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Cargo theft in transit drops to 71% but still a dominant threat: Report

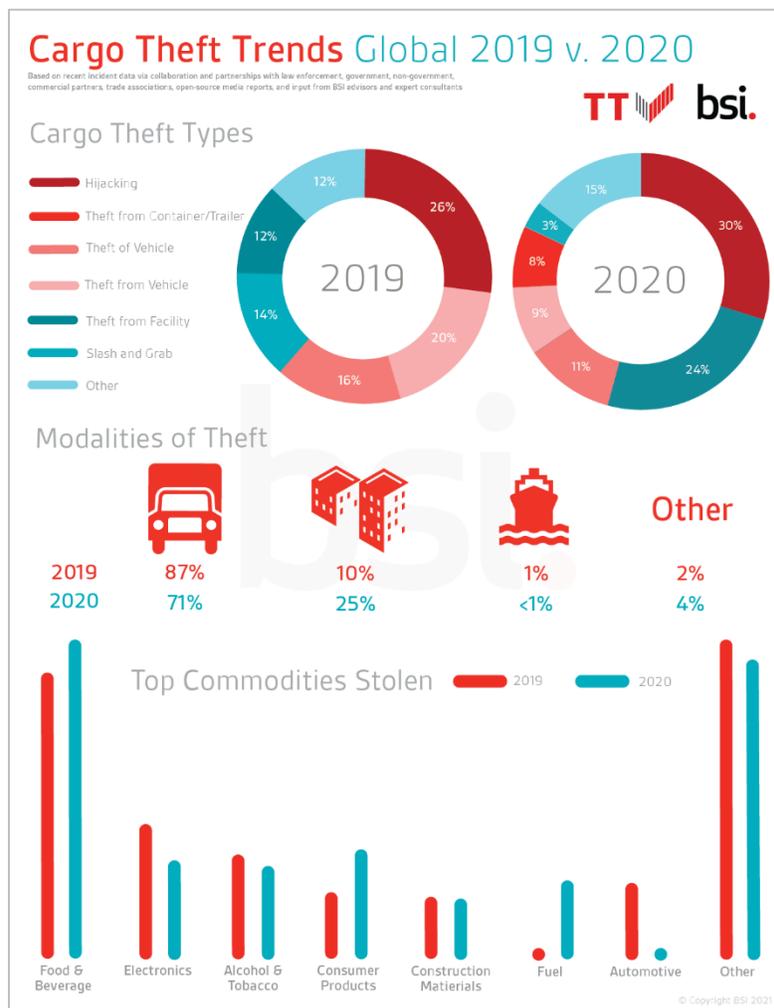
Cargo theft in transit drops to 71% but still a dominant threat: Report

The most significant trend highlighted by the Annual Cargo Theft report for 2020 is the relative shift in the location of thefts, with in-transit incidents and those involving vehicles showing a decline at 71 per cent compared to 87 per cent in 2019, though remaining the most dominant threat, and theft from storage facilities increasing to 25 per cent. The extent of the rise in the latter was variable from region to region, however this trend was reflective of the disruption to supply chains brought about by radical changes to consumer buying patterns as a consequence of the pandemic.

TT Club's managing director, Loss Prevention, Mike Yarwood explains more, "The effects throughout 2020 of the Covid-19 crisis threatened supply chain security, continuity and resilience. Not only did newly created high-value commodities such as PPE become targets for theft but bottle-necks in the logistics infrastructure at ports and warehouses brought increased potential risks. Temporary overflow storage facilities added to the dangers in loosening the grip of existing security systems."

Although specific incidents have not yet occurred, unless distribution plans for vaccines are perfectly executed within the expectations of any given population, challenges will arise in protecting the single most valuable cargo of all in the coming months.

The accompanying infographics give an overview of the global data findings, but regional variances are worthy of note. In Europe, the stockpiling of goods meant these inventories came under particular threat with 48 per cent of 2020 reported thefts coming from warehouses and production facilities. This was in contrast with 2019 when only 18 per cent came at such locations. On the other hand, 54 per cent of incidents occurred in rest areas and parking sites in 2019 -- the 2020 figure was 19 per cent.

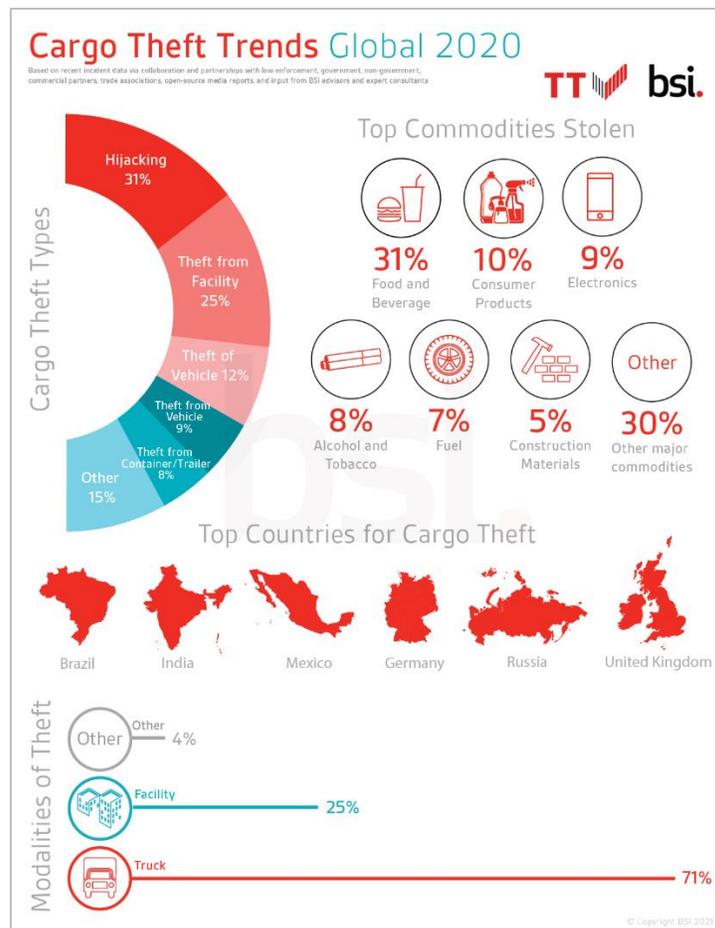


In Asia, the countries with the highest risk remain India, Indonesia, China and Bangladesh. The proportion of storage-based risk remains around 50 per cent in Asia as a whole but in Southeast

Asia the in-transit risk indicates the prevalence of bribery and corruption with a high percentage of thefts being facilitated by employees and customs or other officials.

North America continues to see theft coming almost exclusively in-transit via hijackings or directly from a parked vehicle. The risk of social unrest, particularly in Mexico, arguably impacted the risk of cargo loss through most of last year. Significant disruption to the Mexican rail freight industry, with protesters setting up blockades on train tracks, created a backup of cargo across the country. This disruption led to estimated losses of close to \$4.4 billion.

In South America, Brazil was a hotspot last year. A key driver of the high rates of cargo theft here remains the presence of major illegal drug smuggling gangs that need to fund their trafficking efforts. Again, the dominant risks were from hijacking and theft from or of vehicles. These theft types accounted for 78 per cent of the total losses reported. The extreme rate of cargo theft, however, did drop for the first time in several years, as continued efforts by police and industry contributed to a slight decline in incidents in 2020.



In the coming year disruption and the uneven resumption of international trade resulting from the spread of Covid-19 will continue with imbalances in shipping container distribution that are likely to impact maritime, and through a knock-on effect air cargo capacity throughout 2021. The added vulnerability of cargo will therefore continue.

The key to mitigating threats in 2021 is to stay ahead of the risk. BSI and TT Club have once more collaborated to analyse the detail of these risks. In the report, the authors furthermore offer mitigation techniques, so that organisations can proactively understand their risk and build a supply chain that is ahead of the criminal tactics and emerging threats.