

Perspective of the Rail Freight Industry in Mexico

Mexican Rail Regulatory Agency



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North America Rail Facts

	Rail (kms)	Railcars	Loco
US	293,564	306,268	26,546
CANADA	42,557	55,000	2,842
MEXICO	23,389*	31,768	1,250
TOTAL	362,510	393,036	30,638

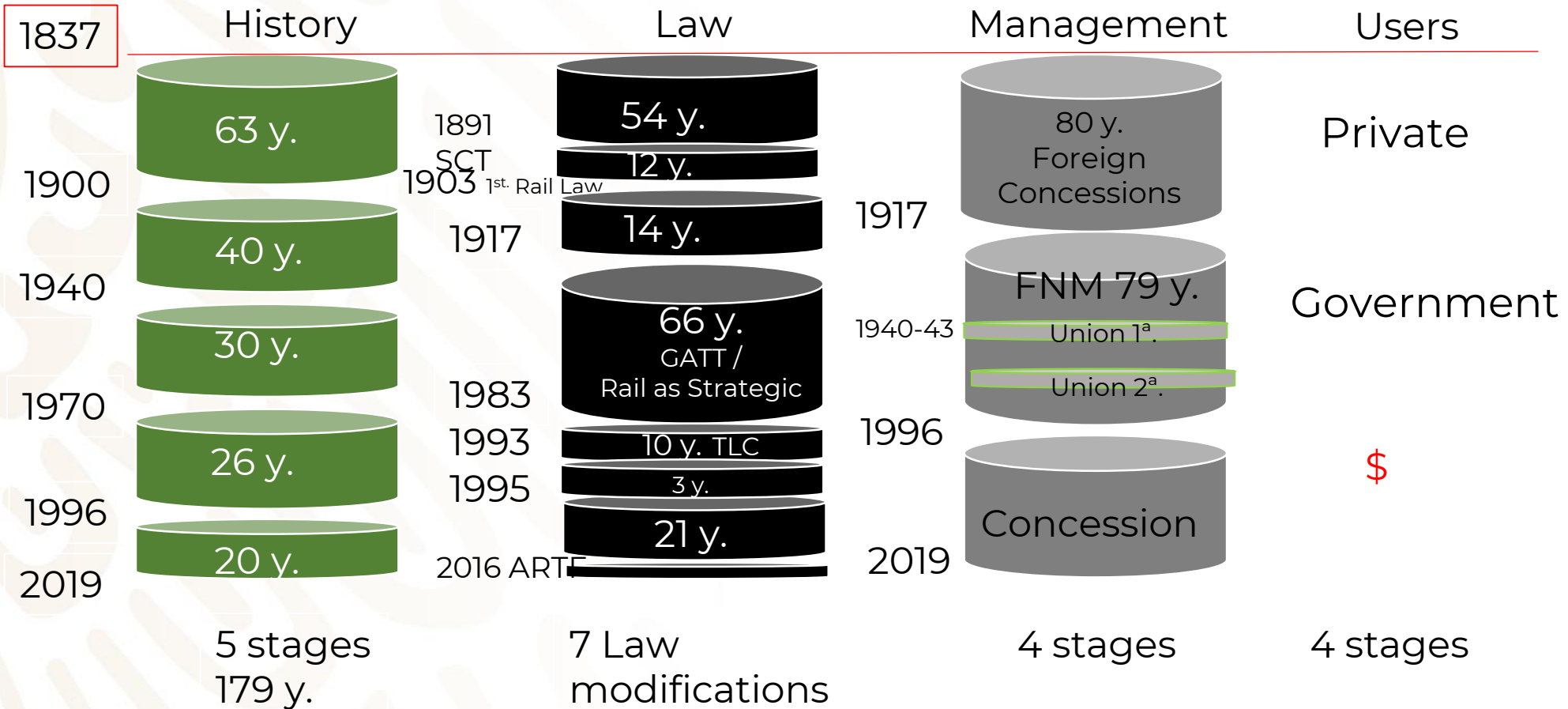
Mexico	6%	8%	4%
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***3,525 Km not under concession yet**

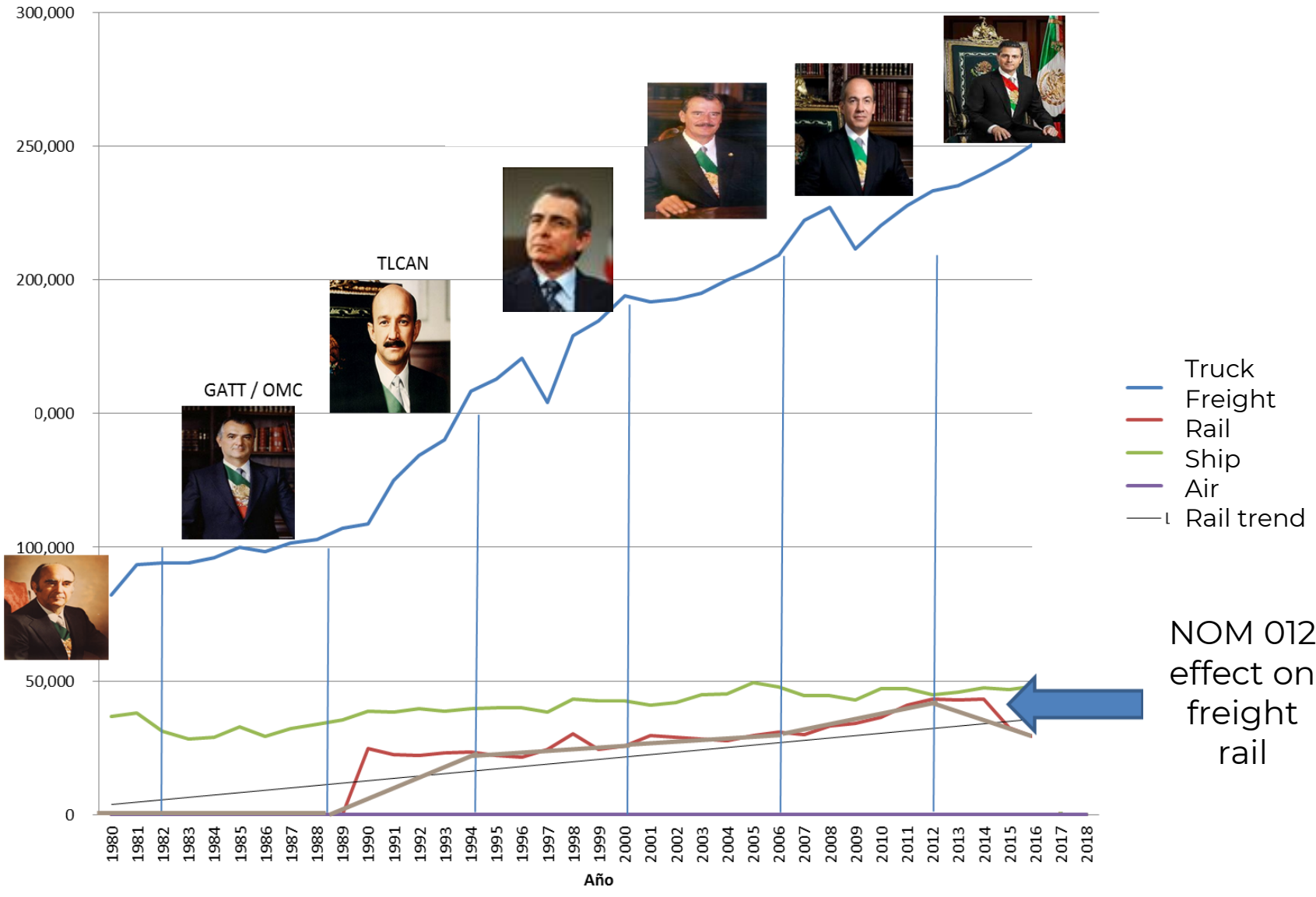
REFERENCES

- United States Department of Transportation
 - Association of American Railroads
 - Central Intelligence Agency
- Railway Association of Canada
 - ARTF

Public Rail Service



Transport development



NOM 012
effect on
freight
rail



Railway as a public service

- ❑ 1983 Rail service was considered as a strategic sector. It means a public management
- ❑ 1983 – 1995 Government release their own companies, i.e. Conasupo, Fertimex and so on
- ❑ 1995 Art. 28 from Mexico's Constitution was modified. Rail service become a priority business.
- ❑ It allows management & private investments into public rail infrastructure

The administrative concession

Railway Transport Agency

- ✓ To set tariffs, interlines, trackage rights, passenger studies, statistics, verifications

CONCESIONAIRE

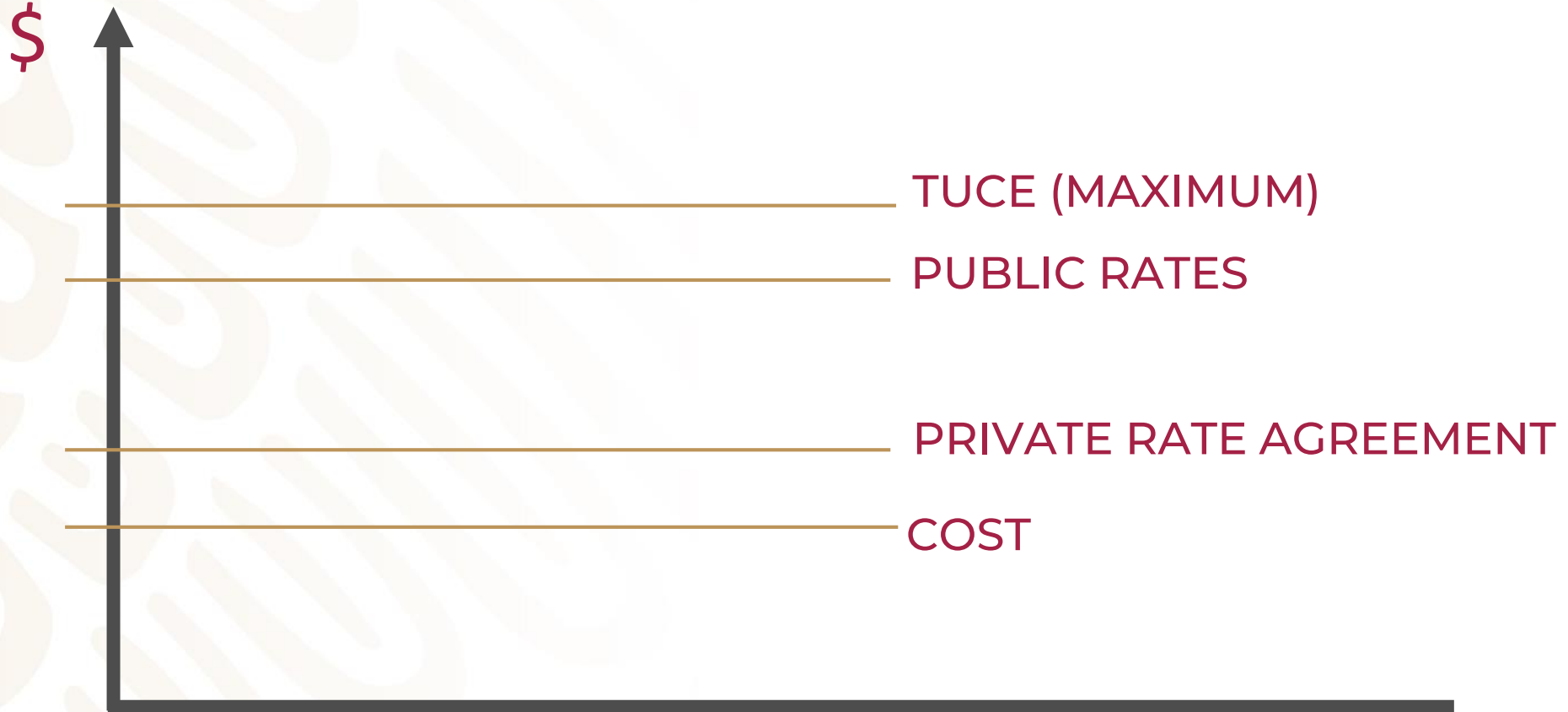
To perform a public rail service from users request using a public infrastructure

USER

To use & pay its rail movements



Conceptual Rates Diagram



Railway in figures 1996 vs 2018

	1996	2018	
Mkt share in Transport sector	8%	24%	200%
Locomotives	1,318	1,250	-5%
Power (HP)	3,598,840	4,470,500	24%
Railcars	29,438	31,768	8%
Human Resources	44,139	15,326	-65%
Freight (MT)	59	128	117%
Freight (MTKm)	42	88	110%

Main Concessionaires

95% freight rail



Users



TUCE implications

- ❑ New freight movements
- ❑ Trackage rights
- ❑ Movement continuity
- ❑ Freight conversion from truck system
- ❑ Transit time

Main Mexico's Agency Drivers

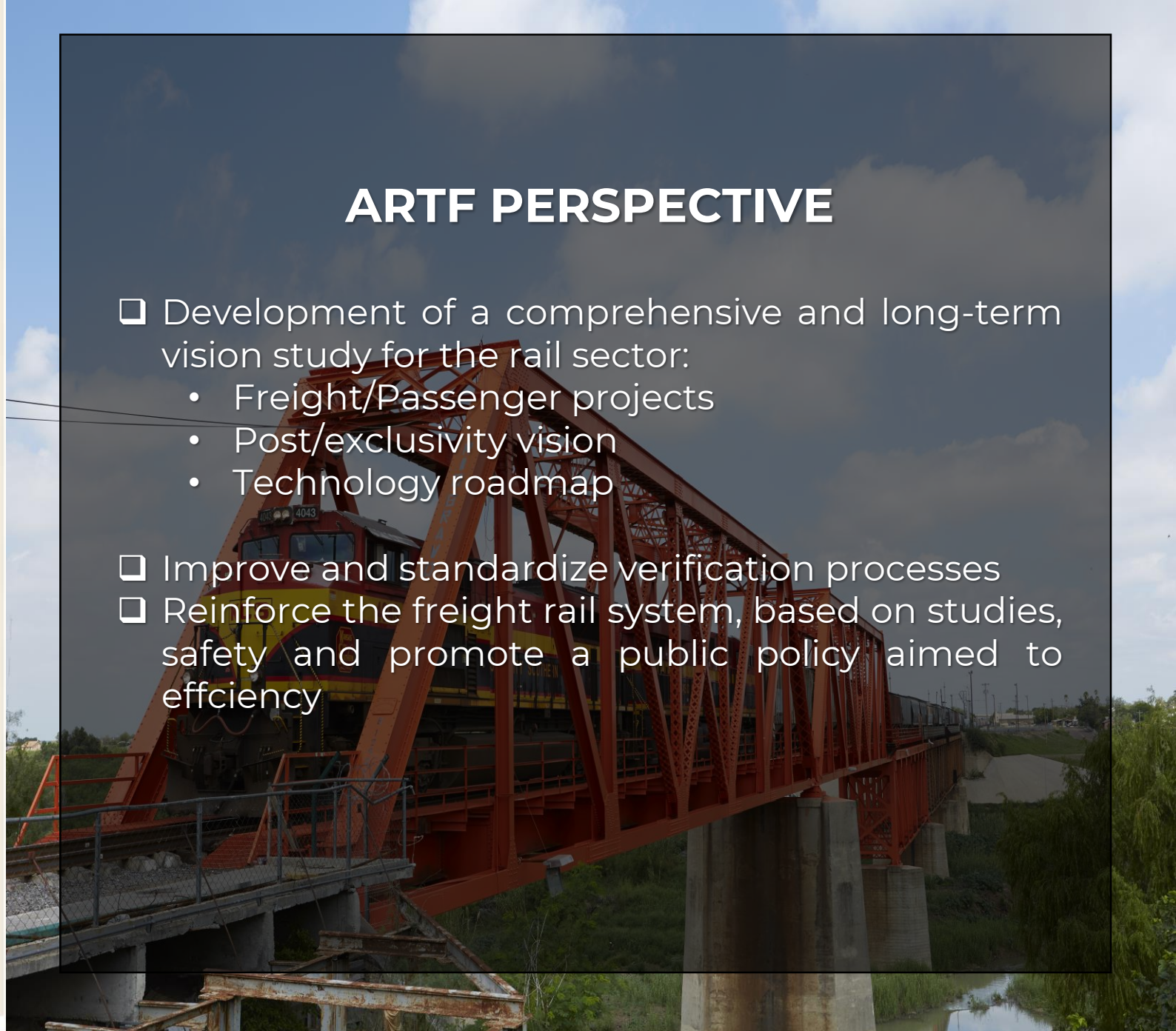
SAFETY, SECURITY AND DEVELOPMENT

- Promote secure systems in junction work with concessionaires, police & users
- Improve railroad highway grade crossing
- Open doors to discuss rail freight issues with users and concessionaires
- Increase rail freight from 25% to 40%
- New trackage rights vision
- New long/short haul agreements
- New interline rates services
- Conversion freight from truck
- Rail facilities as intermodal, carrousel yards, empty railcar yards, grain & bulk facilities
- To get more freight rail efficiency as a public service

Main Mexico's Agency Drivers

ARTF PERSPECTIVE

- ❑ Development of a comprehensive and long-term vision study for the rail sector:
 - Freight/Passenger projects
 - Post/exclusivity vision
 - Technology roadmap
- ❑ Improve and standardize verification processes
- ❑ Reinforce the freight rail system, based on studies, safety and promote a public policy aimed to efficiency



Thank you



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