

Review of the Commercial Vehicle & Transportation Industries of Mexico

January 2010



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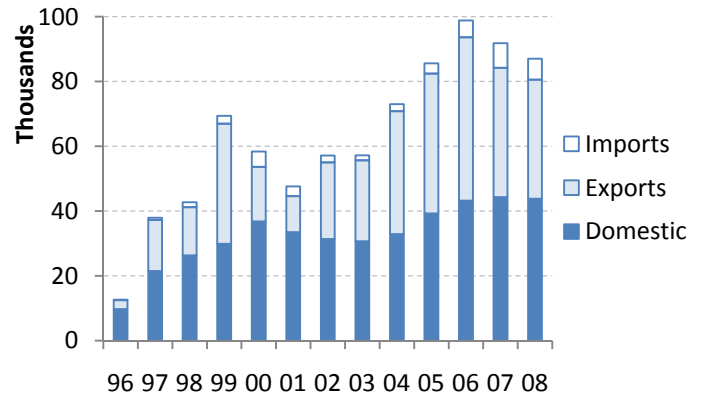
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Mexico Commercial Vehicle Markets & Manufacturers

The Mexican Commercial Vehicles market has been on a growth trend for the last decade, partially due to increasing domestic demand, but additionally due to rising export demand. While local markets have seen steady growth, exports, primarily to the United States, have created some cyclical demand. The peaks of 1999 and 2006, as well as the downturn of 2001 are a reflex of the demand fluctuations in the American market resulting from implementation of government emission mandates. About 54% of the domestic production stays in Mexico while the remainder is exported to the United States (30%) and other, primarily Latin American, countries (16%).

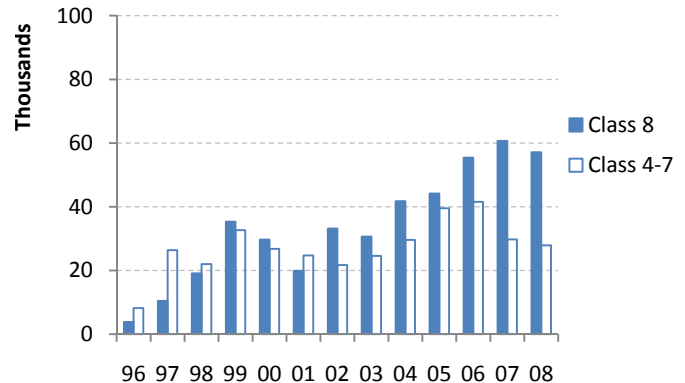
As a result of an increasing commercial trucking industry within Mexico, the domestic market has been gradually moving toward heavy duty. . . .

Sales of commercial vehicles and buses



Source: ANPACT

Sales of commercial vehicles by class



Source: ANPACT

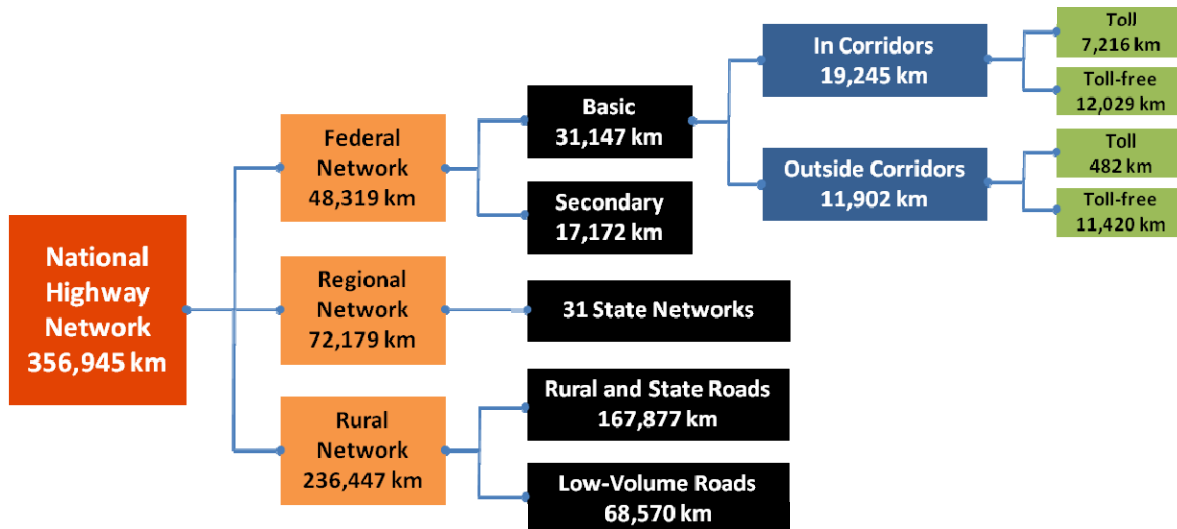
Transportation Network

NATIONAL HIGHWAY INFRASTRUCTURE: Mexico’s major road system is classified as follows:

- Federal Network
- Regional Network
- Rural Network

The federal road network is the responsibility of the Secretary of Communications and Transportation (SCT), while the regional network of roads is the responsibility of state governments. Rural and state roads and low-volume roads are also improved by the states; however, the SCT is involved in the establishment and administration of the Temporary Employment Program, which provides labor for maintenance projects.

Characteristics of the National Highway Network



Source: SCT, General direction of roads development.

The National Highway Network covers an area of 356,945 kilometers, of which 48,319 km. . . .

Trucking Sector Overview: Profile and Analysis

FLEET PROFILE: The overall transportation market, much like in the United States, is comprised of thousands of small companies. Over 80% of these entities are called *hombre-camion* (owner operator). Companies with fewer than 30 power units (tractor/truck/trailer) account for 98% of total transportation companies and almost 60% of the total fleet. The average length of haul for all companies within Mexico is 290 miles.

Type of Company	Number of Units	Number of Companies	%	Number of Units	%
Owner Operator	1 to 5	84,566	82.7	157,950	28.4
Small	6 to 30	15,215	14.9	171,730	30.9
Medium	31-100	1,875	1.8	95,441	17.2
Large	More than 100	547	0.6	130,402	23.5
Total		102,203	100.0	555,523	100.0

The largest 100 transportation companies within Mexico comprise 9% of all fleet trucks registered. . . .



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