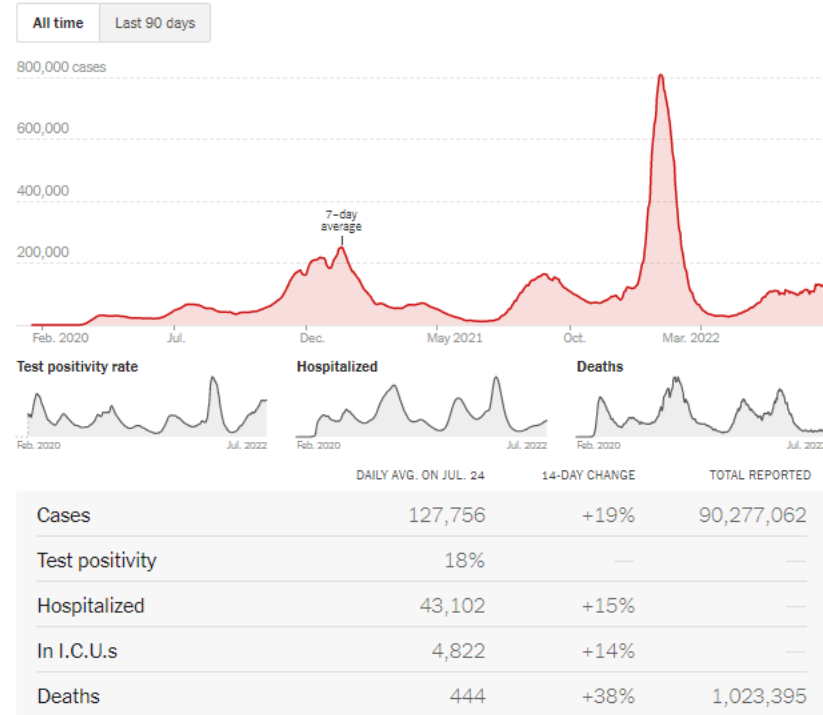


Outbound Tender Rejects are about -84% lower than they were at the same time last year.

Sources: FreightWaves SONAR; Updated 7/26/2022

COVID-19 cases and hospitalizations rise throughout the country due to the emerging dominance of the BA.5 variant

New reported cases



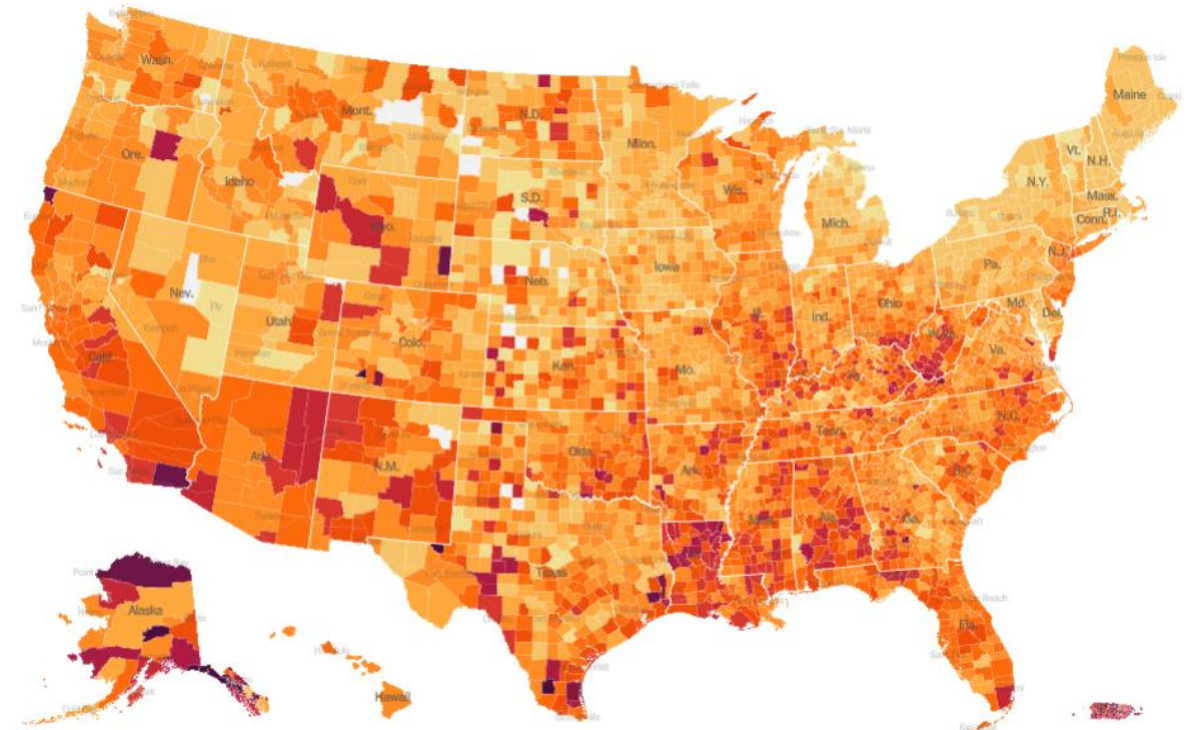
About this data:

Sources: State and local health agencies (cases, deaths); U.S. Department of Health and Human Services (test positivity, hospitalizations, I.C.U. patients). Test positivity, hospitalizations, I.C.U.s and deaths show seven-day averages. Hospitalization data may not yet be available for yesterday. Test positivity is based only on P.C.R. test results reported to the federal government and is for the most recent seven days in which at least 40 states have reported testing 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 P

10 30 50 70 100 200



© mapbox

About this data:

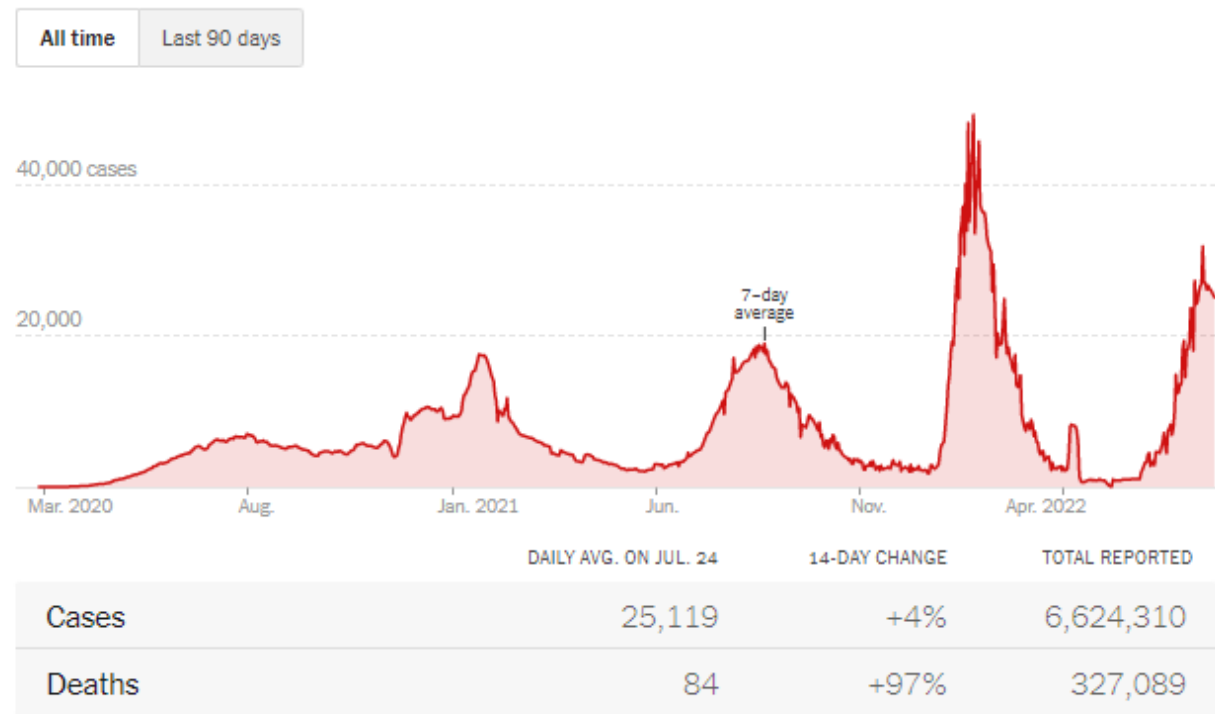
The hot spots map shows the share of population with a new reported case over the last week.

© Mapbox © OpenStreetMap

Source: [nytimes.com](https://www.nytimes.com); Updated 7/25/22

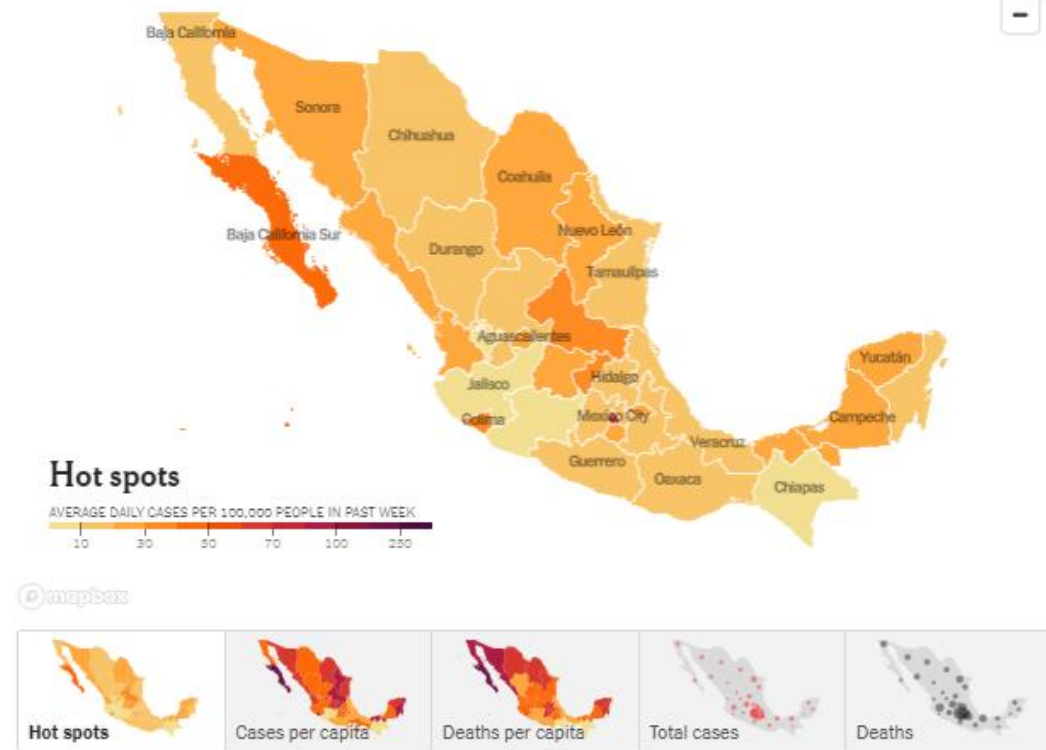
In a similar trend, COVID-19 cases and hospitalizations on the rise in Mexico

New reported cases



About this data:

Source: Data for Mexico comes from the [Center for Systems Science and Engineering at Johns Hopkins University](#). Population data from the [National Institute of Statistics, Geography and Informatics](#). 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](https://www.nytimes.com); Updated 7/25/2022



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.