

THE BENEFITS OF NEARSHORING

PART 2

MEXICO AND NEARSHORING

MEXICO

THE NORTH AMERICAN NEARSHORING HUB

FAST FACTS

MEXICO'S LOCATION OFFERS MORE CONTROL OVER MANUFACTURING & DELIVERY SCHEDULES COMPARED TO SUPPLY CHAIN OPERATIONS OVERSEAS FOR US COMPANIES.

AS OF 2014...

Mexico has also enacted 12 Free Trade Agreements with 44 countries.

NATIONAL INFRASTRUCTURE PROGRAM

\$42 BILLION

The total amount invested in transportation related projects in Mexico.



\$17 BILLION

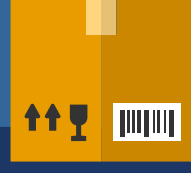
Invested in railway infrastructure to boost the use of the cargo system and intermodal terminals, and redevelop the passenger railway network.

MAJOR MEXICAN PORTS



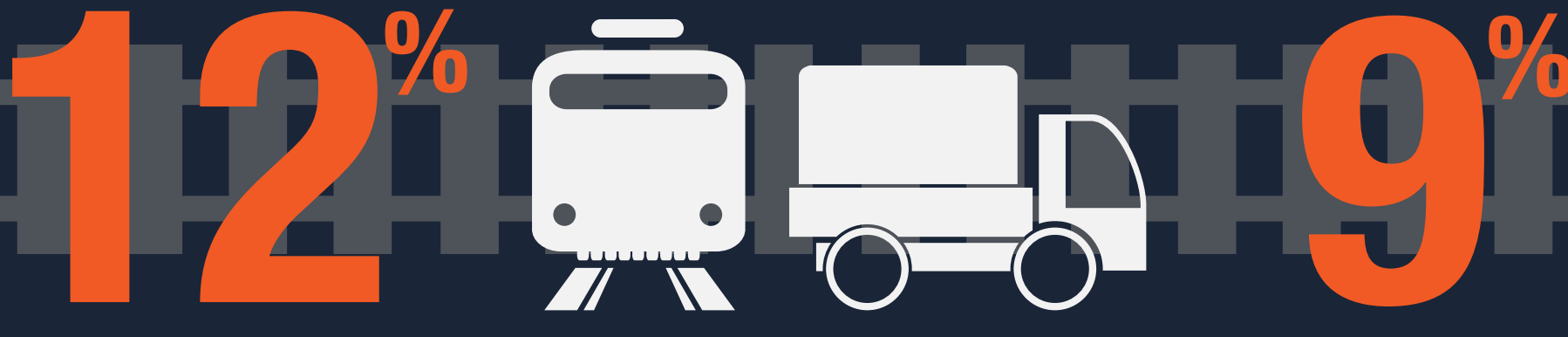
The growing manufacturing base developed from 2010-2013 led to an increase of import volumes at major Mexican ports by about

37%



A LIGHT AT THE END OF THE TUNNEL

The intermodal tunnel, that is. The U.S. Bureau of Transportation Statistics reported that in July 2014, the US-Mexico trade made by rail and truck hit record highs for the month of July this year. The value of crossborder traffic increased, year-over-year by:



MEXICO AND THE AUTOMOTIVE INDUSTRY

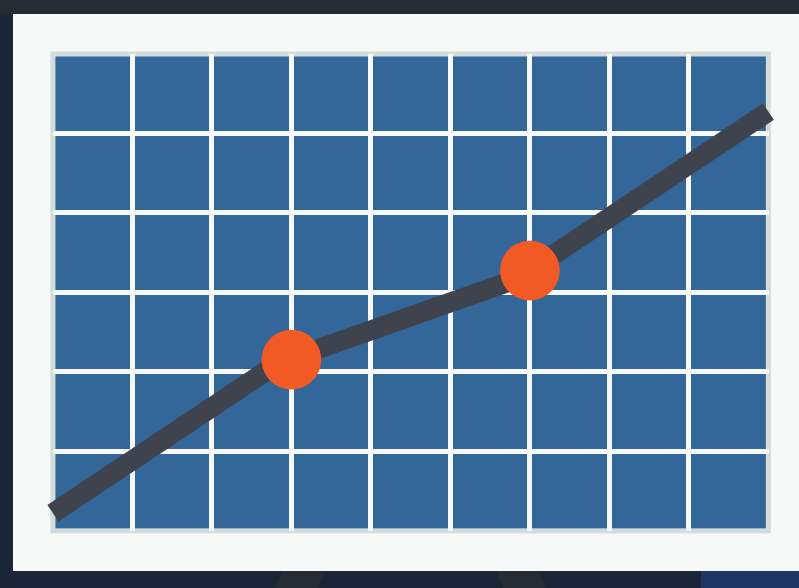
RAKING IN THE SALES

THIS YEAR, AUTOS MADE IN MEXICO FOR SALE IN THE U.S. WILL REACH APPROXIMATELY

\$1.7 MILLION

IN TWO YEARS, U.S. SALES OF AUTOS MADE IN MEXICO COULD REACH APPROXIMATELY

\$1.9 MILLION



READY FOR DELIVERY

THIS YEAR, MEXICO IS EXPECTED TO OVERSHADOW JAPAN AS THE SECOND LARGEST EXPORTER OF AUTOS;

SOME EXPERTS CLAIM MEXICO WILL BECOME THE WORLD'S TOP PRODUCER OF AUTOMOBILES. BECOMING THE MANUFACTURING HUB FOR BOTH THE US AND SOUTH AMERICAN MARKET.



TOP 5 CHALLENGES

1. LACK OF AN EFFICIENT TRANSPORTATION NETWORK
2. DIFFICULTY SECURING CARRIERS, DRIVERS AND EQUIPMENT
3. INADEQUATE TRANSPORTATION INFRASTRUCTURE
4. HIGH COST OF PREMIUM AND/OR EXPEDITED FREIGHT
5. CROSS-BORDER WAIT TIMES AND SECURITY ISSUES



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SOURCES:
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