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Mexico City-Guadalajara Bullet Train Project Cancelled

by LADB Staff

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The Secretaria de Comunicaciones y Transportes (SCT) has cancelled an ambitious project to develop a bullet-train route connecting Mexico's two largest cities, Mexico City and Guadalajara. A separate project to develop a commuter rail route connecting Mexico City with suburbs in Mexico state is on schedule and should begin operations by 2007, said Communications and Transportation Secretary Pedro Cerisola y Weber.

Projected usage does not justify project costs

Cerisola said the government cancelled the bullet train because the number of passengers expected to use the rail line would not justify the increasing cost of the project. Recent SCT estimates placed the cost of laying down rail lines and other infrastructure at about US$8 million per kilometer. "We're talking about 600 km between Mexico City and Guadalajara, which would cost the government between US$4.8 billion and US$5 billion," said Cerisola.

The SCT earlier projected the full cost of the project at between US$10 billion and US$12 billion, said Aaron Dychter, deputy SCT secretary for transportation. The SCT raised concerns that the number of passengers would not be sufficient to justify the cost of the project. The SCT identified the bus system as the major competitor.

The rapid growth in the number of low-cost airlines is also attracting some would-be passengers on a Mexico City-Guadalajara route (see SourceMex, 2005-04-13 and 2005-12-07). Among the discount airlines, Click Mexicana has a direct route from Mexico City to Guadalajara. Avolar, Aerolineas Mesoamericanas, and ABC Interjet have flights from Toluca, Puebla, Cuernavaca, and other cities near Mexico City to Guadalajara.

The discount airlines have already had an impact on the bus industry, which is fighting to retain middle-class passengers. The bus industry is considering several marketing and promotional changes, including reducing fares, adding new routes, and boosting customer service, said Jose Manuel de Alba, vice president of the Camara Nacional de Autotransporte de Pasaje y Turismo (CANAPAT).

At present, Mexicans take 55 million trips per year on luxury long-distance buses, compared with about 18 million trips on airplanes. By some estimates, the discount airlines could boost air travel by 15 million trips per year. Supporters expect new president to pick up project Although the SCT project has been put on the shelf, some business leaders believe that Mexico should not abandon the project altogether. "We should find other methods of financing, one of which would be to hold an international auction," said Jorge Garcia Ascencio, president of the Jalisco chapter of the Camara Mexicana de la Industria de la Construccion.

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