



North American
Development Bank

Banco de Desarrollo de
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PRESS RELEASE

For Immediate Release:
December 18, 2018

Loan increase provided for low-emission bus program in Mexico border region

- North American Development Bank and Mercader Financial, S.A., SOFOM, E.R., sign agreement for US\$20 million loan increase

San Antonio, Texas – The North American Development Bank (NADB) and Mercader Financial, S.A., SOFOM, E.R. (Mercader), signed an amended loan agreement increasing NADB’s revolving credit line to Mercader by \$380 million pesos (US\$20 million) to continue Mercader’s low-emission vehicle purchase program in the northern border region of Mexico. Mercader is the financing division of DINA Camiones, S.A. de C.V., one of the largest bus and truck manufacturers in Mexico.

“Mercader’s low-emission bus program has been successful in offering a cleaner and more efficient alternative for the replacement of public transportation fleets in border communities,” commented NADB Managing Director Alex Hinojosa. “The revolving line of credit provided by NADB to Mercader in 2016 has been used by public transportation providers to finance close to 400 new buses in eight urban areas in Baja California, Chihuahua, Nuevo Leon and Sonora.”

Project certification and financing in the form of a revolving line of credit for up to \$500 million pesos with a 10-year disbursement period was approved by the Board of Directors in September 2016. The initial \$500 million pesos were fully disbursed by November 2017. Given the demand for the program, Mercader requested the credit line be increased and received Bank approval in November 2018. The loan increase could initially support the sale of an estimated 100 low-emission vehicles.

The purpose of the program is to improve public transportation fleets by facilitating the financing of low-emission diesel vehicles that comply with the limits set under Mexican Standard NOM-044-SEMARNAT-2017, as well as compressed natural gas vehicles that comply with EPA 2016 standards, both of which are currently offered by DINA. The program is helping improve air quality and reduce greenhouse gas emissions in the northern border region of Mexico, as the new vehicles produce less carbon dioxide, nitrogen oxide and hydrocarbon emissions than older models.

The cities that have benefitted to date from new diesel and/or compressed natural gas buses are Ciudad Juárez, Chihuahua; Hermosillo, Sonora; Monterrey, Garcia, Guadalupe, Apodaca and Escobedo, Nuevo Leon; and Tijuana, Baja California.

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NADB is a financial institution established and capitalized in equal parts by the United States and Mexico for the purpose of financing environmental infrastructure projects along their common border. As a pioneer institution in its field, the Bank is working to develop environmentally and financially sustainable projects with broad community support in a framework of close cooperation and coordination between Mexico and the United States.