

A blue semi-truck is shown from a low-angle perspective on the right side of the frame, moving along a multi-lane highway. The sky is a deep blue with scattered white and light blue clouds. The road surface is dark asphalt with a white dashed line. In the distance, a bridge or overpass is visible against the horizon.

# Truck Industry in Mexico, 2020

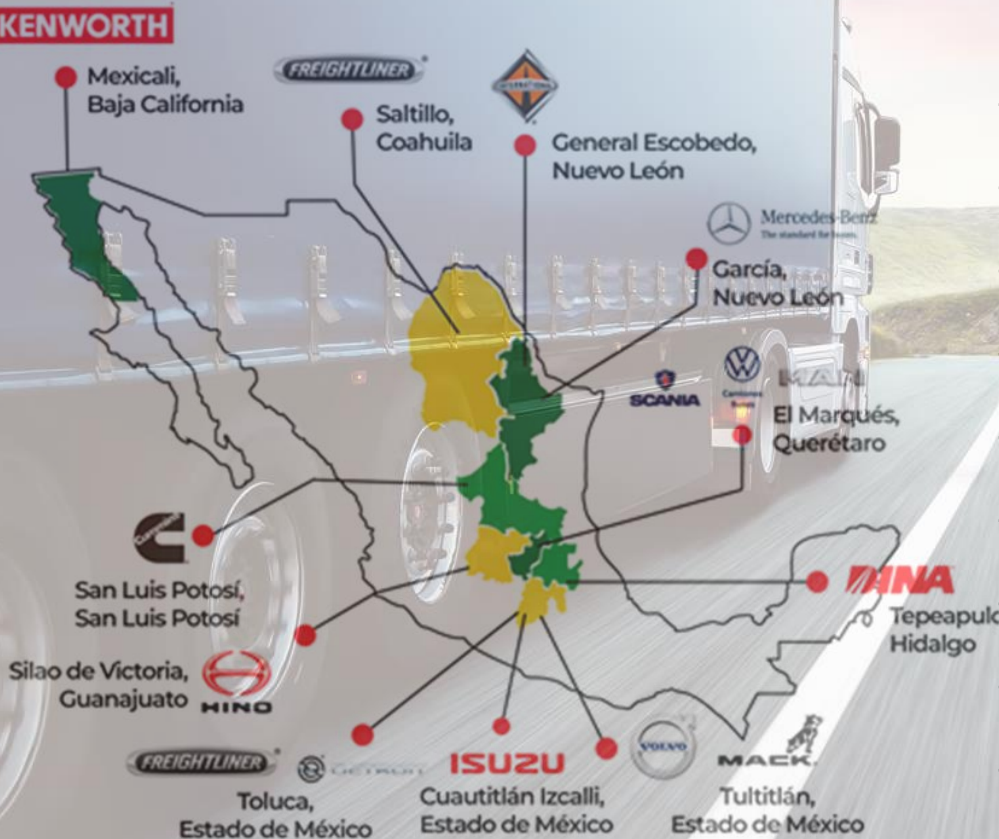
*A Strategic Market Quantification  
and Opportunity Analysis for  
Market  
Penetration and Business Growth*

<https://www.lamiglatam.com/reports-2020>

# Truck Industry in Mexico, 2020 Main Highlights

Auto transport  
**6% GDP**  
**2.5 M jobs**

Automotive  
**3% GDP**  
**1.9 M jobs**

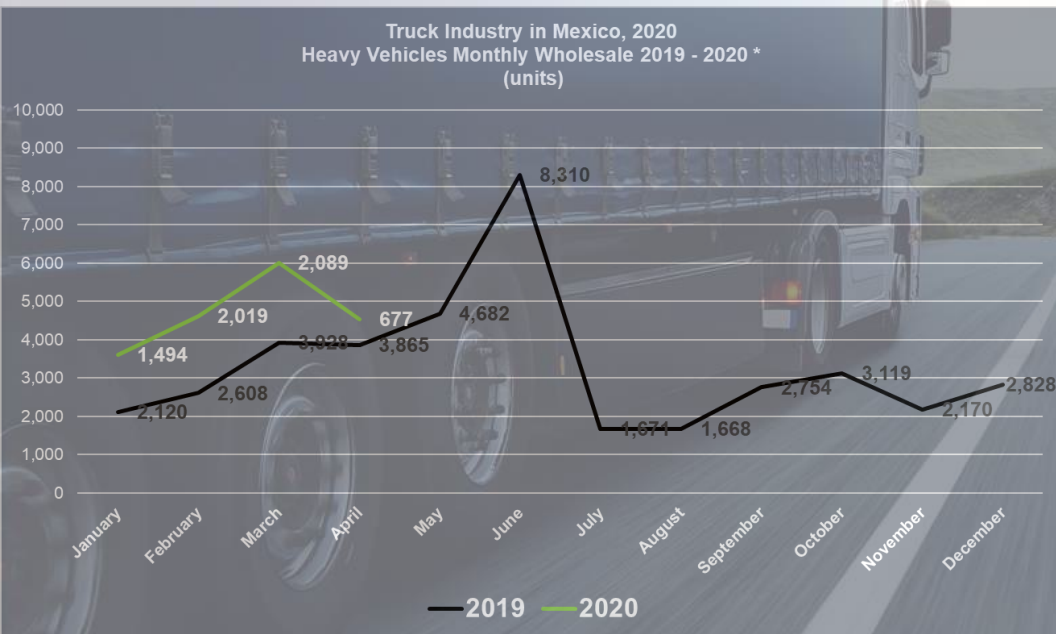


# 1	Exporter of Trucks
# 4	Exporter of Buses, Trucks and Tractors
# 6	Manufacturer Trucks and Tractors
56%	Domestic Cargo
71%	Trade with USA
100%	Delivery and Distribution
96%	Passengers between Entities
27%	Students
41%	Workers

Source: ANPACT

# Truck Industry in Mexico, 2020 Evolution of the Commercialization of Heavy Vehicles

## Heavy vehicles monthly wholesale 2019 - 2020 \* (units)



In June 2019 there is a resounding drop in sales of heavy and commercial vehicles in the country of 50.1%. In this regard, ANPACT mentions that this drop occurred due to the high sales that were recorded in previous months. Wholesale sales during the first six months of the year responded to an effect driven by the advance in environmental technology, from the NOM-044 standard, not to a structural demand from the domestic market.

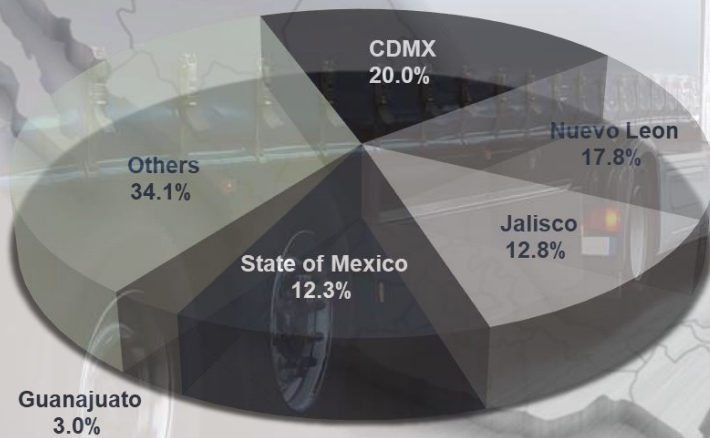
This NOM 044 standard regulates the emissions of new vehicles with stricter conditions in terms of emissions, with respect to the previous rule; Its start-up demands ultra-low sulfur diesel (DUBA), which is not available throughout the national territory.

In reality, it was a phenomenon in which transport companies, faced with the investment involved in acquiring heavy vehicles with the new technology required by NOM 044, preferred to renew their fleet with the existing technology, and not with the new one, since there were no sufficient incentives to do so.

Source: LAMIG Latam, with ANPACT data

# Truck Industry in Mexico, 2020 Portfolio Distribution by Geographic Area

Truck Industry in Mexico, 2020  
Portfolio Distribution by Geographic Area  
4T 2018



## Portfolio Distribution by Geographic Area

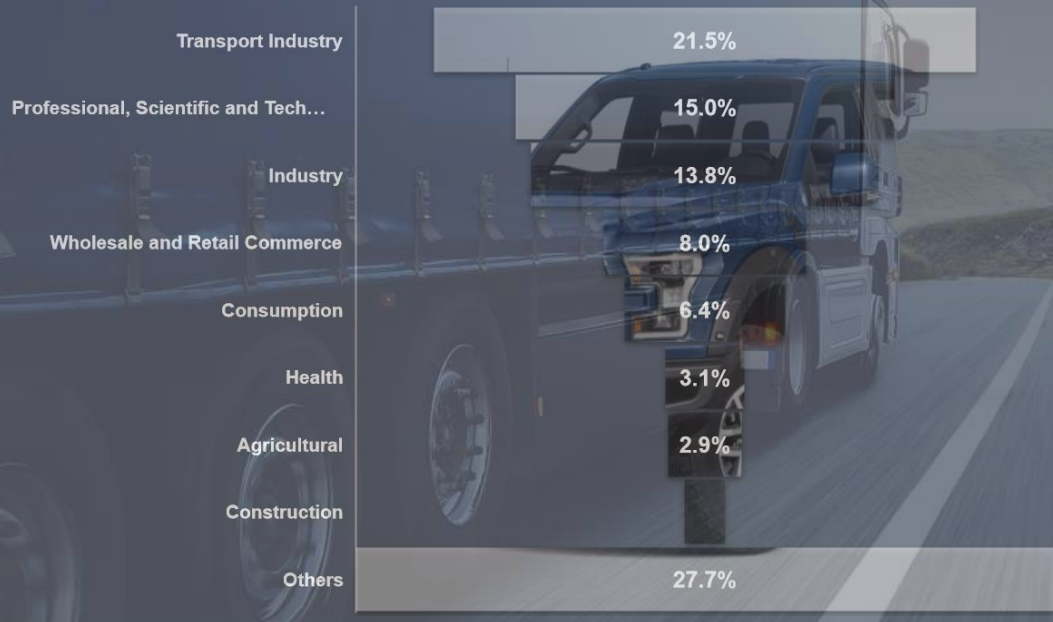
Regarding the participation by entities, the portfolio has a greater participation in Mexico City with 20.0%, followed by Nuevo León and Jalisco with 17.8% and 12.8% respectively. With this, the three main states accumulate 50.6% of the total portfolio by state in line with the high economic activity that each one of these presents by concentrating the majority of the business and industrial business of the country. The next states in level of importance are Estado de México and Guanajuato with 12.3% and 3.0% and, finally, the remaining 34.1% of the portfolio is distributed in the 27 additional states of the Mexican Republic. By means of the above, it is considered that there is adequate diversification in the portfolio placed by having a presence throughout the country, despite having half of the portfolio in three entities since, due to the economic activity they present, the concentration risk.

Source: HR Ratings;  
Others: 27 remaining states of the Republic

# Truck Industry in Mexico, 2020

## Portfolio Distribution by Economic Sector

Truck Industry in Mexico, 2020  
Portfolio Distribution by Economic Sector  
4T 2018



### Portfolio Distribution by Economic Sector

The distribution of financed products by economic sector is led by transportation with a proportion of 21.5%, followed by professional, scientific and technical services with 15.0%, which include business support services, as well as rental of goods and financial services and industry with 13.8%. The next most important activity is wholesale and retail trade with 8.0% and consumption with 6.4%. These five accumulate 64.7% of the portfolio and the remaining is distributed in activities or sectors such as: communication and IT, petrochemicals, chemicals and pharmaceuticals, health, construction, manufacturing, individuals, among others. Taking into account the high number of activities in which the lessors are found and that the main one does not represent more than 22.0%, the portfolio is highly diversified in this regard.

Source: Source: HR Ratings; Others Communication, TI, manufacturing, physical persons, credit and financial intermediation institutions, consulting, governmental, textiles and others.

# Truck Industry in Mexico, 2020 Foreign Direct Investment

Truck Industry in Mexico, 2020  
Capture of FDI in Cars and Trucks  
(Billions of dollars)



Truck Industry in Mexico, 2020  
Production Branches that Most Attract Foreign Direct Investment  
(Billions of dollars)

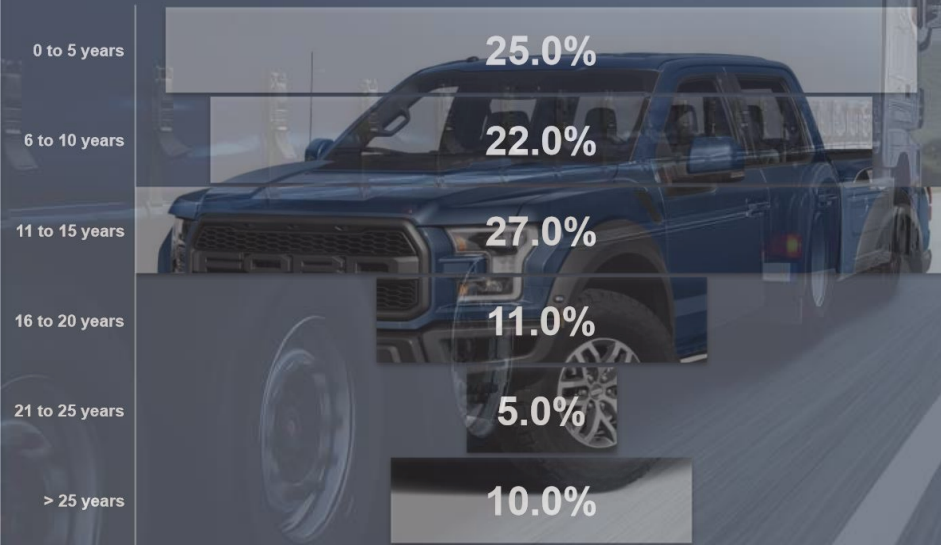


Source: Ministry of Economy

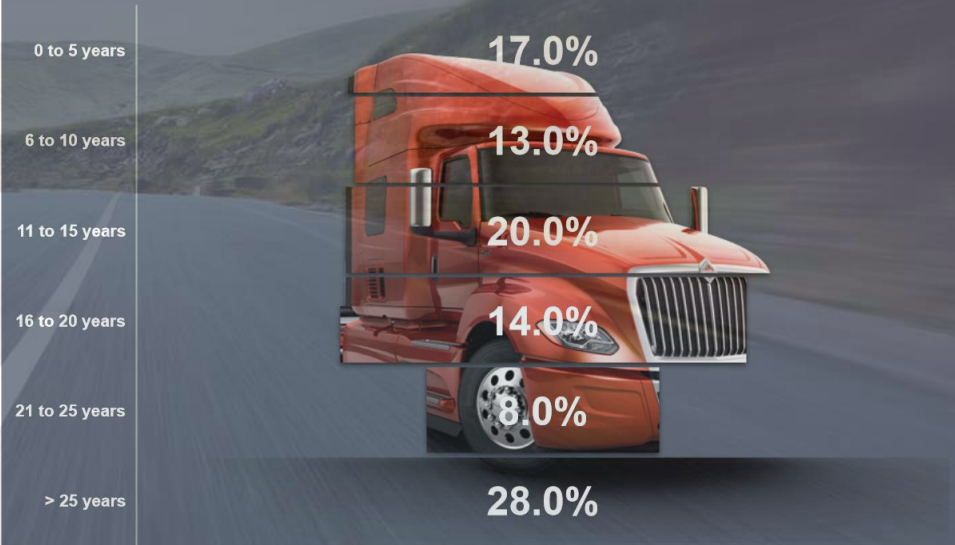
# Truck Industry in Mexico, 2020

## Lines of action and public policies

Truck Industry in Mexico, 2020  
Vehicular Park of Light Vehicles 2019  
33,641,635 units



Truck Industry in Mexico, 2020  
Vehicular Park of Heavy Vehicles 2019  
548,664 units



Source: Interview with INA and ANPACT with information from SCT. Basic statistics of federal motor transport.

\* Corresponds to the existing park of the federal public motor transport. Towing units, industrial cranes, or private service are not considered, and in the case of passenger vehicles it only includes buses and minibuses.



## Truck Industry in Mexico, 2020 After Sales Policies INTERNATIONAL

International offers a nationwide after-sales service. It has 87 service centers distributed throughout the Republic, which, even with the pandemic, have remained open and operating on a regular basis in order to keep its customers' trucks rolling.

### ONCOMMAND CONNECT

Likewise, they have a telemetry service called OnCommand Connect, which is an advanced information system that, through remote diagnoses and timely monitoring of specialists, helps make timely decisions.

OnCommand offers:

- **24/7 ASSISTANCE:** Road rescue, monitoring and alerting instantly.
- **CONNECTIVITY AND EXPANSION:** Temperature sensors, tire pressure sensors, video cameras, etc.
- **MAINTENANCE:** Preventive and corrective, identification of bad practices by the driver.
- **LOGISTICAL OPERATION:** Permanent monitoring, effective hours of work, unauthorized stops and more.
- **FUEL PERFORMANCE:** Identification of fuel loading and idle consumption sites.
- **REPAIR ADVOCATE:** International Engineer® monitoring units in real time.
- **PLATFORM AND REPORTS:** OnCommand Connect® platform for unlimited users and app for mobile devices.
- **SAFETY:** Safety tools for the operator and owner.



### SHACMAN/SPARTA

Established in November 2019 as a subsidiary of the corporate Shaanxi Automobile Holding Group Company Limited, of the People's Republic of China, the company Shacman / Sparta Motors Mexico and North America, began commercial operations with the sale of Class 8 trucks precisely of the Shacman brand.

To this end, Shacman / Sparta Motors has created its business proposal based on a portfolio of trucks (initially Class 8 and later 6 and 7), the first equipped with both diesel (Cummins ISB certified in Euro V) and gas engines to natural (compressed or liquefied, produced by the Weichai firm), as well as with an electric drive train, based on the knowledge that the owner has about the requirements of the Mexican trucking.

It is contemplated that in the short term (approximately two years) the project of the construction of a manufacturing plant in some entity of the Mexican Republic will begin, with the understanding that this will complement the work of commercial penetration in the domestic market and provide possibilities for venture into the other two countries in the North American region.

Initially, the Mexican subsidiary plans to open five distributors starting in the second half of 2020, supported by the official presentation of Shacman trucks that will be held before owners and partners of organizations such as the National Chamber of Freight Transportation, CANACAR; the National Association of Private Transport, ANTP; of the National Confederation of Mexican Transporters, CONATRAM, as well as executives of companies of different specialties and "men-trucks".



### The Special Vehicle Market in Mexico (Cont...)

There is a great problem in the country regarding these vehicles, mainly because most of their sales are to the governments (in its 3 levels). The problem lies in the prevailing corruption that still exists within those governments and that for this type of purchases, they tend to carry out negotiations with potential suppliers so that once the government assigns the bidding to one of these participating companies, a part of the money that will be paid to them, will be returned to one or many of the officials who awarded the victory for the bidding. What they do is that they raise the real price of each unit by 25 to 30 percent, so that that surcharge can be returned to the officials who granted the bidding.

These are some examples of the vehicles circulating in the country:



Water Pipe Truck



Sweeping Truck



Garbage Truck



Vector Truck