



IIS Asia Report

Q1 - 2014



Q1 - 2014 Report

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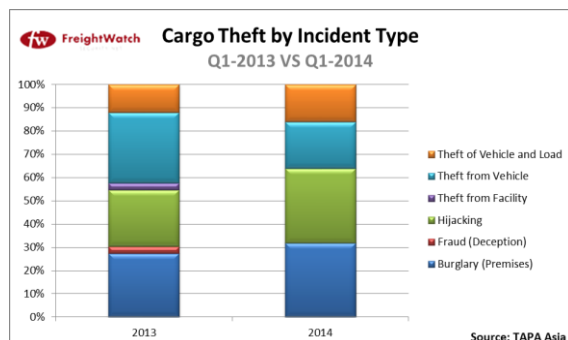
Summary

The TAPA Asia Incident Information System (IIS) report provides an analysis of cargo theft data recorded in the IIS for 2014.

A total of 25 theft incidents were recorded in the Asia IIS system for the first quarter 2014 (Q1-14).

Seven countries in the Asia region recorded incidents for Q1-14, the same number as for Q1-13. The number of recorded incidents dropped 25% in the latest quarter as compared with the same period of 2013. Of the countries reporting thefts, only India experienced an increase from one year to the next.

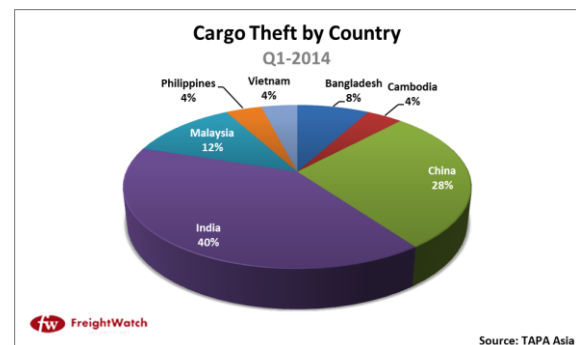
The overall loss value reported for the latest quarter was \$4.7 million USD. This is substantially lower than the region's \$14.8 million USD loss value in Q1-13.



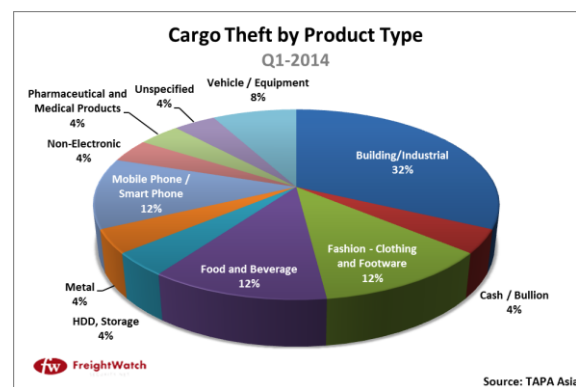
Note: Trucks thefts without associated cargo loss and attempts are not included in the analysis to facilitate an accurate view of cargo crime incidents.

IIS Update

India, China and Malaysia recorded the greatest number of cargo theft incidents for Q1-14, although Bangladesh, Cambodia, the Philippines and Vietnam also reported thefts. The Hong Kong Police Department has not yet released its first quarter report on cargo crime, and therefore data from the region is not included in this report.



Thieves in Asia stole Building/Industrial materials eight times during Q1-14, making this product type the most frequently targeted. The Clothing/Footwear, Food/Beverage and Mobile Phone sectors each reported three cargo thefts in Q1-14. By comparison, Q1-13 had no thefts from the Building/Industrial sector, while the six Mobile Phone thefts made that product type the most frequently stolen for the quarter.



Of the reported incidents for Q1-14, intrusion was the most common *modus operandi* (M.O.), comprising 36% of the total. This was followed by violence/threat of violence, an M.O. that includes robberies, hijackings and muggings, at 28% of all reported incidents. Q1-14 also saw incidents of driver theft and theft by warehouse/logistics employees.

Note: The drop in the number of incidents from 2013 to 2014 is attributed more to inconsistencies in reporting than to actual cargo theft trends.

Map of Incidents

India, China and Malaysia were the three countries with the highest numbers of cargo thefts recorded for Q1-14.



India recorded 10 incidents in the Q1 IIS for 2014. This is an increase over the six incidents recorded for same period of last year. In Q1-14 the majority of thefts, a total of 60%, occurred in the states of Gujarat, Haryana and Maharashtra. The states of Nagaland, Punjab, Rajasthan and Uttarakhand each reported one cargo theft in the quarter.

Most cargo thefts in India were of Building/Industrial materials, followed by products in the Clothing/Footwear, Mobile Phones/Smart Phones and Pharmaceutical/Medical categories. Facility burglaries and hijackings, each with 40% of all reported incidents, were the two most common methods of cargo theft in India.

China recorded seven incidents in the Q1 IIS for 2014. This is a slight drop from last year, when China had nine incidents recorded in the Q1-13 IIS. The provinces of Guangdong and Hunan each reported two incidents of cargo



theft, while Beijing, Liaoning and Shandong provinces each reported one theft.

A majority of the incidents in China involved the Mobile Phone/Smart Phone and Vehicle/Equipment product types. Of the types of incidents reported in China, 57% were facility burglaries and 43% were thefts from vehicles.

In 71% of all reported thefts in China, the suspected perpetrators were warehouse employees or drivers, while organized cargo theft gangs were suspected in 29% of reported incidents, according to media reports.



Malaysia, which recorded no cargo thefts for Q1-13, reported three cargo thefts in the IIS for Q1-14. All three incidents — two hijackings and a single theft of a truck and its load from an unsecured location — occurred in Selangor state.

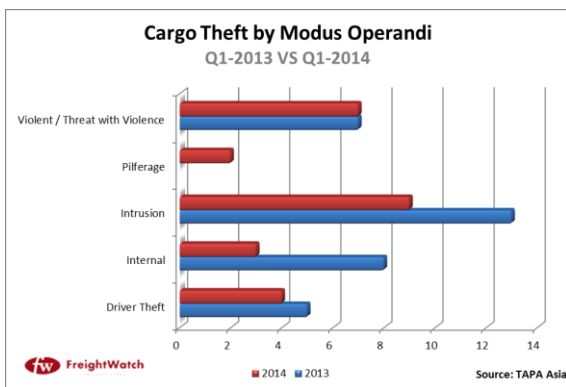
One of the hijackings was a Cash/Bullion theft and the other was of a truck filled with HDD/Storage components. The third incident involved the theft of Food/Beverage products, specifically potatoes.

Analysis Q1 2013-2014

The number of incidents recorded in the IIS decreased from 33 in Q1-13 to 25 in the first

quarter this year. This drop is more likely the result of a decrease in incident reporting in the region than of improving security conditions.

In Q1-14 thieves most often stole Building/Industrial materials, followed by products in the Clothing/Footwear, Food/Beverage and Mobile Phone/Smart Phone sectors. Comparably, in Q1-2013 Mobile Phone/Smart Phones and Commodities were the two most frequently targeted product types in Asia. These were followed by Food/Beverage products.



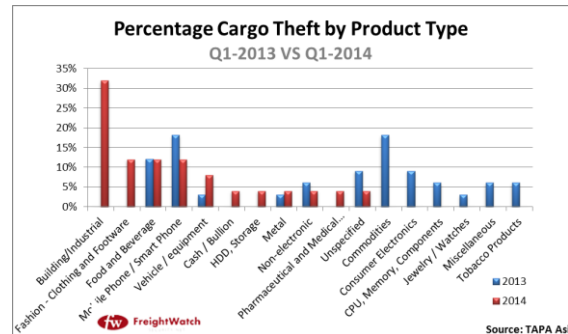
Key Trends:

- Reported thefts from vehicles and thefts of vehicles and load dropped by 50%, contributing to the overall decrease in the theft rate for Asia. These types of incidents tend to be favored by cargo thieves operating in Hong Kong and China.
- Incidents involving pilferage and employee theft — driver theft or theft by warehouse and logistics employees — decreased by 31%, a greater drop than the overall theft rate decrease of 25% from Q1-13.

Q1 - 2014 Analysis

Asia continues to experience inconsistent and irregular incident reporting, which results in artificially low numbers of reported incidents. Available data, however, indicates a continued trend of facility burglaries and vehicle hijackings in India and Malaysia, while China, Cam-

bodia, Vietnam and the Philippines tend toward employee and driver thefts.



Of the Asian countries reporting theft incidents, recorded incidents with loss values of more than \$10,000 USD dropped from 76% of the total in Q1-13 to 60% in Q1-14. The overall average loss value decreased from \$530,419 in Q1-13 to \$247,157 in Q1-14, a 54% difference.

TAPA advice to members:

- Ensure that high value shipment information are distributed on a “need to know” basis.
- Ensure that high value shipment are transported only in hard top and hard sided trucks with GPS tracking and on board communication.
- Ensure that truck GPS tracking and on board communication are properly maintained and regularly tested.
- Ensure that vehicle cabin climate control are fully operational and that vehicles travel on a “closed cabin (windows up, cabin doors and cargo hold doors locked)” at all times.
- Ensure that a “No Stopping Policy” is enforced at all times during High Value Shipments. Avoid transporting High Value Shipments along with multiple “Milk Runs”.
- Ensure that truck crews are regularly trained and familiar with the safety features of the GPS Tracking System (Panic or Duress button activation).
- Ensure that truck crews are trained in anti-hijacking and duress / survival procedures.

8. Ensure that high value shipments are properly communicated by the operations department to the Security Command Post for close monitoring and interval communication calls.
9. Ensure that incidents are immediately reported to authorities once discovered.
10. Ensure full cooperation with law enforcement authorities during the investigation.
11. Consider utilizing the services of Security Escort Teams for high value shipments.
12. As industry best practice, it is strongly recommended that members utilize the TAPA Trucking Security Requirements (TSR) 2014 Version with at least Level 3 as a minimum. For reference, the TSR 2014 Version is available and can be downloaded at <http://www.tapa-apac.org/truck-security-requirements-tsr/>
13. Travel should be made only on approved routes and at determined safe times of the day. No night time travel.
14. Though police regulations may vary throughout Asia Pacific countries, ensure that trucking operations are familiar with police checkpoint guidelines and motorist rights at your respective countries.

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