Coronavirus outbreak stretches supply chain resilience to its limit … and the great unknown is how long it will last

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TAPA’s mission to reduce cargo losses from global supply chains is increasingly evolving into a much broader focus on supply chain resilience because this is enabling us to add even more value to our members’ risk management and loss prevention programmes.

Right now, all over the world, supply chains are getting the attention of global business leaders like never before as companies come to terms with the impact of the Coronavirus. With China’s manufacturing output severely disrupted and the subsequent reduction in airfreight, seafreight and trucking services while the virus is contained, the resilience of supply chains is being tested on a daily basis.

Earlier this month, the International Crisis Room ICR 360 conducted a Travel & Business Continuity Planning Survey with TAPA APAC members to gather information on companies’ preparedness, impact and response to the Coronavirus outbreak. The findings make interesting reading...

- 47% of those surveyed have supply chains in China
- 9% said these supply chains had been disrupted, while a further 31% said they wouldn’t know until after the Chinese New Year when factories were due to reopen
- 63% said they had no Business Continuity & Resiliency Planning (BCRP) for China in place

This last statistic is based on a very honest assessment by those participating in the research – and, I suspect, there will be many other companies not impacted by Coronavirus which are suddenly looking at how they would cope with such a debilitating situation and, hopefully, putting in place a robust BCRP solution.

This is also certain to be a key topic of conversation when leaders from all three TAPA regions meet in Amsterdam next month. Going forward, TAPA is strongly placed to develop and manage new programmes to address such risks. I am sure all the lessons and experiences of our members right now in dealing with this current outbreak can ultimately give us a valuable bank of intelligence we can use to benefit the entire TAPA Family.

So, we have devoted a large section of this issue to how supply chains are dealing with the challenges resulting from Coronavirus and we thank our contributors for making the time to share their knowledge and views on the current situation and what may lie ahead in the next few weeks and months.

One media article – when discussing Coronavirus and the extended closure of Chinese factories as workers were advised to stay at home – suggested that one of key outcomes may be to accelerate the use of the technology in manufacturing and logistics processes, reducing the dependency on people.

As we know, technology is already changing many aspects of supply chains and it will continue to do so at a faster pace in the coming years. That’s why it is the main theme of our Amsterdam conference and is a topic that is now likely to grab even greater attention than usual. It promises to be a fascinating two days of debate.
TAPA LAUNCHES ‘BEST-EVER’ SECURITY STANDARDS TO TACKLE GROWTH IN GLOBAL CARGO THEFTS

TAPA has announced the launch of the most comprehensive industry security standards in its 23-year history to help protect freight facilities and trucking operations from the escalating threat of cargo crime.

The 2020 revisions of the Association’s Facility Security Requirements (FSR) and Trucking Security Requirements (TSR) – which take effect on 1 July 2020 and replace the current 2017 Standards for new certifications - aim to give TAPA’s Manufacturer and Logistics Service Provider members minimum standards to protect theft targeted goods. The global security requirements have been revised in consultation with TAPA’s international members to address new and emerging threats – such as the significant growth in attacks on Last Mile deliveries. As well as providing the most resilient and wide-ranging industry standards for supply chain security, the new FSR and TSR also provide improved cost efficiencies for users.

As before, the new TAPA Standards will also support users’ compliance with other regulatory standards, such as C-TPAT, AEO and PIP, as some customs and border authorities recognize the TAPA requirements as complementing, or being compliant with, their own security programs.

For the first time, TAPA’s FSR includes an Independent Audit Body (IAB) multi-site certification option. This is designed to identify and promote operational efficiencies between sites so best practices can be shared and to support a ‘team’ approach to obtaining and maintaining compliance with the TAPA Standard for security control and risk mitigation. Taking the multi-site approach to FSR certification will also help to lower costs for companies adopting the Standard across their networks. New certifications will be permitted to list multiple sites under one parent certification. This is in addition to the existing IAB single site certification and self-certification choices, which are now achieving the highest number of certifications in TAPA’s history.

As well as the TAPA FSR 2020 Standard, the Association has also produced a new Framework document to assist users and auditors in their understanding of the different certification methods that are available.

Similarly, the Association has listened closely to its members’ truck security needs. The updated TSR Standard has been revised to enable four different types of transport vehicles - vans, hard-sided trailer, soft-sided trailer and ocean container by road – to be certified to suit the operational needs of Logistics Service Providers (LSP) and their customers. TAPA has also introduced optional additions for operators covering monitoring, rail transfer/tracking, locking, information security, and security escorts.

Paul Linders, Chair of TAPA’s Worldwide Change Control Board, said: “Supply chains are often seen as an easy target by both organized crime groups and opportunist criminals. The success of our Security Standards in reducing cargo losses is down to one very important fact; they have been created by the industry, for the industry and are delivered by TAPA, the world’s leading Security Expert Network for everyone in the supply chain. Our sole aim is to increase the resilience of supply chains both for our members and the industry-at-large. We are confident that TAPA’s 2020 FSR and TSR Standards are the best security requirements we have ever created as well as our most practical, flexible and cost-efficient Standards to date. We expect this to lead to an acceleration in the number of TAPA certifications globally over the next three years.”

Companies seeking to learn more about TAPA’s FSR and TSR Security Standards should contact us by using the following link.
TAPA EMEA will be taking a deep dive into the impact of technology on both supply chain resilience and risks at its first conference of 2020 in Amsterdam on 18 & 19 March.

Technology is the driving force for both companies and consumers, providing ever-greater visibility, speed and efficiencies. With R&D specialists pushing the boundaries of innovation, the world we live in stands on the threshold of unprecedented change. Artificial intelligence offers the potential to reinvent so many aspects of the workplace, while robotics and autonomous transport systems will one day revolutionise warehouses and trucking operations.

Progress, of course, comes at a price. The same technologies offering all these types of benefits are just as accessible to organised crime groups. In a connected world, they too are closely attuned to the opportunities they can derive from using or infiltrating technology to target businesses, individuals and national infrastructures.

In Amsterdam, the technology focus will include:

- A keynote speech on Future Technology & Risks by Fred Teeven, a leading advisor in the field of security, risk management and public affairs. Fred was active as a national politician for more than a decade, firstly as a member of the Dutch Parliament, followed by his appointment as Dutch Cabinet Minister for Migration and State Secretary for Security and Justice. Prior to becoming a politician, he gained over 30 years of experience in the investigation and prosecution of financial and organised crime, and is an experienced leader of teams at strategic, tactical and operational level;

- An Executive Leadership Panel from three global brands exchanging their knowledge on technology’s strengths and weaknesses in global supply chains and discussing the likely impact on industry. Our panellists are Julia Vincke, Head of Security, who leads the overall direction of all security-relevant topics at Volkswagen Konzernlogistik, Werner Cooreman, Solvay Group Security Director, and Heineken’s René Polfliet;

- A look at cyber resilience in the logistics sector with Rik Poulus, Senior Business advisor at TNO;

- What exactly is Blockchain and what is its potential to make supply chains more secure? Dr. Ulrich Frank, founder and leader of the German Institute for Supply Chain Security, will be...
Social media is a big gift or brochure on every Luc Van Herck
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• And, we will hear presentations from technology-driven start-ups who’ll be discussing automated cargo identification systems, a digital platform for information exchange and industry collaboration, and data driven interception of high risk shipments.

The Amsterdam agenda will also include a special panel discussion looking at loss prevention in the fashion and clothing industry. We are delighted to be welcoming speakers from four major brands...

Delegates will also hear a supply chain security case study from Samsung and Bosch as well as a TAPA Standards Update and the thoughts of the leadership teams of all three TAPA regions.

TAPA EMEA 2020
Conferences – Sponsorship & Exhibitor Opportunities
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WELCOME TO OUR NEW MEMBERS

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The outbreak of Coronavirus or COVID-19 has brought many supply chains to a virtual standstill.
Of course, the health and well-being of all those affected as well as the protection of family, friends and employees from the virus remains the first priority but we are also being constantly reminded about the impact on businesses as supplies run short, transportation links are disrupted, and the fact that no one knows how long this situation will last.

Apple’s iPhone manufacturing partner sites are located outside of China’s Hubei province and while all of the facilities have reopened since the Chinese New Year, the company has stated they are ‘ramping up more slowly than we had anticipated’. While emphasising that the health and well-being of every person making these products is its paramount priority, Apple has warned that the worldwide supply of its iPhone will be ‘temporarily constrained’.

In a trading statement, Primark’s parent company said: “We are working closely with our suppliers in China to assess the impact on their factories and supply chains and their ability to fulfil our current orders. If delays to factory production are prolonged, the risk of supply shortages on some lines later this financial year increases. We are assessing mitigating strategies, including a step up in production from existing suppliers in other regions.” Meanwhile, the construction equipment manufacturer JCB said it was reducing production at its UK factories in anticipation of component shortages from Chinese suppliers.

A 50% reduction in scheduled airfreight capacity, cancelled sailings by shipping lines and reductions in trucking services have all exacerbated the pressure being felt by the global business community – and even when transportation channels all reopen, the impact for manufacturers and consumers will almost certainly mean higher prices.

To get a picture of how the global supply chain industry is responding, **Vigilant** spoke to TAPA members and partners in EMEA, the Americas and Asia Pacific for their insight …
Global manufacturing and supply chains are continuing to feel the effect of the Novel Coronavirus epidemic as factories and logistics providers seeking to resume operations now face labor shortages and regulatory uncertainty.

While companies draw up contingency plans for production activities, supply continuation, and logistics services to cope with this complex and fast-changing situation, the crisis now looks to disrupt global supply chains until April and potentially beyond.

While production-related challenges may be overcome in the coming weeks, limited inbound and outbound freight capacity could become the biggest obstacle in the months of March and April for supply chains to normalize. Chinese media organizations have put forward March 1 as the date when production schedules could return to near-normal operations; however, this will largely depend on when the outbreak will peak.

To help supply chain managers keep abreast of the situation and initiate risk mitigation plans, Resilience360 has outlined the 10 challenges organizations will need to prepare for in the short and medium term amid the ongoing Coronavirus outbreak.

A full copy of this report can be downloaded here

In summary, it highlights the following challenges ...

1. Lockdowns cause labor and supply shortages in factories

City-wide lockdowns and quarantines have triggered labor and supply shortages as Chinese authorities from different jurisdictional levels seek to contain the Coronavirus outbreak. Some of the most notable provinces and cities imposing transport restrictions on the movement of residents and vehicles include the provinces of Guangdong, Jiangxi, and Liaoning as well as the cities of Tangshan (Hebei), Nanjing (Jiangsu), Hangzhou (Zhejiang), Zhengzhou (Henan), and Ningbo (Zhejiang).

Varying degrees of city-wide restrictions like home quarantines, temperature checks, and vehicle checks have hampered the ability of workers to reach factories. Travel restrictions and subsequent labor shortages have caused backlogs to build up at many ports.

‘On top of disruption to production and delays in orders, companies dealing with suppliers in China will be confronted with legal defenses like force majeure clauses being invoked for non-performances, shielding such suppliers from legal and financial liability."
2. Regulatory uncertainty slows the restart of factory operations

Another major challenge facing manufacturers based in China is the extent to which they will need to cope with different - and, at times, conflicting - regulatory requirements that can vary at provincial, municipal, and even district level as companies seek to restart industrial operations. Production has resumed for companies in most provinces across China as of February 10 following a government-mandated delay to restart normal business operations aimed at mitigating the virus outbreak. However, some jurisdictions, predominantly at the municipal and district level, have imposed different production schedules and requirements for resuming normal operations.

3. Public health requirements impact industrial operations

In anticipation of firms returning to normal operations, some authorities have also issued additional requirements mandating that factories apply for permission to reopen operations or meet specific Coronavirus prevention standards. The ambiguity surrounding the approval processes has already had a major impact on manufacturers seeking to restart operations.

4. Suppliers invoking force majeure clauses on the rise

On top of disruption to production and delays in orders, companies dealing with suppliers in China will be confronted with legal defenses like force majeure clauses being invoked for non-performances, shielding such suppliers from legal and financial liability. Force majeure refers to unexpected external circumstances that prevent a party to a contract from meeting their obligations, typically natural disasters. While force majeure clauses rarely mention diseases, they frequently provide relief in the event of unforeseen acts of government, for which the government-mandated shutdowns may qualify. A Chinese international trade promotion agency has reportedly started to issue force majeure certificates to more than 100 companies unable to meet contractual obligations amid the Coronavirus outbreak.

5. Provincial border checks exacerbate trucking shortage

Cross-provincial trucking remains challenging throughout China as authorities require drivers to remain 14 days in self-quarantine depending on the license plate of the truck and the registered province of the driver to curb the spread of the Coronavirus.

In particular, trucks with license plates from Hubei Province, where Wuhan is located, have been stopped at provincial borders and asked to return to their provinces. Reports of trucks with license plates from other provinces such as Zhejiang and Jiangxi being turned away have also emerged in the past days. Overall, trucking availability has been reduced to 40 percent within the Shanghai city area, while capacity is been down to 10 percent from Shanghai to other cities as drivers reject trips to inland provinces to maximize the number of runs per day. No drivers from outside Tianjin were reportedly allowed to enter the city, while only 10 percent of the local drivers were able to offer services. These developments have led to delays and a sharp increase in trucking prices.

6. Closed borders delay movement from and to Vietnam and Hong Kong

As of February 11, cross-border traffic between Vietnam and the Chinese provinces of Yunnan and Guangxi remains severely disrupted. In particular, export goods from Vietnam are congesting border points as trucks cannot easily cross into China. The biggest border crossing at Huu Nghi/Pingx Xiang was closed until February 8, but has reopened since. Authorities, however, are only allowing 25 trucks to pass per day if drivers wear protective clothing, with priority being given to medical and perishable cargo. Waiting times for trucks with other cargo has been 4-5 days on average on the Vietnamese side. In Hong Kong, authorities have started to quarantine for 14 days all Chinese citizens coming into the territory.

Since January 31, Russia’s 16 border crossings with China along a 4,000 km border have been closed to prevent the spread of the Coronavirus, likely affecting trade volumes.
7. Labor shortage causes congestion at airports and seaports

With limited trucking capacity available, congestion has started to build at air cargo terminals and warehouses. This is due to inbound shipments that have either not been cleared by customs brokers or for which delivery and pick-up services could not be arranged. As a result, cargo operations have slowed down; shipment (including critical medical device shipments) delays and demurrage costs are also starting to materialize.

The situation has been particularly acute at airport warehouses in Shanghai, potentially forcing logistics companies to not accept cargo destined for the area any longer or only against guarantees that the cargo will be picked up immediately. Gateways such as Hong Kong have not reported congestion yet and could serve as an alternative entry point to southern and central provinces in China. Despite limited trucking capacity, shipments have reportedly been trucked from Hong Kong to large cities in Sichuan Province such as Chengdu within 72 hours in recent days.

8. Blank sailings reduce ocean freight capacity out of China

With the Lunar New Year period having been extended in most provinces until February 9, shipping lines announced extensive blank sailing programs for their vessels until the end of February. Blank sailing refers to the situation when a carrier cancels a scheduled stop at a specific port, or an entire route, for a certain vessel, usually due to low demand. About 82 trans-Pacific sailings have been cancelled into March, taking out around 198,500 TEU off the market, while carriers have blanked around 54 sailings in total for trade between Asia and Europe, according to Sea-Intelligence Maritime Consulting. According to some shippers, a delay of three to four weeks for containers to arrive at European destinations can be expected.

9. Limited air and rail cargo capacity to increase prices

Similarly, the large number of cancellations of both passenger and freighter flights, combined with factory and logistics operations restarting in the coming weeks, are expected to cause an air freight capacity shortage that could last until April. In total, more than 25,000 flights have been cancelled per week so far, reducing air freight capacity by approximately 50%.

The large number of cancellations of both passenger and freighter flights combined with factory and logistics operations restarting in the coming weeks are expected to cause an air freight capacity shortage that could last until April. In total, more than 25,000 flights have been cancelled per week so far, reducing air freight capacity by approximately 50%.
10. Ripple effects felt across supply chains overseas

The Coronavirus outbreak has also had major implications on industrial production and global supply chains spanning beyond China’s borders. For the automotive sector, a supply shortage of key auto parts due to the outbreak has caused some major auto manufacturers to temporarily halt domestic operations. In addition, the Coronavirus has had a disruptive impact on global pharmaceutical supply chains. Wuhan itself is host to major domestic Active Pharmaceutical Ingredient (API) makers, with most drug makers having around one-to-three months of inventory for drug ingredients. Given the current public health crisis, China may be inclined to hold onto material supplies for certain antibiotics and therefore export less to alternative markets, including the U.S and India which rely on China for such critical ingredients.

Given the fluidity of the situation and the vast operational and financial implications across multiple industries, it may take several months to assess how the event will have impacted an organization’s bottom line.

Vigilant spoke to Mirko Woitzik, Manager EMEA, Risk Intelligence at DHL Resilience360, to learn more about the steps being taken in support of supply chain resilience by both Manufacturers and Logistics Service Providers...

What actions are companies taking?

- Shutting production and logistics sites preemptively or according to government directives to prevent infections and anticipate labor shortages
- Looking for alternative sources to buy component parts to restart production lines as soon as possible or keep production lines running where possible
- Using emergency air freight to fly parts out of China to other production locations to continue production (e.g. flying cell phone parts from China to Vietnam)
- Securing cargo capacity from China via rail and air as an alternative to ocean freight, which has longer transit times and very limited outbound capacity into March-April

What is the best advice to companies to minimize supply chain disruption?

In the short term:

- Identify key suppliers in areas affected by city or production shutdowns
- Secure alternative sources and increase inventory levels at key production sites

In the long term:

- Educate internal staff and key suppliers about the symptoms of the virus, and enforce precautionary measures such as taking sick leave if symptoms show
- Be mindful of using dual-sourcing strategies for key components, ideally both for vendors and geographies
- Monitor proactively disruptive supply chain risks in near real-time
- Draft and test contingency plans for a potential supplier outage

What longer term risks is this likely to present?

- Capacity shortages for outbound air, ocean and rail cargo will likely cause price increases and higher logistics costs for companies
- Production downtime on a supplier level may lead to lost sales due to production stoppages
- Supply chain shifts from China to other countries, which started as part of the global tariff increases in 2018, may accelerate

From a cargo crime perspective, what risks could be associated with this disruption?

- Due to cross-border checks between provinces within China or at borders with Vietnam or Russia, additional checks have caused congestion, slowing down cargo operations and making parked trucks an easier target for cargo crime. Many trucks will carry high-value and easy-to-sell medical goods and pharmaceutical products at the moment, which are attractive targets from a cargo crime perspective
- Inbound congestion at big air cargo terminals due to labor shortages may create more possibilities for cargo to get lost, be damaged or stolen

What lessons have been learned from previous global viruses, i.e. SARS?

- Compared to the SARS outbreak, there has been a greater willingness to create transparency by Chinese authorities, which has made it easier for manufacturing and logistics companies to assess the scale of the outbreak and take decisions accordingly.

The Coronavirus outbreak has also had major implications on industrial production and global supply chains spanning beyond China’s borders.'
Nearly two decades separate the SARS and Coronavirus outbreaks. In that time, China has grown from the world’s sixth-largest economy to the second biggest today, behind the U.S. The country has been a main growth driver worldwide, with the International Monetary Fund (IMF) estimating that China alone accounted for 39% of global economic expansion in 2019...
SARS or Severe Acute Respiratory Syndrome first emerged in China’s Guangdong province before spreading to other countries. CNBC reported that the virus infected about 8,000 people, claimed almost 800 lives worldwide, and shaved 0.5% to 1% off China’s growth in 2003, according to various estimates.

So, what’s the difference today with Coronavirus or, to give it its now official name, COVID-19?

The Coronavirus, which was first detected in Wuhan, hit hard at the manufacturing base of China and the centre of the logistics supply chain. Forbes, quite rightly, reported that even if you don’t assemble finished product in China, you might be dependent on a supplier based there for components. Many people have been looking at whether firms have suppliers in Hubei Province, where Wuhan is located, because they think these will be the supply chains that are impacted first.

Following the lockdown of 58 million people and the continued closure of businesses after the Chinese New Year holiday, the impact was brought home to Tony Lugg, Chairman of TAPA APAC, when one TAPA member from China wrote to him expressing their concern, stating: “The global manufacturing base is closed for business.”

The Forbes article also points out that the Chinese manufacturing model of the last three decades has been powered by migrant workers who come from inland provinces like Hubei, Shaanxi, Anhui, Hunan, and others. They are recruited by factories, where they live in dormitories in an environment that is much like a small city.

In a similar tone, the Nikkei Asia Review reported: “From food chains to steelmakers, many Chinese companies are staying closed after an extended Lunar New Year holiday due to Coronavirus concerns, denting hopes that the epidemic-hit economy would return to normal after the break.”

It isn’t just Wuhan that is impacted. In Hong Kong, for example, Cathay Pacific asked its 27,000 employees to take up to three weeks’ unpaid leave.

Within a short period of time, OEMs were reporting shortages of raw material and other goods manufactured in China. The knock-on effect had already started to impact supply chains. One Risk Manager of a leading electronics company stated: “Our production team are trying to locate raw material to keep our production running. They haven’t had much of a holiday. Most have been working around the clock from home trying to source raw material from alternative suppliers.”

Within China, many companies have been ramping up their business continuity plans from scratch. A survey completed by International Crisis Room 360 (ICR360) showed that a staggering 63% of respondents had no (BCRP) Business Continuity & Recovery Plans in place for their supply chains in China.

“Even allowing for a margin of error, this raises important questions, most notably in relation to the amount of investment that has actually been committed to ensure robust BCRPs are in place. The payback of having a robust plan in these kinds of conditions is substantial,” TAPA’s Tony Lugg stated.

‘Within a short period of time, OEMs were reporting shortages of raw material and other goods manufactured in China. The knock-on effect had already started to impact supply chains.’
Reuters reported that production at all of Toyota Motor Corp’s production plants in China would remain suspended through February 16, joining a growing number of automakers facing stoppages due to supply chain issues as the Coronavirus spreads. The Japanese automotive company, which operates 12 vehicle and components factories in China, said it would extend its production stoppage “after considering various factors, including guidelines from local and region governments, parts supply, and logistics.”

“I personally believe, based on the information we have on new or enhanced control measures, that factories could start to slowly open using a segregation program in their plants to ensure that production continues,” Tony Lugg added. “It’s all about risk management, which, if done correctly, will enable companies to continually assess the situation due to the isolation period of all employees.”

Bloomberg also reported that the Hon Hai Precision Industry Co. told employees at its Shenzhen facility not to return to work following the end of the Lunar New Year break. It’s unclear whether the Shenzhen policy extends to all employees or to Foxconn’s other facilities. Hon Hai, which makes the vast majority of the world’s iPhones from the central Chinese city of Zhengzhou in Henan province, officially resumed production on February 10 but, in a statement, the company said that workers returning to Zhengzhou from outside the province will be sequestered for 14 days.

“As a matter of policy and for reasons of commercial sensitivity, we do not comment on our specific production facilities,” Foxconn said in a statement in response to Bloomberg’s queries. “We have been closely monitoring the current public health challenge linked to the Coronavirus and we are applying all recommended health and hygiene practices to all aspects of our operations in the affected markets.”

In the cases of Automotive OEMs, much of the supplier base is localised for various reasons, hence the impact to this industry sector could be significant, especially in the first half of 2020.

In relation to business continuity, governments offer guidelines on BCRP plans. However, these are generalizations of the program and invariably do not consider factors such as diverse supplier bases, local environment or operational complexity. Tony Lugg said: “In light of the statistics coming out of the ICR360 survey, back-to-back contractual agreements with suppliers must be urgently written up, agreed and signed off. There needs to be management buy-in at the highest level and supplier BCRP audits with evaluation of the plans covering the critical assets required for production. This should be outsourced if possible to expedite the process and also ensure segregation of duties to prevent any ethical issues. Auditors should be warned in advance of the serious consequences should any evidence be overlooked.”

Several manufacturers have confided that supplier footprints are generally not studied or mapped against ongoing environmental, natural or other events. Some manufacturers source using DDP (Delivered Duty Paid) terms, pushing all responsibility onto the supplier, which sounds risk adverse until the same supplier cannot support production. This particularly impacts manufacturing when dual sourcing was never considered to be an option. A thorough BCRP would have called out that issue to management.

Accountability for the BCRP role is a key factor in this apparent failure within supply chains. It appears that, in some cases, Crisis Managers’ roles are three or more layers down from the Board. “This is a complete lack of responsibility in my view,” said Tony Lugg. “We see too many cases where senior management have passed the role to a supervisor or mid-level manager who has no power to implement a BCRP. The role of the Crisis Manager must be based on full engagement across all functions. This is difficult to achieve, particularly in Asian culture, when the Crisis Manager needs to be at the same level as other management to obtain their buy-in.”

At the time of publication, the Coronavirus is affecting 37 countries and territories around the world, with more than 81,000 people being infected and over 2,750 deaths as a result of contracting the disease.

‘Some manufacturers source using DDP (Delivered Duty Paid) terms, pushing all responsibility onto the supplier, which sounds risk adverse until the same supplier cannot support production.’
The year has begun with one of the inevitable disaster threats we often discuss but always hope to never see – a disease outbreak moving through a highly populated region. The Novel Coronavirus outbreak, now named COVID-19 by the World Health Organization (WHO), likely began as a transmission event from a local market (Wuhan Seafood Market) from wildlife in those markets to customers.

The outbreak of COVID-19 has moved aggressively through the Hubei province in China, and has now spread to 37 countries, with the majority of the cases still in Mainland China (78,191 of the 81,109 cases as of February 26, 2020) (World Health Organization (Coronavirus COVID-19 Global Cases by Johns Hopkins CSSE, 2020). The WHO’s declaration of a Public Health Emergency of International Concern on January 30, 2020 elevated the urgency of the outbreak, and the risk to global health security presented by this emerging infectious disease.

The COVID-19 outbreak is a rapidly evolving situation, with public health and emergency management experts around the globe working around the clock to stop the outbreak. The current strategies focus on:

• Containing the virus by treating infected patients and isolating them before they infect others;
• Preparing countries to quickly prevent, detect, and respond to new cases that may reach their shores; and,
• Ensuring that the healthcare workforce is sufficiently resourced to manage infected patients.

The United States has already received 53 cases (as of February 26, 2020), and at the time of the drafting of this article there were 705 cases on the Diamond Princess cruise ship, some of which are American citizens.

It is important to recognize that while the US is also preparing for the potential that the outbreak could expand in the US and across North America, there are also current cases requiring rapid action from healthcare facilities and the federal, state, and local public health systems.
Healthcare Ready has been activated for the COVID-19 outbreak since January, focused on four main components of the response (Novel Coronavirus Outbreak: How We’re Responding to the Newly Identified Disease, 2020):

- Tracking the China public health response;
- Supporting global non-governmental (NGO) partner organizations, as appropriate;
- Tracking on continuity of operations; and,
- Supporting efforts to improve US readiness (including supply chain and healthcare resilience).

China has been a focus of the response for several reasons, including the large manufacturing and industrial presence across China, especially in the Hubei province. The large manufacturing presence across the Hubei province, for many industries, has elevated the concerns about the ability to maintain continuity amidst the outbreak. While the Lunar New Year holiday and the extended holiday (related to the quarantine) did cause the workforce to stay home, there has been a concerted effort to resume work and manufacturing, especially for critical sectors (China’s Extended Lunar New Year Holiday Schedule, 2020). Additionally, the dense population of the urbanized area of Wuhan can facilitate human-to-human transmission, adding an additional complication to the public health response to contain the outbreak.

While there are many projections that are predicting the potential spread and breadth of the outbreak, it is still difficult to predict with accuracy when the outbreak will peak, and how many individuals will be infected. A recent article from Nature shows that while the predictions vary widely, there are still many factors that will determine the trajectory of this outbreak. The current scenarios range from a peak around a million people infected to hundreds of millions. This analysis emphasizes the many factors that can drive the outbreak, including quarantine measures (many of which are still in place), the global public health response, and support to the frontline healthcare workers fighting the disease (When will the coronavirus outbreak peak?, 2020).

The health supply chain has been working overtime to maintain operations and continue to ensure that sufficient product is available globally to respond to the threat. While we are still learning more about the outbreak, we do know that the ability of the public health and healthcare workforce to rapidly respond and contain cases will serve as a critical factor in controlling the outbreak. A vital component of the continuity of the supply chain is logistics, and the transportation and cargo flows necessary to maintain supply chain logistics will be necessary for ensuring that available medical product can move efficiently to the regions and facilities that need it most.

Logistics have been a major component of this response, and our focus has been staying abreast of the policies and measures that can either ease or strain product movement. Supply chain risks have required almost continuous tracking of these policies, as they shift almost daily. Measures such as transportation bans and tariff exceptions are major examples of evolving policies, as are the limitations and/or restrictions from airports and ports that are being enacted by various countries. To date, we have seen policies ranging from suspension of airline travel and border closures, to tariff exceptions and limited export bans on key products.
Examples include countries such as Russia, which closed its land border to China in late January, and on February 18 banned Chinese citizens from entry, limiting physical trade flows and an important economic relationship for both countries (Coronavirus: closure of Russia-China border sparks trade fears, 2020) (Coronavirus latest: Russia to ban Chinese citizens from entry, 2020). Additionally, India enacted an export ban of all personal protective equipment (PPE) indefinitely, beginning on January 31, but has since amended the ban so that specific types of PPE (surgical masks and gloves) can be exported. N95 masks, one of the most in-demand goods for the response, are still banned from export (Government of India, Ministry of Commerce & Industry, 2020). The range of policies extend to cargo movement by ship, especially relevant to the healthcare response as partners seek to track the movement of critical goods vital to support response efforts. Recent analysis from DHL’s Resilience360 group shows that transpacific sailings and flights are being limited through March, leading to a reduction of 198,500 TEU and 50% air freight capacity from the global market (DHL Resilience360, 2020).

These policies are not without consequence, and we are beginning to see countries take measures to alleviate some of the economic strain caused by the outbreak. Thailand, for example, which depends on tourism for a large part of its income, has introduced measures (like extending deadlines for tax payments and reducing the rate of excise taxes on jet fuel) to encourage travel to and within the country (Urgent support for tourism operators, 2020). As we continue to monitor and support the response to the COVID-19 outbreak, the focus on logistics and product movement will continue to elevate in importance. This outbreak reminds us all of the interconnected society we live in, and the critical role that logistics plays in connecting us (and the supplies we depend on) every day.

‘Logistics have been a major component of this response, and our focus has been staying abreast of the policies and measures that can either ease or strain product movement. Supply chain risks have required almost continuous tracking of these policies, as they shift almost daily. Measures such as transportation bans and tariff exceptions are major examples of evolving policies, as are the limitations and/or restrictions from airports and ports that are being enacted by various countries.’
A LINE-UP OF LEADERS

We are now just days away from TAPA EMEA’s conference in Amsterdam and, as you can see in this issue, we have an outstanding line-up of speakers ready to share their expertise with our some 400 delegates. In just one and-a-half days we will have the opportunity to hear the views of security leaders from brands including Volkswagen, Adidas, Nike, Levi Strauss, Desigual, Samsung and Bosch. Our speakers will also include leading investigation and technology experts. This is why TAPA EMEA events are now an essential part of the calendar for every supply chain security professional who wants to stay in touch with the latest developments in our industry.

Thank you to all of our speakers and panellists for making the time to join us.

BUILDING THE TAPA BRAND WITH EMEA REGION STAKEHOLDERS

Thorsten Neumann, President & CEO of TAPA for the Europe, Middle East & Africa (EMEA) region, shares the latest update on some of his and the Association’s latest activities aimed at accelerating TAPA EMEA’s growth, development and influence, and delivering more benefits to our growing membership…

PARTNERS IN CRIME PREVENTION

It was a great honour earlier this month to represent TAPA EMEA as we acknowledged the outstanding work of two of our leading EU partners.

The EU Project CARGO initiative implemented by the State Criminal Office (AKA) of Saxony-Anhalt is making an outstanding contribution to reducing cargo thefts in Europe through its focus on targeting organised crime groups involved in truck ‘tarpaulin cutting’ crimes, one of the biggest causes of product losses from supply chains in Europe. Since its launch, it has successfully conducted operations to dismantle the operations of crime groups across the continent and brought gang members to justice, thanks also to the proactive support of Europol, the European Union’s law enforcement agency, and Eurojust, the EU agency dealing with judicial co-operation in criminal matters among agencies of the Member States.

The TAPA Excellence Award was accepted by Holger Stahlknecht, Interior Minister of Saxony-Anhalt.

We must hope that this great initiative receives the funding to continue its effective work long-term because this is a proven crime prevention model we would like to see replicated in other major markets around the world.

Similarly, we honoured the EU’s DG LANDSEC group for its proactive approach to enhancing land security across the continent. TAPA is a longstanding participant in the group and we look forward to continuing our contribution to its work and success. It was my pleasure to present a TAPA Excellence Award to Patrick Norroy, Directorate General for Mobility and Transport - DG MOVE, Directorate Policy Coordination Security Unit at the European Commission.

A special ‘thank you’ to EU LANDSEC.

Jürgen Schmökel (Director of the Saxony-Anhalt State Criminal Investigation Office), Thorsten Neumann (TAPA), Marko Schnabel (Project Cargo LKA), Holger Stahlknecht (Minister for Home Affairs and Sport Saxony-Anhalt), and Karl-Albert Grewe (State Police Director Saxony-Anhalt).
MAKE THE NEWS

We are closely following the WHO advice and in contact with several Ministries for guidance on the Coronavirus response programme and will issue any updates which are appropriate to our members and your supply chain resilience.

READY TO TALK

I look forward to meeting as many TAPA members as possible at our conference in Amsterdam. If you have any comments or ideas to support our growth plans in EMEA or to enhance the services we offer to our growing membership, I’d love to hear them. Let’s talk.

HIGHER STANDARDS

The adoption of TAPA’s Security Standards continues to grow year-on-year and with the new 2020 versions of our Facility Security Requirements (FSR) and Trucking Security Requirements (TSR) now in circulation ahead of their 1 July ‘go live’ date, we are ready to support even more members’ certification programmes.

January 2020’s statistics once again highlight the progress we are making:

• We now have 761 FSR certifications in EMEA, up 12.9% year-on-year
• TSR certifications in the region rose 17.9% in 12 months to 191
• The number of secure truck parking sites in our Parking Security Requirements (PSR) programme increased 75% versus January 2019

This is a tribute to all of those companies that see TAPA Standards as a vital component of their supply chain resilience programmes as well as the tremendous support provided by our Standards Team. This year we expect our numbers to accelerate once again so tell us how we can help your TAPA certification objectives. We’re there to help you.

A LEARNING EXPERIENCE

Our membership includes so many of the most impressive global manufacturing and logistics brands and some of the finest supply chain and security professionals in the world. I welcome every invitation to engage with you all because these exchanges provide great learning and networking opportunities.

In May, I will be an active participant at the 10th DHL Global Technology Conference in Frankfurt and very much look forward to its sessions on trends and solutions, geographies and markets, and innovation. The knowledge gained from these high-level events significantly supports my role as President & CEO of TAPA EMEA. If you have information exchanges planned for 2020, I’d love to learn more about them.

GIVE US A PLATFORM

I will be speaking at the 5th BME Global Pharma Supply Chain Congress in Dresden on 4 March in front of an audience of leading supply chain, procurement and logistics executives from the world of pharma, medtec and global healthcare. Addressing the topic of ‘Supply chain resilience – joint forces against organised crime’ it’s a great opportunity to showcase what we do to an extremely influential group of decision-makers. What are the biggest supply chain events in your Manufacturing sector? Let us know and we’ll aim to put TAPA on its agenda too.

TUNED IN

We are closely following the WHO advice and in contact with several Ministries for guidance on the Coronavirus response programme and will issue any updates which are appropriate to our members and your supply chain resilience.
### Cargo Crime Monitor

**Cargo Theft by Country - January 2020**

<table>
<thead>
<tr>
<th>Country</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>7</td>
<td>3.7%</td>
</tr>
<tr>
<td>Benin</td>
<td>1</td>
<td>0.5%</td>
</tr>
<tr>
<td>France</td>
<td>6</td>
<td>3.2%</td>
</tr>
<tr>
<td>Germany</td>
<td>27</td>
<td>14.2%</td>
</tr>
<tr>
<td>Ghana</td>
<td>1</td>
<td>0.5%</td>
</tr>
<tr>
<td>Italy</td>
<td>2</td>
<td>1.1%</td>
</tr>
<tr>
<td>Kenya</td>
<td>2</td>
<td>1.1%</td>
</tr>
<tr>
<td>Macedonia</td>
<td>3</td>
<td>1.6%</td>
</tr>
<tr>
<td>Mozambique</td>
<td>1</td>
<td>0.5%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4</td>
<td>2.1%</td>
</tr>
<tr>
<td>Nigeria</td>
<td>1</td>
<td>0.5%</td>
</tr>
<tr>
<td>Poland</td>
<td>1</td>
<td>0.5%</td>
</tr>
<tr>
<td>Russia</td>
<td>13</td>
<td>6.8%</td>
</tr>
<tr>
<td>South Africa</td>
<td>11</td>
<td>5.8%</td>
</tr>
<tr>
<td>Spain</td>
<td>48</td>
<td>25.3%</td>
</tr>
<tr>
<td>Sweden</td>
<td>1</td>
<td>0.5%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>61</td>
<td>32.1%</td>
</tr>
</tbody>
</table>

**Total Loss**

- **€943,816**
  - Total loss for the 106 or 55.7% of crimes stating a value

- **€125,979**
  - Average loss for the 2 major cargo crimes reported to TAPA's Incident Information Service (IIS) in January 2020
21

MODUS OPERANDI USED IN LATEST CARGO THEFTS:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrusion</td>
<td>128</td>
<td>67.4%</td>
</tr>
<tr>
<td>Violent &amp; Threat with Violence</td>
<td>31</td>
<td>16.3%</td>
</tr>
<tr>
<td>Deception Other</td>
<td>14</td>
<td>7.3%</td>
</tr>
<tr>
<td>Unknown</td>
<td>6</td>
<td>3.2%</td>
</tr>
<tr>
<td>Internal</td>
<td>4</td>
<td>2.1%</td>
</tr>
<tr>
<td>Forced Stop</td>
<td>3</td>
<td>1.6%</td>
</tr>
<tr>
<td>Deceptive Pick Up</td>
<td>3</td>
<td>1.6%</td>
</tr>
<tr>
<td>Deceptive Stop</td>
<td>1</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

29.5% Or 56 of the recorded incidents took place in Unclassified Parking Locations

€150,000 Biggest single loss - Theft of Clothing & Footwear products from a trailer in an unclassified parking location in Peterborough, United Kingdom, on 30 January

17 Number of countries in EMEA reporting incidents

6 Crimes in EMEA recording a loss value of between €50,000 & €100,000 produced a combined loss total of €331,610

2 – Number of major incidents with a loss value over €100k

€8,903 Average Loss Value in January 2020

190 Number of new cargo crimes recorded by TAPA’s IIS in January 2020

Unclassified Parking Locations

96 (50.6%) Theft from Vehicle
31 (16.3%) Theft of Vehicle
13 (6.8%) Theft from Trailer
13 (6.8%) Fraud
11 (5.8%) Theft from Facility
7 (3.7%) Hijacking
6 (3.2%) Theft of Trailer
5 (2.6%) Clandestine
4 (2.1%) Theft
2 (1.1%) Theft from Container
1 (0.5%) Robbery
1 (0.5%) Theft of Container

Destination Facility 62 (32.6%)
Unclassified Parking Location 56 (29.5%)
Unknown 31 (16.3%)
Services 3rd Party Facility 17 (8.9%)
Origin Facility 12 (6.3%)
En Route 8 (4.2%)
Maritime Transportation Facility 2 (1.1%)
Railway Operation Facility 2 (1.1%)
TAPA’s Incident Information (IIS) had received reports of 190 cargo theft incidents in the Europe, Middle East & Africa (EMEA) region for January 2020 by the time Vigilant went to press, with losses recorded in 17 countries across the region.

Vigilant is unable to report data for a high number of these crimes but all intelligence received is available to TAPA members by searching the password-protected IIS database.

Only 106 or 55.7% of the incidents notified to TAPA last month in EMEA provided financial data, producing a combined value of €943,816 or an average of €8,903.

Only two major cargo thefts were recorded with a value of €100,000 or more:

€101,958
The theft of 20 tonnes of cheese from a Services 3rd Party Facility in Moscow on 17 January.

TAPA’s IIS also recorded six incidents with losses of between €50,000 and €100,000 last month, producing an accumulated value of €331,610:

- €65,769 – 20 tonnes of confectionary stolen from a Services 3rd Party Facility in Moscow on 15 January
- €58,236 – the theft of 12 tonnes of metal in another case of fraud in Russia. The cargo was stolen from a Services 3rd Party Facility in Kamensk-Uralsky in Sverdlovsk Oblast on 24 January
- €53,946 – a gang of offenders broke into an Origin Facility in Gathinja in Kenya on 14 January and stole a shipment of coffee
- €51,437 – on 13 January, 15 tonnes of tea and coffee products also disappeared in St. Petersburg, Russia. A person claiming to be the owner of the truck carrying the cargo gave instructions for the vehicle to remain in the transport yard on the pretext of requiring maintenance. By the following morning, the truck and its load had been stolen
- €51,154 – St. Petersburg was also the city named in this loss of 12 tonnes of cheese from a Services 3rd Party Facility on 15 January. Contact was lost with the driver soon after the cargo was collected
- €51,068 – food and drink products were also targeted by cargo thieves on 20 January in the Russian Republic of Adygea. The driver was told to unload the shipment in an unauthorised location in the town of Tambov by an unknown individual

The top five countries in EMEA reporting freight thefts to TAPA’s IIS in January 2020 were:

- United Kingdom – 61 incidents
- Spain – 48
- Germany – 27
- Russia – 13
- South Africa – 11

Losses in the UK included:

- 468 vacuum cleaners worth tens of thousands of euros after thieves cut the curtain side of an unattended truck parked at a service area on the A19 in Hartlepool on 13 January
- 10 pallets of electrical equipment stolen from a vehicle in a lorry park on the A14 in Ipswich on 23 January in another tarpaulin-cutting crime
- Two thefts of whisky from separate Origin Facilities in Scotland on 28 and 29 January
- An Internal M.O. was recorded for this theft of fuel injectors stolen from an Origin Facility in Dordon, Warwickshire, of 31 January
IIS INTELLIGENCE

- A shipment of batteries was taken from a truck parked in a layby in Evesham, Worcestershire, on 13 January.
- Building blocks and air rifles were reported stolen from another truck parked in a layby on the A55 in Dobshill on 9 January.
- Seven pallets of cargo – including angling equipment – taken from a truck in a layby in Suffolk.
- The loss of 10-12 pallets of shoes from a vehicle in a truck park on the A74 in Lockerbie in Scotland on 21 January. It was one of six vehicles which had their curtain sides cut open as thieves looked for goods to steal.

Attacks on Last Mile delivery vehicles and drivers continue to feature in UK incident reports. January intelligence shows incidents in Bradford, Halesown and Lutterworth. IIS was also notified of a violent attack on a driver in Harthill, North Lanarkshire, whose stolen vehicle was later traced in West Lothian on 11 January.

TAPA is only able to share information on two of the 48 cargo crimes in Spain last month; the loss of unspecified cargo from a trailer in El Prat de Llobregat, Catalonia, on 15 January, and the theft of adult toys from a distribution centre in Alicante province on 23 January.

The 27 incidents in Germany reported to TAPA’s IIS included losses of trucks, car parts, tools/building materials, 200 boxes of bottles, metal, household appliances, timber and propane gas.

Data for crimes in Russia once again highlighted the high number of supply chain thefts involving fraud and deception.

The 13 cases of Fraud produced a total loss for the month of €483,885. In addition to the crimes already stated, goods targeted included fruit and vegetables, polyethylene film, household goods, plywood and canned food. As well as in Moscow and St. Petersburg, losses were also recorded in Omsk, Saratov, Murmansk, Kirov and Krasnodar.

Similarly, South Africa continues to suffer high frequencies of truck hijackings. The six such crimes in January involved thefts of food products and cosmetics.

The 13 cases of Fraud produced a total loss for the month of €483,885. In addition to the crimes already stated, goods targeted included fruit and vegetables, polyethylene film, household goods, plywood and canned food. As well as in Moscow and St. Petersburg, losses were also recorded in Omsk, Saratov, Murmansk, Kirov and Krasnodar.

Another noticeable feature of January’s IIS data was more cases of clandestine intrusion:

Five migrants were seen cutting a hole in a truck tarpaulin to escape from a vehicle at an Origin Facility in Purfleet, Essex, on 9 January.

- On 10 January, 42 migrants were discovered hidden on a freight train in Gevgelija, Macedonia. On the same day, in the same location, TAPA received a separate report of 20 migrants being found on a freight train, although these incidents could be connected.
- On 14 January, in Strumica, Macedonia, 36 migrants from Syria, Afghanistan, Pakistan, Iraq and Cameroon were located in the back of a truck. The driver was arrested on suspicion of people smuggling.
- In Waremme in Belgium on 23 January, 23 migrants were discovered hiding in a refrigerated truck parked at a motorway service area.
- Migrants are also suspected of trying to break into a vehicle in Soumagne, Belgium, on 29 January.

Elsewhere in EMEA, multiple trucks had their curtains slashed at parking sites on the A2 in Born and Echt in the Netherlands, while in Lodi, Lombardy in Italy, on 29 January, thieves used two trucks to block the route of three armoured, cash-in-transit vehicles. One of the CIT vehicles was able to escape and alert the police. However, by the time police arrived at the scene, the offenders had escaped and set fire to 18 stolen cars they had used to facilitate the attack.

Members can see all the latest cargo crime intelligence reported to TAPA in the Association’s IIS database.

<table>
<thead>
<tr>
<th>PRODUCT CATEGORY</th>
<th>No</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous</td>
<td>126</td>
<td>66.2%</td>
</tr>
<tr>
<td>Unspecified</td>
<td>21</td>
<td>10.9%</td>
</tr>
<tr>
<td>Food &amp; Drink</td>
<td>17</td>
<td>8.9%</td>
</tr>
<tr>
<td>Tools/Building Materials</td>
<td>6</td>
<td>3.2%</td>
</tr>
<tr>
<td>Clothing &amp; Footwear</td>
<td>3</td>
<td>1.6%</td>
</tr>
<tr>
<td>Furniture/Household Appliances</td>
<td>3</td>
<td>1.6%</td>
</tr>
<tr>
<td>Metal</td>
<td>3</td>
<td>1.6%</td>
</tr>
<tr>
<td>Tobacco</td>
<td>2</td>
<td>1.1%</td>
</tr>
<tr>
<td>No Load (Theft of truck and/or trailer)</td>
<td>2</td>
<td>1.1%</td>
</tr>
<tr>
<td>Cosmetics &amp; Hygiene</td>
<td>2</td>
<td>1.1%</td>
</tr>
<tr>
<td>Car Parts</td>
<td>2</td>
<td>1.1%</td>
</tr>
<tr>
<td>Agricultural Materials</td>
<td>2</td>
<td>1.1%</td>
</tr>
<tr>
<td>Cash</td>
<td>1</td>
<td>0.5%</td>
</tr>
</tbody>
</table>
Since TAPA’s 2020 FSR and TSR Security Standards have been released, we have received some very positive comments about the content and format of the new documents. If you haven’t already looked at the new Standards, please do so and let us know if you too have any feedback. From the questions we’ve received already, it’s clear that many of you are reading the documents and looking for more details. It may, therefore, help to have a quick recap on some of the details mentioned previously:

- TAPA released the updated FSR and TSR Standards in January so early adopters of the new Standards will have at least six months to understand and plan for their certification audits;
- The updated Standards come into force on 1 July 2020;
- Existing certificate holders (FSR/TSR 2017 versions) do not have to recertify until on or before the expiry date of their current TAPA certification;
- Although TAPA has published the Standards early, the audit templates and training material are still being developed. It will be May/June before this material is available;
- Training schedules will be published soon and each TAPA region will manage its own training courses;
- For the 2020 versions, all TAPA audits (the 3-year certification and the annual Interim Self-Audits) can only be performed by a person who has taken the appropriate auditor training;
- Some companies have asked if it’s possible to certify to the new Standards before 1 July? Unfortunately, this will not be possible except for a few locations which are acting as pilot audits to help fine tune the certification processes.

Now let’s look at some of the other questions we have been dealing with...

Question 1.

I want to check my operation against the new FSR/TSR Standards to see which changes are needed and to identify any additional costs. I know the official TAPA audit templates are not available yet, so how would you suggest I check my compliance status?

Answer: The simplest way is to print a copy of the appropriate Standard and use the requirements sections as a checklist. This is exactly the same text that will be used in the official audit templates.
Question 2.
I’m concerned that my existing TSR 1 2017 certification may not pass the TSR 1 2020 certification requirements on some of the technical requirements. For example:

TSR 1 2020 requires:
A tracking device must be installed on the trailer/container in a covert location. The device can be installed internally or externally and, where available, must be capable of utilizing at least two methods of signalling such as:
• Method 1 - 3G or 4G or 5G
• Method 2 - SMS/GPRS using GSM
• Method 3 - CDMA
• Method 4 - Satellite tracking device
• Must be equipped with at least one covert antenna

TSR 1 2017 requires:
When the tractor and trailer can be separated, a tracking device must be installed in a covert location in both the tractor and trailer and, where available, must be capable of utilizing at least two methods of signalling such as 3G, or SMS/GPRS using GSM or CDMA and must be equipped with at least one covert antenna.

Answer: All TAPA has done here is to separate the trailer and tractor requirements into two requirements. Tractors and trailers are designed to be separated! We also added 5G as the incoming standard for cellular communications. However, where you have an existing TSR 2017 certification and the auditor says you are not compliant to the new 2020 Standard, first check your compliance against the old Standard. It could be nothing has changed and a previously unknown gap has been found? Alternatively, if you feel the new requirement is not justified, please let TAPA know the details. We may be able to help you work with your auditor to find a solution.

Question 3.
I’ve been following the FAQ’s on FSR multi-site. Now the FSR Standard has been published, I think this may be the option I’m looking for. I’m just not sure how flexible the Central Function requirement can be. Can I have all my FSR sites in EMEA, APAC and Americas come under 1 Central Function?

Answer: Could be a Yes or a No. Technically, yes this is possible but, realistically and functionally, it may not be possible. This is what the FSR Certification Framework document says;

The Central Function can, but does not have to be, the headquarters of the LSP/Applicant. However, it must;
• Be accountable for the single management system
• Have the responsibility to ensure that all its sites within the management system are meeting the requirements of the FSR Standard
• Have the right to issue corrective and preventative actions when needed at any site
• Have a documented formal agreement or policy in place detailing the roles and responsibilities of the Central Function and the sites

It’s important that the Central Function meets the above criteria, so they have the authority to monitor and implement changes. If you have a high number of sites distributed across several counties, you may want to consider clustering them initially under local Central Function sites to simplify the oversite responsibilities. It will be relatively straightforward to add sites to an existing multi-site certification at a future date, so this is a very flexible option.

If you would like to raise a new topic for discussion or ask questions about one of our published responses, please contact us at https://www.tapa-global.org/contact.html
In each issue of this newsletter, we publish a list of the TAPA members that have most recently gained TAPA Supply Chain Security Standards certifications.

The following companies and locations were audited by one of TAPA’s approved Independent Audit Bodies (IABs) or, in the case of Class ‘C’ or Level 3 certifications, may have been completed by an in-house TAPA-trained person.

### EUROPE, MIDDLE EAST & AFRICA REGION

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<tr>
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<th>Company Name</th>
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<th>City</th>
<th>Class</th>
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<tr>
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**TSR Company Name**

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### AMERICAS CERTIFICATIONS

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### ASIA PACIFIC REGION

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</table>
Nathaniel White, TAPA Americas

Tell us about your day job?
I am a Product Security Manager for Sanofi. My responsibilities include the TSA Certified Cargo Screening Program, the CTPAT Program, supply chain security audits, and administration of the case management and reporting system for Security.

When did you join the Americas Board?
I was elected in December 2019.

Why did you want to become involved in TAPA at Board level?
A desire to give back to TAPA, which has taught me a lot about the discipline of supply chain security.

What are your BoD responsibilities?
I am head of the Education Committee and a member of the Standards Committee. I am also a trainer.

What do you bring to your role in TAPA Americas?
A new perspective, new ideas, and a desire to learn and apply it to my role in TAPA.

How active are you in terms of promoting membership, intelligence sharing and the TAPA Standards to your partners and suppliers?
The webinar series that TAPA Americas hosts has been an excellent driver of awareness and interest in the Association. TAPA training and Standards are an excellent method for developing a supply chain security mindset. Providing training to our security network teaches the participants about both the concepts and practical application. Enhancing the certification system to be more “plug-and-play” with the introduction of dedicated online platforms will enhance the membership’s interactions with the Standards. A strong partnership between regions will help to provide members with consistent, best in class tools, services and knowledge.

What are your personal TAPA priorities for the next 12 months?
• Bring the best possible T1 and T2 meetings to the membership
• Provide an excellent webinar series to promote the organization
• Increase my understanding of what the membership wants and needs to be able to give them the tools and knowledge they need to succeed

‘TAPA is a great way to keep a finger on the pulse of what is happening in the discipline and current events in the field.’
2020 is going to be another exciting year of growth and development for TAPA as our teams in the Americas, Asia Pacific and Europe, Middle East and Africa deliver more benefits to help improve the resilience of our members' supply chains.

You too can make a difference.

Please take a moment to think about what you can do to support our work and to progress our role as the world's leading Security Expert Network for everyone in the supply chain.

We can all make a difference for the TAPA Family in 2020

TAPA - AT THE HEART OF THE WORLD'S MOST RESILIENT SUPPLY CHAINS