

Trans-isthmus railway plan a 'pipe dream,' says shipping agents group

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Trucks can make the trip across the Isthmus of Tehuantepec in just three hours



The notion that a rail project across the Isthmus of Tehuantepec between Salina Cruz, Oaxaca, and Coatzacoalcos, Veracruz, can compete with the Panama Canal is a “pipe dream,” according to the president of the Mexican Shipping Agents Association (AMANAC).

Cristian Bennett Lira said that at least 200 trains a day would have to run between the two port cities in order for it to be able to compete with the 105-year-old United States-built feat of engineering that connects the Pacific and Atlantic oceans across the Isthmus of Panama.

“... The idea of using a trans-isthmus service to compete with the Panama Canal, as has been mentioned on multiple occasions during the past 40 years, is a pipe dream,” he said.

Establishing a trade corridor that spans the shortest distance between the Pacific Ocean and the Gulf of Mexico is a priority for the federal government, and 1.1 billion pesos (US \$58.4 million) was allocated in the 2019 budget to the modernization of the rail line between the two ports.

“We’re going to reactivate the multimodal interoceanic corridor that has been on hold since the opening of the Panama Canal. In the times of [former president] Porfirio Díaz, there was a lot of activity crossing goods but since the opening of the canal, [the route] lost importance and it was left to one side,” said Rafael Marín Mollinedo, government chief of the trade corridor project.

He added that the government of Singapore has signed a contract to collaborate on the project and that more details will be announced in the coming days.

Bennett acknowledged that the trade corridor will stimulate regional development but added “from my point of view, it’s not a priority project.”

He pointed out that trucks can already cross the Isthmus of Tehuantepec in three hours, adding that the necessity of unloading cargo from a ship at one port and putting it on to a different ship at another port will drive up costs for shipping companies and make the project less competitive.

Rafael Mercado, an assistant vice-president at the Kansas City Southern Railway Company, also said it was unlikely that the trans-isthmus project could compete with the Panama Canal, pointing out that in order to attract ships to Salina Cruz and Coatzacoalcos, billions of dollars worth of improvements will be needed at both ports.

The federal government has said the project will be completed in two years’ time and President López Obrador has argued that the project will be a trigger for economic and social development in the Isthmus region.

Source: [Milenio](#) (sp)