

Mexico Transportation Market Update

December 09, 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!



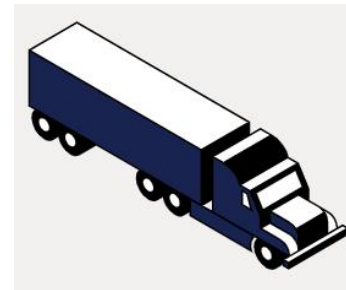
Dry Van Truckload



Dedicated



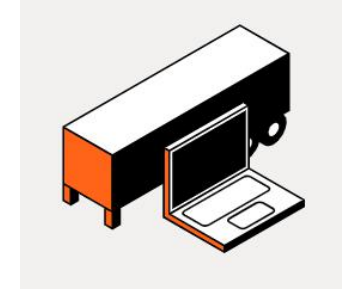
Intermodal



Brokerage



Bulk



Logistics

On-Demand

The Cross-Border Capacity Evolution

Enrique Perret,
U.S. Mexico Foundation

Humberto Vargas,
Union Pacific Mexico

Jonathan Mulch,
Kansas City Southern

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



This on-demand event is comprised of four sessions, in which 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.

[Watch the On-Demand Sessions](#)



Developing an Ally-Shoring Strategy Between the U.S. and Mexico

In this on-demand event, Enrique Perret, Managing Director for the U.S.-Mexico Foundation, talks about:

- Allyshoring -- which takes nearshoring further in the fact that it's done with strategic, value-sharing allies.
- How the U.S. and Mexico have been working together to improve and increase trade.
- How to continue to work together with your U.S. and Mexico-based peers and governments to drive opportunities for nearshoring and allyshoring.

Nearshoring: What Does it Mean to Your Logistics Strategy?

Bernardo Rodarte and Jessica Valdez, both from Schneider, discuss nearshoring and why it's important to cross-border shippers. They discuss:

- What nearshoring and allyshoring are, and why they are important.
- The continuous growth of freight moving between the U.S. and Mexico, and the importance of planning and mode diversification to your long-term transportation strategy.
- How Schneider has worked with other shippers to develop cross-border solutions utilizing dedicated and intermodal transportation.



[Watch the On-Demand Sessions](#)



The Value of Incorporating Intermodal Into Your Cross-Border Transportation Strategy

A panel of intermodal and transportation experts from Schneider, Union Pacific Railroad and Kansas City Southern Railroad, talk about the value of incorporating intermodal into your cross-border supply chain strategy.

- What intermodal transportation is and how it works in cross-border transportation.
- The benefits of intermodal transportation and the actions that Schneider, UP and KCSM are all taking to continually improve service and options.
- The importance of utilizing multiple modes in your transportation strategy.

Developing a Deep-Dive Plan to Successfully Implement a Nearshoring Strategy

In this on-demand event, Dan Flaherty, Schneiders Vice President of Distribution and Port Services talks through what transportation professionals need to consider to make nearshoring successful. Flaherty talks through:

- Ensuring your transportation network is set up properly by utilizing engineering and network design.
- Managing northbound freight with through multiple freight modes.
- Optimizing your cross-border distribution/outbound freight.
- How to leverage technology to increase efficiency.



Watch the On-Demand Sessions

In the News: North American Transborder Freight Up 24% in August 2022 vs. 2021

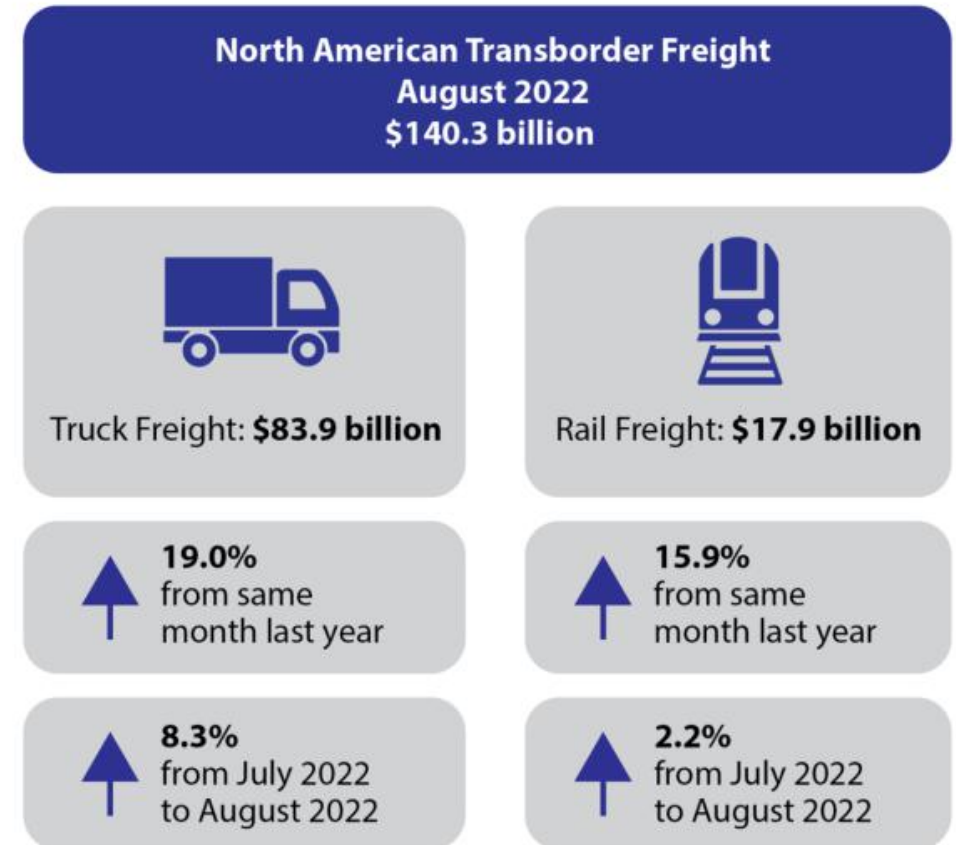
According to the U.S. Bureau of Transportation Statistics, total transborder freight between the U.S., Mexico and Canada increased 24% August 2022 vs. 2021, totaling \$140 billion.

Freight between the U.S. and Mexico increased 23% during the same time frame, totaling \$70 billion.

Of that freight, the majority was moved by truck, \$48 billion, next by rail, nearly \$8 billion.

Most of that freight was moved through Laredo, TX (\$22 billion).

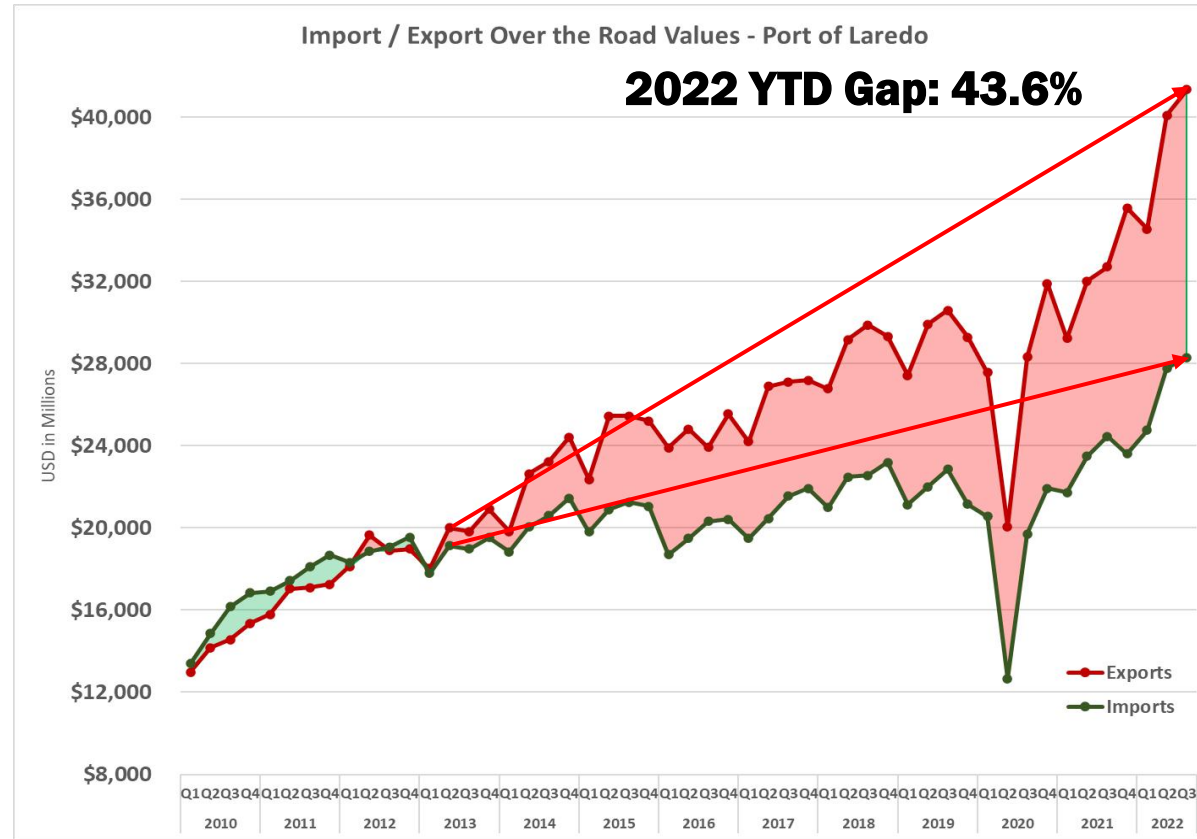
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Source: bts.gov; October 2022

Q3 Update: Mexico Northbound Flows Continue to Significantly Outpace Southbound Flows

Import/Export Over the Road Values – Port of Laredo



Source: National Institute of Statistics and Geography (INEGI) – December 2022

* Port of Laredo (WTB & Colombia) values as reported by INEGI / Banco de Información Económica

The National Institute of Statistics and Geography in Mexico, known as INEGI, recently reported import / export values for the month of September reaching a gap of 43.7%. This puts the full year gap at 43.6%, up from 34.9% for that same period in 2021. The full gap in Q3 – 22 reached 46.2%. Also note the significant spike Mexican exports (NB flows) have observed this year.

To put that in perspective – for every southbound shipment into Mexico, there are close to double that amount flowing northbound to the U.S. This can be much greater in specific markets, such as Monterrey and Saltillo.

2022 will go down in the books as one of Mexico's best years in terms of capturing Direct Foreign Investments. YOY Jan - Sep FDI has grown 30% versus same period previous year. The North and Bajío regions have been the largest receptors of these investments.

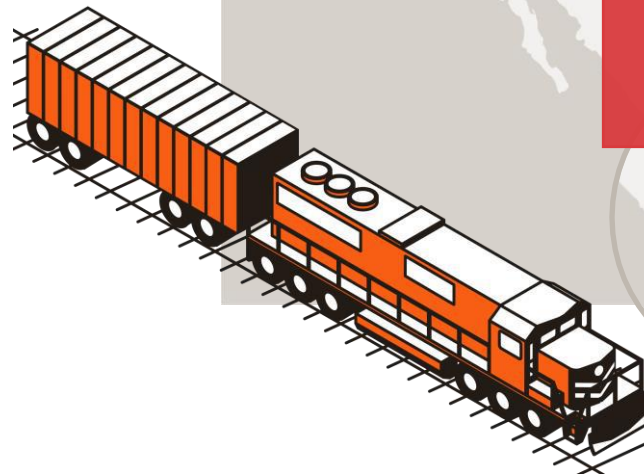
Northbound Capacity Solution: New Intermodal Capacity Options from Silao, Mexico

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](#)

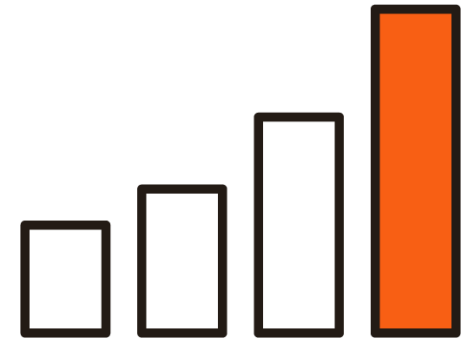
[Talk to an Expert](#)



In the News: Record-Breaking Mexico Job Growth in October 2022

Mexico's formal sector job generation hit the highest increase on record for a single month in October with 207,968 new jobs, bringing Mexico's current total of formal jobs to 21.6 million.

- Mexico's Social Security Institute (IMSS) reports the increase represents a 1% growth vs. September and 4% growth vs. October 2021.
- Nearly 1 million new jobs have been created so far this year, the second-highest total of jobs created between January through October since recording began in 2000, according to IMSS Director Zoé Robledo.
- Most jobs created were in Mexico City, followed by México state, Jalisco, Nuevo León and Sinaloa.
- The highest concentration of new jobs occurred in the transport and communications sector, which saw 7.8% growth.



[Read the article](#)

Source: mexiconewsdaily.com; 11/8/22

In the News: U.S. and Mexico Strategize to Lure Nearshoring Business Relocation From Asia

Mexico and the United States will work together to move companies to North America from Asia, according to the Economy Ministry (SE).

After a meeting between Economy Minister Raquel Buenrostro and U.S. Secretary of Commerce Gina Raimondo, the SE said that those two officials will collaborate to put together a joint presentation to the private sector “to disseminate the opportunities and economic and fiscal benefits that both countries offer for the relocation of companies.”

The presentation will be put forward in the first two months of 2023, the ministry said in a statement.



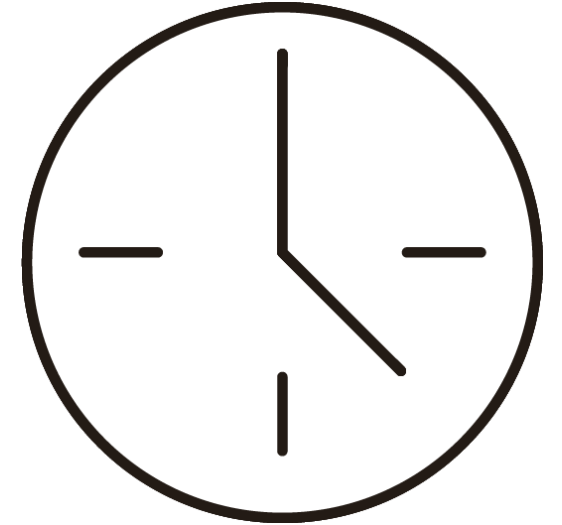
[Read Article](#)

Source: mexiconewsdaily.com; 12/05/22

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.



[Read Article](#)

Source: argusmedia.com; October 2022

In the News: UPDATE: Deadline Once Again Postponed for Mexico New Bill of Lading Requirements (Carta Porte al CFDI / Bill of Lading Complement)

The Mexican Tax Authority (SAT) has recently extended the grace period to meet the Carta Porte requirements multiple times – now to July 31, 2023.

The Carta Porte requirements will apply to all cross-border freight.

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 are testing 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.

Information from SAT

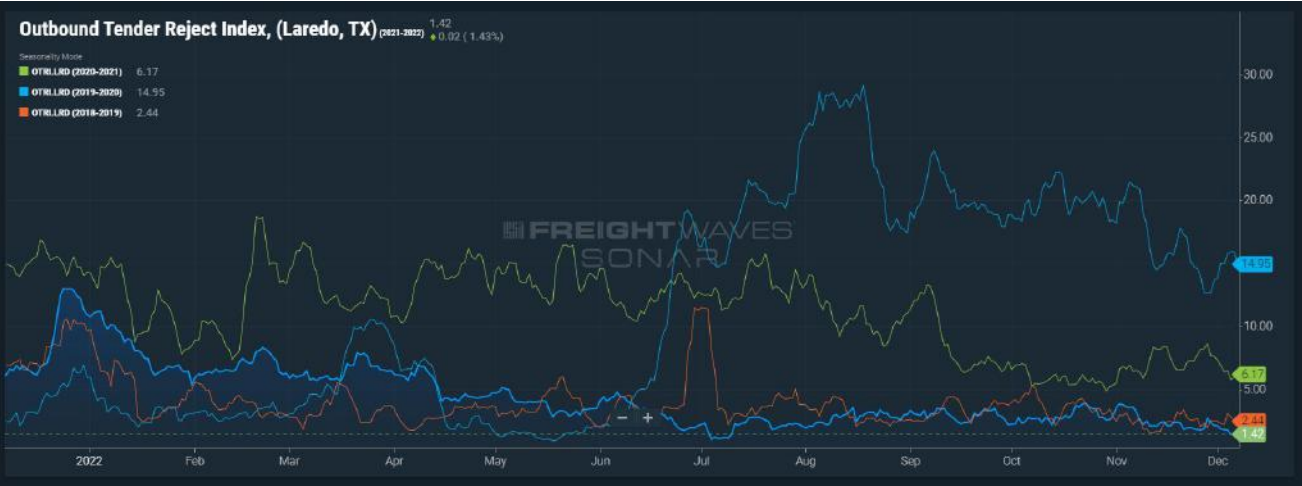
Source: sat.com; November 2022

Laredo Outbound Tender Volumes Competitive With 2020-2021



2019-2020
2020-2021
2022
2018-2019

Compared to the Outbound Tender Volume Index levels during this time in the previous years, current OTVI is -5% lower than 2021, -10% lower than 2020, and 59% higher than 2019.



Outbound Tender Rejects are about -77% lower than they were at the same time last year.

Sources: FreightWaves SONAR; Updated 12/07/22



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.