



Market Profile:

MEXICO

International Road Federation
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INTRODUCTION

Mexico's strategic location – south of the United States and north of the growing South American economies – makes it an attractive country for companies seeking to enter the American markets. In addition, as a party to various multilateral trade agreements – such as the North American Free Trade Agreement (NAFTA) and a similar agreement with the European Union (EU) – Mexico is an increasing popular hub for international businesses seeking to increase their activities in the Americas.

Mexico has many features that make it attractive to overseas investors. There is ample land on which to build office buildings and factories, ample labor to work in the factories and warehouses, and ample power to operate the offices, factories and warehouses. However, there is one area where Mexico needs greater development – its transportation infrastructure.

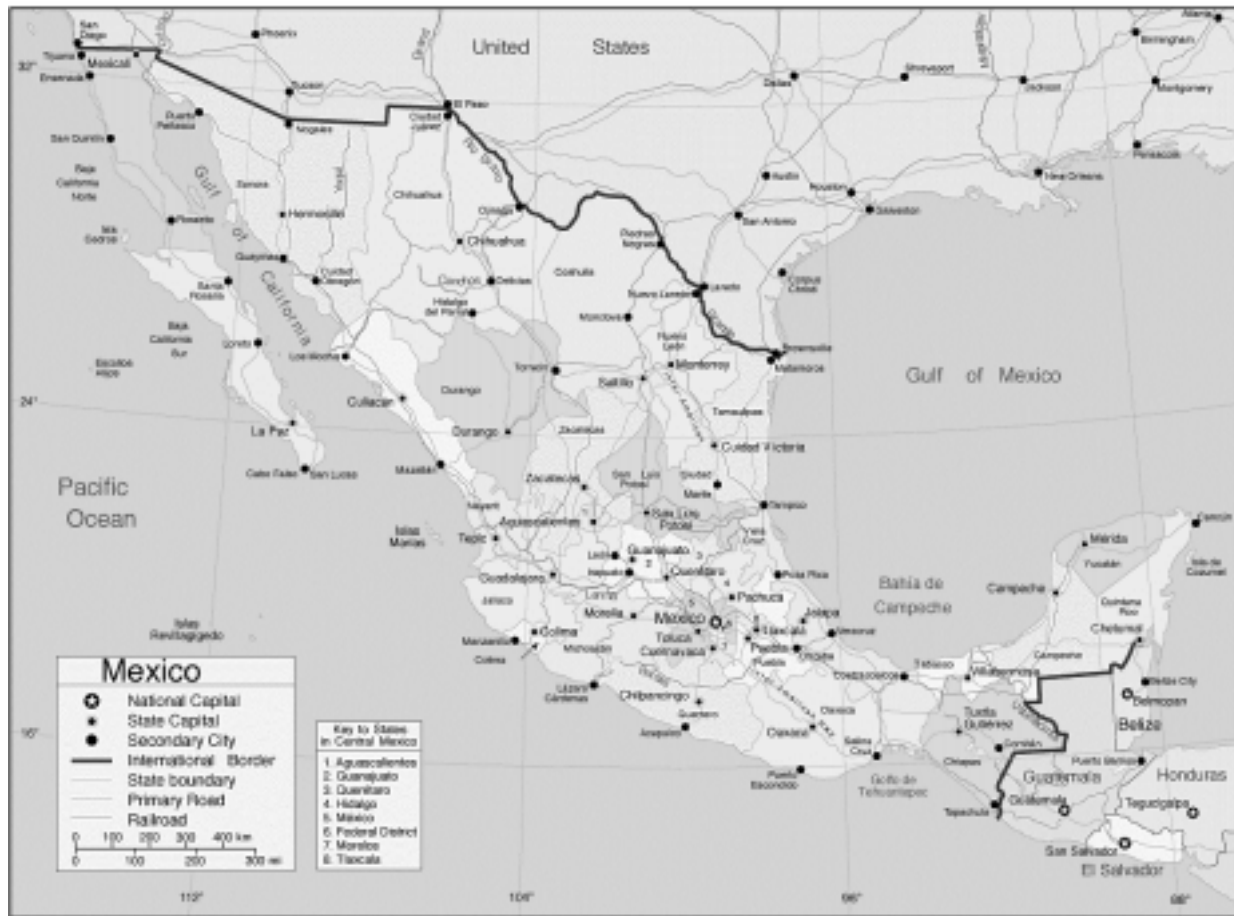
With a land area of nearly 2 million square kilometers (about 1/5th the size of the US), Mexico is the world's 14th largest nation. Its population of about 100 million make it the 11th most populated country in the world. With just over 320,000 kilometers of roads and highways, however, Mexico needs to

expand and modernize its ground transportation system to keep pace with its growing economy.

Mexico's federal government is aware of this need. It recently developed a long-term development plan for Mexico's highway system that is based on two pillars. First, Mexico will focus its efforts on 10 transportation corridors that are considered vital to continue its economic expansion. Second, Mexico plans on utilizing a partnership of public and private funding to finance the road infrastructure investment. Most of the public funding will come from the federal government. Meanwhile, private financing will be provided by offering selected highways for concession to companies willing to operate toll roads.

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BASIC INFORMATION

Mexico has a land area of 1,964,375 square kilometers. To the north, it shares a 3,152 kilometer border with the United States; to the south, a 1,149 kilometer border is shared with Belize and Guatemala. On the west, Mexico faces the Pacific Ocean and to the east, it embraces the Gulf of Mexico. Mexico spans more than 18 degrees of latitude and nearly 30 degrees of longitude, making it a broad, expansive country.

Politically, Mexico is a democratic republic divided into 31 federal states plus the Federal District of Mexico City (see table 1). On July 2, Vicente Fox of the National Action Party won the

presidential election, ending the 71-year lock on the office by the Partido Revolucionario Institucional (Institutional Revolutionary Party), or PRI. It is unclear what effect the election of Fox

Table 1:
Mexico's States

Aguascalientes, Baja California, Baja California Sur, Campeche, Chiapas, Chihuahua, Coahuila, Colima, Distrito Federal, Durango, Guanajuato, Guerrero, Hidalgo, Jalisco, México, Michoacán, Morelos, Nayarit, Nuevo León, Oaxaca, Puebla, Querétaro, Quintana Roo, San Luis Potosi, Sinaloa, Sonora, Tabasco, Tamaulipas, Tlaxcala, Veracruz, Yucatán, Zacatecas

will have on Mexico's economic and transportation policies.

Mexico is a populous nation. Its current population is 100.3 million people – and is growing by 1.82% per year.* The gender ratio is about 102 females to 100 males. Mexico has 10 cities with more than 1 million people (Ecatepec, Guadalajara, Juarez, Leon, Mexico City, Monterrey, Nezahuacoyotl, Puebla, Tijuana and Zapopan), plus another 21 cities with over 500,000 residents.

Mexico is still a young nation, but is showing signs of aging. According to the latest official data, the median age in 1997 was 22 years old, an increase of 6 years over 1970. Similarly, 34.9% of Mexicans were below the age of 15 in 1997, a noticeable decline from 46.2% in 1970. Only 4.9% of Mexicans are 65 years old or older.

Mexico is both an urban and a rural nation. The major metropolitan cities of Mexico, Guadalajara and Monterrey, which make up 2% of the national territory, are home to about 25% of the nation's population. At the same time, a little over 1/4 of the population lives in rural areas having under 2,500 inhabitants.

While the typical educational level in Mexico is not high, there are signs of improvement. In 1997, 10.6% of the population over 15 years of age was illiterate. However, 92.2% of the 6-14 year-old population attended school. During the 1997-1998 school year, 3.3 million children were enrolled at the pre-primary level, 14.6 million at the primary level, 4.9 million at the secondary level,

2.6 million at high school level and 1.5 million in higher levels of education.

The official language of Mexico is Spanish (like most of South America). In more remote areas of Mexico, one may encounter people who speak one of many Mayan dialects. Some Mexicans also speak and read English.

Because Mexico is so large, it has a highly varied range of climates. Some regions are quite warm, with annual

Table 2:
Mexico's Official Holidays

<i>Holiday</i>	<i>Date</i>
New Year's Day (Año Nuevo)	January 1
Constitution Day (Día de la Constitución)	February 5
Flag Day (Día de la Bandera)	February 24
Birthday of Benito Juárez (Día de Nacimiento de Benito Juárez)	March 21
Labor Day (Día del Trabajo)	May 1
Cinco de Mayo (Commemorates Battle of Puebla in 1862)	May 5
Mother's Day (Día de la Madre)	May 10
Navy Day (Día de la Marina)	June 1
President's State of the Union Address (Informe Presidencial)	September 1
Independence Day (Día de la Independencia)	September 16
Día de la Raza	October 12
All Saint's Day	November 1
Revolution Day (Día de la Revolución)	November 20
Christmas Day (Día de Navidad)	December 25

* According to www.population.com.

mean temperatures above 78.8°F (26°C). Other parts of Mexico are relatively cool, with annual mean temperatures of under 50°F (10°C). Annual mean, temperatures range between 50°F (10°C) and 78.8°F (26°C) in 93% of the country's territory. With respect to humidity, 23% of Mexico has a warm, sub-humid climate, 28% is dry, 21% is very dry, and 21% is temperate and sub-humid.

Table 3
Major Economic Statistics - 1999

	<u>Mexico</u>	<u>U.S.A.</u>
GDP (US\$ billion):	474.7	8,759
Real GDP Growth:	3.7%	4.0%
Inflation Rate:	14.0%	2.7%
Unemployment Rate:	10.1%	4.1%
Exchange Rate (peso/\$):	9.46	
Total Exports (\$ billion):	136.703	874.652
Total Imports (\$ billion):	142.064	1,043.2

Since about 90% of Mexicans are at least nominally Roman Catholic, and virtually all the rest are Protestants, the national holidays commemorate either patriotic events or major Christian festivals. In addition, Mother's Day is a national holiday because of the cultural importance of mothers in Mexico. A list of all of Mexico's official national holidays is provided in table 2.

In addition to the official national holidays, Mexicans generally celebrate a number of major Christian festivals. The main religious holidays are: Three Kings' Day (*Día de los Reyes Magos*, January 6); *Día de la Candelaria* (February 2); Carnival (*Carnaval*, late February or early March); Holy Week (*Semana Santa*, the week before Easter); Day of the Dead (*Día de los Muertos*, November 2); Day of Our Lady of Guadalupe (*Día de Nuestra Señora de Guadalupe*, December 12); and *Posada* (December 16-24). One should not expect to do business, nor expect employees to work on official national holidays. It may also be difficult to conduct business on the unofficial national holidays.

MEXICO'S ECONOMY

The economy of Mexico has experienced a roller coaster ride of peaks and troughs over the years. The nation has struggled from time to time with unsustainable international debt, hyper-inflation, massive unemployment and severe federal government deficits. In addition, shifting attitudes among major international investors have provoked dramatic inflows and outflows of foreign capital that shock the Mexican economy.

The last few years, however, were reasonably good ones for Mexico's economy, culminating in a strong 1999 economy (see table 3). Mexico's economy grew in real terms at an average rate of almost 5.0% per year over the last five years. Meanwhile, the annual inflation rate was brought down from 52% in 1995 to 14% last year. Similarly, Mexico's foreign public debt dropped from over 30% of its gross domestic product (GDP) in 1995 to about 17% of GDP in 1999.

Much of the economic recovery is attributed to the economic policies of outgoing President Ernesto Zedillo. By following an economic program that emphasized fiscal restraint, open trade

and balanced monetary expansion, President Zedillo managed to moderate Mexico's pattern of wide economic gyrations. This was best demonstrated by Mexico's ability to weather the Asian financial crisis without slipping into a recession. In the past, an external shock of that magnitude would have precipitated serious problems for Mexico's economy.

Another major source of economic growth in the 90s was the 1994 signing of the North American Free Trade Agreement, or NAFTA – a trade agreement made between Canada, Mexico and the United States. Under the terms of NAFTA, goods manufactured in Mexico, Canada and the United States can be exported to each other quota-free and duty-free. This “free trade” arrangement has led to stronger trade flows with other NAFTA members (see table 4).

Table 4
Growth in Mexico's NAFTA Trade
(US\$ billion)

Year		Canada	U.S.A.
1999	Exports	2.311	120.610
	Imports	2.949	105.357
1998	Exports	1.519	102.924
	Imports	2.290	93.258
1997	Exports	2.156	94.184
	Imports	1.968	82.002
1996	Exports	2.173	80.574
	Imports	1.744	87.536
1995	Exports	1.987	66.273
	Imports	1.374	53.829
1994	Exports	1.483	51.645
	Imports	1.630	54.791

NAFTA also fostered greater foreign direct investment (FDI) into Mexico by foreign companies seeking better access to the large and growing North

American market. Between 1990 and 1995, Mexico received \$27.0 billion in FDI, but between 1995 and 1999, Mexico's inward FDI totaled \$54.5 billion.

Mexico's economy will probably receive further stimulation from its new free trade agreement with the EU. Signed on March 23, the new agreement commits Mexico and the EU to gradually lift quotas and tariffs on commodity trade starting July 1. The agreement is expected to increase merchandise trade flows between Mexico and the EU, plus foster more European FDI into Mexico.

MEXICO'S ROAD SYSTEM

The first automobile appeared in Mexico in 1906, auguring a dramatic transformation in the country's transportation system. Until 1925, motorized vehicles were found only in Mexico's urban areas. However, with the creation of the National Road Commission (Comisión Nacional de Caminos) in that year, Mexico embarked on a program to modernize its road system and introduce motorized transportation across the nation.

For many years, progress was slow. Although many kilometers of roads were built across the country, they generally were simply graded dirt trails. Then, between 1960 and 1990, Mexico made greater efforts to improve the quality of its roads, raising the length of paved road system from just over 25,000 kilometers to over 80,000 kilometers. However, most of the paved roads were either in Mexico's major cities or along highways connecting the major cities. In the nation's rural areas, the quality of the roads remained poor.

During the 90s, Mexico made even more significant strides in the expansion its road network. Between 1990 and 1997, Mexico added over 80,000 kilometers of roads. Despite decades of efforts, however, the nation still needs to invest more in its roads in the years ahead, particularly in the extension of modern road surfaces to rural areas.

Mexico's road system is commonly categorized according to three types of criteria. First, they are divided by their administrative authority – federal, state, and local. Second, the roads are separated into three main types -- interstate highways, secondary roads, local or rural roads, and improved surface roads. Third, Mexico's roads are distinguished according to their type of surface. Curiously, the total length of Mexico's roads differs among the three categorizations.

Table 5
Mexico's Roads by Administration – 1998

<u>Type</u>	<u>Kilometers</u>
Federal	48,103
▪ Toll*	6,276
▪ Free	41,827
State	63,405
Local/Rural Roads	158,385
<u>Gravel Trails</u>	<u>53,062</u>
TOTAL	322,856

*includes roads administered by CAPUFE and private concessions

Source: Secretaria de Comunicaciones y Transportes

Using the first method of categorization, Mexico had 322,856.5 kilometers of roads as of 1998 (see Table 5). About 15% of Mexico's roads were under federal control and nearly half were administered by local governments.

Table 6
Mexico's Roads by Type – 1997

<u>Road Type</u>	<u>Kilometers</u>
Interstate Highways	48,728
Secondary Roads	61,998
Local/Rural Roads	159,629
<u>Gravel Trails</u>	<u>51,231</u>
Total	321,586

Source: Secretaria de Comunicaciones y Transportes

When categorized by type of road, Mexico had 321,586 kilometers of roads crisscrossing the country in 1997 (see Table 6). Interestingly, there is an unexplained 1,243.3 kilometer decline in the length of Mexico's local/rural roads between 1997 and 1998 (see Tables 5 and 6).

Table 7
Mexico's Roads by Surface – 1997

<u>Road Surface</u>	<u>Kilometers</u>
Gravel Trails	51,780
Unpaved Roads	15,188
Tar-Coated Roads	160,649
Paved Roads	96,360
- two lanes	87,484
- four or more lanes	8,876
Total	323,977

Source: Secretaria de Comunicaciones y Transportes

However, when characterized according to surface type, the length of Mexico's road network in 1997 increases to 323,977 kilometers (see Table 7). Also, gravel trails increase in length by 549 kilometers.

Within Mexico's federal road system, there is also a limited amount of privately owned or operated highways, plus a network of toll highways operated

by the public agency, CAPUFE (Caminos y Puentes Federales de Ingreso y Servicios Conexos). These roads share two characteristics. First, they are toll roads. Second, they are paved surfaces. As of 1998, there were 6,276.3 kilometers of toll roads in Mexico, out of which 3,063.0 kilometers were administered by CAPUFE.

Despite the minor discrepancies in the official statistics, Mexico clearly has a large and diversified road network in place. Mexico relies heavily on its extensive road network for the transportation of people and cargo. In 1998, trucks transported over 380 million tons of goods over Mexico's roads, 15% more than the previous year. In addition, the Mexican government reports the roads carried more than 2.5 billion passenger trips during the year. According to a U.S. Trade and Development Agency study, 99% of Mexico's passenger traffic and 88% of its cargo is transported on Mexico's roads.

In fact, the heavy use of Mexico's roads is creating a serious problem – accelerated wear and tear on road surfaces. According to a World Bank study, 61% of Mexico's public roads are in poor condition, 29% are in fair condition and only 10% are in good condition. The study indicated that main culprits for Mexico's poor road conditions are heavily-loaded trucks and insufficient investment in road maintenance.

Much of the funding for Mexico's roads comes from the federal government. The federal government fully funds the construction and maintenance of federal roads (except for concessions), half of

the funding for state roads, and 30% of local roads. In 1999, Mexico's federal government spent 10.573 billion pesos (US\$1.1 billion) on its road infrastructure.

Recently, the focus of Mexico's investments in its road system has been on 10 main highway corridors (see Table 8). Based on its own research of surface transportation, the Mexican government identified these 10 corridors as having the highest concentration of freight and passenger traffic.

Table 8
Mexico's 10 Highway Corridors

	<u>Kilometers</u>
1. México to Nogales	2,168.0
2. México to Nuevo Laredo	1,202.0
3. Querétaro to Ciudad Juárez	1,639.0
4. Acapulco to Tuxpan	784.0
5. México to Cancún to Chetumal	2,209.0
6. Mazatlán to Matamoros	1,007.0
7. Manzanillo to Tampico	1,006.0
8. Veracruz to Acapulco	242.0
9. Veracruz to Monterrey	978.0
10. Tijuana to Cabo San Lucas	1,686.0

The goal is to improve the overall quality of these 10 highway corridors. In some cases, the carriageway will be widened from two lanes to four lanes. In other places, improved access roads and bypasses will be built. In addition, the road surface of the 10 main highway corridors is to be maintained and improved.

Given the above mentioned objectives and strategies, in 1999 43,000 kilometers of the toll-free federal road network were given routine maintenance and 7,200 kilometers received periodic.

Table 9
Priority Road Projects: 2001 - 2010

Project	Type of Work	Length	Project	Type of Work	Length
1. Atizapán – Altacomulco	Construction	80.0	2. Nuevo Necaxa – Tihuatlán	Construction	85.0
3. Ent. San Blas – Mazatlán	Construction	50.0	4. Villahermosa – Ciudad del Carmen	Widening	172.0
5. Rosamorada – Lim. Edos Noy./Sin.	Construction	55.0	6. Ciudad del Carmen – Chetumal	Widening	151.0
7. Lim. Edos Noy./Sin. – Escuinapa	Construction	46.0	8. Tulum – Desviación a Majahual	Widening	166.0
9. Rosario – Villa Unión	Construction	31.0	10. Desviación a Majahual – Ent. Chetumal	Widening	167.0
11. Lázaro Cárdenas – Zihualtanejo	Widening	106.0	12. El Trapiche – Lim. de Edos. Col./Jal.	Widening	20.0
13. Zihualtanejo – Acapulco	Widening	226.0	14. Ent. Soyula – Cuatro Caminos	Widening	33.0
15. Mexicali – El Centínela	Widening	18.0	16. Lagos de Moreno – Los Amarillos	Widening	35.0
17. Santa Ana – Caborca	Widening	104.0	18. Los Amarillos – Villa de Anlaga	Widening	43.0
19. Caborca – Sanoyta	Widening	147.0	20. Villa de Anlaga – San Antonio	Widening	26.0
21. San Luis Río Colorado – Acc. a Mexicali	Widening	36.0	22. San Antonio – Ent. Aeropuerto San Luis Potosi – Tampico	Construction	17.0
23. Perinarte – Tepotzotlán	Modernize	21.0	24. San Luis Potosi – Ciudad Valles	Construction	262.0
25. Ojo Caliente – Rancho Nuevo	Construction	36.0	26. Apuyeca – Atlixco	Construction	97.0
27. Rincón de Ramos – Lim. de Edos. Ags./Zac.	Widening	20.0	28. Cordel – Tihuatlán	Construction	196.0
29. Lim. de Edos. Ags./Zac. – Ent. Lib. Zac.	Construction	40.0	30. Estación Manuel - González	Construction	15.0
31. Tejocotal – Nuevo Necaxa	Construction	28.0	32. González – Zaragoza	Widening	60.0

maintenance. Also, 580 kilometers of road and 97 bridges were reconstructed. Other maintenance activities, such as filling potholes, cleaning culverts and improving horizontal and vertical signs were also carried out.

For highway modernization, the goal set for 1999 consisted of constructing 1,344 kilometers of highways and four new bridges, as well as widening 1,004 kilometers of various existing highways. For 2000, the goal is to build 1,500 kilometers of new motorways, including a 861-kilometer highway from Tuxtla Gutierrez to Las Chiapas via Ocozocoautla and a 272-kilometer road from Pátzcuaro to Lázaro Cárdenas.

Mexican government has also identified 37 priority projects for the coming decade (see Table 9). Most of the projects entail either the building of new roads or the widening of existing roadway. In addition, there are plans to

build bypasses around several major cities (see Table 10).

To augment direct federal efforts to improve its road system, the Mexican government is utilizing private funding. Under Mexico's concession program, private companies finance, operate and maintain highways for a specified period of time – initially 20 years – for which they are allowed to charge government-regulated tolls.

Under the original program, almost 5,000 kilometers of toll roads were built. Unfortunately, these toll road projects were not very successful, as cost overruns (often caused by government required re-specifications) and disappointing revenue flows necessitated government bailouts for the investors. However, recent attempts to revive road concessions in Mexico are proving more sustainable.

DOING BUSINESS IN MEXICO

Before departing for Mexico, one should check to see if a visa is required. Citizens of the US, Canada and the EU do not need to obtain a visa before travelling to Mexico.

Most businesses, shops and offices in Mexico are open Monday through Friday from 9 AM to 7 PM, with an extended lunch break (called *comida*) from 2 PM to 4 PM. Government offices are typically open from 8 AM to 3 PM. Banks, however, are open from 9 AM to 5 PM, Monday through Friday. ATMs generally operate 24 hours a day, seven days a week.

In general, the business culture in Mexico may seem more formal, more

Table 10
Bypass Projects: 2001-2010

<u>City</u>	<u>Length</u>
Allende – Per. Monterrey	38.0
Altacomulco	13.5
Cárdenas	10.8
Guadalajara	76.0
Lagos de Moreno	8.0
Matamoros	8.0
Matehuala	13.3
Mazatlán	22.0
Piedras Negras	16.3
Reynosa	22.0
Saltillo	45.0
Tepic	14.0
Tijuana	19.0
Toluca	30.0
Tulancingo	22.0
Villahermosa	14.5
Villa Unión	11.0
Zacatecas	24.0

personal and more measured than in the U.S. or Western Europe. The focus of business relations is on forming trusting, long-term bonds, rather than fast, short-term agreements.

The best times of day for regular business meetings are between 10 AM and 1 PM or 4 PM to 6 PM. Before departing for Mexico, confirm all appointments either by phone, fax or email. It is also advisable to re-confirm appointments after one's arrival in Mexico.

It is also common to arrange business meetings over coffee, during lunch, or increasingly, during breakfast. One may be offered an alcoholic drink at luncheon meetings; it is polite to accept the offer. Such luncheon or breakfast meetings may take several hours, allowing time for a relaxed, sociable meal, followed by the business discussion. One should wait until after the meal to broach the subject of your visit – or follow the cue of the Mexican business contact. Avoid appearing overeager to leave or “get down to business.”

In general, one should be prepared for a more tempered pace in Mexico. Allow for more slack in one's schedule. Business appointments may not start on time; delays of up to half an hour are not considered unusual. Similarly, business meetings will take longer than one might expect.

While Mexicans are generally quite friendly, they expect business contacts to be comparatively formal – at least, at first. One should refer to people by their surname, offer a business card, and shake hands. Business conversations typically start with polite conversations

about one's health, trip or impressions of Mexico, followed by a gradual transition to the business at hand.

People in Mexico are very title conscious. Professional titles – such as *doctor*, *profesor*, *licenciado*, *ingeniero* – are often used; one should use a title if known; otherwise, use *Señor*, *Señora* or *Señorita* as is appropriate. When in doubt, refer to a woman as *Señorita*.

It is helpful to provide information about the overall structure of one's company and one's position in the organization. Because Mexican executives are somewhat title conscious, it can be useful to apprise them of one's overall status in one's company.

The actual business discussion should address issues one at a time. There is a common tendency to seek compromise and “win/win” solutions. Confrontational or aggressive sales pitches are usually counterproductive. “Strong arm” tactics and “hard sells” will usually be politely declined and effectively terminate the business relationship.

The pace of conversations and negotiations may seem relatively slow. Mexican executives are as much concerned about the personalities of their prospective business partners as they are about the technical terms of the proposal.

As a result, Mexican companies generally prefer to do business in person. “Cold calls” and unsolicited faxes may not receive a response, particularly if they appear too aggressive. Instead, one should try to arrange a formal introduction by a mutual acquaintance.

Once a solid business relationship has been established, Mexican executives will often treat one like a good friend. One should be prepared to be invited to visit the family home for dinner – and in some cases, be expected to stay overnight at the home of one's business partner.

While it is not common to bring gifts to business meetings, it is customary to send a small gift or greeting card to business associates during the Christmas holiday season.

While there is growing acceptance of women executives in Mexico, the "machismo" culture remains strong. A woman travelling alone in Mexico needs to make it clear that she is a professional and expects to be treated with respect.

TRADE POLICIES & REGULATIONS

Mexico is strongly committed to the continued liberalization of its trade policies. Over the last decade, Mexico has lowered its trade barriers to overseas products and services via multilateral trade agreements and federal government decrees. As a result, it is now much easier to enter into the Mexican market than it was in the past.

One of the most significant changes in Mexico's trade policy was its decision to join the North American Free Trade Agreement, or NAFTA. By becoming a member of NAFTA on January 1, 1994, Mexico effectively eliminated trade barriers between itself, the United States and Canada. Not only can most goods be traded tariff-free and quota-free among NAFTA members, but foreign direct investment is now much simpler.

However, under the terms of NAFTA, Mexico can maintain import restrictions on selected used goods for up to 10 years. This list includes the import of used construction machinery and heavy equipment.

While 80% of goods can enter Mexico tariff-free, there is a national value-added tax (or IVA) on most sales transactions in Mexico. The current IVA rate is 15% of the total value of the goods, including any customs duty.

Another provision of NAFTA called for the abolishment of import licenses for most goods. Outside of certain agricultural goods and motor vehicles, most products can enter Mexico without an import license.

As for trade in services, NAFTA requires the US and Mexico to lower its trade barriers for a number of service sectors, including telecommunications services and transportation services. Also, NAFTA eases barriers for bidding on government procurement contracts.

On March 23, 2000, representatives of Mexico and the European Union (EU) signed the Lisbon Declaration, setting the terms for the transition to a free-trade zone between the EU and Mexico. Under the terms of the Lisbon Declaration, all Mexican goods will enter the EU duty free as of 2003, while Mexico will eliminate all tariffs on EU goods by 2007. As for the trade in services, Mexico pledges to provide EU operators the best possible treatment offered to service providers from other countries, effectively giving EU NAFTA-like treatment in the trade for services.

Mexico's trade agreements with Canada, the US and the EU do not mean one can ship goods into Mexico without documentation. Mexico requires all imported goods be accompanied by a *pedimento de importacion*, or import license, as well as a commercial invoice (in Spanish), a bill of lading or airway bill, and any special product safety or performance documentation required by Mexican law.

USEFUL CONTACTS

Below is a listing of organizations that can provide more information regarding Mexico and its road network. When possible, web page addresses and e-mail addresses are provided.

**Presidency of the Republic of Mexico
Palacio Nacional**

06067 Mexico D.F.

Mexico

Phone: 52- 5-515-7994

Fax: 52-5-271-1764

Web: www.world.presidencia.gob.mx

Embassy of Mexico in the United States

1911 Pennsylvania Ave.

Washington, DC 20006

USA

Phone: 1-202-728-1600

Fax: 1-202-728-1698

E-mail: info@embassyofmexico.org

Web: www.embassyofmexico.org

Embassy of Mexico in the United Kingdom

42 Hertford St.

London W1Y 7TF

United Kingdom

Phone: 44 (0)20 7499 8586

Fax: 44 (0)20 7495 4035

E-mail: mexuk@easynet.co.uk

Web: www.demon.co.uk/mexuk/

Embassy of Mexico in Japan

2-15-1 Nagata-cho

Chiyoda-ku

Tokyo 100-0014

Japan

Phone: 81-3-3581-1131/5

Fax: 81-3-3581-4058

E-mail: embamex@twis.com

Web: www.embassy.kcom.ne.jp/mexico/

Secretaría de Comunicaciones y Transportes (SCT)

Xola y Avenida Universidad

Cuerpo "C",Piso 1

Col. Narvarte

Del. Benito Juarez, C. P. 03028

Mexico

Phone: 52-5-519-7456

Fax: 52-5-519-0692

Web: www.sct.gob.mx

Banco Nacional de Comercio Exterior (BANCOMEXT)

Camino a Santa Teresa 1679, ala "Sur",

5o. piso,

Col. Jardines del Pedregal,

México, D.F. 01900

Mexico

Phone: 52-5-481-6146

Fax: 52-5-481-6189

Web: www.bancomext.gob.mx

Caminos y Puentes Federales de Ingresos y Servicios Conexos (CAPUFE)

Calzada de los Reyes 24,

Col. Tetela del Monte

Cuernavaca, Mor., 62130

Mexico

Phone: 52-7-329-2100 ext. 2069

Fax: 52-7-329-2179

Web: www.capufe.gob.mx

Instituto Nacional de Estadística, Geografía e Informática (INEGI)

Av. Héroe de Nacozari 2301 Sur,

edificio sede, puerta 7, 1er. nivel,

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Fax: 52-4-918-0976

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ROAD TRANSPORTATION PROJECTS IN MEXICO[†]

State Roads Project

A \$200 million World Bank project. The project includes (i) the improvement of about 500 km of secondary (non-federal) roads that have been accorded high priority in the State's 5 year road improvement programs; (ii) the design and implementation of a program of routine and periodic maintenance for all non-federal roads in the State; (iii) training, studies, consulting services, institutional strengthening, especially in the social and environmental aspects of road programs; and (iv) feasibility studies and the preparation of detailed engineering.

Second Highways Rehabilitation Project

A \$286 million World Bank project. The project would comprise: (i) the rehabilitation of selected federal roads and bridges, including the provision of consulting services for engineering design and works supervision; (ii) the removal of hazardous points on the federal roads network; (iii) continued development of SCT's institutional capacity for administering and maintaining the road network, including further development of the road maintenance management system and staff training in the management of toll road concessions; and the development of a strategy to decentralize road administration.

Federal Road Modernization (MXPA43163)

A \$700 million World Bank project. The project will consist of: (1) civil works to increase the capacity of the federal network, including providing additional lanes on some road sections, building climbing lanes on others, improving horizontal and vertical alignments, providing adequate road shoulders and curbs and removing hazardous spots; (2) institutional strengthening directed at SCT and selected state highway organizations for improving management systems and procedures, training staff and reviewing the role and needs of the SCT centers in the states; and (3) further support to SCT to implement actions on road-user charges and road sector financing, to improve multi-modal transport operations, vehicle weight and dimension control, road safety and to incorporate more systematically environmental impact assessment and mitigation measures into road planning and construction. The federal roads to be included under the project would exclude those targeted, planned or potentially suitable for private sector financing.

Feeder Highways and Rural Roads (752/OC-ME)

A \$360 million IDB project. The project includes improvement and modernization of approximately 6,020 kilometers of feeder highways and rural roads; establishment of a highway administration system; maintenance of about 1,460 kilometers of feeder highways and 1,950 kilometers of rural roads.

[†] For more details about road construction projects in Mexico – and other nations – subscribe to EXPRO, a Web-based service available to IRF members. For more information about EXPRO and other IRF services, please contact Bryan Tew at 202-371-5544 or btew@irfnet.org.