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Government outlines airport-privatization plan
In early August, the Secretaria de Comunicaciones y Transporte (SCT) announced plans to privatize 35 of Mexico's 58 major airports in three separate packages: the Mexico City airport, the eastern region, and the western region. The concession of airport-management facilities is the latest stage in the privatization of strategic infrastructure. The government has already begun privatization of seaports, railroads, air frequencies, and satellites.

According to Jorge Silberstein, director of privatization for the SCT, complete rules for airport privatization will be published in November. Silberstein said Benito Juarez International Airport in Mexico City, which handles about 20% of Mexico's total air traffic, will be awarded as a concession to private investors in early 1998, making it the first airport to be privatized.

The Mexico City airport served 17 million passengers last year, more than one-third of the 46 million travelers who used Mexican airports in 1996. According to the SCT, Mexico's 58 airports handled about 1.3 million flights last year. The second group of airports to be auctioned off will include 17 air terminals in eastern states and the Gulf of Mexico, including Monterrey and Cancun. According to the SCT, these airports handle about 2.5 million passengers annually. Finally, the third group of terminals, also to be sold in 1998, will include 17 airports in western Mexico, including facilities in Tijuana, Acapulco, Puerto Vallarta, and Guadalajara.

Lack of federal, Texas support dooms Tamaulipas canal
A proposal by the Tamaulipas state government to construct a canal between the state's largest seaport in the Tampico-Altamira region and an existing waterway in Texas appears to have failed because of lack of support from Mexican federal officials and the Texas state government. Tamaulipas Gov. Manuel Cavazos Lerma was pushing strongly for the canal, which was also supported by the state's business community.

According to the Centro Empresarial de Tampico, construction of the canal could attract an additional US$1 billion in new investments to the petrochemical and electricity industries in the Tampico-Altamira region. Under Cavazos's plan, construction of the canal would be financed by private investors and by the states of Tamaulipas and Texas, eliminating the need for funds from the US and Mexican federal governments. Local financing was necessary because of federal opposition to the project. In an interview with the English-language daily The News, Foreign Relations Secretary Jose Angel Gurria Trevino said the federal government was reluctant to participate because the canal was proposed by Tamaulipas authorities and was not covered by any US-Mexico treaty. The administration also rejected participation because of the project's high cost.
In addition, the proposal generated strong opposition in the Mexican Senate, particularly from Sen. Maria del Carmen Bolado del Real of the opposition Partido Accion Nacional (PAN). According to Bolado, Tamaulipas cannot afford to spend the estimated US$756 million cost of constructing the canal. Apart from financial considerations, Sen. Bolado and environmental organizations also oppose the canal because of its potential ecological damage. According to Bolado, a member of the Senate's Comision de Ecologia y del Medio Ambiente, construction of the canal would involve the removal of 95 million cubic meters of material, which would cause significant damage to the ecosystem of the Tamaulipas coast.

Rather than building the canal, Bolado said, the Tamaulipas state government should contribute to efforts to improve operations at seaports, including Tampico-Altamira and Matamoros.

**Cargo theft becoming serious problem in Mexico**

According to statistics released by the Asociacion Mexicana de Companias de Seguros (AMCS), 1.4 billion pesos (US$181 million) in cargo was reported stolen from trucks in Mexico during 1996, an increase of 78% from the previous year. AMCS says the increase in cargo theft last year is probably the highest since records have been kept. Although cargo thefts affected only a small percentage of the 5,000 daily shipments registered in 1996, the AMCS said the problem appears to be growing.

In addition, the AMCS believes its statistics do not reflect the extent of the problem, since a large number of cargo thefts were probably not reported. "It does not help that this is not seen as a serious crime," said the security director of one multinational corporation in Mexico, interviewed by the Journal of Commerce. "It appears as a victimless crime, since it is the corporations and insurance companies who pay." Statistics compiled by the Mexican insurance industry and law-enforcement authorities indicate that roughly 60% of the cargo thefts reported last year occurred in Mexico City and surrounding areas in Mexico state.

According to the Procuraduria General de Justicia del Distrito Federal (PGJDF), on average thieves steal merchandise from 65 trucks in the Mexico City area each day. The PGJDF said most of the thefts involve food, clothing, and toys. Statistics indicate that the type of cargo stolen has begun to change. For example, the majority of shipments hijacked in Mexico during 1995, which is considered the peak of the recent economic crisis, involved food and basic consumer products. "In 1995, people were stealing items they could not afford to buy such as wines and liquor, coffee, sugar, and toilet paper," said Alberto Villagran, the AMCS technical director of damages. "Now it's almost every type of merchandise."

According to Villagran, thieves are also targeting certain components and raw materials. "There is demand for chemical products just like there is demand for electronics," he said. [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on Aug. 20, reported at 7.73 pesos per US$1.00] (Sources: Excelsior, 07/30/97; Associated Press, 08/03/97; El Financiero International, 08/04/97, 08/11/97; Journal of Commerce, 08/11/97; The News, 08/05/97, 08/12/97; La Jornada, 08/13/97; El Economista, 08/07/97, 08/19/97)

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