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The price of fuel has come down considerably in many parts of the world because of the global economic downturn. The lower energy prices have not translated to a proportional reduction in the cost of diesel, which has created significant discontent for the trucking industry in Mexico. To show their displeasure, the Camara Nacional del Autotransporte de Carga (CANACAR) called a one-day work stoppage on Feb. 24 to demand that President Felipe Calderon take steps to reduce the price of diesel. CANACAR also took the opportunity to demand the suspension of a business tax, the Impuesto Empresarial a la Tasa Unica (IETU), which was part of the fiscal reform plan approved by Congress in 2007.

The strike, conducted in the 22 states where CANACAR affiliates have the greatest presence, paralyzed operations in the industrial centers of the country. Tens of thousands of cargo and passenger trucks were used in the protest, which, in addition to calling for lower fuel prices and reduced taxes, also demanded a stop to imports of "junk" vehicles from the US and greater security measures for truckers on Mexican highways. The one-day strike appeared to meet its goal of creating major logjams around the country. In Mexico City, some 700 trucks created a huge traffic jam between the Zocalo square and the Chamber of Deputies building.

Similar scenes were evident in Guanajuato, Verazcruz, Queretaro, Moreleos, Jalisco, Nuevo Leon, and several other states, affecting major cities like Guadalajara and Monterrey. Truckers want diesel prices cut to early 2008 levels The 52 CANACAR delegations that participated in the strike warned of the "critical and unsustainable" situation that their industry was facing. Unless the Calderon administration responded to their needs, CANACAR officials warned, they would have no choice but to call a prolonged nationwide strike. Among other things, CANACAR used the action to express its displeasure with the failure of the government and the Congress to include the trucking industry in the economic-stimulus package (Acuerdo Nacional a Favor de la Economia Familiar y el Empleo), which Calderon unveiled in mid-January (SourceMex, January 14, 2009). "This was an inexplicable decision because ours is an important sector of the economy," said CANACAR president Jorge Cardenas Romo. "We transport about 82% of the cargo in our country.

More than 4 million families depend directly on us." A key demand by CANACAR is that the government take steps to roll back the price of diesel. There are varying proposals, with one plan brining the price back down to January 2008 levels, which was 6.31 pesos (US$0.42) per liter. Other proposals seek to bring the price down even further, to about 5.44 pesos (US$0.36) per liter. "The high cost of fuel affects us directly," one striking trucker told Alto Nivel, a daily newspaper based in Nuevo Leon. "The business owners try to cut costs when fuel prices are high, and that means less work for us." The average price of diesel in Mexico as of mid-February stood at 7.63 pesos per liter (US$0.51), with costs remaining high despite a drop in global energy prices. This price is still about 11% lower than the cost in the US, which was about 8.57 pesos (US$0.57) per liter or about US$2.15

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per gallon during the same period. Sinaloa governor, Congress offer support CANACAR's proposal has found strong support among some members of Congress and at least one of the governors in the affected states. In an appeal to visiting President Calderon, Sinaloa Gov. Jesus Alberto Aguilar Padilla urged the executive to heed the truckers' request to reduce the cost of diesel, even if only temporarily. "Aguilar Padilla put this matter on the table, even after recognizing that reducing the price of diesel could eventually mean a loss of revenues for the state coffers," said the Mexico City daily newspaper Reforma.

Members of the center-left Partido de la Revolucion Democratica (PRD) in the Senate also proposed an initiative to lower the cost of diesel. Sen. Tomas Torres, a main proponent of the plan, criticized the Calderon administration for its slow response to the CANACAR request. Torres said Calderon's proposal to adjust prices by 75% after the recent increase is insufficient. "As we all know, diesel is highly relevant to our economy," said Torres. "It is one of the most important sources of energy for the agricultural and industrial sectors of our country. The trucking, maritime, and rail industry rely on it extensively." At a broader level, key senators from the three major parties Juan Bueno of the Partido Accion Nacional (PAN), Antonio Mejia Haro of the PRD, and Rogelio Humberto Rueda Sanchez of the Partido Revolucionario Institucional (PRI) met with Cardenas Romo to try to draft some sort of compromise.

The senators agreed to work with both legislative chambers to find a solution that benefits not only the trucking industry but also the rural sector and the fisheries industry. Bueno Torio said legislators would also be looking at ways to cut tolls on highways and to increase security along Mexico's highways, which is a key demand of truckers, who are often victims of assault and robberies. The Calderon administration has also agreed to negotiate with CANACAR, with the government team probably led by deputy interior secretary Abraham Gonzalez. While the Congress and the administration are likely to find some compromise on most of CANACAR's demands, it is very unlikely that any major changes will be made to the IETU, which was a cornerstone of the comprehensive fiscal reform passed in September 2007 (SourceMex, September 19, 2007).

The truckers insist they are not proposing to avoid paying taxes but rather to make their fiscal payments through an income-tax system (impuesto sobre la renta, ISR). CANACAR contends that under the IETU, "a few are contributing to the government coffers for programs that proportionally should be paid by everyone." [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on Feb. 25, 2009, reported at 14.93 pesos per US$1.00]

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