

## ■ Current Intermodal situation in Mexico and Inland Tariff update for 2023Q4

Mexico City, September 15th, 2023

Dear Customers,

As a complement to [Customer News on August 31<sup>st</sup>](#) sent by our Head Quarter office, regarding the update of various rates, we share the following with you regarding the situation of intermodal services and the update of Inland rates in Mexico.

Hapag-Lloyd Mexico seeks alliances with vendors that share the same principles, values, and Service level, strengthening greater capacity of trucks in optimal and safe conditions, as well as qualified operators and above all, to offer quality of service. However, we know that recently our availability and Service Level have presented challenges and that our rates have increased.

As a company and together with our business partners (Trucking companies) we are doing everything possible to offer the service that you deserve, however, we face different problems that are often beyond our control and that have a direct impact on the Service Level and/or Inland Rate, such as:

- Costs increases in fuel, spare parts, toll-fees, and salaries of drivers,
- Nation-wide lack of drivers, either because they migrate to USA to get better working conditions/payment or just because they know there is a huge demand for them, and they are willing to change job at its convenience in a daily basis. It is estimated that 20% of cargo trucks in Mexico are off-road due to lack of qualified drivers,
- Lack of new trucks and spare parts, both with direct impact on real truck power,
- Increase of crime on specific roads and areas of the country, mainly on high industrialized ones or with big volumes where Warehouses and Distribution Center are,
- Road blockages due to demonstrations to Local, State, or Federal Government, not always with demands related to Intermodal services,
- Rate of Exchange, during 2023 Mexican Peso has been getting stronger vs USD Dollar, which automatically increases our selling rate,
- Operative issues such Port & Terminal congestions, changes on internal processes and time required to perform them with Port, Customs, and Tax Authorities, as well as failure on Customs' devices for cargo inspection (Gamma Ray scanning machines), just to mention a few.

The above reasons have led to a generalized cost increase that we need to recover by updating inland rates, which for the first time in the last past years it is online with yearly quarter, that means new rate is valid from October 1st onwards -without another review until 2024.

We really want to thank you for your understanding, as well as to keep Hapag-Lloyd as your choice for Sea Freight, as well as for Inland cargo carrier.

Sincerely  
Hapag-Lloyd México