



BSI & TT Club Cargo Theft Report 2020

2019 Data | February 19, 2020

bsi. **TT CLUB** 

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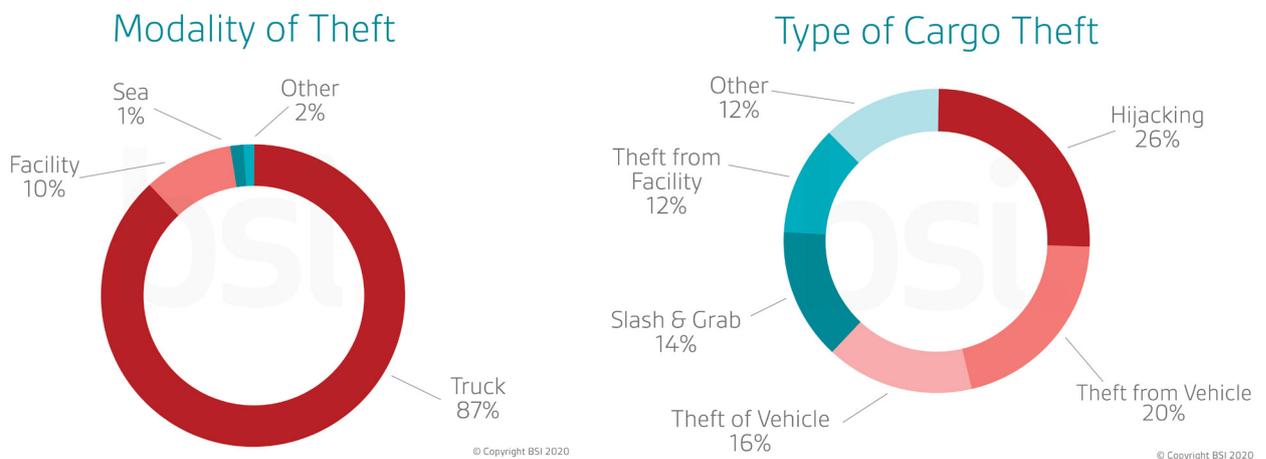
Introduction

BSI publishes this report in coordination with TT Club. BSI Supply Chain Services and Solutions is the leading global provider of supply chain intelligence, auditing services, audit & risk management compliance solutions, and advisory services. BSI's charter is to help corporations, governments and associations identify, manage, and mitigate global supply chain risks and maintain world-class governance, risk, and compliance programs. BSI's holistic supply chain risk management suite is designed to predict and visualize risk and develop robust risk mitigation and compliance management programs to protect global supply chains, brands, and reputation. BSI's intelligence-infused supply chain solutions and global network empower the clients to understand global supply chain risk with unequalled precision.

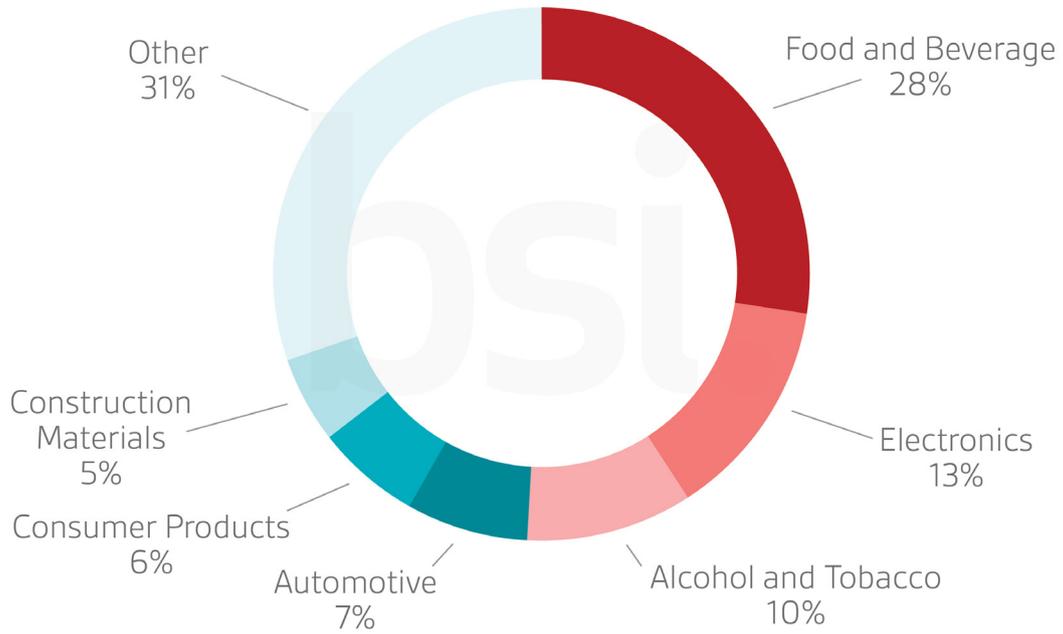
TT Club is the established market-leading independent provider of mutual insurance and related risk management services to the international transport and logistics industry. The Club's services include specialist underwriting, claims management, and risk and loss management advice, supported by a global office network. Established in 1968, TT Club has more than 800 members, spanning owners, operators, ports and terminals, and logistics companies, working across maritime, road, rail, and air. Members range from some of the world's largest logistics operators to smaller, bespoke companies managing similar risks. The Club is renowned for its high-quality service, in-depth industry knowledge, and enduring member loyalty. It retains more than 93% of its members with a third of its entire membership having chosen to insure with the Club for 20 years or more. TT Club is managed by Thomas Miller - an independent and international provider of insurance, professional, and investment services.

This report seeks to highlight major areas of concern, targeted modalities, and commodities, and theft tactics employed throughout the world. Each organization has the goal of helping companies stay informed on cargo theft risks in the country, and ultimately, helping prevent freight crimes.

In 2019, BSI and TT Club noted several key trends among recorded cargo theft incidents. These trends include both the overwhelming targeting of cargo trucks for theft compared to all other modalities as well as the food and beverage industry suffering from the most theft incidents. Both of these trends remained consistent from 2018. BSI and TT Club also noted an increase in 2019 in the number of cargo truck hijacking incidents, with thefts of and from vehicles similarly rising as a percentage of all theft incidents recorded in 2019. In line with these trends, thefts most frequently occurred while vehicles were either in-transit or parked at rest areas 2019.

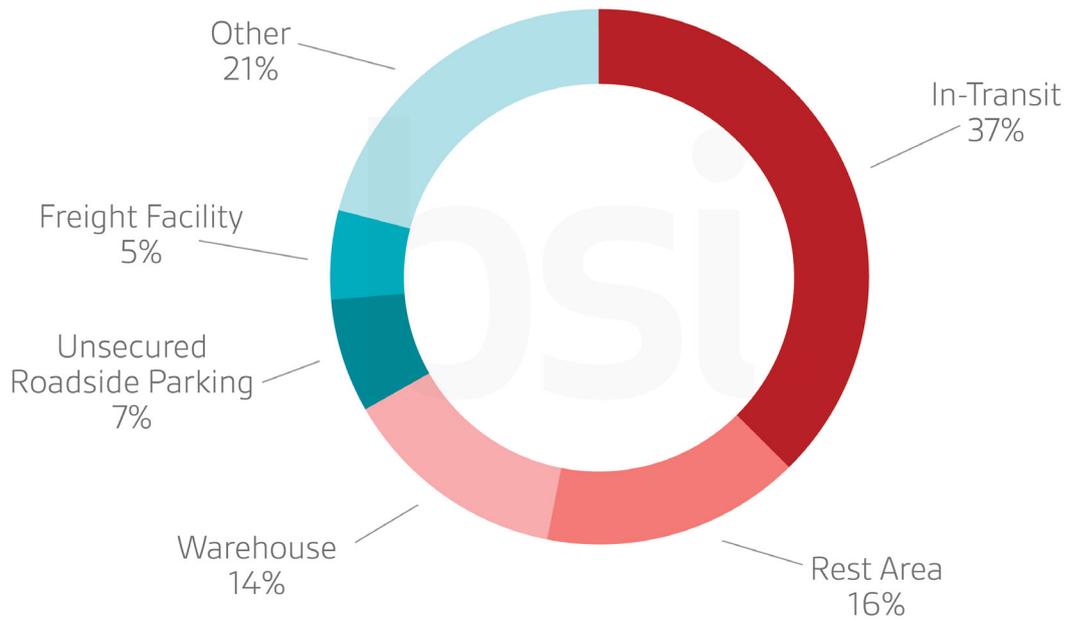


Top Commodities Stolen



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Location of Theft

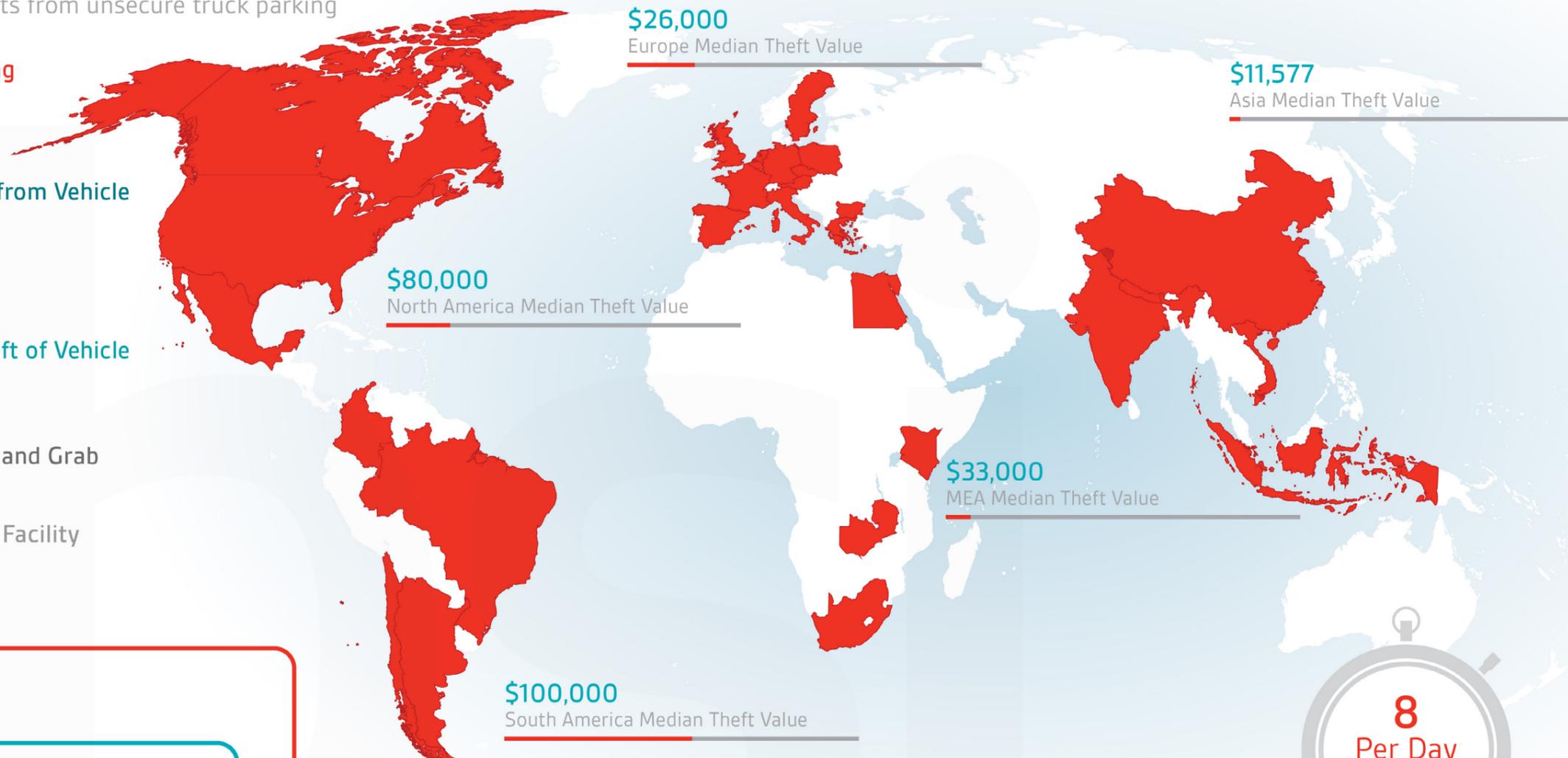
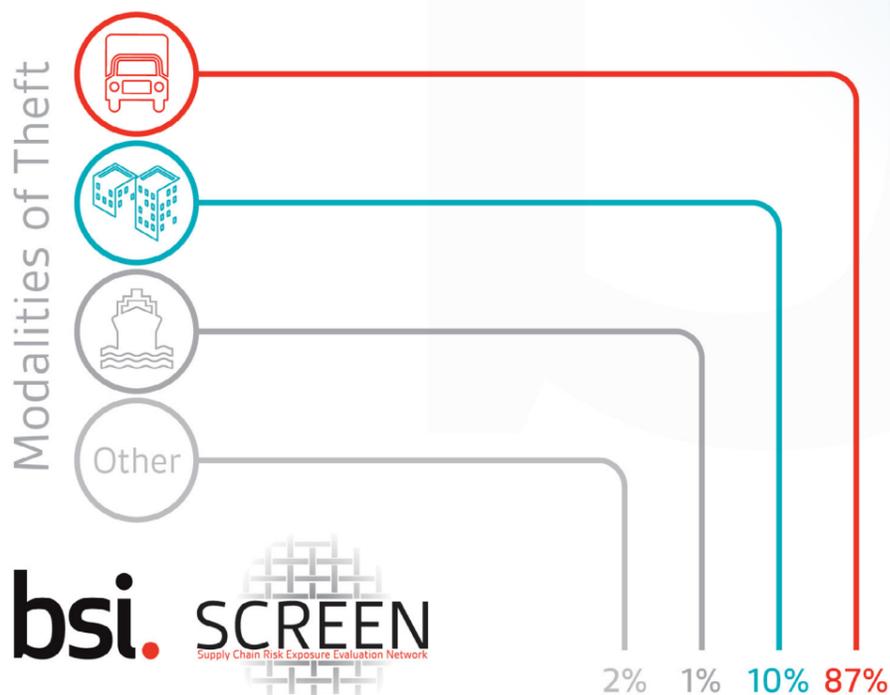
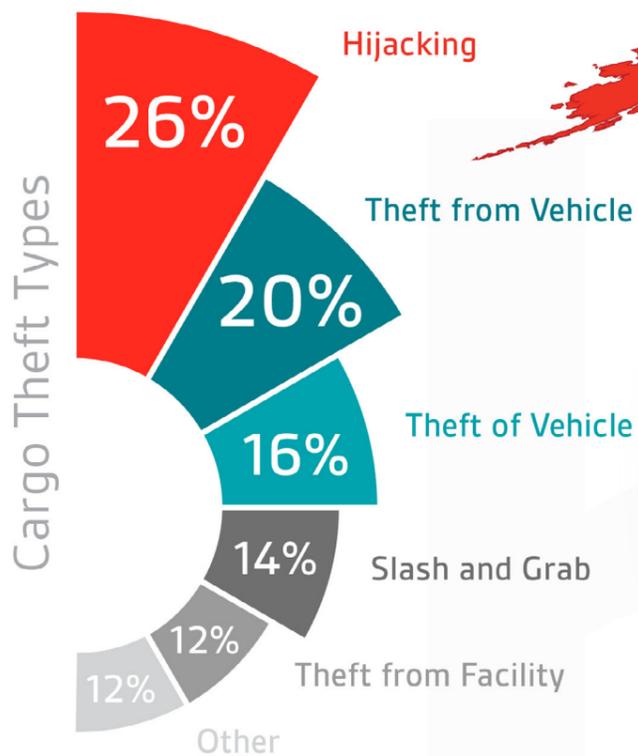


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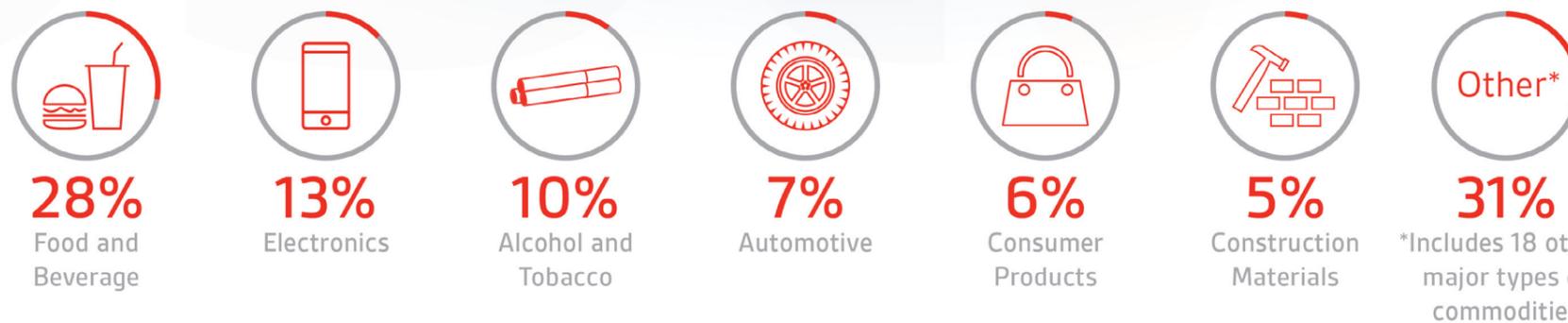
Global Cargo Theft Trends - 2019



Countries with confirmed thefts from unsecure truck parking



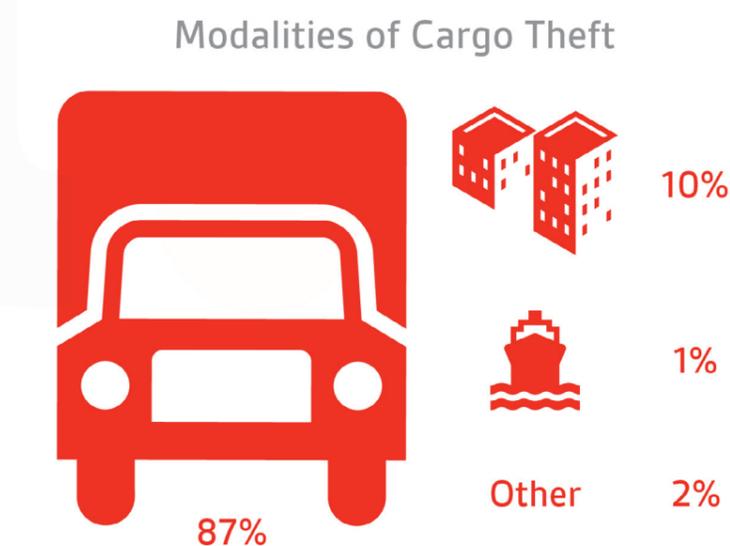
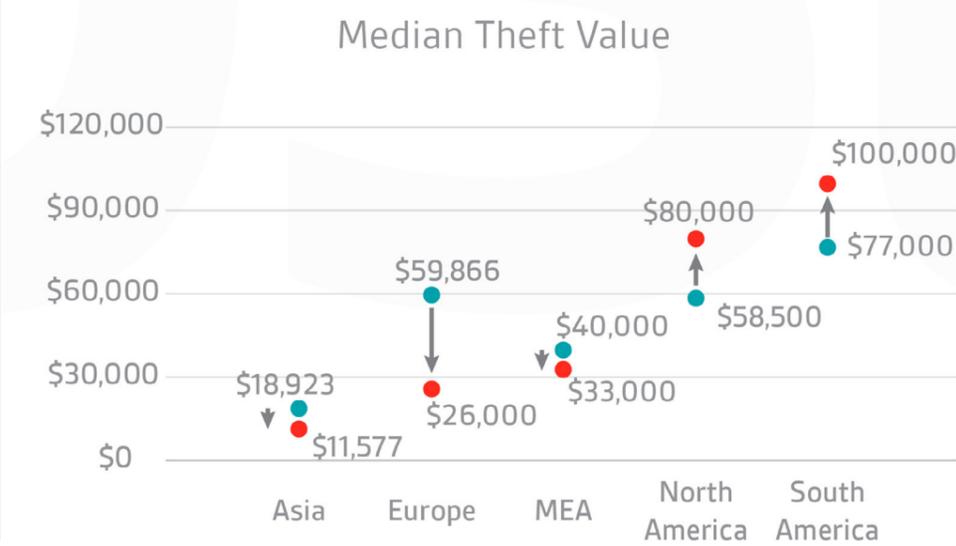
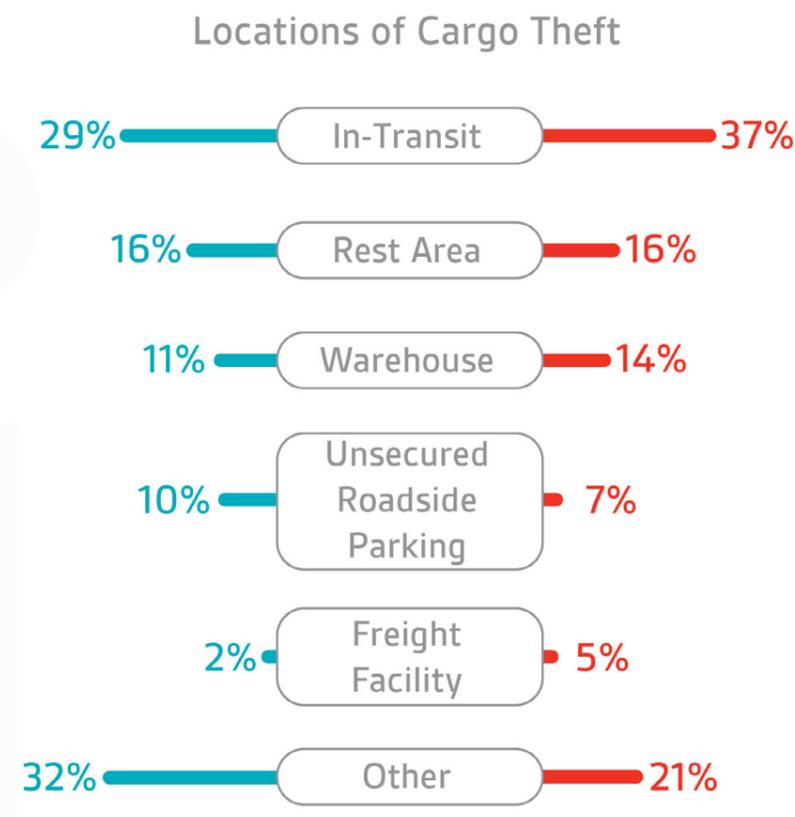
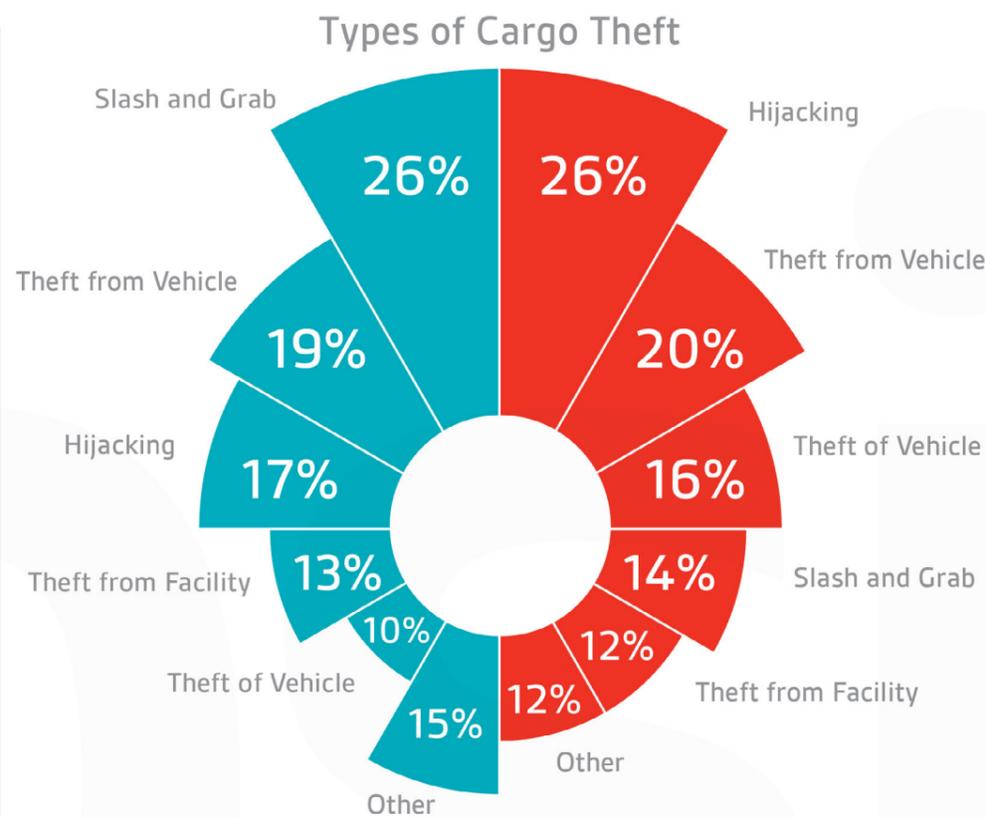
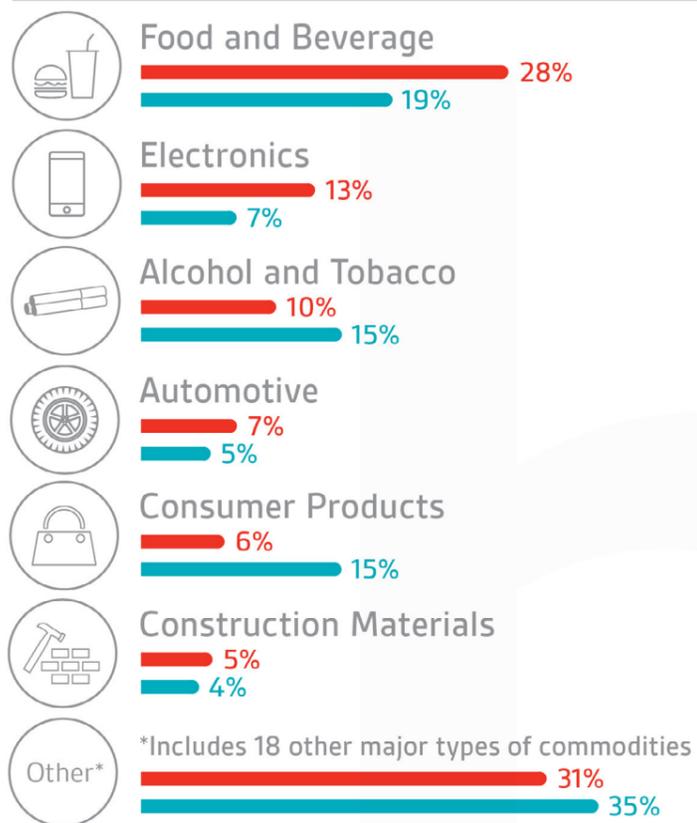
Top Commodities Stolen



Graphics based on recent incident data via collaborations with law enforcement, government, non-government, commercial partners, brand associations, open-source media reports, and input from BSI advisors and expert consultants.



Comparing Cargo Theft Trends 2018 & 2019



Asia

In Asia, BSI and TT Club most frequently recorded cargo thefts in India and China, a trend similar to that of 2018. Cargo thieves in these two countries are similar in profile and employ a wide range of tactics. The methods utilized by thieves in India and China range from very opportunistic means, such as pilferage and thefts by drivers or passersby, to more disorganized tactics, including in-transit truck thefts. In these types of thefts, thieves drive a vehicle behind a moving cargo truck, board the vehicle, and then throw goods to trailing accomplices.

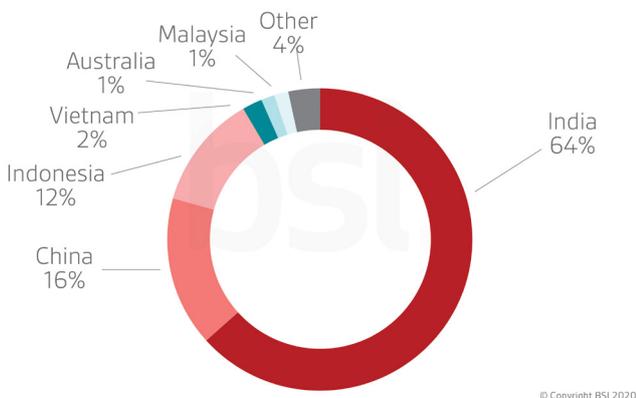
A significant portion of incidents in both India and China involve thieves stealing goods directly from facilities, a trend demonstrative of poor access controls and one that compares similarly to 2018. Poor access control protocols often contribute to cargo theft in Asia, but particularly in India and China where terminated employees often retain facility keys that are used to conduct thefts at a later date.

Supply chain corruption is another major element of thefts in Asia, with corrupt employees removing goods they are transporting or accessing shipments stored in warehouses or logistics facilities. Thieves in these instances generally pilfer small numbers of items but occasionally manage to steal larger quantities of goods. These trends play out in the median value of thefts recorded by BSI and TT Club in the region, which tends to remain much lower than other regions where thieves often steal entire truckloads of high-value goods.

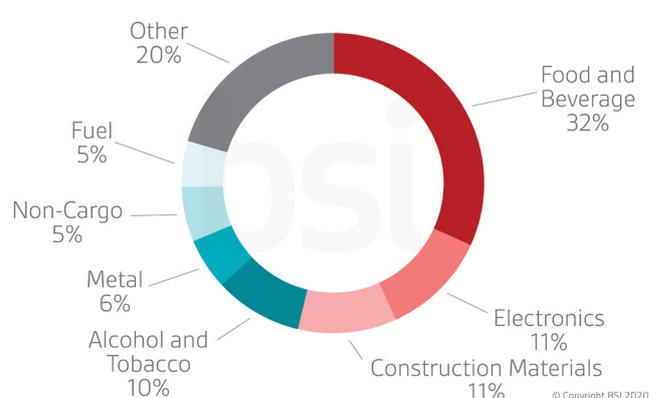
Unlike in 2018, in which metal ranked second for top commodities stolen, BSI and TT Club noted an increase in thefts of electronics and construction materials while metal fell to fifth overall in 2019. In both years, food and beverage ranked first as the top commodity stolen in Asia.

Like most regions of the world, the lack of secure parking locations in Asia is a key factor facilitating cargo theft. In China, for example, the insecurity of expressway service areas propagates the vulnerability of cargo trucks and often leads drivers to instead park in just-as-insecure roadside locations. In Indonesia, bands of criminal gangs often extort cargo truck drivers through the demand of payments in exchange for safe passage through controlled areas. Although not a form of cargo theft, the forceful stoppage of non-compliant trucks by these criminals exposes shipments to the risk of potential cargo theft.

Top Countries for Cargo Theft



Top Commodities Stolen

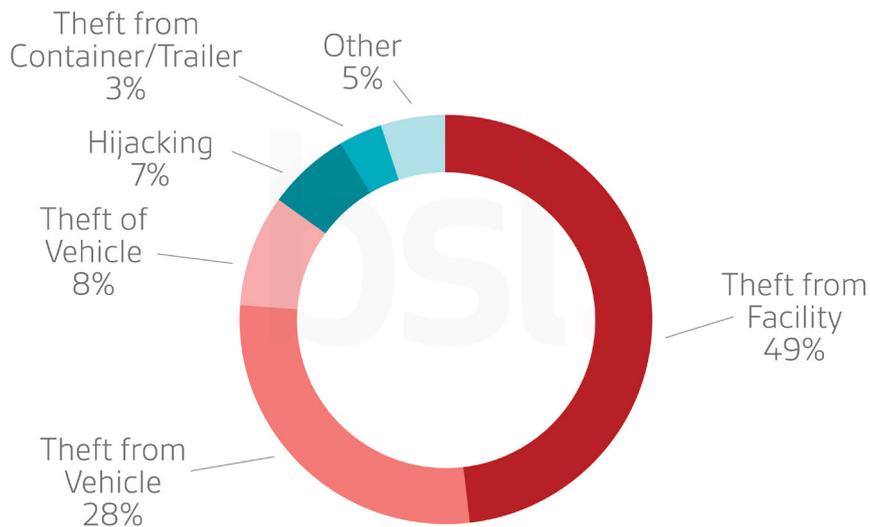


BSI Analysis

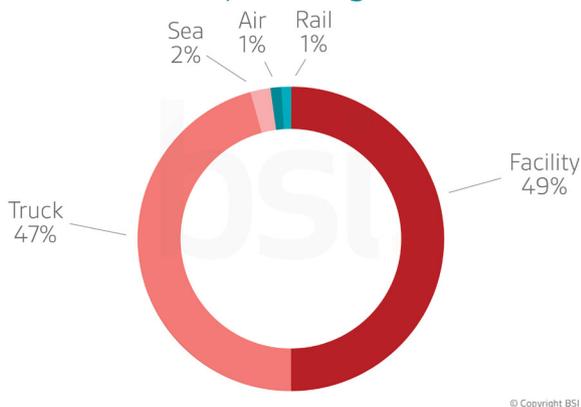
Warehouses Remain the Most Frequently Recorded Location for Cargo Thefts in China

Analysis of all cargo theft incidents recorded by BSI in China reveals that warehouses are the most common location for thefts, followed by production facilities and unsecured roadside parking locations. BSI noted a high rate of cargo thefts carried out by employees, both current and former, of warehouses throughout China that exploited notable and often easily rectifiable security gaps. Improper access control procedures, specifically the failure to revoke keys from terminated employees, was one of the most common themes noted by BSI in cargo thefts occurring at warehouse locations. Although BSI does not frequently note cargo truck hijackings in China, BSI did record a significant number of thefts from in-transit cargo trucks, with thieves boarding slow-moving vehicles and removing goods. These incidents largely account for the In-Transit location seen on the chart to the right.

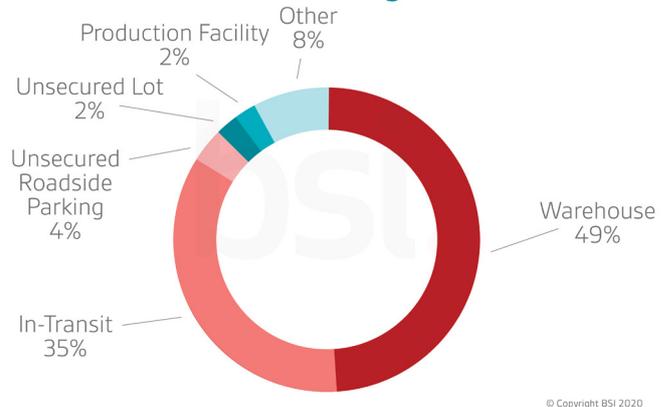
Type of Cargo Theft



Modality of Cargo Theft



Location of Cargo Theft



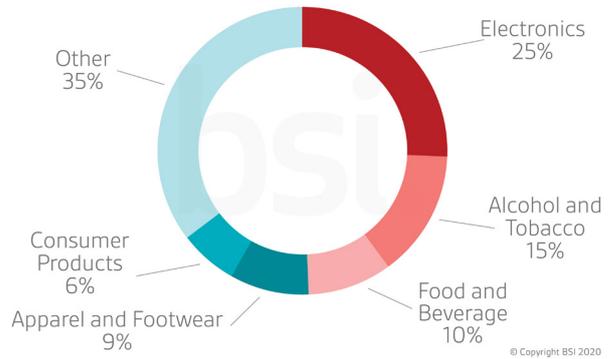
Europe

Europe is arguably the leading region for which the lack of secure parking for cargo trucks influence cargo theft trends. All major countries of concern for cargo theft in the region, including the United Kingdom and Germany, lack a sufficient amount of secure parking locations, creating ample and easy opportunities for thieves to strike vulnerable vehicles. Regulations that limit the length that cargo truck drivers can operate before taking a mandatory break also exacerbates the lack of secure parking and often forces drivers to stop in vulnerable locations. Lastly, the prevalence of soft-sided trailers further increases the ease to which thieves can gain access to cargo truck-borne shipments of goods.

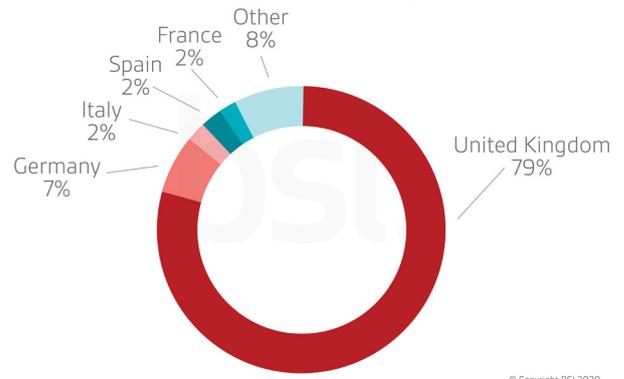
All of these factors combine to influence cargo theft trends in the region, which can be seen in the much higher number of truck-involved thefts in comparison to often more-secure facilities. Similarly, theft tactics tend to involve the removal of cargo from trailers, whether it be pilferage or the more specific slash-and-grab method in which thieves slice through the trailer tarpaulin to remove goods. Not surprisingly, rest areas and other unsecured roadside parking locations dominate as the top two locations in which theft occurs in the region, a trend that holds true when comparing 2019 to that of 2018.

Although not as common of an occurrence in Europe as other regions in the world, particularly South America, companies operating in certain countries in Europe should be aware of the potential for hijackings to occur. BSI most commonly records cargo truck hijackings in Italy; however, other countries in the region can also experience hijackings on occasion.

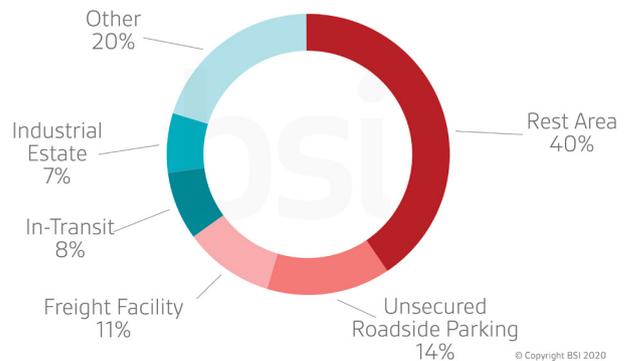
Top Commodities Stolen



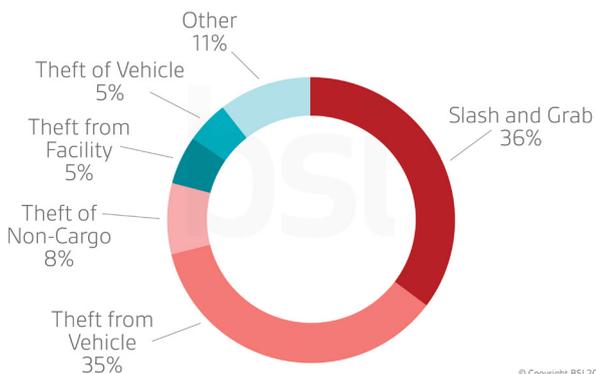
Top Countries for Cargo Theft



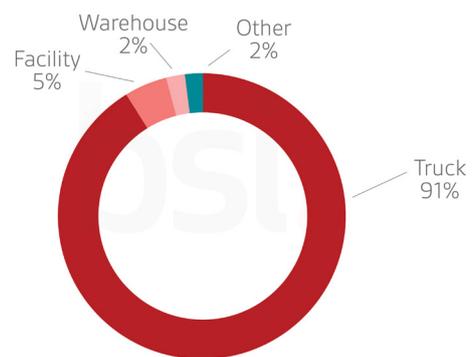
Location of Cargo Theft



Type of Cargo Theft



Modality of Cargo Theft

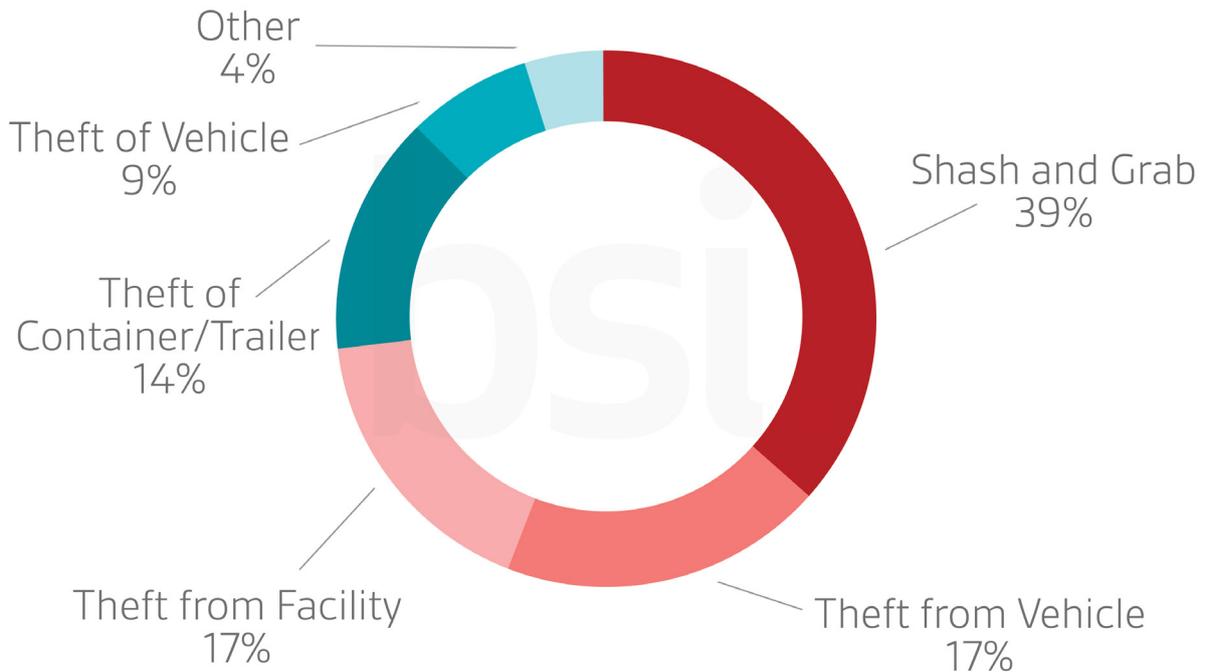


Cargo Theft Insights

Germany

Based on historical data, over a third of cargo thefts in Germany occur via the slash-and-grab method, accounting for 39 percent of incidents. BSI recorded thefts from vehicles and thefts from facilities as the techniques each used in 17 percent of incidents. The theft of the container/trailer itself accounted for 14 percent of incidents and the theft of the vehicle itself was involved in 9 percent of cargo theft incidents in Germany. The BSI threat rating for cargo theft in Germany is High.

Germany - Cargo Theft by Type



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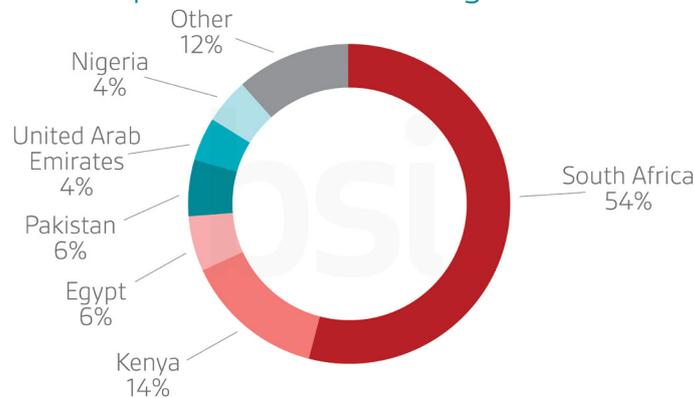
Middle East & Africa

In 2019, BSI and TT Club most commonly recorded cargo truck hijackings as the primary theft type in the Middle East and Africa, with thefts from facilities following closely in second. This compares similarly to 2018 in which cargo truck hijackings also led as the primary type of theft in this region. Unlike other regions including Europe, the widespread lack of security enforcement and propagation of weapons enables hijackers in this region to carry out thefts. This trend in cargo thefts is particularly true for South Africa, which continued to lead as the top country for cargo theft in the region for 2019.

In another holdover trend from 2018, supply chain corruption continued to play a key role in cargo theft in the Middle East and Africa. Cargo truck drivers may be forced to stop in unsecure locations at checkpoints established by corrupt officers demanding a bribe to pass, which places cargo shipments in a vulnerable situation. Although not an entirely new phenomenon, particularly in this region of the world, BSI and TT Club have noted the increasing role of tangential violence in cargo theft trends.

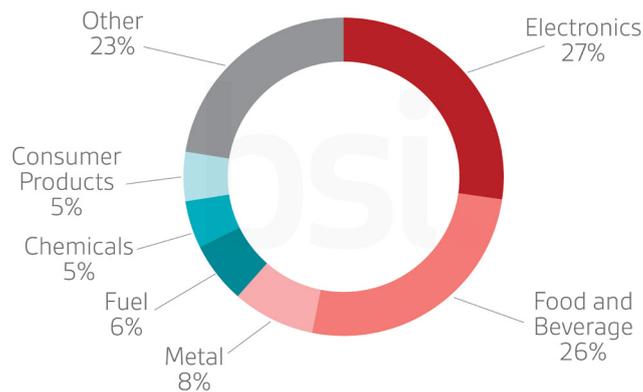
This issue is perhaps no more pertinent to cargo truck security than in South Africa, where spikes in violence directed toward foreigners resulted in an increased risk of theft, arson, and bodily harm for cargo truck drivers. This is in addition to the extant risk for cargo trucks passing through areas of civil unrest in the country or are unfortunately the cause of accidents, which will similarly generate extreme violence targeting drivers.

Top Countries for Cargo Theft



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Top Commodities Stolen



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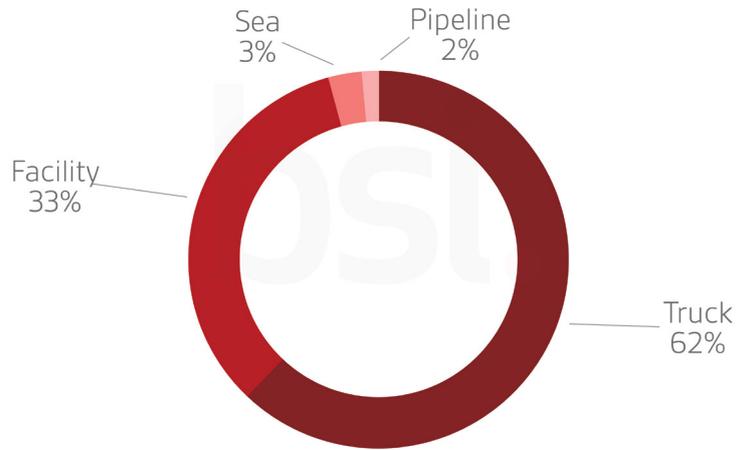
BSI Analysis

Violence Raises Danger for Truck Drivers in South Africa

The risk of cargo theft, hijacking, and violence against transporters is not new to South Africa. BSI noted an increased danger to cargo truck drivers in South Africa due to ongoing xenophobic violence against foreigners, specifically foreign truck drivers hailing from other nearby nations like Zimbabwe. Attacks on foreign vendors and foreign-owned businesses in Cape Town and Johannesburg continue to take place, with roads barricaded and transportation paralyzed in some areas due to the violence. The targeting of foreign truck drivers has been escalating as well and is becoming increasingly organized. The All Truck Drivers Foundation, a national association of South African truck drivers, has made statements calling for demonstrations against the employment of foreign truck drivers. Supply chains operating within and through South Africa should be extraordinarily vigilant in their protection of truck drivers in the country while the government struggles to effectively respond.

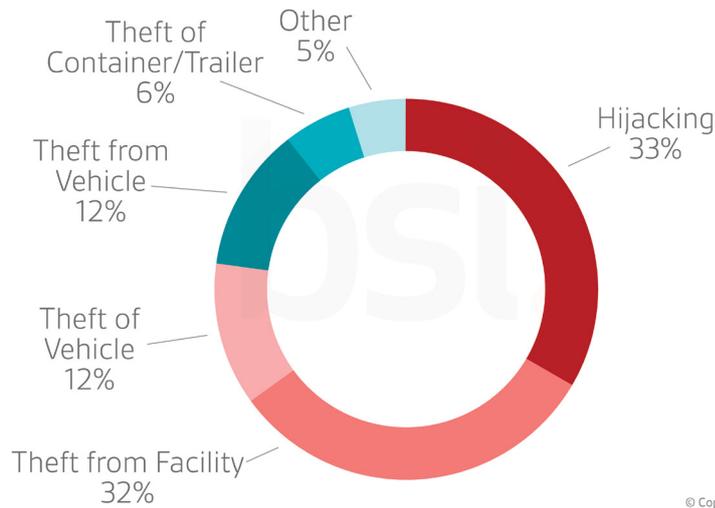


Modality of Cargo Theft



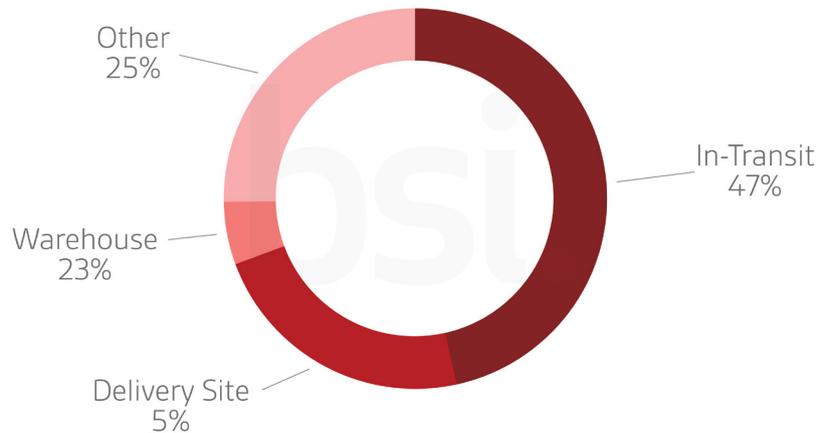
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Type of Cargo Theft



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Location of Cargo Theft



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North America

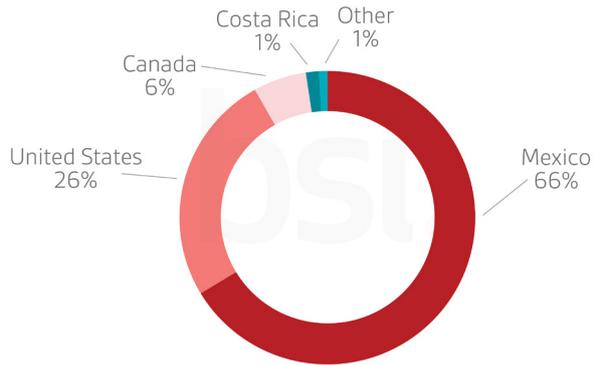
North America continues to be split by the dichotomy of the more reserved thefts involving unattended cargo trucks that BSI and TT Club record in the United States and Canada and the aggressive, and often violent, hijackings characteristic of Mexico and the majority of Central America. Like 2018, BSI and TT Club recorded the most cargo theft incidents in Mexico last year.

Thieves in the United States and Canada most frequently steal unattended cargo trucks parked at unsecure locations, including truck stops and gas stations. In these two countries, both a lack of secure parking locations combined with the enactment of legislation regulating maximum driving hours has forced cargo truck drivers to stop in often insecure locations, placing cargo in a position vulnerable to theft. Unlike in Europe, where thieves take advantage of the prevalence of soft-sided trailers by utilizing a range of pilferage tactics, thieves in North America most commonly steal the entire truck and shipment or break into trailers to remove goods.

In contrast, thieves in Mexico and Central America utilize cargo truck hijackings as a primary tactic. In most incidents that BSI records in this region, thieves often brandish, and occasionally use, firearms to force cargo truck drivers to the side of the road. Thieves commonly take drivers hostage during cargo truck hijackings, holding these personnel generally for a short period to delay police response. Not all cargo truck hijackings in Mexico occur when vehicles are in-transit, with thieves approaching cargo trucks that are parked at gas stations or other similarly insecure locations.

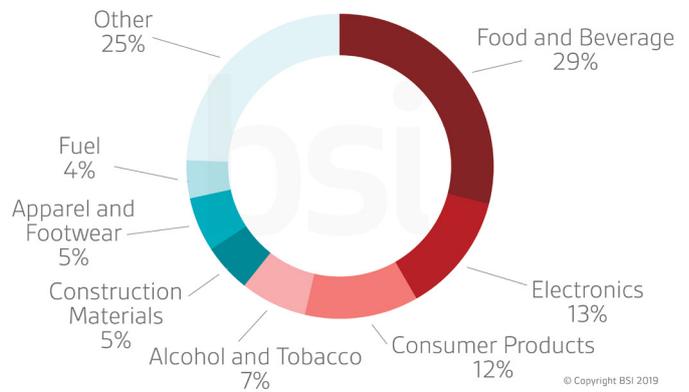
Besides the difference in tactics, thieves throughout North America do share some similarities in the frequent theft of food and beverage products and the targeting of cargo trucks over any other type of modality, both of which being trends that also occurred during 2018.

Top Countries for Cargo Theft



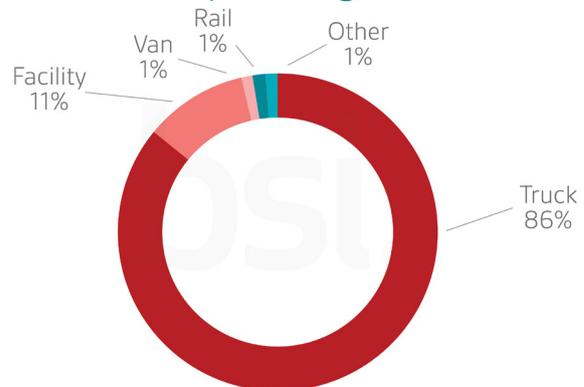
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Top Commodities Stolen



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Modality of Cargo Theft



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BSI Analysis

Puebla Records Highest Rate of Cargo Theft Among States in Mexico for 2019

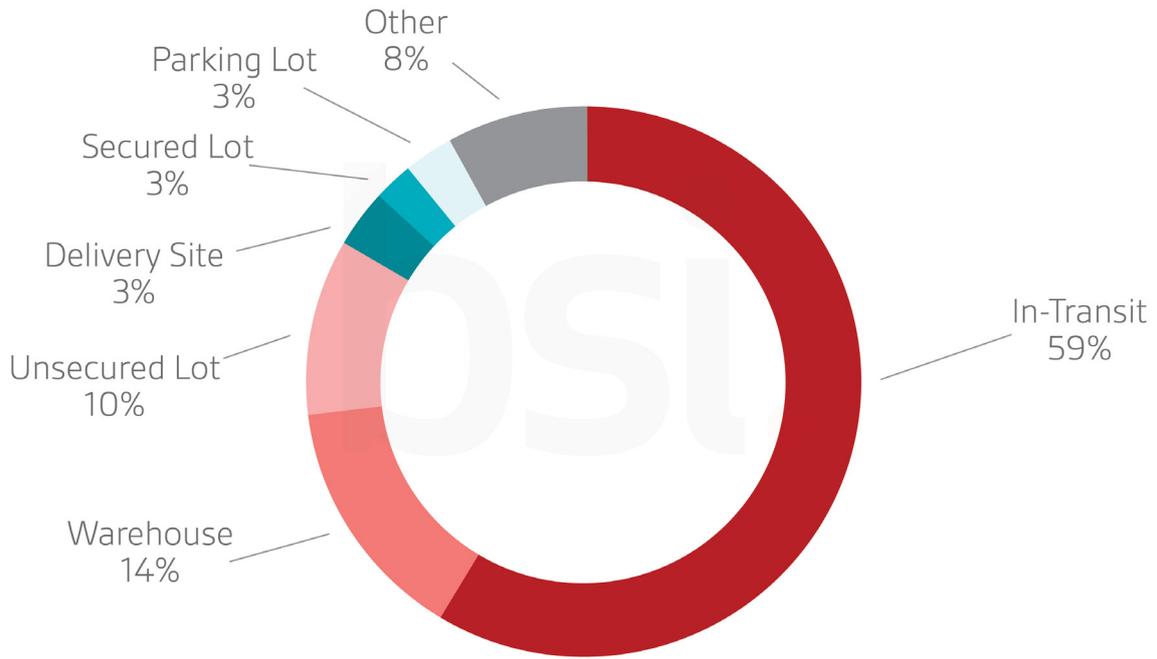
In 2019, BSI recorded more cargo theft incidents in the state of Puebla than any other state in Mexico. This compared similarly with BSI data from 2018, which ranked Puebla and Veracruz as the top two states for cargo incidents in Mexico. Transporters and supply chains operating in and through Puebla and Veracruz should exercise heightened security precautions.

Cargo Theft Incidents by State in Mexico (2019 YTD)



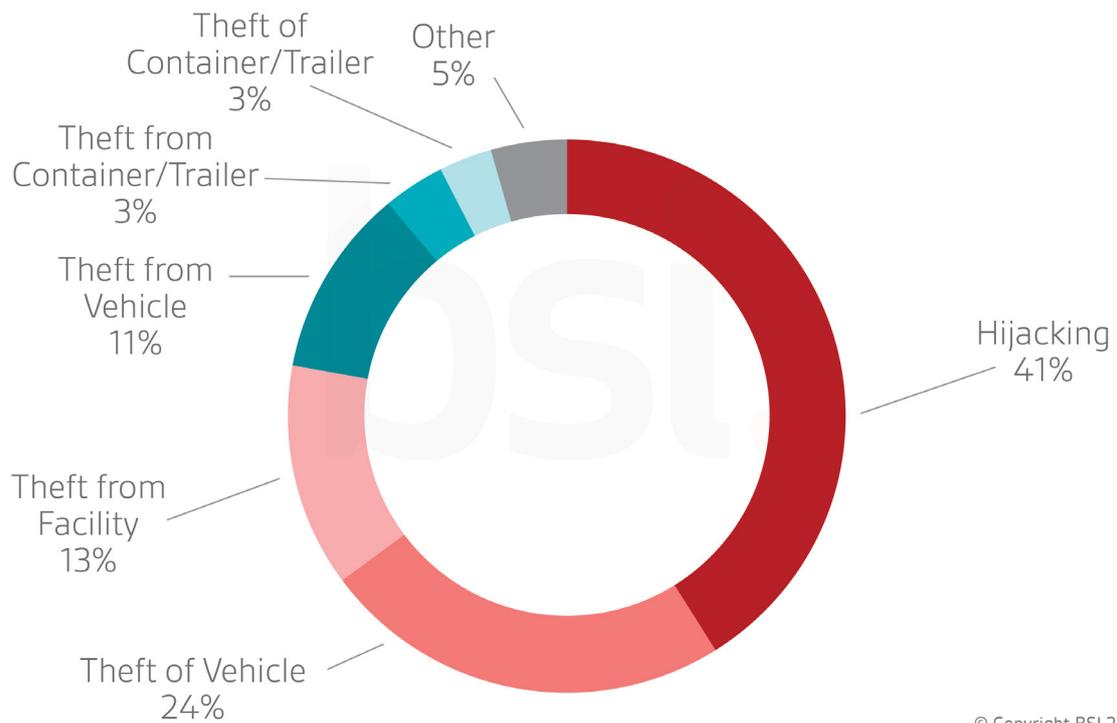
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Location of Cargo Theft



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Type of Cargo Theft



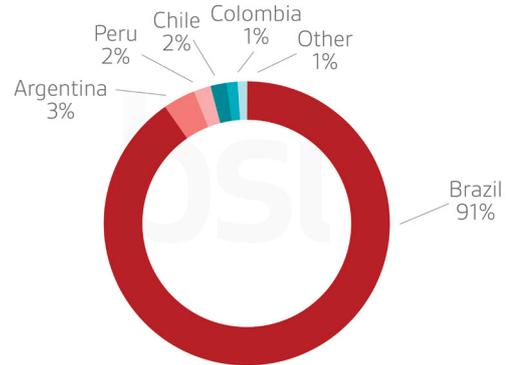
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South America

South America continues to suffer from the highest rate of cargo truck hijackings in the world. This was evident particularly in Brazil in 2019, where BSI and TT Club recorded the overwhelming majority of theft incidents. Other notable countries for cargo theft in 2019 include Argentina, Peru, and Chile, which also tend to see frequent cargo truck hijacking incidents. Including the top countries for theft in South America, the targeted modalities, methods of theft, and location of incidents mirror the trends that BSI and TT Club recorded in the region during 2018.

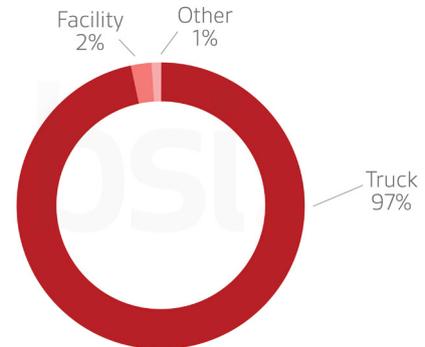
There is some good news, however, for Brazil in particular. The country has seen a slight drop in the total number of theft incidents due to the uptick in anti-theft gang operations by police in Rio de Janeiro and Sao Paulo as well as the targeting of individuals that are receiving, selling, and/or storing stolen goods. The country has had the enacted law on the books for some time, but it now appears that law enforcement and quite possibly the government, in general, is keen to enforce the legal provision that bans the handling of stolen goods. It is the combination of these law enforcement activities along with the likely increase in awareness by industry that has contributed to this slight drop in total cargo theft incidents. However, it is important to stress that the issue of cargo theft in Brazil remains at a severe level and will require much more effort on the part of all stakeholders to truly see any reduction in the level of risk in the country.

Top Countries for Cargo Theft



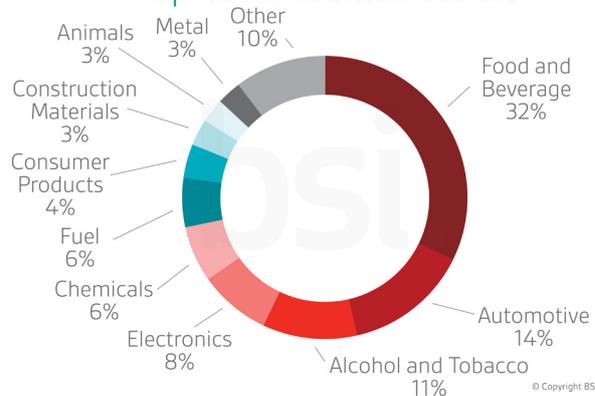
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Modality of Cargo Theft



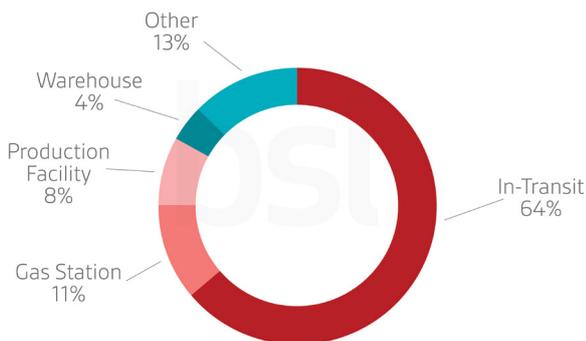
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Top Commodities Stolen



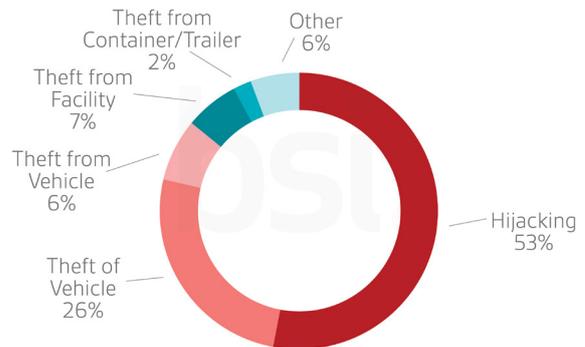
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Location of Cargo Theft



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Types of Cargo Theft



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Anti-Cargo Theft Operation in Sao Paulo, Brazil

"Operation Essential" took place with several arrests and multiple search and seizure warrants in Limeira, Cosmópolis, and Paulinia. The focus of the operation is a cargo theft gang specializing in the targeting and stealing of loads of essential oils. These oils are used to produce cosmetics, medicines, and pesticides. In conducting the raids, authorities recovered firearms, ammunition, and notably, a stolen police uniform.



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BSI & TT Club Security Expert Advice

In 2019 BSI and TT Club observed a decrease in the number of cargo truck hijacking incidents, with slash and grab and thefts from vehicles rising in frequency this year compared to last. In line with this trend, thefts more frequently occurred at unsecure rest areas in 2019 instead of taking place while vehicles were in transit.

Although this trend is not restricted to one geographic region, with theft from vehicles parked in unsecure locations occurring in every region, Europe is arguably the leading region for which the lack of secure parking for cargo trucks influence cargo theft trends. All major countries in the region lack enough secure parking locations, creating ample and easy opportunities for thieves to strike. Other factors combine to influence cargo theft trends in Europe including, regulations that limit the length truck drivers can operate before taking a mandatory break exacerbated by the lack of secure parking that often forces drivers to stop in vulnerable locations whilst often driving soft-sided trailers that further increases the ease to which thieves can gain access to trucks.

This trend has been recognized by both government and the private sector and, in the EU region more than other regions, several initiatives have been launched to combat the negative trend through the development and implementation of standards for secure parking.

Secure Parking Standards - Government

The European Commission commissioned a study (MOVE/C1/2017-500) on Safe and Secure Parking Places for Trucks (SSTPAs) that concluded in December 2018.

The EU recognized that the road haulage sector, cargo, equipment and increasingly personnel are all targets for criminals. Such cargo theft and illegal boarding of trucks cause substantial financial and reputation losses to supply chain operators. Recognizing that, currently, there is a shortage of facilities that enable safe and secure parking of trucks and that also provide a minimum level of services to cater for the social well-being of the drivers. The commission funded a study, recognizing that the prevention of threats to the security of drivers and cargo is a fundamental reason for providing safe and secure parking areas, however noting that there are different kinds of users and different situations with regards to the security levels needed.

The key findings and outputs of this study were:

- A common **standard** and rating system for security and service.
- **Auditing** responsibilities and guidelines to ensure reliability.
- Comprehensive **maps** indicating at which locations SSTPAs are needed.
- Recommendations for the basis of a common **application program interface** (API) for the exchange of dynamic data between SSTPAs and information platforms.
- **Manuals** to support the preparation of business plans for the setup of SSTPAs.

Full details of the Safe and Secure Parking Places for Trucks study can be found [here](#).

Secure Parking Standards - Private Sector

The Transport Asset Protection Association (TAPA) is a unique forum that unites global manufacturers, logistics providers, freight carriers, law enforcement agencies, and other stakeholders with the common aim of reducing losses from international supply chains using real-time intelligence and the latest preventative measures.

TAPA's mission is to help protect members' assets by minimizing cargo losses from the supply chain, achieving this through the development and application of global security standards, recognized industry practices, technology, education, benchmarking, regulatory collaboration, and the proactive identification of crime trends and supply chain security threats.

To mitigate the increases in cargo losses incurred from trucks parking in unsecured locations, in 2018 TAPA introduced a new standard, the Parking Security Requirements (PSR), to address secure parking of theft sensitive products that are transported over the road.

The PSR specifies the minimum acceptable security standard and the methods to be used in maintaining those standards. It outlines the processes and specifications for Parking Place Operators (PPOs) to join the scheme and attain TAPA Certification for the parking operations. TAPA aims to ensure a wide choice of credible secure parking place options are available to its members and associates.

A number of options and security levels to participate in PSR are available to PPOs with four classification PSR levels specified as:

- PSR Level 1 = highest security protection with a formal certification
- PSR Level 2 = mid-level security protection with a formal certification
- PSR Level 3 = lowest security protection with a formal certification
- PSR Partnership Declaration. Minimum entry-level not requiring a formal certification

Full details of the TAPA Parking Security Requirements can be found [here](#).

Secure Parking Holistic Risk Mitigation Strategies

BSI and TT Club recognize that the secure parking initiatives being implemented in Europe have yet to be replicated across other regions where similar risks are currently present and emerging. It is therefore recommended that organizations operating in regions outside the EU mitigate the risk of theft from parking in unsecure locations by assessing and choosing secure parking locations based on the operator's compliance to the following minimum level of Secure Parking Protection Measures:

Secure Parking Protection Measures

- Vehicle parking locations should have adequate physical security barriers (perimeter fence) so that all vehicles are naturally funneled in and out of a managed and controlled vehicle access point.
- All access points for vehicles entering or leaving the parking area should be controlled physically by a secure barrier and/or a lockable gate.
- The access points should be managed appropriately to ensure all vehicles and drivers are checked and validated prior to entry/exit and no unauthorized vehicles can access the parking area.
- There should be adequate procedures in place to ensure overgrown trees and foliage around the parking area are maintained to prevent visual obstructions of the perimeter for CCTV or mobile patrol operations.
- Appropriate CCTV systems should be deployed that can monitor vehicle and pedestrian activities along the perimeter, outside approaching roads and specifically at the points of access into the facility covering vehicles entering and exiting.
- All areas of the parking facility should have appropriate lighting, with increased illumination along the perimeter and at the vehicle and pedestrian access control points to aid security operations and good lighting along internal vehicle and pedestrian areas to facilitate good Health and Safety practices.
- The parking area should have adequate signs posted across the facility informing all that the site is a secure facility that is being monitored and there is no unauthorized entry allowed.

For more information, please contact us at supplychain@bsigroup.com or visit us at bsigroup.com/supplychain.

TT Club can be contacted at riskmanagement@ttclub.com or visit www.ttclub.com.

About BSI SCREEN Intelligence

Supply Chain Risk Exposure Evaluation Network (SCREEN), is BSI's web-based, comprehensive global supply chain intelligence system. SCREEN is the most complete, publicly available Supply Chain Security, Corporate Social Responsibility, Food Safety and Business Continuity intelligence and analysis resource used to measure country level risk factors through BSI's 25 proprietary country level supply chain risk ratings. SCREEN's unique, proprietary global supply chain risk data and analysis helps organizations identify and understand where their supply chain risks exist. SCREEN generates trade interruption updates, BSI-authored special reports on major disruption incidents and trends, countermeasure programs, and risk mitigation best practices to help protect supply chains worldwide. SCREEN's intelligence provides organizations with full transparency of country risks and helps them to make intelligent risk-based decisions that drive resilience.

Interactive Risk Maps

Each proprietary risk indicator is conveniently displayed for over 200 countries through SCREEN's global risk mapping views. For every indicator, a country is assigned a rating of Low, Guarded, Elevated, High, or Severe. This rating system allows users to quickly identify and categorize the threats to their supply chain and address them quickly.

Automated Notifications

SCREEN provides users the ability to stay current and up to date with breaking news and changing conditions around the world that impact the integrity of their supply chain. Users are able to subscribe to the notifications for specific locations and subject areas that concern them the most.

Custom Report Builder

SCREEN's custom country report builder provides users with more control over the areas that are represented in the report. Users can easily pull and compare reports for multiple countries, threat assessments, and commodities tagged throughout the SCREEN system instantly.

Spotlight News

SCREEN's Spotlight News provides data and analysis on the most pressing global incidents on a daily basis. Each update encompasses a general summary of the incident and BSI's own analysis of the incident. The analysis provides the risk rating of the associated country and the explanation of the rating to help you better understand the country level threats and trends.

Custom Intelligence Services

BSI is now offering custom intelligence specific to your organization's supply chain. This innovative feature allows us to deep-dive into geographies, commodities, and subject areas that fit your needs and create custom reports, threat ratings, and analyses. For more information on these solutions and how they can benefit your organization, please contact our team at supplychain@bsigroup.com.

Additional Services & Solutions

Supplier Compliance Manager (SCM): BSI's automated self-assessment and audit analysis solution that quantifies and tracks supplier risk and compliance through various assessment methods to ensure your supply chain, brand, and reputation are protected.

Advisory Services: BSI's experienced risk management professionals leverage their knowledge and SCREEN intelligence to help organizations effectively identify, manage, and mitigate risk and develop robust management programs.

Training Services: Our customizable training services help develop a deeper understanding of supply chain security, corporate social responsibility, and business continuity risks and how to quickly respond and proactively manage them.

Auditing Services: Our services provide organizations with complete visibility into their suppliers' practices and procedures worldwide. Our audits provide your organization cost-effective assurance that your suppliers are not exposing your brand.



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