



## **2012 Asia Cargo Theft Report**

27<sup>th</sup> March 2013

## Introduction

\*Due to fluctuations in the rate of incident reporting in the Asia Pacific region, data for the region suffers a degree of fragmentation. Trends in this report are based on available data and may not perfectly illustrate overall cargo theft in the region.

TAPA records cargo theft activity around the globe, categorizing stolen loads under 26 different product types, and tracking by date, location, *modus operandi* (M.O.) and specific product. This report summarizes the Asia theft data collected in 2012 and analyzes trends derived from database content, law enforcement information and industry personnel.

## Summary

TAPA recorded 222 cargo theft incidents throughout Asia in 2012 — a 312% increase over 2011. This represents the highest number of reported theft incidents per year on record.

With an average of 18.5 cargo thefts per month, the Asia supply chain sustained large-scale theft incidents (e.g. full truckload/container thefts, warehouse burglaries, driver thefts, etc.) at a rate higher than one theft every other day.

Of the 176 cargo thefts with recorded incident types, 64 (36%) were facility burglaries, while eight (5%) were full-truckload or container thefts. 2012 also saw a rash of thefts by deception, with 18 recorded for the year, while 50 incidents were considered theft from vehicle. Thefts involving violence or the threat of violence remained a significant statistical proportion of cargo thefts in Asia, accounting for 20% of the total incidents recorded for the year.



## Major Trends

Due to changes in incident recording in Asia since 2010, the identification of trends in cargo theft is limited. One noticeable trend in 2012, however, was the sharp drop in the percentage of reported thefts of items in the Components (CPU, Memory, Components) product type. In 2012, this sector comprised 14% of all recorded supply chain thefts in Asia, while it recorded 21%

of incidents in 2010, 28% in 2009 and 26% in 2007. Due to the low number of reported overall incidents in 2008 and 2011, these years were not included in the trend.

The most commonly targeted product type for the second year in a row was Food and Beverages at 22% of the total, followed by Components at 14% and Mobile Phones at 10%.

Warehouse/facility burglaries continued to rise in 2012, increasing to 64 incidents for the year, up from 14 in 2011 and 22 in 2010. The months of July, August and September saw a total of 24 burglaries along with 24 thefts from trailers for the same time period. China and India together claimed 53 of Asia's 64 burglary incidents in 2012, with 38 occurring in India and 15 in China.

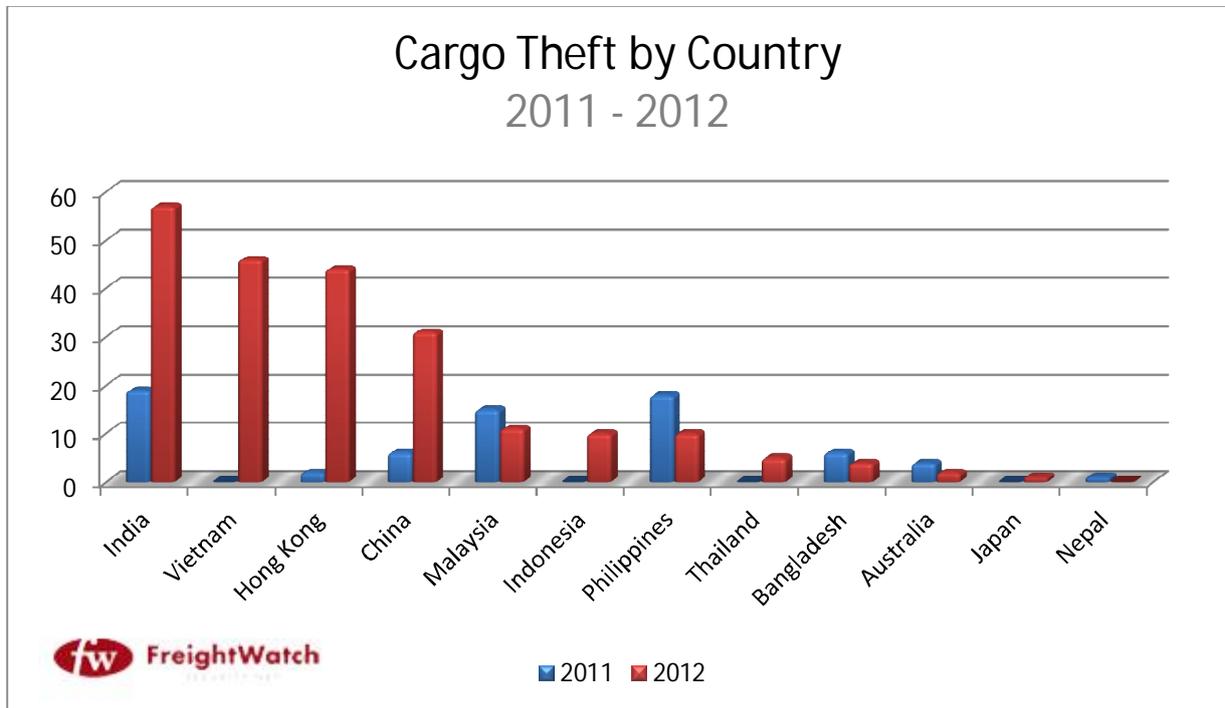
Country	2011	2012
India	19	57
Vietnam	0	46
China	6	33
Hong Kong	2	25

In addition to an increase in cargo theft rates for 2012, the average loss value per incident more than doubled, jumping by 109% for the year. While numerous factors contribute to the increase, the largest factors were multiple extreme high-value thefts of \$1 million or more, a dramatic increase in the average value of thefts targeting the Metal and Jewelry product types, and an increase in thefts targeting lower-value product types, specifically Food and Beverages, and Clothing and Footwear.

One extreme high-value theft — more than \$3.5 million in microchips — occurred at a factory in Bukit Mertajam, Malaysia. In that incident, eight thieves armed with samurai swords held up six guards and a supervisor after entering the factory through a rear entrance. The thieves tied up the workers, loaded three pallets of microchips into the truck they arrived in and escaped. The police later located the truck, but failed to recover the microchips, a product in the Components sector. Authorities have since detained seven male suspects in connection with the case.

#### By Country/Region

The top countries (and region) for cargo theft in 2012 — India, Vietnam, Hong Kong and China — accounted for 80% of all recorded incidents in Asia. India, which recorded 57 cargo thefts in 2012, claimed 26% of Asia's cargo theft incidents. The rate of recorded incidents in India, Vietnam, Hong Kong and China all increased significantly in 2012 compared with the year before. Of these countries, Vietnam experienced the largest increase, from zero recorded incidents in 2011 to 46 in 2012. The rate also jumped substantially in Hong Kong, from two recorded incidents in 2011 to 44 last year. Indonesia and Thailand, which recorded no incidents in 2011, reported 10 and five, respectively, last year. Contributing to the sharp increases, however, are improvements in the rates of reporting.

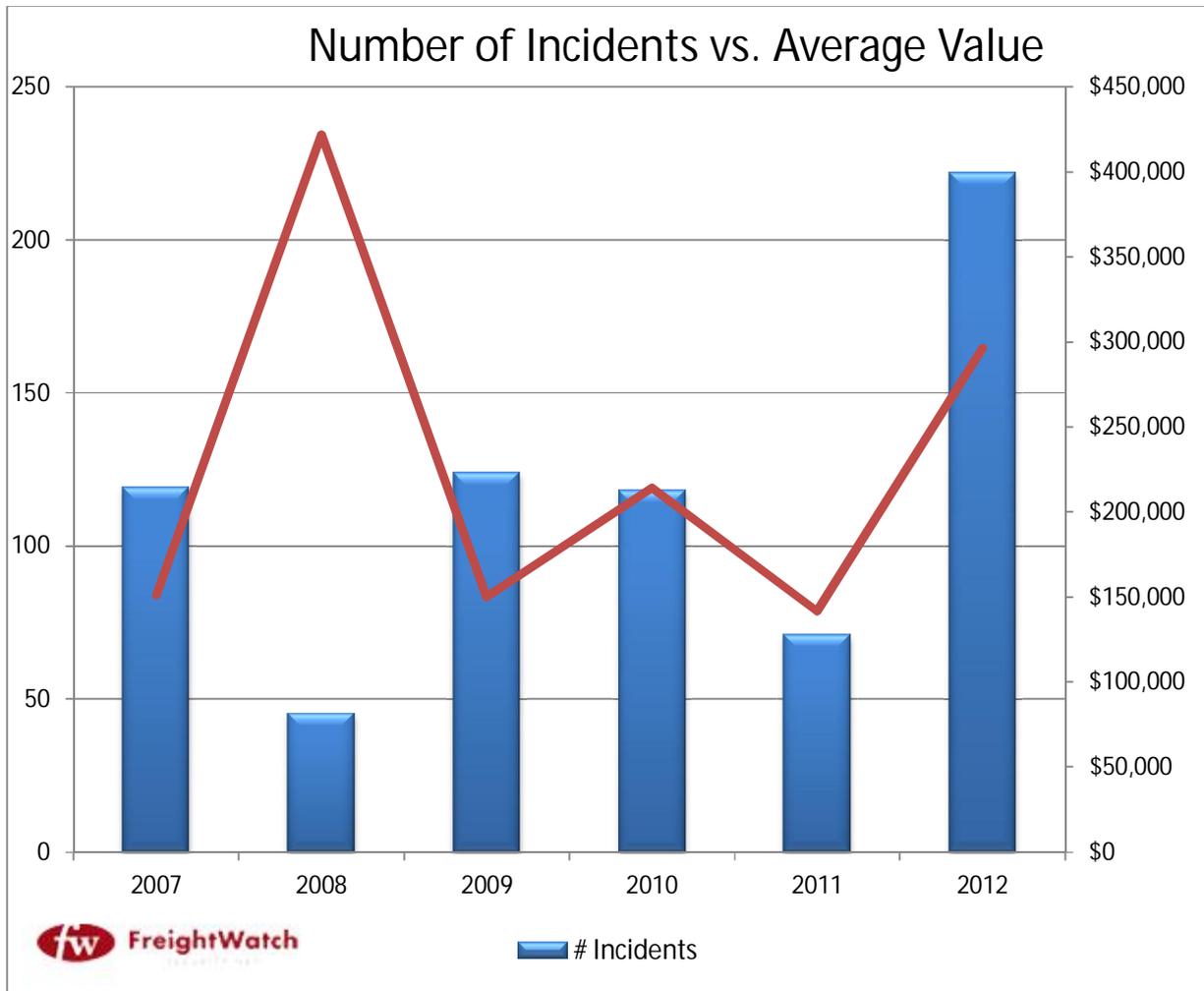


#### By Value

The average loss value per incident has fluctuated yearly since 2007, peaking in 2008 at \$422,000 per cargo theft. As stated, shifts in theft reporting in Asia contribute to variations in the results.

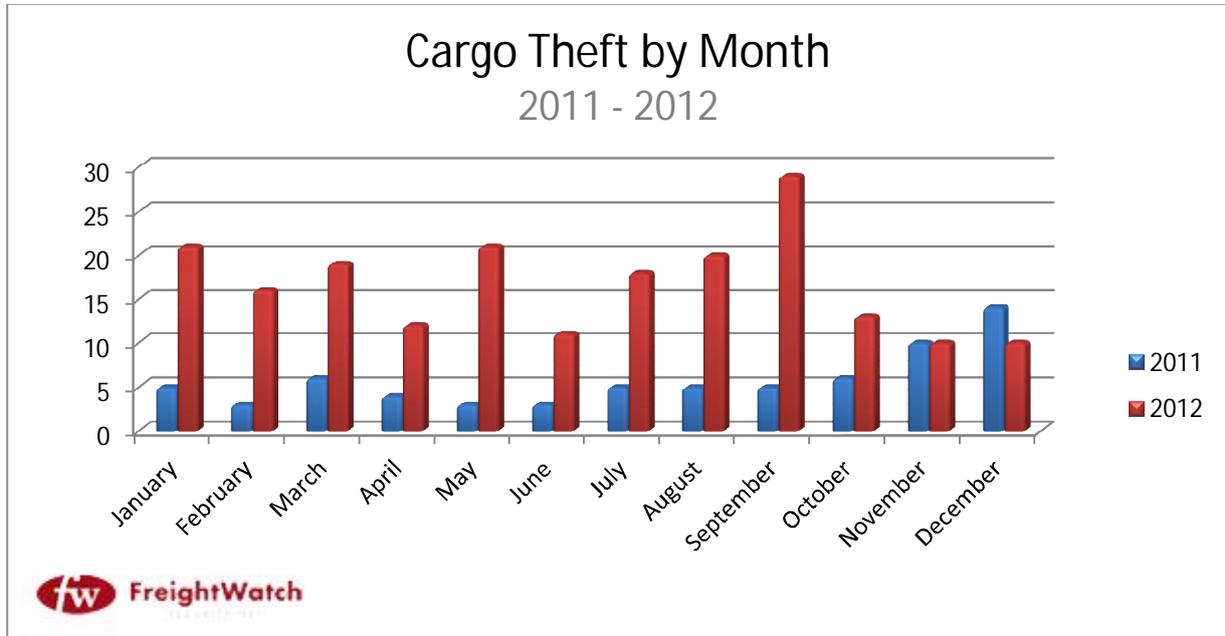
The average value per incident in 2012 was \$312,846, up 55% from the average 2011 value of \$141,783. The Metal, Jewelry/Watches, Computer Software, Cash/Bullion and Components product types saw the largest increases in the average value per theft. Of these product types, Metal had one of the most drastic rises, from \$114,691 in 2011 to \$982,662 in 2012.

While many products types experienced increases in their average value per theft, Mobile Phones, Notebooks and Pharmaceuticals saw a drop in their average value per theft. Mobile Phones in particular saw a drop from \$654,143 in 2011 to \$249,554 in 2012. The increased rate of incident reporting has allowed for greater accuracy in loss values due to the larger amount of available data.

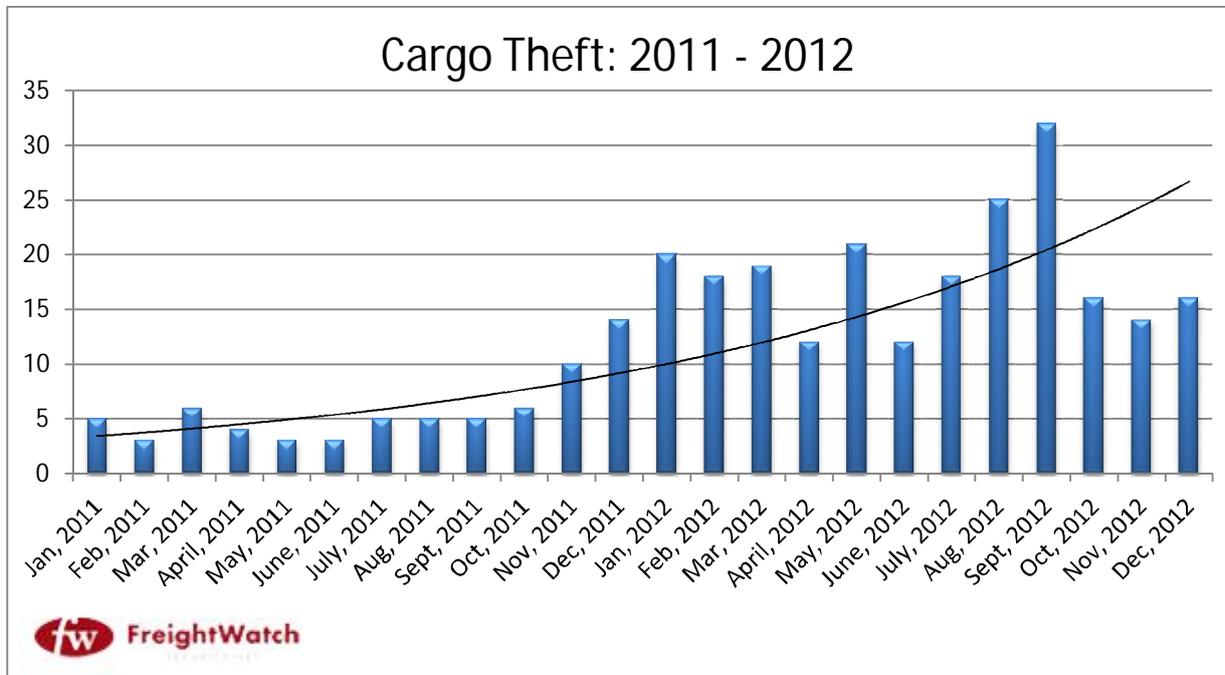


#### By Date

September, August and May recorded the highest number of theft incidents in 2012, with 28, 21 and 17 incidents, respectively. Though data is not complete enough to determine a yearly trend for monthly cargo thefts, it can be noted that the months of April, June and November showed the slowest increase in cargo thefts, while December showed a slight drop. This trend, however, could also be explained by fluctuations in reporting rates.



As shown in the chart below, cargo theft reporting rates on average have been increasing since 2011, with the number of reported incidents only dropping in April and June of 2012 before dropping off in October 2012.

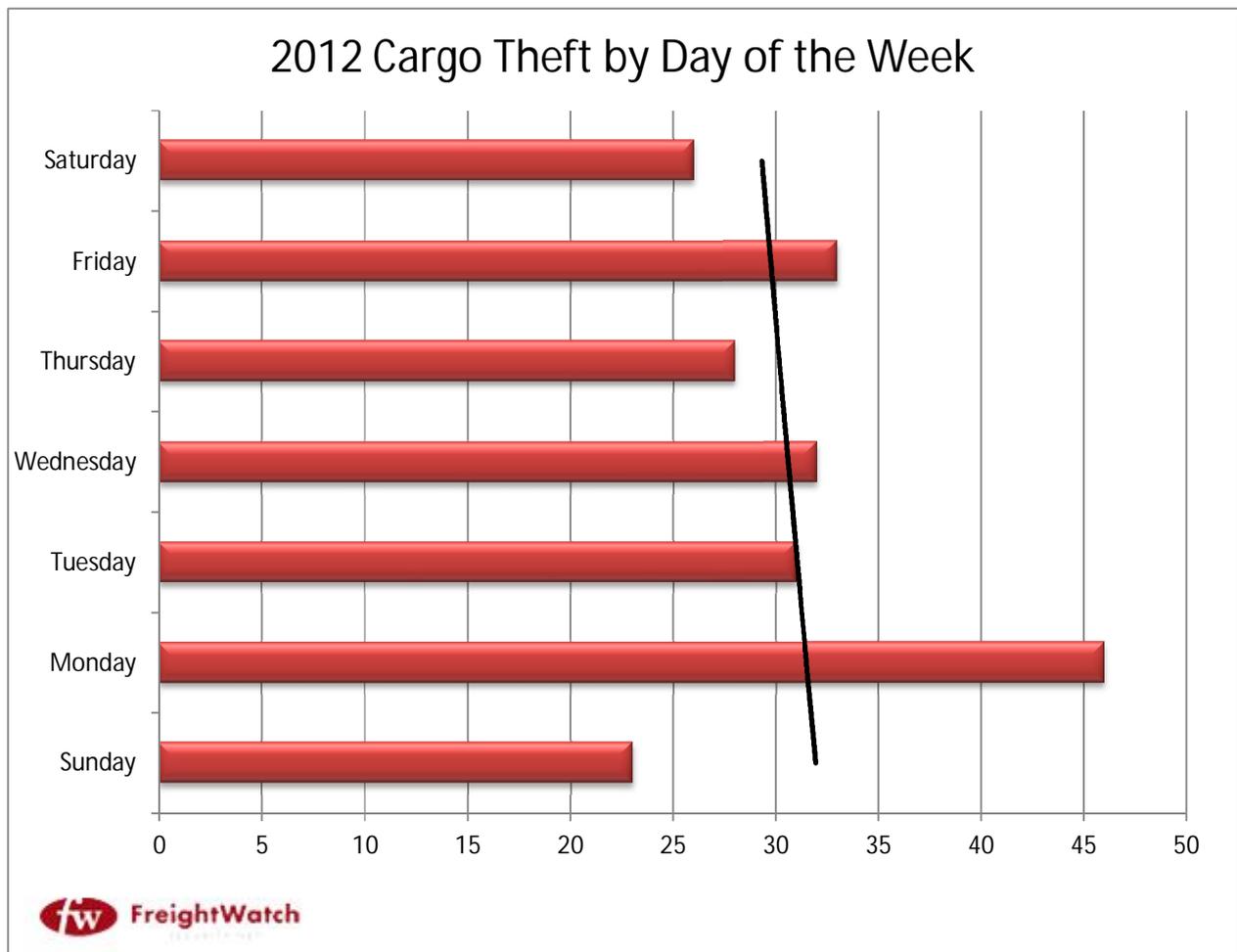


Over the fourth quarter of 2012, reported cargo thefts decreased from .68 thefts per day to .36 thefts per day — a 53% decrease. This sharp drop, however, could be attributed to a reduction in reporting during the quarter.

Overall cargo theft in Asia appears to be evenly split among the days of the week, with only Mondays showing an increased amount of activity.

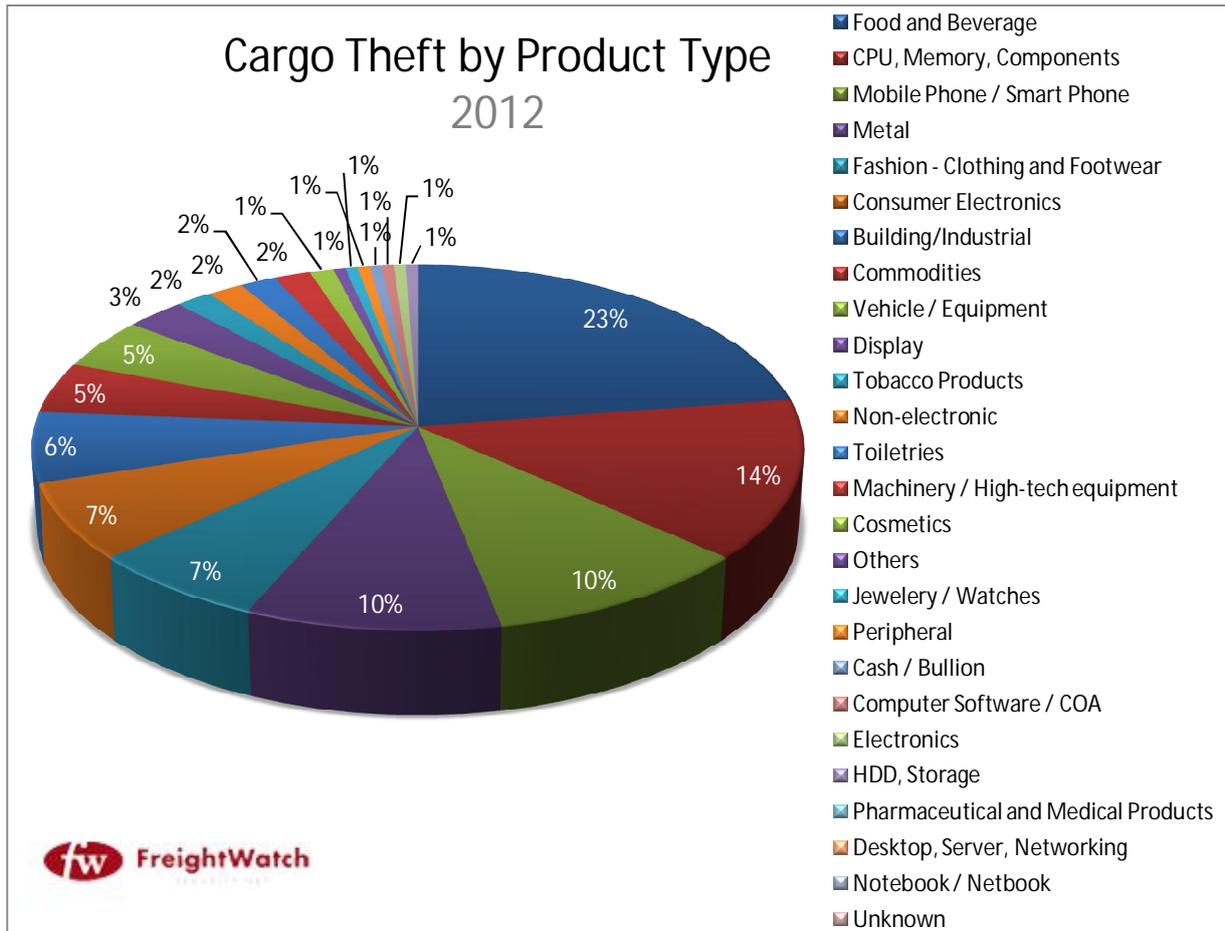
The same is true for facility burglaries, with the highest number of burglaries reported on Mondays, with 15 incidents, and the lowest number occurring on Wednesdays and Thursdays, with six and five incidents respectively on those days. One theory for the high number of Monday incidents is that the thefts occur over the weekends, when many facilities are closed, and the crimes are then discovered on Mondays.

Day	# Thefts
Sunday	23
Monday	46
Tuesday	31
Wednesday	32
Thursday	28
Friday	33
Saturday	26



## By Product Type

Food and Beverages was the most sought-after product type for the second year in a row in 2012, accounting for 40, or 23%, of the 176 recorded incidents with known product types. CPU, Memory, Components was second at 14%, while Metal was third at 10%.

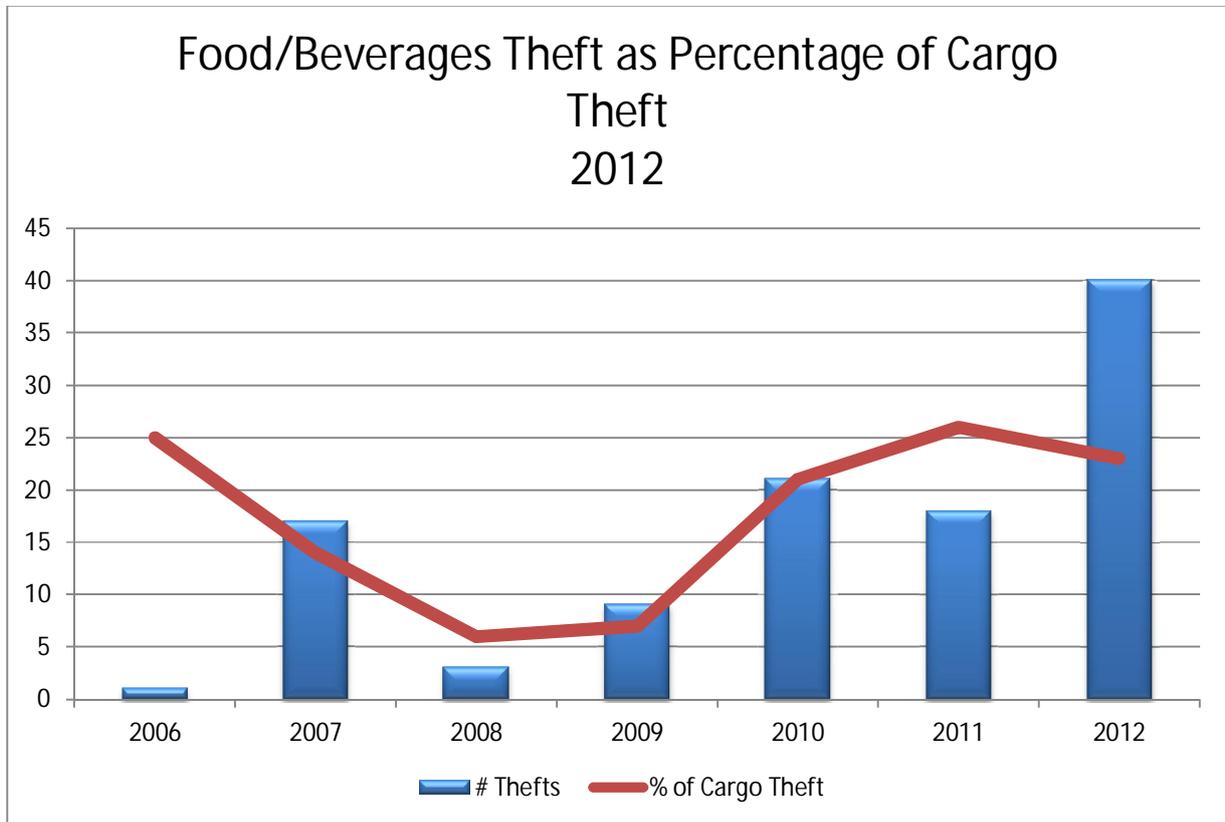


Recorded thefts targeting the CPU, Memory, Components product type increased from two in 2011 to 25 in 2012, a 1,150% jump. Twenty-three of the 25 thefts recorded in this product type last year occurred in Hong Kong, demonstrating the result of effective incident reporting on regional data.

## Food and Beverages

Although the recorded thefts targeting the Food and Beverages product type increased significantly from 18 in 2011 to 40 last year, this sector's share of the theft total actually dropped from 26% in 2011 to 25%. This is due to 2012's sharp increase in recorded thefts in general. At the same time, the average loss per incident in the Food and Beverages sector

surged in 2012, increasing by 36% from \$39,748 per incident in 2011 to \$61,229 per incident in 2012.



Of the 40 recorded cargo thefts in the Food and Beverages sector in 2012, 21 occurred in India, seven in China, six in the Philippines and three in Indonesia. Bangladesh, Malaysia and Thailand each reported one incident. The most targeted items in this sector were rice and alcoholic beverages.

### CPU, Memory, Components

Just as the overall number of reported cargo thefts rose substantially in Asia last year, so too did the number of thefts targeting the Components industry, as this product type jumped from two recorded incidents in 2011 to 25 in 2012.

This increase in incidents makes the Components product type the second most targeted category in 2012. Twenty-three of the thefts of this product type occurred in Hong Kong, while China, India and Malaysia each had one such theft.

Component thefts per month stayed steady most of the year, with only the months of January, February and June incident-free. March, August and September were very active theft months in 2012, with 12 of the 25 incidents occurring in those three months alone.

### Metals

Metals as a product type saw a large increase in the number of reported incidents in 2012, with 17 reported incidents compared with seven incidents in 2011. Consisting of 10% of overall reported cargo thefts in 2012, Metal was the third most targeted product type.

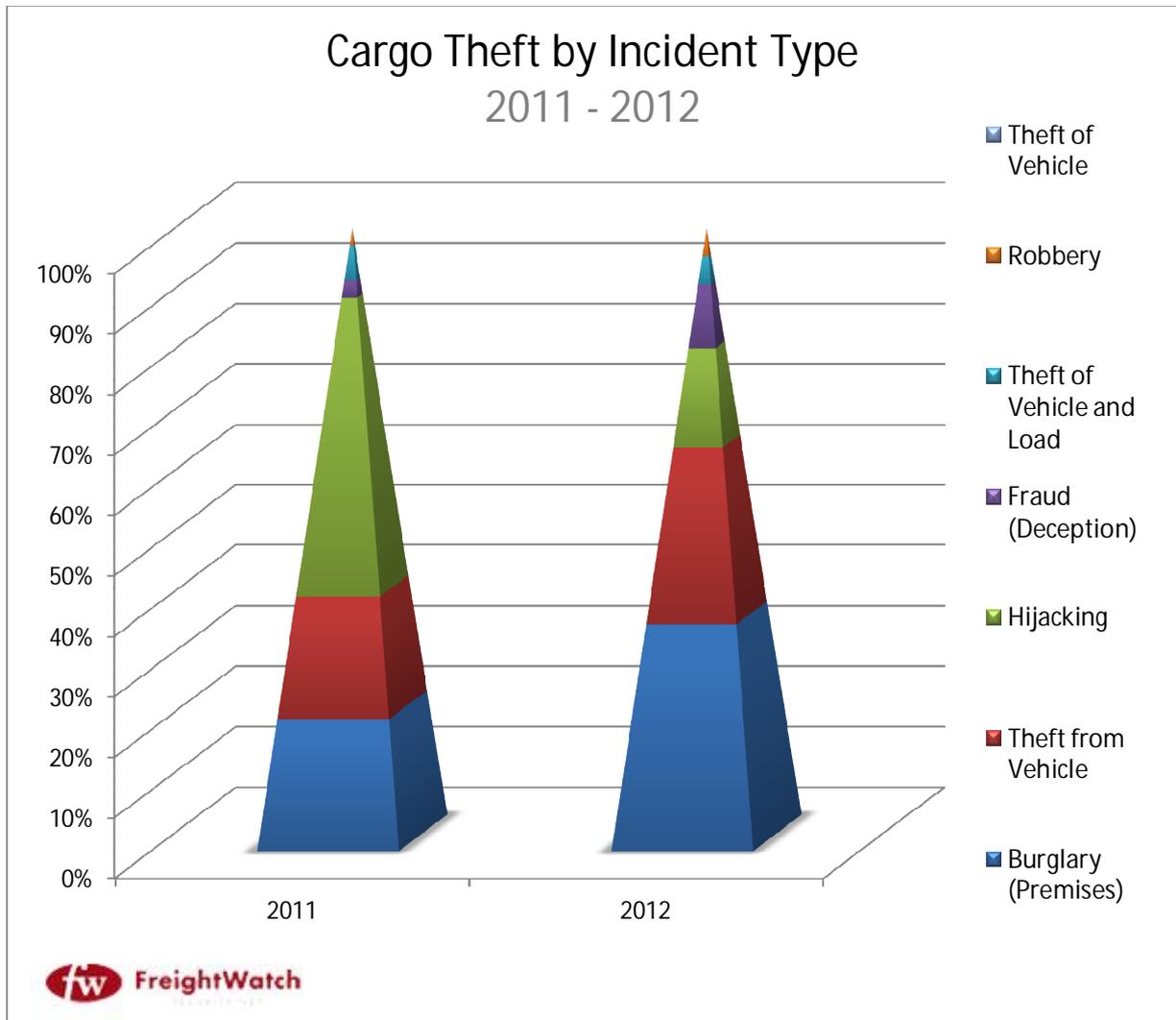
China and India, both with seven thefts targeting the Metal product type, recorded the highest number of incidents for the year. Malaysia reported two incidents in this sector and Bangladesh reported only one theft. The Metal product type consists mainly of either raw metal or processed metal products, such as copper wire and steel bars.

Metal thefts per month stayed at a low level most of the year, with a majority of the 17 incidents occurring in June, July and August, with a total of 11 incidents in those three months.

### By Theft Type and Location

In 2012 cargo thieves in Asia most often targeted cargo storage facilities, as 38% of all incidents involved theft from warehouses, logistics yards and other facilities. The theft from vehicle incident type proved popular among thieves as well, with 22% of overall reported incidents. Hijackings dropped slightly last year, from 34 reported incidents in 2011 to 28 incidents in 2012, making hijackings only 18% of the overall incidents for the year.

The increased number of reported incidents in 2012 also resulted in increases in certain *modi operandi* employed by thieves in Asia. The intrusion and pilferage M.O.s rose significantly, with intrusions seeing a jump from 18 incidents in 2011 to 68 incidents in 2012, and pilferage increasing from 10 incidents in 2011 to 27 in 2012. Meanwhile the use of violence/threat of violence in cargo crime decreased slightly, from 33 incidents in 2011 to 31 incidents in 2012.



In 2012, 20% of the overall reported cargo theft incidents with a known location occurred in unsecured parking areas. However, 31% of the incidents targeted vehicles in-transit, either by the hijacking or the pilferage M.O.

The percentage of thefts from secured lots increased from 32% of known locations in 2011 to 49% of known locations in 2012.

\*There is no general consensus within the industry on the definition of "secured lot," and this designation is assigned when a theft report indicates that the location was a secured parking area or cargo storage facility.



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