



Americas
Market
Intelligence

Latin America's Logistics: “The good, the bad, and the ugly”

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Introductions



AMI is the leading independent Market Intelligence provider in Latin America



AMI is Latin America's leading Market Intelligence and Advisory group.



AMI's founding partners are pioneers in the field of Market Intelligence in Latin America, with over 20 years experience in the region.

AMI has experience in every market in Latin America and the Caribbean.



AMI is a member of SCIP – Strategic and Competitive Intelligence Professionals.



Experts in the Latin American logistics service industry



Transport

- Last mile
- Air cargo
- Ocean freight
- Rail
- FTL Trucking
- LTL Trucking
- Cross border trucking
- Distribution
- Multi-modal



Logistics

- 3PLs
- Client lead generation
- Break-bulk logistics
- Express logistics
- Inventory management and warehousing
- Cold chain logistics
- Freight Forwarding
- Customs
- Procurement cost reductions



Supply Chain

- Supply chain management
- Order fulfillment
- Manufacturing flow
- Returns and reverse logistics flow
- Product development and market entry
- Regulations



E-commerce

- Cross-border e-commerce
- Cash on Delivery
- Logistics marketplaces
- Last mile disruptors and start-ups
- Distribution and fulfillment

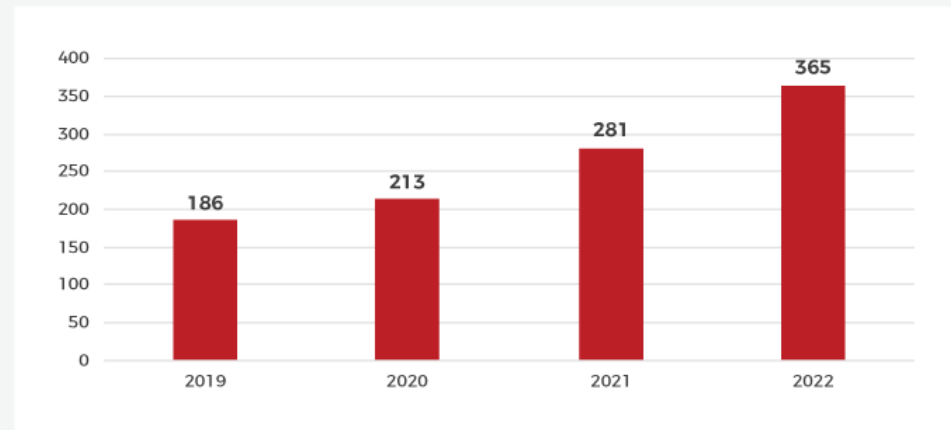
The good: E-commerce boom

- COVID spiked e-commerce demand during the lockdowns in 2020
- New customers (50 new million buyers) + the continuing digitization of payments in Latin America
- Aftermarket auto-parts are experiencing a spike in online demand. Buy it online + do it for me
- New logistics services propping up

Key takeaways

- Greater reliance of e-tailers on 3PLs
- Large e-comm players like Mercado Libre and Amazon are investing heavily on creating their own logistics and last mile network
- [Brazil](#), [Mexico](#), [Peru](#) and [Colombia](#) are positioned to handle more e-commerce orders than they saw coming into the pandemic.

**Latin America E-Commerce Total Sales Volume
(billions of USD)**



Source: AMI analysis

*These numbers include all locally-issued payment methods, including credit and debit cards, cash-based payment platforms, bank transfers, digital wallets, prepaid and gift cards, cash on delivery, etc. (excluding cash payments made for ride hailing and delivery apps)

**These numbers include cross-border spend on locally-issued payment methods. It excludes local purchases from foreign visitors on payment methods issued outside the local market.

The bad: Slow vaccine campaign roll outs

- Limited capacity to produce vaccines locally + tight budgets for imported doses + logistical challenges in distributing and storing vaccines = meager vaccination rates.
- Last-mile challenges (old vehicle park) and cold chain constraints during the vaccine rollout are delaying the economic recovery.
- The Pfizer vaccine can only be distributed in big cities due to its ultra-cold storage needs.

Key takeaways

- The vaccination of vulnerable groups will not be completed during 2021
- This will delay the economic recovery in the region, reducing GDP growth forecasts by at least 1% by the end of 2021.

Vaccination rates LAC

	Doses given	Fully vaccinated	% of population fully vaccinated
CL	16.7M	7.5M	39.8%
BR	54 M	17.5M	8.3%
MX	23.3M	10.7M	8.3%
CO	7.5M	2.8M	5.7%
AR	10.2M	2M	4.6%
PE	2.6M	802K	2.5%
EC	1.5M	353K	2.1%
PA	844K	279K	6.6%
US	276M	124M	37.9%
IT	28.4M	9M	15%

Source: Our world in data – May 19th

The ugly: Increased security threats

- Increased cargo theft and personal security threats (to drivers)
- Social protests in Colombia could spread to other countries like in 2019.
- The economic stagnation is driving much of the social discontent.
- Protest often get violent. Roadblocks create shortages of food and fuel in urban areas, and even worse in rural areas.

Key takeaways

- Security threats are on the top of the priority list for logistics players.
- Pharmaceutical and logistics firms have employed military escorts to prevent criminal organizations from targeting trucks and distribution hubs.
- The third wave in COVID cases is now peaking in Latin America with protests risking to become super-spreader events.

Violence index LAC	
	Violence Index (0-10)
CL	4.3
BR	10
MX	9.3
CO	8.7
AR	5.3
PE	5.6
EC	4.7
PA	4.6

Source: European Commission 2020

Q&A Session

- What is the greatest challenge that you and your companies have faced so far in Latin America?
- What concrete opportunities do you see in Latin American markets in 2021? What segments? And specific countries? Why?

Contact us at AMI

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See you next time

About AMI

- ✓ AMI is Latin America's leading independent market intelligence consultancy
- ✓ Our founding partners helped pioneer the field of market intelligence in Latin America
- ✓ Our consultants have advised a third of the region's 100 largest strategic investors over a span of two decades
- ✓ Our holistic approach to market intelligence is unique. We combine market research, competitive intelligence, political analysis and economic forecasting in our studies.
- ✓ AMI consultants have conducted over 2,000 client engagements in Latin America since 1993



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