

Show Report

October 31, 2022

Expotransporte 2022



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As part of our ongoing effort to collect industry intelligence and information on new products, analysts from Power Systems Research regularly attend major trade shows around the world. We share our findings with you in these Show Reports.

Mexico Truck & Bus Update. Alternative Power Sources Displayed

Editor's Note: This report includes a conversation with Miguel Elizalde Lizárraga, the executive president of ANPACT (the **National Association of Bus, Truck and Engine Manufacturers**) and a visit to the **Expotransporte 2022**, the largest truck show in Latin America.

ANPACT represents the trucks, buses and engine manufacturers in Mexico. It participates actively with government organizations and other important related associations to ensure the truck and bus industry gets enough support, incentives, alliances, agreements and information to grow in the local market. Also, to continue with their outstanding role as one of the most important exporters of heavy duty vehicles globally.

The ANPACT gathers the most important trucks, buses and engine manufacturers in Mexico such as Kenworth, Freightliner, International, Mercedes Benz, Man, Volkswagen, Scania, Dina, Mack, Volvo, Isuzu, Hino, Detroit and Cummins.

During our conversation, Elizalde provided timely insights into the Mexican transportation industry and the major market challenges this country is facing today.



Vehicles manufactured in Mexico produce an important impact on the country's economy, logistics and mobility. For example, 71% of the foreign trade value is moved to the US through heavy duty trucks. Much of the movement of goods in Mexico is through trucks, and people use buses as their main transportation.

According to ANPACT's August statistics, manufacturers produced a total of 127,858 heavy duty vehicles from January through August this year. This

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is 18% more than 2021 production. Through August, export volumes increased by 15.7% (106,824 units) compared to 2021. Retail demand has increased so far by 20.5% (25,196 units).

Current challenges the transportation industry is facing today in Mexico include road safety, environmental regulations implementation, supply chain lead times, driver shortage, e-commerce, vehicles renewals, safety and energy infrastructure.

Key Mexican Market Challenges

Road mobility and safety. There's a new mobility and safety road law designed to reduce the negative social impacts (inequality, economic, health and environmental) with the objective of also reducing road accidents and deaths. This law became effective in May 2022, and is being implemented in different states.

Environmental Regulations. The next change in Mexico on environmental regulations will be the EPA10/EUROVI on Dec. 1, 2025. However, the timely implementation of this regulation depends mainly on the availability of ultra-low sulfur diesel and the government environmental approvals to implement it.

Supply Chain Crisis. The effects and disruption on supply chains caused by the COVID-19 outbreak, the cargo ship crisis and the Russian-Ukraine war have

made components delivery times much longer, from one or two months to six months and more. This situation applies to semiconductors and many other parts. It is expected that some companies could solve this problem by the end of this year and many others will solve the problem next year.

Operator shortage. There is a global shortage of drivers, not only in the US and Mexico, but Mexico has a double problem. The shortage of drivers in Mexico is made worse because Mexican drivers are migrating to work some months in the US with a legal international license and with an authorized visa.

Vehicle Fleet Renewals. There's not an existing culture to renew fleets in Mexico and there is no enforcement to retire old vehicles, so this is another challenge the country is facing today.

Energy Infrastructure. Mexico does not have enough ultra-low sulfur diesel. Also, there are only 65 public gas stations for vehicles, 9000 diesel stations and 38 electric stations (only 15 of them are used by HD vehicles, the rest are in other locations like parking lots).

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Expotransporte ANPACT 2022

Vehicles Using Alternative Power Sources Displayed

We visited ExpoTransporte in October in the state of Puebla. This show is the most important truck and bus show in Latin America. This show is equal in organization and quality to those held in Europe and the United States. It is a major venue where OEMs, suppliers, transportation companies and owner operators meet to do business and create alliances. It's a leading event to promote the transportation industry in the country.

While walking the show, we were able to see applied technologies such as diesel, natural gas, hybrids and electric options in vehicles. Some are already offered in the market and others are expected to be offered in the near future.

Isuzu. Showcased some of their EuroVI units to be offered in the market once the emission regulation comes in place to Mexico. This includes the ELF400Z (Euro VI, Urea) which is a 4 cylinder diesel engine; also the Forward 800 EURO VI (4Hk1tcs 6 cylinder diesel engine)

Kenworth. Exhibited current diesel models, like the T680 Next Gen available with a Cummins X15 or a Paccar MX-13. Also some of the new products that we could see were their mid-range 100% electric truck K270E made at their plant in Mexicali which started to be sold in 2022 (so far exported to the US). Another model exhibited was the T380 CNG, a mid-range truck with a Cummins natural gas engine B6.7N

Volkswagen. The manufacturer introduced the e-Delivery, their first electric truck 100% developed and made in Mexico and Brazil. It's available in 11 and 14 tons

International. The LT model with a Cummins engine X15 Euro V/VI available in 2023. Also presented the eMV and the eCE bus electric models

Shacman. A relatively new entrant in the Mexican market is Shacman. The Chinese manufacturer entered the Mexican market about two years ago. It's led by Carlos Pardo, their managing director. They assemble some units today in the state of Hidalgo and have plans to expand their operation to a larger site. They exhibited their heavy duty trucks L3000 and X3000 powered by Cummins or Weichai engines. Shacman also offers trucks with natural gas engines.



Freightliner. This manufacturer presented the eCascadia and eM2, 100% electric heavy duty trucks powered by Detroit ePowertrain. Today, these units were exhibited as the first step towards an introduction in the country that will need a huge coordination between the manufacturer, the government and customers to make these trucks driving on the Mexican highways a reality.

Hino. Presented some of their current models like the Series 500 trucks, and also their latest technologies like their hybrid Series 300 trucks (Models 516HV, 616HV and 816HV) and the new Series 200 trucks to be introduced in 2023. Also exhibited were their new electric technologies with two models. The Hino Dutro Z EV was introduced this year in the Japanese market and still is not sold in Mexico. The other electric model is a prototype, which Hino intends to introduce to the Mexican market. Hino offers today a broad range in the Mexican market with about 30 models.

Cummins. Exhibited their X15 Euro VI engine with no EGR system. **PSR**

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About Power Systems Research

Power Systems Research (PSR), established in 1976, is the leading source of data, analysis and forecasting on the global production of engines and engine-powered equipment, including class 8 vehicles. One of its databases, EnginLink,™ includes production figures down to the model level for OEMs in key market segments, such as commercial vehicles. PSR's global research network includes eight offices and stretches across 200 countries and four continents.



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