

# Borderlands Mexico: Container shipments from China to Mexico skyrocketed in January

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China-based shippers moved 117,000 twenty-foot equivalent units to Mexico during January, compared to 73,000 TEUs in January 2023. (Photo: Jim Allen/FreightWaves)

*Borderlands is a weekly rundown of developments in the world of United States-Mexico cross-border trucking and trade. This week: Container shipments from China to Mexico skyrocketed in January; construction set for border logistics park in West Texas; Nippon Steel set to build \$71M plant in Mexico; and China-based auto supplier announces \$178M investment in Mexico.*

## Container shipments from China to Mexico skyrocketed in January

China's container exports to Mexico surged nearly 60% year over year (y/y) in January, according to global freight rate intelligence platform [Xeneta](#).

China-based shippers moved 117,000 twenty-foot equivalent units during the month compared to 73,000 TEUs in January 2023.

"This is probably the strongest growing trade in the world right now," Xeneta chief analyst Peter Sand wrote in a [blog post](#) published Thursday.

Sand highlighted that China could be using Mexico as a way to skirt tariffs because some of the goods could be trucked into the U.S.

"With a sizable portion of these goods likely being trucked into the U.S., it gives rise to the possibility that China's increase in trade with Mexico is being used to circumvent tariffs placed on imports from China to the U.S. as part of the ongoing trade war," Sand wrote.

Xeneta's cargo volume data is backed up by recent reports from Mexico's naval ministry, which showed that the [freight flows](#) into the country's West Coast ports surged in January.

Mexico's major ports handled 728,116 TEUs in January 2023, a 20% y/y increase in total container volume for the country's 18 ports. The country's nine Pacific Coast ports — which receive containers from China — handled the bulk of container movements in January, totaling 532,534 TEUs for the month.

Mexico's two largest Pacific Coast ports — Manzanillo and Lazaro Cardenas — reported record container movements for the month of January.

Trade between China and Mexico also expanded in 2023. The annual trade growth rate between the two countries in 2023 was 34.8%, compared to 3.5% in 2022, according to Sand.

"This growth saw Mexico leapfrog China in Q1 2023 to become the No. 1 trading partner for imports into the U.S. measured by value," Sand wrote.

Last year, Mexico ranked as the top trade partner of the U.S., with Canada ranked No. 2, followed by China at No. 3.

In 2023, Mexico's trade with the U.S. rose 2.5% y/y to [\\$798 billion](#), boosted by exports of gasoline and other fuels and imports of passenger vehicles.

Sand noted that while China to the U.S. West Coast trade lane was nine times bigger than China to Mexico in January 2024, it was 11 times bigger compared to the same month in 2023.

"The difference in the scale of imports on these trades must not be ignored, but the growth rates suggest a shift is occurring," Sand wrote.

## **Construction set for border logistics park in West Texas**

Development has begun on the 3.7 million-square-foot Rancho Del Rey Logistics Park in El Paso, Texas.

The property is about 3 miles from the Ysleta-Zaragoza International Bridge, a port of entry along the U.S.-Mexico border. The port of entry handles more than 80% of El Paso's northbound cargo truck crossings.

Rancho Del Rey will be built in three phases, with several warehouse and distribution buildings. The first building will have 1.38 million square feet of space and is expected to be completed by the end of this year. The total project is scheduled to be completed by the end of 2026.

German technology giant Bosch has already leased 414,000 square feet of space inside what will be the first building in Rancho Del Rey, according to the [El Paso Times](#).

The project is being built by the Sansone Group, Raith Capital Partners, Catamount Construction and Colliers International Group Inc.

## **Nippon Steel to build \$71M plant in Mexico**

[Nippon Steel](#), the largest steel manufacturer in Japan, recently announced it is investing \$71.3 million to build a plant in Apaseo El Grande, Mexico.

The plant will produce 120,000 tons of steel sheets per year to be used in the production of electric vehicles.

The facility will be the company's second plant in the state of Guanajuato. In 2014, Nippon Steel opened a \$30 million plant in the city of Silao, where it produces 24,000 tons of steel pipes annually for the automotive sector.

Nippon Steel is based in Tokyo. The company has manufacturing facilities in 15 countries and employs more than 100,000 people globally.

## **China-based auto supplier announces \$178M investment in Mexico**

IKD Co. announced it will invest \$178 million to expand a facility in the Mexican city of Irapuato.

The company said the expansion will generate up to 1,000 jobs.

IKD is based in Ningbo, China, and produces aluminum auto parts for steering, air conditioning and windshield wiper systems. Customers include Bosch, Valeo, Mitsubishi, Mubea and Seg Automotive.

IKD Co. did not provide a timeline for the facility's expansion.