



How Expert 3PLs Enable Seamless Cross-Border Logistics Between the U.S. and Mexico

Sunset Transportation Cross-Border Analyst Report



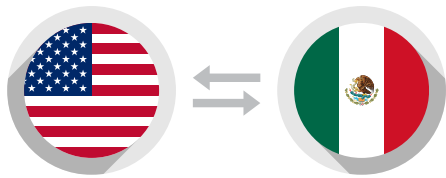


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Executive Summary

The supply chain relationship between the United States and Mexico represents the backbone of North American commerce. With millions of shipments crossing the border annually, and Mexico overcoming China and Canada in becoming U.S.'s top trading partner in 2023 with \$798 billion of trade in 2023, maintaining efficiency and compliance in cross-border trade is more important than ever. Yet, challenges such as regulatory complexity, infrastructure bottlenecks, cultural differences, and security concerns often hinder seamless operations.



With projections indicating rapid growth in U.S.-Mexico trade through 2050, the strategic value of robust 3PL partnerships is vital to cross-border solutions.

The economic and operational ties between the United States and Mexico are being redefined by rising nearshoring trends, shifting global trade dynamics, and the growing need for resilient supply chains. What was once seen as a tactical decision to move production closer to the U.S. has evolved into a strategic imperative for global brands seeking stability, speed, and cost-efficiency. While nearshoring has surged in recent years, what comes next is a more integrated and collaborative logistics model that demands stronger partnerships and more intelligent infrastructure across both sides of the border.

For logistics leaders and shippers, now is the time to move from reactive adjustments to proactive optimization - building systems that create long-term competitive advantages across the U.S.-Mexico corridor.

This analyst report explores how decades of strategic investment have positioned Mexico as a key player in global trade as well as a cross-border strategic partner, and highlights the role of experienced third-party logistics (3PL) providers in navigating this dynamic landscape. By leveraging advanced technology, local expertise, and comprehensive security measures, 3PLs offer businesses a competitive edge in cross-border operations. With projections indicating rapid growth in U.S.-Mexico trade through 2050, the strategic value of robust 3PL partnerships is vital to cross-border solutions.

1 Defining Cross-Border Solutions in the Supply Chain

What Are Cross-Border Solutions?

Cross-border solutions encompass the transportation, compliance, and supply chain management required to move goods seamlessly across international borders - in this case, between the United States and Mexico. Unlike domestic freight, cross-border solutions demand navigation of diverse regulatory frameworks, cultural expectations, and logistical infrastructures.



Cross-border freight involves addressing several unique challenges, including compliance with customs regulations, bilingual communication, and differing operational practices.

compliance with customs regulations, bilingual communication, and differing operational practices. Businesses that can overcome these hurdles stand to gain significant competitive advantages. Cross-border is not just about moving freight. It's about moving freight the right way—with speed, security, and certainty.

Example: At Laredo, Texas, the most significant port of entry between Mexico and the U.S., 16,000 trailers cross every day, representing \$35 million daily in freight value. This bustling trade hub shows the need for advanced supply chain orchestration. Without the right partners and systems, the complexity of managing goods across the two countries can result in delays, financial losses, and dissatisfied customers.

Example: A U.S.-based electronics company manufactures components in Ohio, assembles them in Monterrey, and distributes the finished product throughout North America. The complexity of that supply chain, ensuring proper customs documentation, coordinating shipments on both sides of the border, and maintaining visibility across shipments, demands deep operational expertise.

Cross-border freight involves addressing several unique challenges, including

2 History of Cross-Border Trade in North America

A Legacy of Collaboration and Investment

North American trade has been decades in the making, with both Mexico and the United States playing pivotal roles in shaping the region's economic growth. This partnership was catalyzed by Mexico planting seeds of strategic investments in workforce education, infrastructure, and global trade agreements over the last 40 years.

Educational Advancements Drive Manufacturing Growth

As early as the 1980s, Mexico began focusing on upskilling its workforce, recognizing education as a linchpin of industrial success. Manufacturing-centered programs in engineering and lean manufacturing practices like Six Sigma helped transition Mexico from a labor-intensive manufacturing model to one capable of high-efficiency production requiring robotics and automation. Mexico now graduates more engineers per capita than the U.S., thanks to robust STEM programs and partnerships with universities like Tec de Monterrey. This foundation provides businesses with access not only to low-cost labor but to qualified professionals across critical sectors, such as engineering, accounting, and supply chain management.

Strategic Trade Partnerships

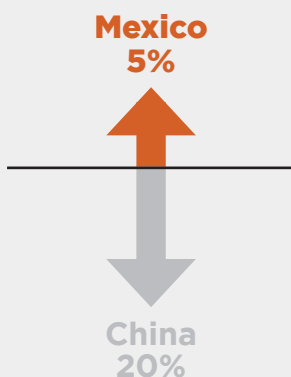
Mexico boasts one of the largest portfolios of free trade agreements globally, partnering with countries like Japan, South Korea, Germany, and more. These agreements laid the groundwork years ago for Mexico's export ecosystem, further bolstered by the maquiladora (manufacturing) program. This includes the establishment of manufacturing plants focused on precision manufacturing for industries such as automotive and aerospace.



Launched in the 1960s and modernized under NAFTA, the maquiladora program fostered the growth of manufacturing clusters along the border and in the country's interior. Today, Mexico is a key player in sectors such as automotive, electronics, and aerospace.

All of these efforts created the foundation for today's nearshoring boom and are the reason global brands are increasingly viewing Mexico not just as a low-cost option, but as a center of manufacturing excellence.

2023 U.S. Imports



Evolving from Opportunism to Optimization

For many shippers, the initial shift toward Mexico-based manufacturing was a reaction to COVID-era constraints, geopolitical tensions, and challenges in ocean freight. The rebalancing of global trade away from Asia has accelerated interest in nearshoring. The goal was to bring production closer to the U.S. and mitigate the risks of long global lead times. However, as the landscape stabilizes, companies are realizing that nearshoring is not just a temporary workaround, but a foundational strategy that can deliver sustainable benefits.

Mexico, with its proximity to the U.S., favorable labor costs, and participation in the United States-Mexico-Canada Agreement (USMCA), is uniquely positioned to benefit. This shift is more than anecdotal. U.S. imports from Mexico rose 5% in 2023 while imports from China declined 20%. Nearshoring offers reduced lead times, less reliance on transoceanic shipping, and decreased exposure to unpredictable global risks, such as port shutdowns and sanctions.

In this new phase, supply chain leaders are moving beyond opportunistic decisions toward long-term optimization. This means investing in integrated systems that improve cross-border visibility, choosing the right carrier mix across both sides of the border, and building transportation networks designed for resilience. As freight patterns normalize, those who take a data-driven approach to designing their cross-border operations will gain a measurable advantage.

Infrastructure Investment and Demand Pressures

Despite surging demand, infrastructure hasn't kept pace. Commercial border crossings - especially at hotspots like Laredo, El Paso, and Otay Mesa - face bottlenecks due to outdated facilities, limited capacity, and increased inspection protocols.

Example: Laredo handles more than 36% of all U.S.-Mexico truck freight. Yet, wait times frequently exceed several hours during peak periods. Infrastructure investment is increasing but execution takes time.

Security and Regulatory Complexity

Shippers face growing concerns about cargo theft, especially in northern Mexico. According to the National Association of Cargo Transporters, theft incidents rose nearly 5% year-over-year. Additionally, navigating customs regulations, U.S. Customs-Trade Partnership Against Terrorism (CTPAT) requirements, and Mexican Value Added Tax (VAT) compliance adds layers of complexity that only 3PLs are equipped to handle.



Layers of complexity that only 3PLs are equipped to handle:

- Navigating customs regulations
- U.S. Customs-Trade Partnership Against Terrorism (CTPAT) requirements
- Mexican Value Added Tax (VAT) compliance

3 Cross-Border Activity as It Stands in 2025

The Current Landscape of U.S.-Mexico Trade

With Mexico surpassing China as the United States' top trading partner, cross-border operations have reached unprecedented activity levels. Automotive, consumer goods, and paper products dominate the supply chain landscape, with the market growing year-over-year. Beyond trade value, Mexico's exports reflect its deep industrial advancements, with robotics-enabled processes and lean manufacturing at the forefront.

At highly concentrated ports like Laredo, the importance of infrastructure, technology, and responsive logistics becomes clear. It's important for supply chain leaders to understand that no single logistics provider owns more than 5% of Laredo's market, showcasing the ample opportunities U.S. and Mexico cross-border activity creates and highlights the need for partnering with experienced 3PLs that deliver cross-border solutions rooted in decades of operational knowledge.

Infrastructure Developments to Meet Future Growth

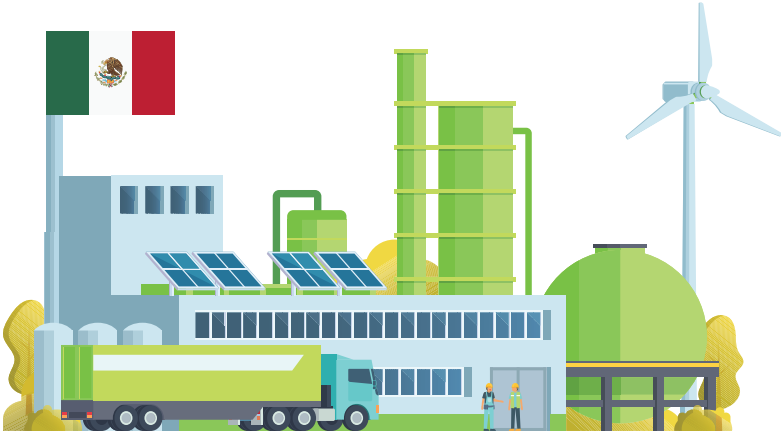
A new international bridge approved between Laredo and Nuevo Laredo represents a key step toward expanding capacity for cross-border freight. The World Trade Bridge is designed to process upwards of 30,000 to 50,000 daily trailer crossings by 2050. This initiative shows the understanding of both countries in investing in more infrastructure to prepare for increased trade volumes due to economic growth and nearshoring trends.

“Over the past decade, the total addressable market for U.S.-Mexico cross-border trade has expanded significantly and surpassed China as the largest importer of goods into the U.S. Trade volumes grew from roughly \$507 billion in 2013 to nearly \$800 billion in 2023, an increase of approximately 58%. Freight volumes have also risen, now estimated at 200-300 million metric tons annually. Looking forward, we see the market surpassing \$1 trillion in annual trade value by 2030, driven by nearshoring trends and the shift away from Chinese based manufacturing.”

Matt Silver,
Chief Executive Officer,
Cargado

The Manufacturing Shift From China to Mexico

The U.S.-China trade war has accelerated a movement that was already underway—relocating manufacturing operations from Asia to closer locations like Mexico, a strategy known as nearshoring. Nearshoring enables businesses to reduce transportation costs, shorten transit times, and make their supply chains more resilient. With proximity and preexisting trade agreements as key advantages, Mexico is the natural choice for companies looking to mitigate global trade risks.



Benefits of Nearshoring:

- Faster delivery times for end customers due to reduced shipping distances
- Cost-effectiveness in shipping and distribution
- Enhanced supply chain resilience and agility, especially during unforeseen events

384%

Increase of Sunset Transportation's electronic cross-border shipments YoY 2023-2024

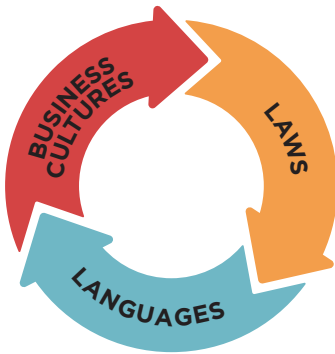
A Tale of Two Networks: U.S. and Mexico Must Work in Tandem

Too often, companies treat their U.S. and Mexican logistics operations as distinct entities, managed separately by different teams, systems, and carriers. This fragmented approach leads to unnecessary delays, inefficient handoffs, and a lack of transparency at the border.

The reality is that the U.S.-Mexico corridor functions best when treated as a single, continuous network. Best-in-class shippers are breaking down these silos by collaborating with logistics providers that operate seamlessly across both countries. These partners bring unified visibility, integrated technology platforms, and a deep understanding of regulatory and cultural environments on both sides.

By treating the cross-border network as one interconnected ecosystem, shippers can reduce dwell time at the border, improve throughput, and deliver goods faster and more reliably. This level of integration requires a high degree of collaboration, but it's becoming a defining feature for shippers succeeding in the region.

4 Why 3PL Expertise is Critical for Cross-Border Success



Cross-border logistics is a high-stakes balancing act. It demands fluency in two sets of laws, two business cultures, and two languages. Here, a 3PL does far more than move freight. It acts as a facilitator, compliance officer, and cultural interpreter.

More Than Transportation: A Strategic Partner

The most effective 3PL partners offer integrated solutions that span customs brokerage, drayage, warehousing, and real-time visibility, functioning as strategic extensions of a shipper's supply chain.

These providers invest heavily in bilingual, bicultural teams with deep expertise in cross-border regulations and risk mitigation strategies. From managing in-bond shipments to navigating transloading and SAT inspections in Mexico, experienced 3PLs bridge gaps between policy and practice.

Secure, Scalable Operations

Security is a critical differentiator. Leading 3PLs build and operate facilities on both sides of the border with rigorous controls, including 24/7 monitoring and CTPAT-certified processes. This provides shippers with greater assurance against cargo theft and unauthorized access.

Moreover, scalability is key. As demand fluctuates, whether due to seasonality, tariff changes, or other macroeconomic shifts, shippers need capacity that is flexible. Best-in-class 3PLs offer access to expansive carrier networks and dedicated assets, allowing for rapid ramp-ups without compromising service quality.

Why a 3PL is Indispensable

International shipments bring significant cultural, regulatory, and logistical challenges.

A sophisticated 3PL acts as a facilitator and bridge between the United States and Mexico, ensuring smooth operations, even during complex trade environments.

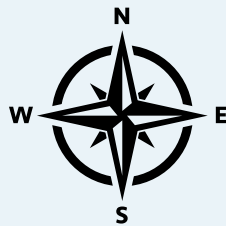
Facilitating Communication Amid Cultural Differences

While the U.S. prioritizes rigid appointment scheduling for shipping, Mexico often operates a first-come, first-served basis in manufacturing facilities. In Mexico, relationships drive business. An effective 3PL brings local relationships to the table, bridging language barriers and business practices to prevent miscommunication and delays.

Additionally, language barriers between suppliers and buyers on either side of the border often create misunderstandings. A seasoned 3PL employs bilingual teams and regional experts to harmonize these differences, in addition to reducing the risks that come from coordinating multiple vendors across borders.



“The ability to navigate the “messy middle” is what separates good 3PLs from great ones.”



Alex Pascal,
Director of Cross-Border Operations,
Sunset Transportation

Compliance as a Competitive Advantage

Understanding rules of origin, labeling requirements, and duties is essential for avoiding delays and fines. An experienced 3PL helps ensure shipments are legally sound and strategically structured. Without 3PLs deeply knowledgeable in customs regulations, businesses risk falling into non-compliance. Navigating the regulatory and logistical requirements of both

countries, such as customs clearance and drayage handoffs, requires bilingual teams and regional offices that understand the nuances of local operations.

Technology as a Competitive Edge

Technology tailored for cross-border operations is no longer optional, it's foundational. Moving goods seamlessly from Mexico to the U.S. requires advanced technology platforms. An experienced 3PL will have custom Transportation Management System (TMS) functionalities that span across U.S. and Mexican operations.

Example: Sunset Transportation's TMS allows shippers to track freight across metrics such as miles vs. kilometers or USD vs. pesos.

Improving Shipment Visibility

One key complaint from shippers is the absence of shipment visibility at border crossings. Custom technology powered by integrations with AI and ERP systems ensures real-time updates at every stage. Customers and carriers remain aligned, reducing missed deliveries and delays.

Visibility and control are vital in cross-border logistics. Modern 3PLs provide centralized platforms that track shipments from origin to final delivery, integrating with customs systems, driver mobile apps, and warehouse management systems, spanning both borders. This provides seamless communication with carriers, customs brokers, and shippers on both sides of the border.

AI-powered predictive analytics and digital document management accelerate clearance times and reduce delays. For example, using automated alerts and exception management, 3PLs can proactively resolve issues before they disrupt delivery schedules.



Build the Right Network Now or Risk Falling Behind

The nearshoring trend is no longer a “what if” - it’s a “what now.” As more manufacturers shift operations to Mexico and more North American brands pursue regionalization strategies, capacity and infrastructure near the border are tightening. Industrial real estate in border cities is in high demand. Carriers with cross-border expertise are increasingly selective about the partners they work with.

To stay competitive, shippers must act now to secure reliable 3PL partners, build cross-border visibility, and design flexible networks that can scale. That means moving beyond one-off solutions and investing in long-term strategies. It’s about building relationships with providers that not only have trucks, but also technology, teams, and cross-border fluency.

Those who wait may find themselves facing increased costs, limited carrier access, and operational inefficiencies. Those who lead will be positioned to turn nearshoring into a long-term supply chain advantage.

5 Freight Security: A Shared Challenge, a Strategic Advantage

The Dual Threat of Cargo Theft

Cargo theft remains a concern on both sides of the border, with comparable rates in parts of the U.S. and Mexico. That reality makes CTPAT certification more important than ever. Experienced 3PL providers demand CTPAT-certified carriers, map secure routes, and remove unnecessary stops to reduce susceptibility. It's important to note that less than 1% of 3PLs in the U.S. are CTPAT certified; thus, shippers need to ensure they are partnering with 3PLs from that 1% group.

Examples of Current Threats:

Unauthorized Rerouting:

Certain goods, particularly electronics or apparel, are diverted by drivers under cartel influence. Transparent communication is key to preventing these incidents.

Load Contamination:

Drug trafficking remains a reality in cross-border logistics. 3PLs with hands-on verification processes prevent loads from succumbing to these risks.

A CTPAT-Certified 3PL Provides:

Secure Facilities and Procedures:

Ensuring freight is protected at all transfer points.

Faster Customs Clearance:

Trusted trader status can mean fewer inspections and less dwell time at the border.

Peace of Mind:

Certification demonstrates a proactive approach to security, reassuring clients and partners alike.

6 Future Outlook for Cross-Border Trade: 2025 and Beyond

Projections Through 2050

Cross-border trade between the U.S. and Mexico is on an upward trajectory. Cross-border shipments through Laredo alone are projected to reach 50,000 daily crossings by 2050. This represents a doubling of current trade capacity, driven by accelerated nearshoring, enhanced bridge and port capacity, manufacturing expansion in central and northern Mexico, and overall economic growth across the region. Population surges in cities along the U.S.-Mexico border will magnify demand for better cross-border logistics, making the role of 3PLs even more vital.

Looking ahead to 2050, we anticipate a more integrated North American supply chain where:

- Cross-border flows rival domestic volumes
- Technology enables real-time compliance and shipment execution
- Integrated infrastructure connects inland hubs in Mexico directly with U.S. demand centers

A Growth Engine for the Future

Businesses must begin preparation now. The competitive landscape will favor companies investing in 3PL partnerships delivering visibility, efficiency, and cost savings to the complex world of U.S.-Mexico trade. Supply chain leaders must be ready for that future and they must choose partners who can grow with them.

With Mexico's economy expected to expand by more than 2.5% annually through 2026 and nearshoring activity projected to grow 8% year-over-year, shippers have an opportunity to redefine their North American logistics strategy.

The 3PLs that succeed in this environment will be those who combine deep cross-border expertise with secure infrastructure, flexible capacity, and digital intelligence. By choosing the right partner, shippers can turn border complexity into a competitive edge.

Conclusion: The Right 3PL Unlocks Cross-Border Growth



The opportunity is clear. Cross-border logistics between the U.S. and Mexico is not only growing, it's becoming central to how companies compete. The future of supply chain resilience lies not in reacting to disruption, but in designing networks that are built for agility, scale, and transparency. The U.S.-Mexico corridor is at the center of this transformation.

By treating North America as a single integrated market, shippers can unlock efficiencies that go far beyond proximity. They can eliminate blind spots at the border, reduce lead times, and gain the operational flexibility to respond to changing demand.

An experienced, technology-enabled 3PL doesn't just move freight. It moves companies forward. By bridging cultures, complying with regulations, securing shipments, and enabling end-to-end visibility, a trusted 3PL empowers shippers to turn the border into a competitive advantage.

Key Takeaways



Decades of investment have cemented Mexico's position as a manufacturing and trade powerhouse



Current trade activity is growing exponentially at pivotal ports like Laredo, driven by nearshoring trends



An experienced 3PL equips businesses with the tools to mitigate risks, reduce delays, and maximize opportunities through technology, compliance, and cultural alignment



Future-proofing strategies today could ensure a competitive edge in a transformed supply chain environment by 2050