



IIS Asia Report

Q3 - 2014



Q3 - 2014 Report

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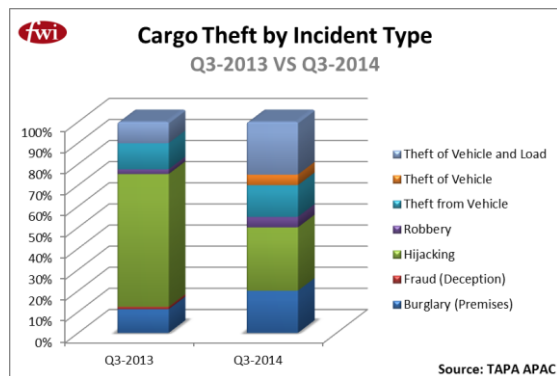
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Summary

The TAPA Asia Incident Information System (IIS) report provides an analysis of cargo theft data recorded in the IIS for Q3-2014.

Asia continues to be a region that suffers from frequent cargo thefts and unpredictable reporting. Reported incidents along with media reporting show a diverse landscape of cargo theft targets and methodology.

The purpose of this report will be to display the risks of cargo theft that exist within the Asia Pacific region. Topics of this report will involve commonly targeted product types, favored methodology, as well as major events that effect logistics in the region.



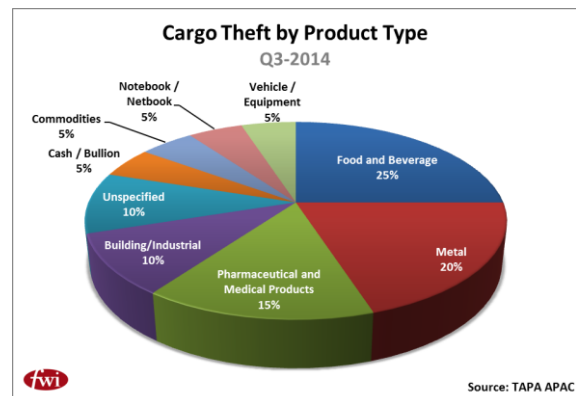
The average loss value reported for the latest quarter was \$997,170 USD. This is a substantial increase over the region's \$342,143 USD average of value lost in Q3-13.

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

IIS Update

The APAC region saw a number of events that caused disruptions to the supply-chain of the region ranging from civil disruptions to extreme weather events. Q3-2014 has as well seen noted changes in both the frequency of incidents and the visibility of these events to the media in both India and China.

Food and Beverage continues to be one of the most commonly targeted product categories. *Metals, Pharmaceuticals and Building/Industrial* goods are also stolen frequently. By comparison, reports since 2010 have shown Food and Beverage to be the most commonly targeted product type, followed by the *CPU, Memory and Components* category, and *Clothing/Footwear*.

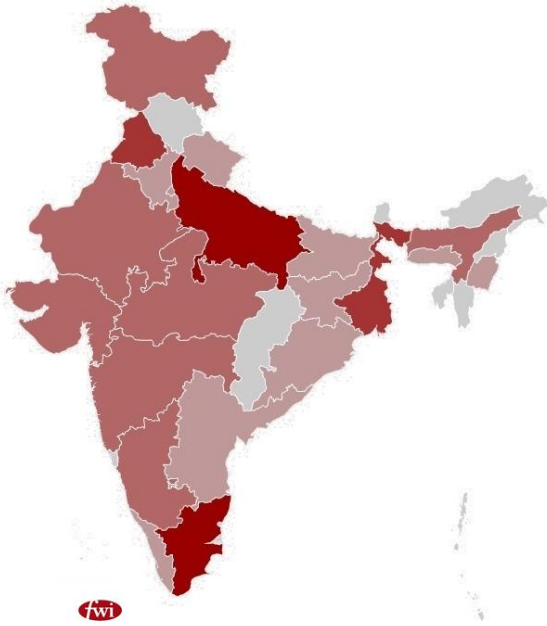


Hijacking continues to be a major issue in the region, with criminals using such tactics as disguising as police or company employees, as well as blocking the vehicle's path and seizing the truck.

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

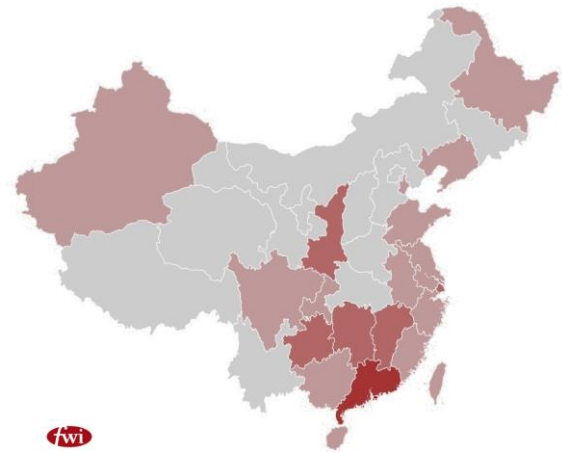
All countries across the region suffered from cargo theft as well as events that have disrupted their supply chain. In particular, India, China, and the Philippines are focused on in this report due to events that have occurred in Q3-2014.



India continues to suffer from frequent incidents of cargo theft in many forms ranging from hijackings to warehouse burglaries. Of particular note has been a distinct rise in violent hijackings along major highways across the country, and the highways making the Tuticorin - Silvassa route of in particular.

Reported cargo thefts in India in Q3-2014 most commonly targeted *Metals, Food/Beverage, Notebook/Netbook, and Pharmaceuticals*. Violent hijackings continue to be a major issue on highways in India with some drivers resorting to arming themselves or diverting onto smaller roads in hopes of mitigating risk.

While hijacking is the most prevalent method of cargo theft in India, thieves have shown more complex and risky tactics, such as posing as police and attempting coordinated in-motion thefts.



China, in comparison to other countries in the region, suffers much less from violent and overt methods of cargo theft. Instead China experiences cases of *Driver Theft, Facility Burglary, and In-Transit* theft in its major transportation hubs and along its major highways.

The product type most commonly reported stolen in China was *CPU, Memory, Components*, typically reported in major hubs such as Hong Kong and Shanghai. *Mobile Phones/Smart Phones, Clothing/Shoes, and Pharmaceuticals* are also popular targets in China, but thieves have proven opportunistic in nature, targeting shipments based on vulnerability rather than cargo value.

Reported thefts in China are prevalently non-violent focusing on the covert *Intrusion* MO, the use of corrupt employees, or stealing from the vehicle while it is on the move.



The Philippines suffer from many of the same issues as other countries in the region. However, a major factor that affects the supply chain in the Philippines has been the series of extreme weather events that have passed through the area.

With the beginning of the Moro Islamic Liberation Front's disarmament, cargo crime is likely to stagnate or even drop in the region as the group no longer uses cargo theft as a form of revenue. However, other armed groups unaffiliated with the MILF could take advantage of the vacuum and increase their cargo crime activities in the region.

In Q3-2014, The Philippines reported more thefts of its two most commonly stolen product types: Food/Beverage, and Building/Industrial. Armed hijackings continue to be a risk in the region to drivers. Furthermore, crimes committed by corrupt employees remains a risk for facility owners.

Thailand has seen a recent attempt by the government to attract foreign business and tourism back to the country after the 2014 coup that left the country in a state of martial law.

In doing so, the military has worked to increase security and put down any signs of crime in the country to give an image that the country is safer with the army now in charge.

However, incidents of hijackings and warehouse burglaries reportedly still occur.

Australia has reported only a limited number of cargo theft incidents throughout 2014; this was also the case in Q3-2014. At this stage, it's difficult to say whether this is due to an overall low cargo crime rate or a lack of reporting of incidents. Both factors probably play a role in this.

Warehouse security seems to be an issue in Australia with regular incidents of *Facility Burglary* and reports of *theft of Vehicle and Load*.

Bangladesh has, in the past, reported issues with cargo crime on major highways throughout the country. Little has been reported in the last quarter regarding cargo theft in the region. Here too, it is difficult to judge whether this is due to a decrease in incidents or a drop in the reporting of incidents in the region.

A notable occurrence is the threat by the association of prime mover operators and owners to go on indefinite strike due to alleged harassment by police. This is believed to be the source of reported vandalizing of trucks allegedly accused of not joining the protest.

Q3 - 2014 Analysis

Asia continues to experience inconsistent and irregular incident reporting, which results in artificially low numbers of reported incidents. Therefore, it remains extremely difficult to identify clear regional cargo crime trends.

Nevertheless, developments seen over the last quarter have confirmed that the Asia Pacific region suffers from a diverse set of threats and disruptions that affect its supply chain security. In Q3-2014 this included increases in the number and tendency for violence of hijackings in India, increases in the number of in-transit thefts in China, extreme weather in the Philippines, and civil and political instability across certain parts of the region. Plans for improvements in infrastructure and security recently announced by various Asian countries display an increased interest in preventing cargo crime in the region.

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