

# Mexico Market Transportation Update

June 18, 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](#).

# 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.*

## MISS THE TRANSPORTATION MARKET UPDATE AND OUTLOOK WEBINAR? WATCH THE ON-DEMAND RECORDING.



*“One factor that's different now is that **there are fewer CDL drivers**, and for the first time in our history, **the younger work force is shrinking**. The **non-college educated work force is shrinking even more**...I think we're going to be in the same situation through this year and into next year, especially from a supply side. At this juncture we think **we'll be well into 2022 in a fairly similar condition**.”*  
– Mark Rourke, CEO, Schneider (June 2021)

### Watch the one-hour on-demand recording to:

- Understand the key differences between the 2018 and current cycles and why they are different.
- Get an update on how Schneider is responding to these challenges and opportunities.
- Learn what your organization can do to attract more capacity.

[Watch now](#)



# PURPOSEFUL IN OUR APPROACH: NEW CORPORATE RESPONSIBILITY REPORT



At Schneider, we're committed to doing the right thing, the right way. We're focused on our pursuit of a more sustainable, equitable and inclusive future, with a values-based approach to environmental, socially responsible and governance (ESG) initiatives.

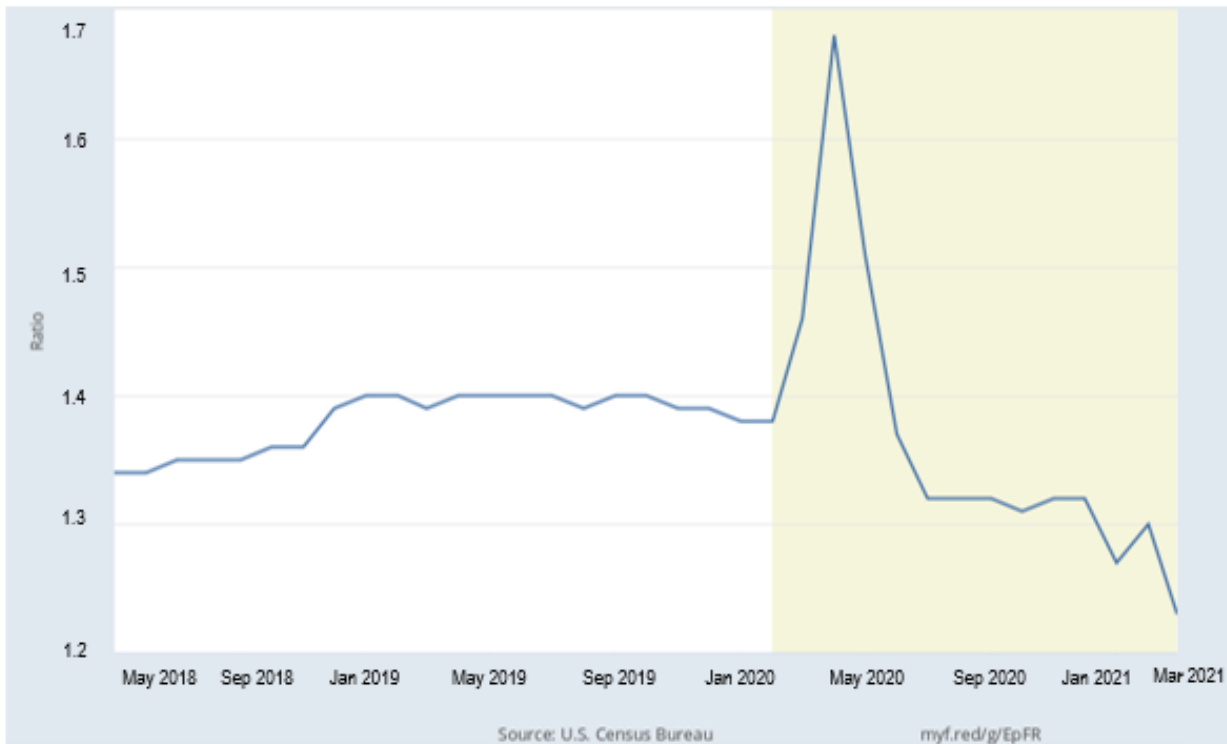
Learn more about Schneider's progress and the next steps in our ESG journey by exploring our 2020 Corporate Responsibility Report.

[View the Corporate Responsibility Report](#)

Updated 5/15/2021

## IN THE NEWS: MODEST SPRINGTIME INVENTORY TO SALES RATIO BUMP WAS SHORT-LIVED AND NOT LIKELY TO BRING INVENTORY RELIEF

U.S. Inventory to Sales Ratio



Updated June 2021

The U.S. Inventory to Sales Ratio is at the lowest levels ever recorded, and [the trans-Pacific shipping system has bounced against its max-capacity ceiling.](#)

At the current rate of sales, Jason Miller, associate professor of supply chain management at Michigan State University's Eli Broad College of Business, [suggests \\$65 billion in inventory will need to be added](#) ahead of the 2021 holiday season to reach the inventories-to-sales ratio held in 2019.

[Read the full article](#)

## WHAT DOES THE NEED TO REFILL INVENTORIES MEAN WITH THE TRADITIONAL PEAK SEASON ON THE HORIZON?

It is quite interesting that we are nearing the traditional peak season timeframe, when essentially, we never closed out the previous peak season. With capacity continuing to tighten, we need to work together even more to increase network velocity.

Schneider is making significant investments in assets and drivers. As we enter what could be one of the most challenging peak seasons we've seen, we need your help to keep equipment and drivers moving --- as the total hours to unload has increased over 30% year over year. Shippers can help to increase fluidity in the supply chain by:

- Unloading dropped equipment as soon as possible upon arrival, ideally within 24 hours, before equipment detention accessorial charges kick in.
- Having equipment available for drivers to leave with, as a charge will apply for all bobtails priced as drop-and hook.
- Metering deliveries to better manage inbound volume at your sites (which also helps with rail yard volumes for intermodal shippers, as rail providers crack down on ramp storage).

*Contact your Schneider representative for more efficiency ideas*

[You can also watch our recent webinar: Is Your Freight Ugly?](#)

## IN THE NEWS: DRIVER SHORTAGE EXTENDS BEYOND THE BORDER

In 2018, a study by the American Trucking Associations (ATA) said the U.S. was short 60,000 drivers. Trucking companies in Mexico are also having a hard time recruiting drivers, according to the [National Chamber of Freight Transport](#) (CANACAR), [reporting a shortage of 50,000 drivers](#) throughout the country. In Nuevo Laredo, just across the border from Laredo, Texas, there are around 2,000 vacancies.

In Mexico, CANACAR said the driver shortage can be attributed to:

- A lack of good training for drivers.
- A bad image of the profession.
- Difficult working conditions.
- Difficulty attracting young people and women to the profession.

[Read the article](#)

Source: [freightwaves.com](https://freightwaves.com); Updated 6/14/2021



## IN THE NEWS: MEXICO RECORDS 692 COMMERCIAL CARGO THEFTS IN APRIL

The most stolen items are food and beverage, clothing and footwear, auto parts, steel, tires, wine and liquor.

While most cargo thefts occur in the central and central western regions of the country, the state of Nuevo León in northern Mexico — which includes a key border crossing with Laredo, Texas — has also been plagued by crime. In 2020, the state of Nuevo León recorded more than 550 cargo thefts, according to SESNSP.

[Read the article](#)

Source: [freightwaves.com](https://freightwaves.com); Updated 6/14/2021



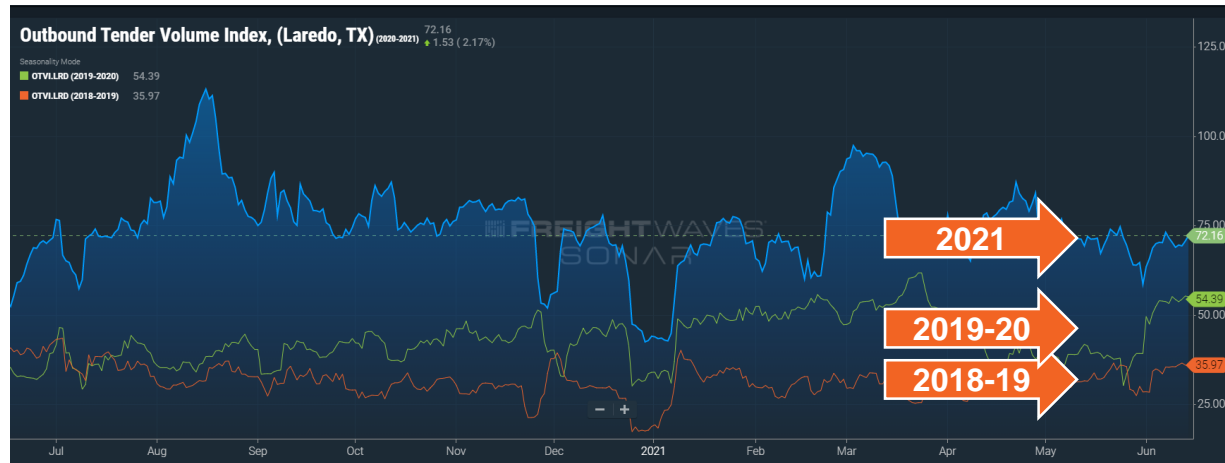
According to CargoNet, the leading cargo theft prevention and recovery company, **trailer thefts nearly doubled in 2020** when compared to 2019 figures.

**O** Full-load  
thefts  
in 2020

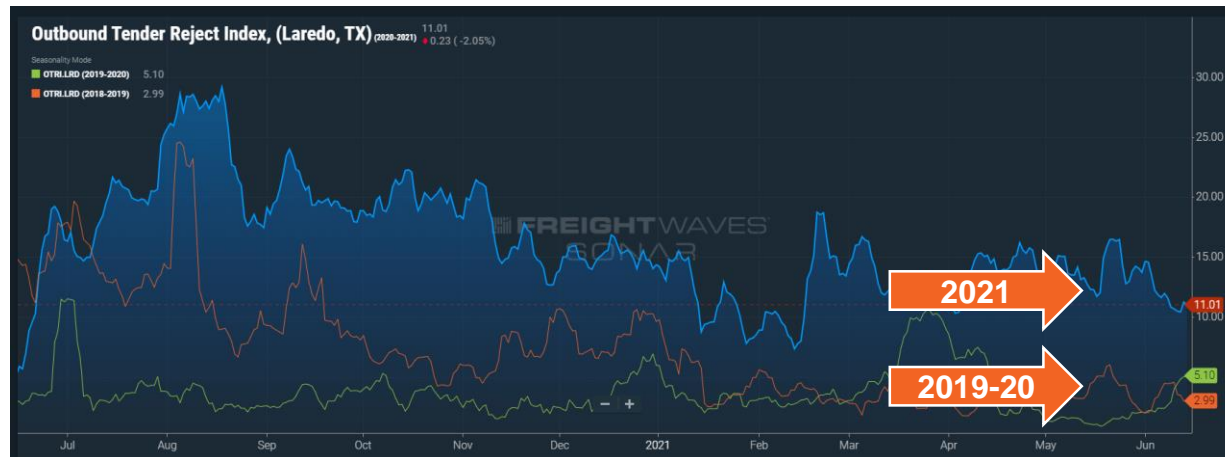
Schneider achieved its **ZERO** full-load theft results through a holistic approach to security, which eliminates theft prevention gaps from beginning to end for truckload and intermodal moves. C-TPAT certification, multiple technologies, procedures and training provide a multilayered effect that strengthens the supply chain.



# AFTER THE SPIKES WE SAW IN FEBRUARY DUE TO WEATHER IMPACTS, BOTH INDEXES HAVE LEVELED OUT BUT ARE STILL FAR HIGHER THAN PAST YEARS



Capacity is expected to continue to remain tight due to the current environment with port congestion and the upcoming traditional peak season on the horizon.

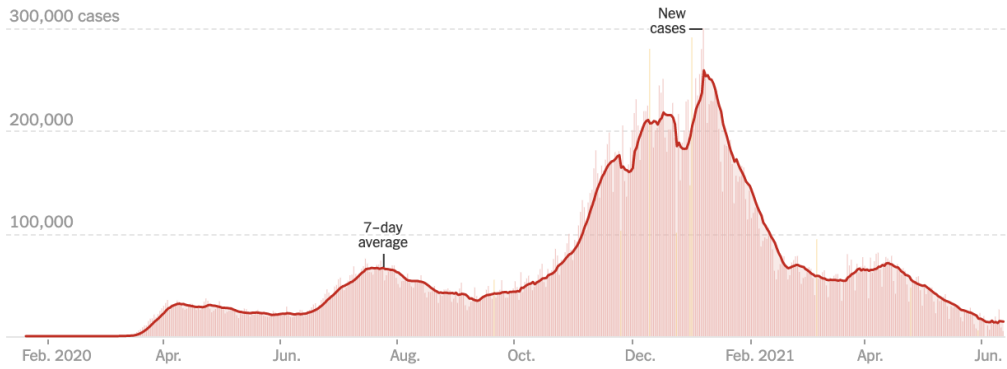


There is a drop in outbound tender volumes and spike in rejections due to the U.S. Memorial Day holiday, but typically these numbers start to reverse again.

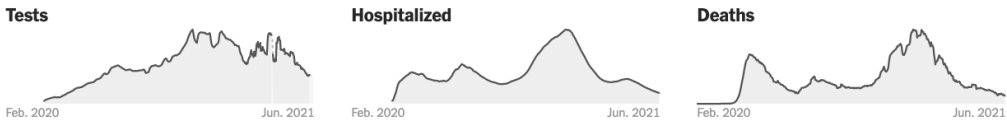
Sources: FreightWaves SONAR; Updated 6/15/2021

# U.S. COVID-19 CASES CONTINUE TO DECLINE

## New reported cases



These are days with a reporting anomaly. Read more [here](#).

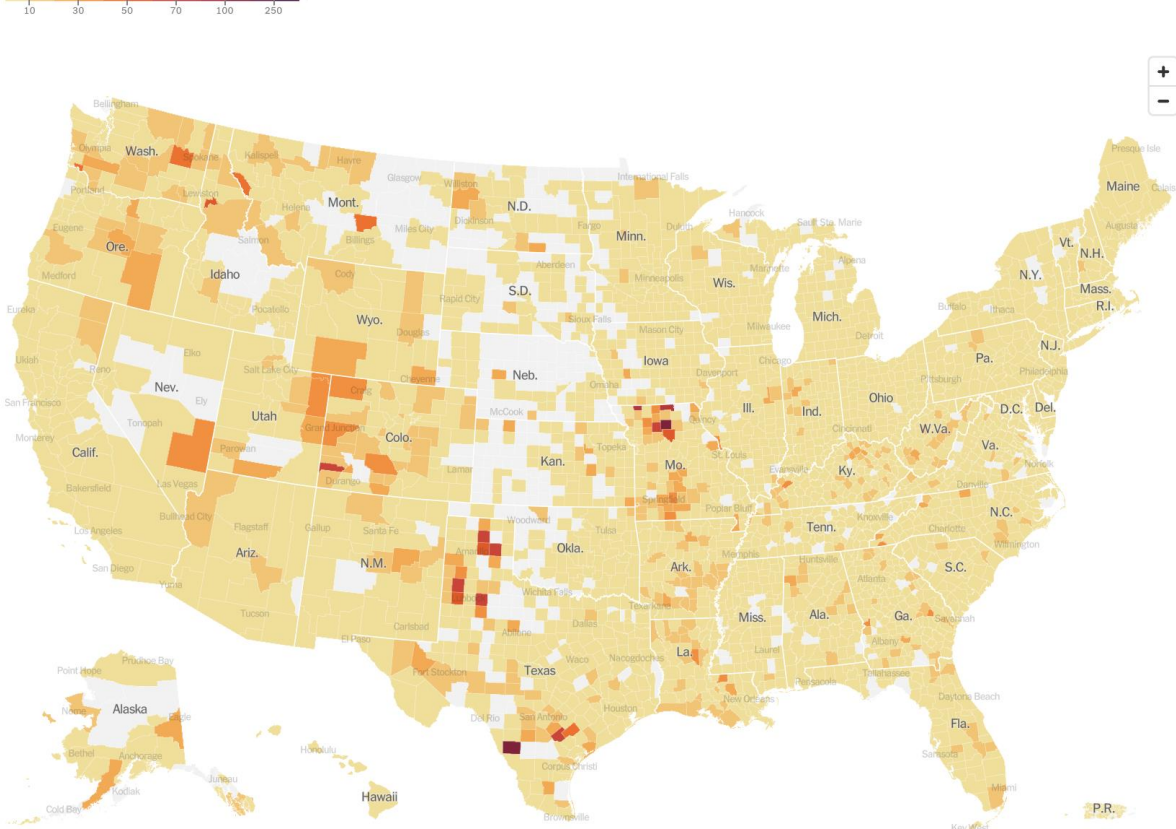


	AVG. ON JUN. 13	14-DAY CHANGE	TOTAL REPORTED
Cases	14,288	-29%	33,429,075
Tests	692,933	—	—
Hospitalized	20,173	-22%	—
Deaths	363	-23%	599,781

[About this data](#)

## Hot spots

AVERAGE DAILY CASES PER 100,000 PEOPLE IN PAST WEEK



[mapbox](#)

[About this data](#)

Source: [nytimes.com](https://www.nytimes.com); Updated 6/14/2021

# MEXICO COVID-19 CASES HAVE RECENTLY INCREASED 25%

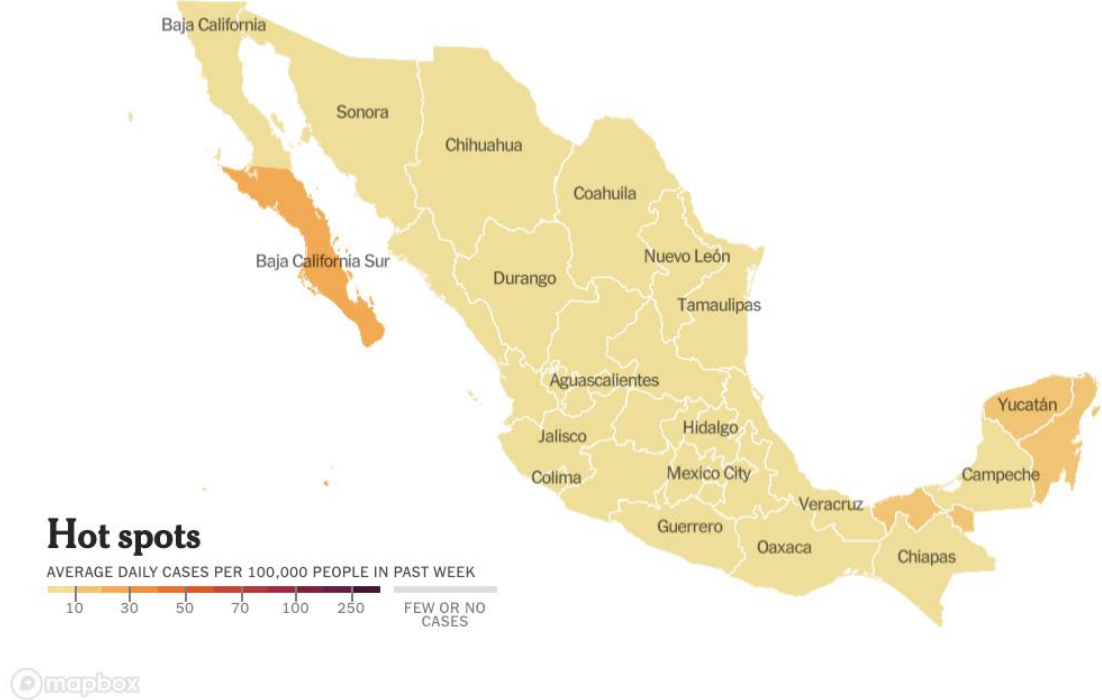
## New reported cases



	AVG. ON JUN. 13	14-DAY CHANGE	TOTAL REPORTED
Cases	2,928	+26%	2,454,176
Deaths	192	-28%	230,150

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.



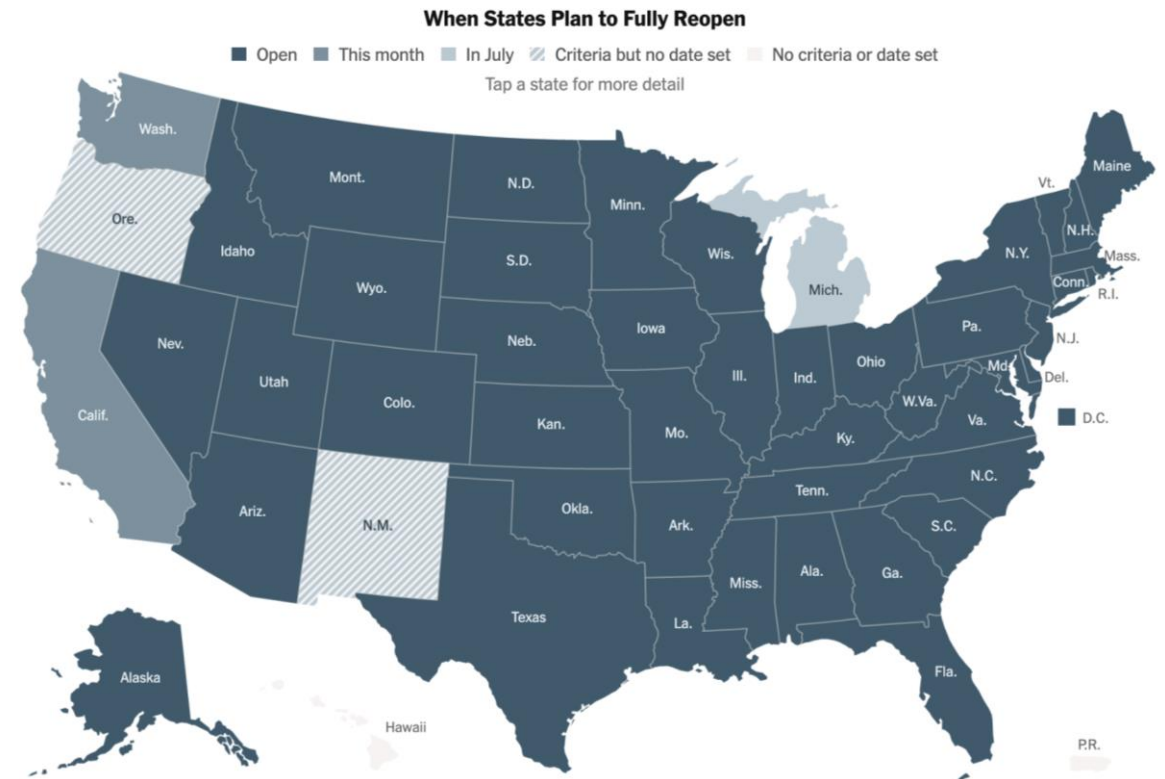
Source: [nytimes.com](https://www.nytimes.com); Updated 6/14/2021

## AS MASK MANDATES ARE EASING, RESTRICTIONS ARE LIFTING. IT APPEARS MUCH OF THE U.S. WILL BE OPEN WITH FEW RESTRICTIONS IN THE COMING MONTHS.

All across the country, mask mandates have eased, restrictions have lifted and many states have gone back to business as usual. It appears much of the country will be open with few restrictions by the Fourth of July. Learn more about each area's policies on this [map from the New York Times](#).

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](https://www.nytimes.com); Updated 6/14/2021



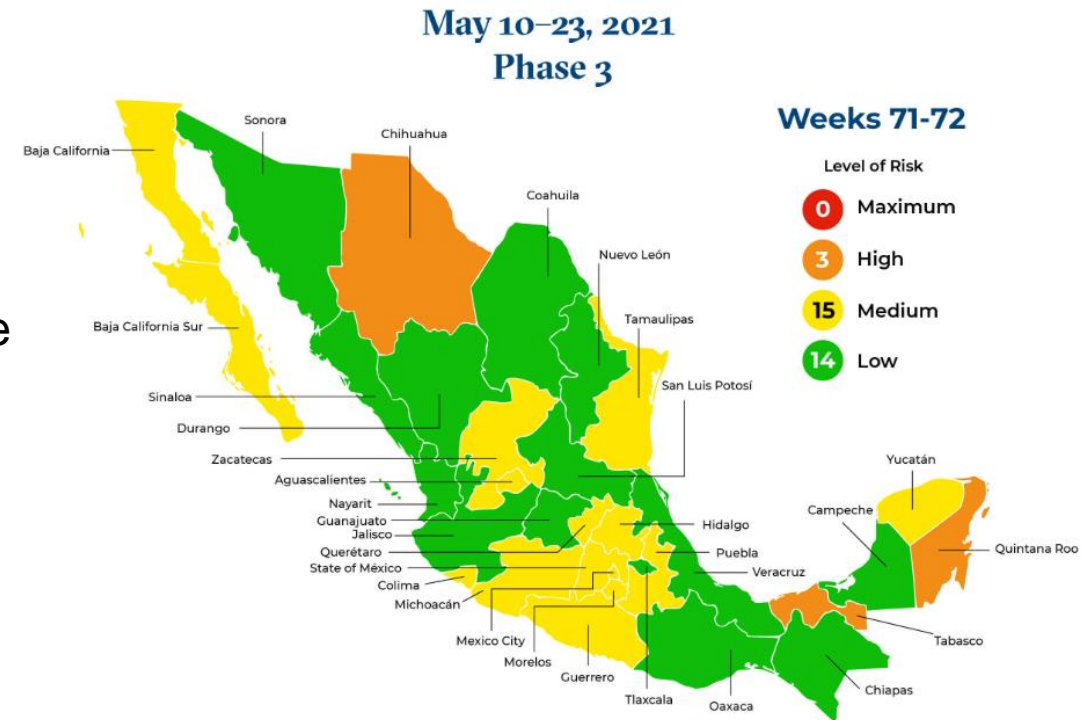
# MEXICO RESTRICTIONS CONTINUE TO EASE

The Monitoring Committee of Mexico City downgraded the traffic light status from orange to yellow as of May 10, 2021. Face-to-face work in private corporate offices can resume at a maximum capacity of 20 percent. They must also comply with sanitary measures and conduct, weekly testing of at least 20 percent of the personnel working on-site for the detection of the SARS-CoV-2 virus.

Learn more about each area's policies on this [map](#).

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Source: [nytimes.com](https://www.nytimes.com), [jdsupra.com](https://www.jdsupra.com); Updated 5/18/2021

## VACCINATION PLANS IN MEXICO TO ACCELERATE, HOPEFULLY GETTING CLOSER TO EASING U.S./MEXICO BORDER RESTRICTIONS

Percent of population vaccinated (6/14/21)		
	Vaccinated	Fully vaccinated
United States	52%	43%
Canada	64%	11%
Mexico	20%	12%

Mexico President Andrés Manuel López Obrador aims to ensure its population has had at least one Covid-19 vaccine shot by October before the onset of colder weather.

By July, health authorities will begin providing vaccinations to people as young as 40.

Mexico and the United States are [negotiating an end to border crossing restrictions](#) that have been in place for almost 15 months.

Source: [nytimes.com](https://www.nytimes.com), [nbcnews.com](https://www.nbcnews.com), [borderreport.com](https://www.borderreport.com); Updated 6/14/2021

