

vigilant

THE MONTHLY CARGO CRIME UPDATE FOR TAPA'S GLOBAL FAMILY

HEAD START

More global businesses are using TAPA Security Standards to fast track supply chain resilience than ever before

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welcome

THE STANDARD APPROACH TO SUPPLY CHAIN SECURITY

We make no excuses for devoting much of this issue to the success and future of TAPA's Security Standards.

As we continue to broaden our focus beyond just cargo crime and look at how we can help our members manage risk and achieve higher levels of supply chain resilience, there is no doubt that our Standards will take on even greater significance.

The effectiveness and growth of our Facility Security Requirements (FSR) and Trucking Security Requirements (TSR) – as well as the strong start for our new Parking Security Requirements – can be attributed to one key fact; TAPA Security Standards have been developed by our industry, for our industry. They are the products of the unique Subject Matter expertise we hold within the global TAPA Family and all the knowledge and experience this gives us access to.

This is also to our great advantage as we review our Standards and look to make them even more applicable to new threats, more cost efficient and continuously fit-for-purpose.

'TAPA Standards are the products of the unique Subject Matter expertise we hold within the global TAPA Family ... this is also to our great advantage as we look to make them even more applicable to new threats, more cost efficient and continuously fit-for-purpose.'

In this issue of *Vigilant*, we look at the record-breaking growth of FSR and TSR certifications in our Europe, Middle East & Africa (EMEA) region, and bring you up-to-date with the successful launch of our secure parking Standard, PSR, including the certification of our first site in France. We expect to see significant growth in all three Standards in EMEA in 2019.

In Asia Pacific, we are enjoying similar successes and report on the first FSR 'A' certified facility for pharma products in China and Hong Kong, Flipkart's commitment to implementing FSR at its warehouse operations in India, and the TSR certification of more trucks in China.

Our Standards Team also update us on the review process for the next 2020 revision of FSR and TSR, including new FSR options to certify multiple sites as well as the addition of vans, fixed body vehicles and sea containers security options to the next version of TSR. The next editions of both Security Standards will go live on 1 July 2020.

We are also looking at how TAPA Standards can support our members against supply chain cybercrime and are continuing to progress our plans for a TAPA Supply Chain Cyber Security Standard for 2020 too. You can read more about the cyber threat facing businesses as well as the thinking behind TAPA's focus on cyber on pages 12-15 of this issue, while our monthly Standards FAQs also tackles some of our members' questions on future Standards.

This is all great news for everyone involved in our Standards programme and especially for the customers of those member companies which are increasing the resilience of their supply chains with the help of TAPA.

Of course, there is still a massive amount of work to do to get more companies to adopt our Security Standards and this is never likely to change because of the size of the potential market open to us. In the meantime, it is those members which are already enjoying the benefits of FSR, TSR and PSR who can turn this to their competitive advantage.



Anthony Leimas
Chair, TAPA AMERICAS





TAPA'S FSR, TSR AND PSR SECURITY STANDARDS ALL SEE STRONG GROWTH AS MORE COMPANIES LOOK FOR GREATER RESILIENCE

There are now more TAPA Facility Security Requirements (FSR) and Trucking Security Requirements (TSR) certifications in the Europe, Middle East and Africa (EMEA) region than at any time in the Association's 22-year history as more companies recognise their valuable contribution to risk management and supply chain resilience.

By the end of Q1 2019, the total number of FSR certified facilities in EMEA had risen to 697, a 9% increase year-on-year. These can be found in 65 countries across the region, led by:

- United Kingdom – 95 FSR certified facilities
- Netherlands – 90
- Germany – 55
- Spain - 45
- Italy – 42
- Sweden – 29
- United Arab Emirates – 29
- Czech Republic - 21
- Turkey – 20
- France – 19
- South Africa – 19

South Africa heads a list of 17 countries in Africa where there are now FSR-certified locations.

TAPA has also seen an acceleration in the number of companies adopting its TSR Security Standard as more Manufacturers and Logistics Service Providers increase their efforts to protect goods in transit. This reflects the significant rise in criminal attacks on trucks in 2018 reported in TAPA EMEA's Incident Information Service (IIS) Annual Report. The top three types of incidents in this period saw:

- 3,004 Theft from Vehicle crimes – up 42.1% vs. 2017
- 419 cases of Theft from Trailer – up 175.6% year-on-year
- 141 Theft of Vehicle incidents – up 42.4%

Overall, TAPA TSR certifications climbed 32% year-on-year to 169 across 28 countries in EMEA, with most – 49 in total – in the Netherlands. Other countries with 10 or more certifications at the end of Q1 2019 were Italy with 17, Germany with 11, and Romania with 10. In the United Kingdom, which recorded the highest number of cargo crimes in the IIS database last year, there are currently only nine companies with TSR-certified operations.

TAPA's new Parking Security Requirements (PSR) is also experiencing strong growth and had registered a total of 32 declarations/certifications by the end of March, a figure which has since risen to 37. Growing awareness of the new Security Standard in the Parking Place Operator (PPO) community

– alongside the proactive Secure Parking communications and support programme being driven by the Association – contributed to the 68.4% rise in declarations/certifications by the end of the quarter.

"Every TAPA Security Standard has been created by the industry, for the industry and this is why they have earned the respect of supply chain security experts. The year-on-year growth of FSR, TSR and PSR is also down to the great support and hard work of our Standards and Training teams, who are continuously working with our members to help with their individual certification programmes. We want to do even more. We are delighted to see demand for our Security Standards increasing but there is clearly still so much potential for more companies to achieve TAPA certifications to enhance their supply chain security offering to existing and new customers. This will remain our key focus," said Thorsten Neumann, Chairman of TAPA EMEA.



MOVING SUPPLY CHAIN RESILIENCE IN THE RIGHT DIRECTION



At TAPA's Berlin conference last month, the TAPA EMEA Standards Team and TAPA Americas provided a series of updates on the future TAPA Security Standards, explaining the Association's latest ideas and initiatives to provide the supply chain industry with resilient fit-for-purpose and 'affordable' industry standards to minimise risks to high value, theft targeted cargo.



Mark Gruentjes, TAPA EMEA Standards Lead explained the history and evolution of the Standards and their importance to Manufacturers and Logistics Service Providers (LSP), and his comments were echoed by Nike's Luc Van Herck, a member of the TAPA EMEA Board, who outlined his reasons for promoting the use of TAPA's Standards in the Nike supply chain.



Luc stated: "TAPA Security Standards provide industry-recognised baseline security measures that we require our suppliers to follow", adding "partnerships with other associations and regulatory bodies are the way forward in

the fight against cargo crime. The TAPA Standards are, and will remain, the backbone of what TAPA provides to its members."

In the panel discussions during the Standards conference sessions, speakers also made references to how using the Standards has helped to reduce cargo losses by more than 40%.



Paul Linders, TAPA Lead for the World Wide Change Control Board, updated delegates on the current projects TAPA is working on in readiness for a 1 July 2020 launch date of the next revision of the Facility Security Requirements (FSR) and Trucking Security Requirements (TSR), which involves the global engagement of teams from TAPA's Americas, APAC and EMEA regions.



He confirmed that the updated 2020 version of the TAPA Facility Security Requirements will include a new option to certify multiple sites under a single certification system. The TAPA Trucking Security Requirements will also be revised to offer a new modular format to allow different types of cargo transport to be assessed and certified based on the mode of transport. The addition of vans, fixed body vehicles and sea containers security options are seen as positive developments which will help to promote a higher take-up of TSR certification and enable the TAPA Standard to protect more cargo than ever before. "The threat to the supply chain industry continues to evolve and we must adapt our Standards to meet the challenge from criminals who seek to profit from vulnerabilities in the storage and movement of cargo," Paul said.





The audience in Berlin also heard an update on TAPA EMEA's new Parking Security Requirements (PSR) by George Wiessing, Acting Parking

Security Lead. George reminded the conference that the lack of available safe truck parking and the year-on-year increase in cargo losses from trucks parked in unsecured parking locations was a situation that TAPA had no option but to get involved in. The development of PSR and the Standard's launch in late 2018 has already gained tremendous interest from the industry and Parking Place Operators, with 37 sites now listed in the Association's secure parking database – a figure expected to rise to more than 60 in the coming months.

George also highlighted TAPA's active role in the European Commission's safe and secure parking project. The longer-term goal will be to achieve alignment of TAPA's Parking Security Requirements with the EU parking requirements so the industry can move forward with a single standard to use. In the meantime, TAPA is proactively rolling out PSR to PPOs across the EMEA region to achieve as many parking certifications as possible.

The growing interest in TAPA's PSR is also being supported by the Association's development of an online mapping tool to allow truck operators to view secure parking locations and historic incident data alongside proposed routing options. George encouraged all members to visit the TAPA EMEA website to learn more about PSR and to watch the new explainer video, which demonstrates how to use the new mapping tool.



Looking at TAPA Standards in development, Allen Gear, Vice Chair of TAPA Americas, provided an update on the new project to create

a cyber threat security standard for the supply chain industry. With the increasing use of technology to improve the efficiency of supply chains, Allen explained the thinking behind this latest TAPA initiative is to develop a cyber security standard to enhance, but not to replace, the existing cyber security threat best practices which have already been adopted by TAPA members. This project is being progressed by a large group of TAPA members representing many influential technology and

logistics companies and further updates will be provided as the draft Standard is fine-tuned and certification options are determined.

In summary, Mark Gruentjes paid tribute to the volunteers from the TAPA membership for the active role they are playing to take the TAPA Standards 'in the right direction'. Their workload in 2019 and 2020 will be greater than ever before, he said, stating: "As we maintain and continue to develop our growing portfolio of TAPA Security Standards, we thank those members who give up their own time to contribute to these projects as well as the audit bodies who deliver our certification programmes to our end users."

'The threat to the supply chain industry continues to evolve and we must adapt our Standards to meet the challenge from criminals who seek to profit from vulnerabilities in the storage and movement of cargo.'



APAC NEWS



FIRST TAPA FSR 'A' CERTIFIED FACILITY FOR PHARMA AND MEDICAL PRODUCTS IN CHINA AND HONG KONG

DKSH's Mapletree Distribution Center in Hong Kong is the first distribution facility for pharmaceutical and medical products in China and Hong Kong to successfully achieve TAPA's Facility Security requirements (FSR) 'A' certification, reflecting its commitment to best-in-class security standards.



Tony Lugg, Chairman of TAPA APAC, said: "This is an excellent achievement for DKSH as an Industry leader in the pharmaceutical industry. Case studies have shown that manufacturers who implement the TAPA Standards are likely to experience less supply chain incidents than their peers. The results also show that where the TAPA Standards are deployed, their operational performance also improves."

TAPA FSR 'A' joins DKSH's GMP, GDP, ISO 9001 and ISO 13485 certifications and supports the company's continued commitment to establishing, implementing and maintaining

a comprehensive security management system to protect people, products and clients' properties.

Pictured left to right: Wai Ting Fong, Vice President, Healthcare, Hong Kong; Jimmy Fu Chi, Senior Manager, Supply Chain Development, Supply Chain Management; Brett Turner, Vice President, Supply Chain Management; Tyron Mangakahia, Senior Executive Manager, Security; Grace Lau, Head, Country Management Hong Kong

(Vice President, Healthcare, Greater China Korea); Tony Chan, Assistant General Manager, Healthcare, Supply Chain Management; Miranda Kwan, SGS Director, Certification and Business Enhancement; Jimmy Pang, TAPA Hong Kong Service Centre; Kenneth Ng, Manager, Health, Safety & Environment; Simon Mok, Manager, Distribution Center Operations, Supply Chain Management; and Mike Tam, Account Manager, Certification and Business Enhancement.





APAC NEWS

FLIPKART ACHIEVES TAPA CERTIFICATIONS FOR 16 WAREHOUSE OPERATIONS IN INDIA

When Flipkart, operators of one of the fastest-growing logistics networks in India, expanded its storage space, it also wanted to ensure its security systems and processes were standardized.

It recognized that growing volumes of inventory and a sharp increase in the number of employees contributed to diversified risks, including personal safety, inventory loss, and business disruption. To meet this challenge, it identified TAPA's FSR Standard for logistics security risk management as the ideal solution to improve and streamline operations and partnered with TAPA Asia Pacific to achieve its objectives.

Flipkart undertook the TAPA FSR certification process as one of its strategic initiatives to align security processes and infrastructure security with the Association's global industry Standard and as part of its intention to adopt a universal process throughout its logistics network.

Training was also pivotal to the success of the initiative, ensuring teams were up-to-date with company policies and procedures and knew how to handle and correct issues with minimal disruption.

The Flipkart security team executed a comprehensive risk evaluation and implemented a proactive and preventative approach for risk management. Standard security processes were deployed and infrastructure upgrades were completed prior to completion of the final TAPA FSR audit.

As a result of Flipkart's meticulous approach, 16 warehouses were TAPA FSR A certified between March 2018 and February 2019 and all of its warehouses are scheduled to attain TAPA certification prior to March 2020.



In support of the certification process, 22 Flipkart security managers completed training conducted by TAPA Asia Pacific and became certified TAPA auditors. This further enhanced their competency in logistics security risk management and their ability to maintain a secure environment aligned with the TAPA requirements. Flipkart also intends to pursue TAPA TSR certification for its major transport vendors and has completed initial feasibility studies to begin this process.

In addition to securing its supply chain and improving safety, TAPA certification is providing additional benefits for the company. Flipkart developed an integrated risk management program and enhanced collaborative efforts with multiple business teams. Warehouse designs were improved and shrinkage reduced by employing alarm systems and implementing reporting procedures. Attaining TAPA FSR certification also paves the way for future OHSAS 18001, ISO 23001, and AEO/C-TPAT certifications.

Flipkart enthusiastically partnered with TAPA Asia Pacific during its journey to achieve certification. TAPA is actively encouraging other logistics companies in India and South Asia to pursue certification in order to effectively manage risk in the logistics ecosystems.

ANOTHER 30 TRUCKS CERTIFIED IN CHINA AS CJ ROKIN GAINS TAPA TSR LEVEL 2 CERTIFICATION

CJ Rokin Logistics and Supply Chain Co., Ltd, one of China's leading contract logistics service providers, has achieved TAPA Trucking Service Requirements (TSR) Level 2 certification for 30 of its road transportation vehicles in China.

Tony Lugg, TAPA APAC Chairman, said: "TAPA congratulates CJ Rokin Logistics in attaining TSR Level 2 certification in China. This is a great achievement and a positive step forward in securing its customers' supply chains. The company has shown its determination to secure the supply chain by using TAPA's best-known methods. TAPA members which make this type of investment in security have been found to suffer three times fewer losses from their supply

chains than non-TAPA members, as well as improving operational performance."

The adoption of TAPA certification is a seamless connection between TAPA's TSR Standard and CJ Rokin's safety management system.

Jae H. Auh, CEO of CJ Rokin, commented: "CJ Rokin has made continuous and effective efforts to integrate the TAPA Standards to ensure that each item obtains the highest level of safety control and a service platform that customers can trust. TSR Level 2 certification demonstrates CJ Rokin's commitment to safe and secure road transportation."

China accounted for 35% of reported cargo crime incidents in Asia

Cargo crime is one of the biggest challenges for manufacturers of high value, high-risk products and their logistics service providers. Having delivered technology-based customized warehousing, long haul transportation and distribution services since 1985, CJ Rokin's TAPA TSR certification covers 30 trucks in its vehicle fleet.

The BSI & TT Club Cargo Theft Report H1 2018 stated that China accounted for 35% of reported cargo crime incidents in the region, with cargo thieves employing a wide-range of theft tactics. These methods range from very opportunistic means, such as pilferage and thefts by drivers, to more organized tactics including Theft from Moving Vehicle crimes. Other criminal tactics included hijackings, slash-and-grab thefts, and counterweighting, where thieves remove goods and then use other items like rocks, sand, and water to replace the weight of the stolen goods.



PSR PARKING PLACES



CURRENTLY ACTIVE:

37

IN PIPELINE:

51

NUMBER OF COUNTRIES:

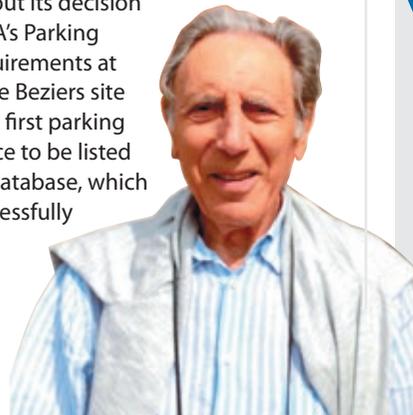
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TAPA members can now use the Association's Secure Parking Online Tool (SPOT) to identify 37 Parking Place Operator (PPO) sites in the Europe, Middle East & Africa region participating in its new Parking Security Requirements (PSR) programme... and this number is growing continuously with a further seven sites added to the secure parking database since last month's TAPA conference in Berlin.

TAPA's PSR industry standard has already welcomed PPO sites in Austria, France, Germany, the Netherlands, Romania, Slovakia, South Africa and the United Kingdom.

In this issue of *Vigilant*, we speak to Antoine Lecea Berastegui, Company Manager of FAL Distri about its decision to adopt TAPA's Parking Security Requirements at its Truck Etape Beziers site in France, the first parking place in France to be listed in the SPOT database, which has now successfully achieved PSR Level 3 self-certification.



To find out more about TAPA's Parking Security Requirements or to request a copy of our PSR brochure, please contact secure.parking@tapaemea.org



'We have other heavy-duty truck parking projects in the South of France and, of course, we will request the Level 3 TAPA certification at these too. We would like to develop this market, for which there is a strong demand. TAPA has the same vision of this!'

Where is your PSR Level 3 parking site located?

At Vendres near Béziers in the South of France. The parking is located within 800m of the #36 highway exit of the A9 highway in a two-way traffic direction connecting north/south Europe.

When did the site open?

We took over the operation of this parking site on 1 January 2017.

How many truck parking spaces are available on site?

350 places.

What is the cost of a secure parking place?

Parking for the first hour is free. From 9 to 10 hours of parking attendance: **€15** exc. VAT. From 11 to 15 hours of attendance: **€16,25** exc. VAT. 20% discount after 24 hours of attendance, and 25% discount from Saturday 6.00 pm to Monday 5.00 am. Accepted means of payment: electronic toll collection: credit card, cash or various payment cards; DKV/UTA/ SNAP Account.

Please list the driver facilities available at the site?

- 20 restrooms for men and women
- 20 free showers for parking customers
- Bar opened every day from 6.00 am to 11.00 pm
- Restaurant opened every day from 6.00 am to 11.00 pm with continuous service

- A 30% discount on **€11** and **€14** menus
- Laundry facilities
- Free bicycle for loan
- Picnic tables
- Shades over the parking places to protect drivers from bad weather
- Service station with a heavy-duty truck track
- Shop open 7 days a week

What specific security features do you operate?

We have invested in parking management software that allows us to automatically recognise and register the number plates of

every truck entering or leaving the site. The parking is completely fenced and well-lit, and is protected by CCTV cameras and a controlled pedestrian access to the parking via a turnstile that only operates with the parking ticket.

Is this your only site in France?

We have other heavy-duty truck parking projects in the South of France and, of course, we will request the Level 3 TAPA certification at these too.

What benefits will TAPA PSR certification bring to your business?

Transport companies and drivers themselves are increasingly looking for safety of the goods they are carrying as well as driver comfort at heavy-duty truck parkings. However, this offer is still too weak, especially in France. We would like to develop this market, for which there is a strong demand. TAPA has the same vision of this.





SECURE PARKING IN THE NEWS

Smart Parking: Volkswagen Financial Services AG invests in PTV Truckparking B.V

Volkswagen Financial Services AG (VWFS) recently announced it is acquiring a majority 75.1% shareholding in PTV Truckparking B.V., a company of the PTV Group, which offers software for the planning and optimisation of traffic and logistics worldwide. The goal is to “further expand the leading market position of Europe’s largest service and booking platform for truck parking spaces,” the company stated.

The PTV truck parking app has already surpassed the 1 million download mark. It offers various services for truck drivers, planners and dispatchers as well as parking operators, including the search for truck-appropriate parking locations, the consideration of parking stops in route planning, the ability to connect with fellow truck drivers, the possibility to claim and market secure truck parking spaces and to book and pay for them online.

Earlier this month, Niels de Zwaan, the CEO of Truck Parking Europe, spoke to *FreightWaves*, a leading provider of news, data, and commentary for the freight market. To read this interview [click here](#)



How did you find the PSR self-certification process?

The process is completely understandable and easy to follow and we received all the answers to our questions from TAPA when we needed them.

Did you need to make any improvements/ investments to achieve Level 3?

We had already made all of the necessary investments to reach Level 3 and we think we can obtain Level 1 certification.

How will you use your TAPA secure parking certification to attract more customers?

We are in the process of modifying the content of our commercial brochure for carriers to include our TAPA certification.

How would you describe the level of demand for secure parking places in France?

There are very few secure vehicle parking places with all the comfort services for drivers. Many carriers that cross Europe to southern countries want to secure the shutdown of their trucks, especially when they carry high value goods. As well as the desire to secure the goods, there is also a growing demand

to secure the truck and the driver from any external aggression. Indeed, during the theft of fuel, truck drivers are frequently attacked. For drivers, sleeping in a secure parking provides unequalled comfort, especially when the parking offers quality services for them too.

How helpful is it to PPOs that there is now a recognised secure parking industry standard which has been created by Manufacturers and Logistics Service Providers to meet their risk management requirements?

This allows us to be properly recognised as a secure parking and supports us in the development of our future projects. The classification should increase the trust of carriers that drivers can leave their trucks and goods safely when they take their comfort and rest breaks.



'The PSR self-certification process is completely understandable and easy to follow and we received all the answers to our questions from TAPA when we needed them.'

STEP UP & STAND OUT

TAPA'S LATEST FSR & TSR SECURITY CERTIFICATIONS

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.

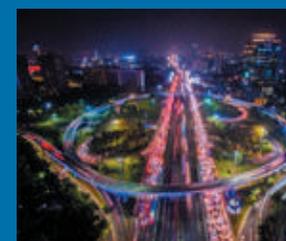
EUROPE, MIDDLE EAST & AFRICA REGION

FSR	Company Name	Country	City	Class
FSR	DHL Express Germany GmbH	DE	Leizen	C
FSR	DHL Express Poland Sp z o.o.	PL	Wroclawska	A
FSR	DHL Express Spain S.L.U.	ES	Málaga	A
FSR	DHL Supply Chain	IE	Cork	C
FSR	DPDgroup UK Ltd	GB	Bridgwater	C
FSR	DPDgroup UK Ltd	GB	Dundee	C
FSR	DPDgroup UK Ltd	GB	Peterborough	C
FSR	DPDgroup UK Ltd	GB	Barking	C
FSR	Foxconn CZ s.r.o. & Foxconn European Manufacturing Services s.r.o.	CZ	Pardubice	A
FSR	Foxconn Technology CZ s.r.o.	CZ	Kutná Hora	A
FSR	Jusda Europe & Foxconn European Manufacturing Services s.r.o.	CZ	Pardubičky	A
FSR	Nippon Express de España S.A.	ES	Madrid	A
FSR	Schenker A/S	DK	Hvidovre	A
FSR	syncreon Netherlands B.V.	NL	Waalwijk	C
FSR	UAB Schenker	LT	Vilnius	A



ASIA PACIFIC REGION

FSR	Company Name	Country	City	Class
FSR	Hellmann Worldwide Logistics (China) Ltd	China	Shanghai	A
FSR	Schenker International (H.K.) Limited.	Hong Kong	Hong Kong	A
FSR	DHL Global Forwarding (Hong Kong) Limited	Hong Kong	Hong Kong	A
FSR	JHJ International Transportation Co.,Ltd.	China	Shanghai	A
FSR	Shanghai EWT International Transportation Co., Ltd.	China	Shanghai	B
FSR	Stats ChipPac Pte Ltd	Singapore	Singapore	A
FSR	Hong Kong Air Cargo Terminals Ltd.	Hong Kong	Hong Kong	A
FSR	Kintetsu World Express (Korea), Inc. Incheon International Airport Logistics Center	Korea	Incheon	A
FSR	DHL Express (Malaysia) Sdn Bhd	Malaysia	Penang	A
FSR	Shanghai Solectron Technical Service Center Co., Ltd.	China	Shanghai	A
FSR	DHL-Sinotrans International Air Courier Ltd. Shenzhen Branch East Service Center	China	Shenzhen	A
FSR	Shenzhen DaTian Logistics Co., Ltd.	China	Shenzhen	A
FSR	Sinotrans Dongguan Supply Chain Management Ltd.	China	Dongguan	A
FSR	DHL-Sinotrans International Air Courier Ltd.-Shenzhen Branch	China	Guangdong	A
FSR	Kintetsu World Express, Inc.	Japan	Chiba	C
FSR	DHL Korea Ltd	Korea	Daejeon-Si	A
FSR	DHL Korea Ltd	Korea	Cheonan-Si	A
FSR	SCHENKER LOGISTICS (Suzhou) Co., LTD	China	Jiangsu	A
FSR	Fu Yo Warehouse Logistics Co., Ltd	Hong Kong	Hong Kong	C
FSR	DKSH Hong Kong Ltd	Hong Kong	Hong Kong	C
FSR	PT. Bollre Logistics Indonesia	Indonesia	Jakarta	C
FSR	Delhivery Pvt. Ltd.	India	Bangalore	C
TSR	Company Name	Country	City	Class
TSR	Kunshan Tianyun International Transportation Co.,Ltd	China	Khunshan	Level 2
TSR	Speedtrans International Logistics Limited	Hong Kong	Hong Kong	Level 2
TSR	Shenzhen Gonda Logistics Co., Ltd	China	Shenzhen	Level 2
TSR	Shanghai Branch, Sinotrans Logistics Development Co., Ltd.	China	Shanghai	Level 3



AMERICAS REGION

FSR	Company Name	City	State	Country	Class
FSR	Ingram Micro Mobility	Plainfield	Indiana	USA	A
FSR	Ingram Micro Mobility	Plainfield	Indiana	USA	A
FSR	Ingram Micro Mobility	Plainfield	Indiana	USA	A
FSR	Ingram Micro Mobility	Jeffersonville	Indiana	USA	A
FSR	Ingram Micro Mobility	Plainfield	Indiana	USA	A
FSR	DHL Express Americas	Tampa	Florida	USA	A





AS CYBERCRIMES CONTINUE TO ESCALATE, IS YOUR SUPPLY CHAIN OFFERING AN EASY 'SIDE DOOR' FOR ATTACKERS TO EXPLOIT?

It would be incredibly naïve to think there are still business people who haven't at least heard of the threat of cybercrime. And, arguably, equally negligent to assume that most of them are doing something about it.

For SMEs there's sometimes the thought process that cyber criminals only target big brand multi-national businesses with high value reputations to protect. For others, it's simply a case of understanding where to begin, the cost of cybersecurity and how to know if the actions they're taking will make them safer from attack.



A new 'Cyber Readiness Report 2019' published this month by the global specialist insurer Hiscox – based on a survey of 5,400 firms across seven countries – provides plenty of food for thought for anyone still left in any doubt about the level of threat facing businesses today.

The report identifies:

- The number of firms reporting cyber incidents has risen from 45% to 61% in the last year
- While larger companies are still the most likely to suffer a cyberattack, the proportion of small firms (less than 50 employees) reporting one or more incidents is up from 33% to 47%. For medium sized firms with between 50 and 249 employees, the proportion has leapt from 36% to 63%

- For the first time, a significant majority of firms surveyed said they experienced one or more cyberattacks in the last 12 months
- No industry is immune - in every one of the 15 sectors tracked in this report, the proportion of firms reporting one or more attacks has risen sharply
- Both the cost and frequency of attacks have increased markedly compared with a year ago, and where hackers formerly focused mainly on larger companies, small-and-medium-sized firms are now equally vulnerable
- The mean figure for losses associated with all cyber incidents among firms reporting attacks has risen from \$229,000 in the previous year to \$369,000 – an increase of 61%, with medium and large firms bearing a disproportionate amount of the cost
- Nearly a quarter of firms (24%) suffering a cyber incident report a virus or worm infestation and 17% a ransomware attack. The number suffering a distributed denial-of-service (DDoS) attack is up from 10% to 15%. The frequency of attacks has also increased markedly. Among firms that experienced cyberattacks, the proportion reporting four or more incidents is up from 20% to 30%

Hackers formerly focused mainly on larger companies, but this latest report shows small-and-medium-sized firms are now equally vulnerable.



- Bigger firms are more likely to have suffered repeat incidents. More than a fifth (21%) experienced five or more attacks in the year
- Data theft has become commonplace; the scale of ransom demands has risen steadily

Regulation is going some way to improving awareness and mandating a baseline of cybersecurity rigour, the Hiscox report states. In 2018, the introduction of the EU's General Data Protection Regulation (GDPR), to which businesses have adapted, has also generated an uptick in demand for cyber insurance. Companies are also investing more in cyber protection; the average spend on cyber is now \$1.45 million and the pace of spending is accelerating. The total spent by the 5,400 firms in the report totaled a remarkable \$7.9 billion. And, two-thirds of respondents said they planned to increase their spending on cyber by 5% or more in the year ahead.

Respondents were asked a series of questions covering their approach in four areas – strategy, oversight and resourcing on the one hand and technology and process on the other. Based on their feedback, the study ranked respondents on a scale from 'cyber novice' and 'cyber intermediate' to 'cyber expert'. Overall, the proportion of firms that made it into the expert category was slightly down year-on-year from 11% to 10%. Intermediates made up a further 16% and novices constituted the remaining 74%.

The total spent by the 5,400 firms in the report on cyber protection totaled a remarkable \$7.9 billion. And, two-thirds of respondents said they planned to increase their spending on cyber by 5% or more in the year ahead.



Regulation is going some way to improving awareness and mandating a baseline of cybersecurity.



Is the supply chain a weak link?

Although the Hiscox report is now in its third year of publication, 2019 is the first time it asked a series of questions relating to the security of firms' supplier networks.

It states: "Nearly two-thirds of respondents (65%) said they had experienced one or more cyberattacks as a result of a weak link in their supply chain over the past year. The figures were highest in Belgium and Spain (73% and 72% respectively). Overall, three-quarters of technology, media and telecoms (TMT) and transport firms were targeted. Just over half of all firms in the study now include cyber KPIs in their contracts with suppliers. The figure is 65% among enterprise firms but only 39% among small firms."

Asked how often they evaluated the security of their supplier networks, nearly three quarters of firms (74%) said they did so at least once a quarter or on an ad-hoc basis – while 8% of firms said they had increased evaluation of their supply chain as a result of an incident in the past year.

Most significantly, nearly two-thirds of firms (65%) had experienced cyber-related issues in their supply chain in the past year.

TAPA's response to cyber risks

The issue of cybersecurity in relation to supply chains and supply chain partners has been



a key focus for TAPA in recent months as a broad group of the Association's members have considered and drafted a potential Cyber Security Standard for consideration by TAPA's World Wide Council. While this is still a work in progress, it remains on track to 'go live' in 2020 once all of the necessary Standards protocols have been completed.

Andrew Parkerson of Cisco Systems is one of the members of this Subject Matter Expert group. He said: "Those of us with logistics physical security backgrounds can and must

learn the basics of cybersecurity as part of our continuous education and learning, just as we stay current with the physical threats which are changing all the time. Our job is to help protect our companies: this now includes being aware, at least on a high level, where the cybersecurity threats are coming from and the basics on how to help protect against them, and help spread this message to others in the supply chain."

Vigilant invited Andrew to tell us more about TAPA's thinking on cyber and the work that has already taken place as part of the evaluation for a new Security Standard...

In the October 2018 issue of Vigilant, it was stated that no one in the industry has previously addressed cybersecurity from a supply chain security perspective. Why is that?

Individual companies are (1) relying on their own internally-developed cybersecurity guidelines, or (2) don't have the internal teams or expertise to develop cybersecurity standards, or (3) rely on the NIST cybersecurity framework, or (4) have not addressed cybersecurity because of lack of resources, or (5) don't know where to start.

Do you think supply chain security professionals mostly focused on managing physical risk and preventing product losses see cybersecurity as part of their role?

No. But they should. One problem is finding training which is not too technical but is technical enough. SANS.org has training courses (SEC401: Security Essentials Bootcamp Style) and is a good start. Pricy, but self-paced, online course. And, they need to engage with their IT department if they can. Also attend industry conferences such as Black Hat (Las Vegas, APAC, EMEA) or RSA Security conference (San Francisco, APAC, EMEA). Here again, maybe very technical, but the exposure to what the IT folks are talking about is invaluable.

Is the thinking behind the new Standard that it would mostly benefit SME members which, perhaps, don't have the same level of cyber security as big global brands?

Yes, I believe that is the goal. To give the medium-to-smaller companies a starting point. And, maybe to give to larger companies who have not thought about incorporating physical and cyber security into their auditing framework when dealing with suppliers.

'Our job is to help protect our companies: this now includes being aware, at least on a high level, where the cybersecurity threats are coming from and the basics on how to help protect against them.'

What type of reception do you think a supply chain security director is going to get when they try to get their inhouse IT teams to adopt a future TAPA cybersecurity Standard?

I am willing to bet that most IT departments have not thought of cybersecurity in terms of their supply chain partners. The larger companies, maybe. But is there engagement between the IT departments? Probably not at the level that it needs to be. Thus, our Standard can be used as a base line, used to open the discussion between a company's supply chain and IT departments.

Do you think SME businesses – from a supply chain security perspective – see cybercrime as a genuine threat or do they feel safer because they expect cyber criminals to be targeting big multi-national businesses?

I think that if they don't see cybercrime as a genuine threat, they are fooling themselves. Businesses of all sizes can be targeted. Smaller businesses are used as side doors to get into bigger businesses, as we have already seen in many high-profile cases.

At this stage, is there anything more TAPA members can be doing to support your development work?

In due course, provide feedback on the proposed Standard. What don't we know; what knowledge, training would be helpful;

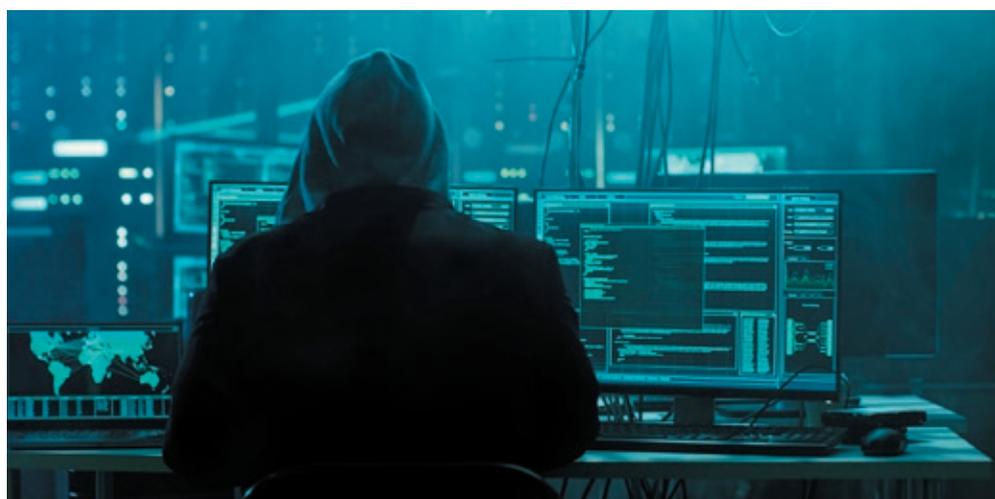
what experiences have they seen? We had a large number of people who wanted to be involved in the development but were unable to participate on a regular basis. Having them take a look at the Standard with a fresh set of eyes and giving input will be helpful.

What would you say to a TAPA member who feels cybersecurity falls outside of the traditional cargo crime prevention role in companies?

Supply chain security risk is now part of our job. The interconnection between physical and cyber risk is real. Interconnectivity between companies' IT systems is how business is done; if your partners' systems get hacked, your own systems could be hacked. Think of how that would affect your company's ability to operate. What about your company's reputation? Do you want to be the next high-profile victim



'Businesses of all sizes can be targeted. Smaller businesses are used as side doors to get into bigger businesses, as we have already seen in many high-profile cases.'



with all the damage that ensues? Automation is growing; trucking, warehouse operations, customer requirements for faster, better information on shipments. This all brings cyber risks.

Is there anything else you'd like to add?

Thanks to all the TAPA members throughout the world that took part in developing the proposed Standard. Open, frank discussion without egos.

What constitutes good and bad practice?

GOOD

- Executive buy-in – cyber security is a priority for the board or proprietor
- Clear strategy set by multiple stakeholders within the business
- Dedicated head of cyber or team
- Adequate cyber budget – on average, experts spend over \$1 million more on cyber than novices
- Regular evaluation of supply chain, security KPIs in supply contracts
- Process – ability to track, document, measure impact
- Cyber awareness training throughout the workforce
- Proactive testing – through simulated attacks
- Regular phishing experiments
- Readiness to learn, respond, and make changes after an incident
- Cyber insurance policy in place

BAD

- Cyber security dealt with on ad-hoc basis – no clear line of responsibility
- No formal cyber strategy, no dedicated cyber budget
- Over-reliance on technology, light on people
- Slow response to incidents
- Occasional, often patchy, employee awareness training
- No evaluation of supply chain vulnerabilities
- No simulation of cyberattacks or employee responses
- Reliance on general property insurance

Source: Hiscox Cyber Readiness Report 2019

To access the full Hiscox report, [click here](#)

OTHER USEFUL SOURCES:

Symantec Internet Security Threat Report – [click here](#)

Cisco Cyber Security Series Threat Report 2019 – [click here](#)

EUROPE, MIDDLE EAST & AFRICA REGION

CARGO CRIME MONITOR

CARGO THEFT BY COUNTRY

March 2019

Belgium	3 (0.6%)
France	156 (30.3%)
Germany	3 (0.6%)
Malawi	1 (0.2%)
Netherlands	55 (10.7%)
Nigeria	3 (0.6%)
Romania	2 (0.4%)
Slovakia	1 (0.2%)
South Africa	9 (1.8%)
Spain	2 (0.4%)
Sweden	175 (34.0%)
Switzerland	1 (0.2%)
Uganda	1 (0.2%)
United Kingdom	101 (19.6%)
Zimbabwe	1 (0.2%)

Number of incidents in month



€4,428,527

Average loss for the 9 major cargo crimes reported to TAPA's Incident Information Service (IIS) in March 2019



€6,260,476

Total loss for the 106 or 20.6% of crimes stating a value

+264.5%

Year-on-year change in the number of recorded cargo crimes vs. March 2018

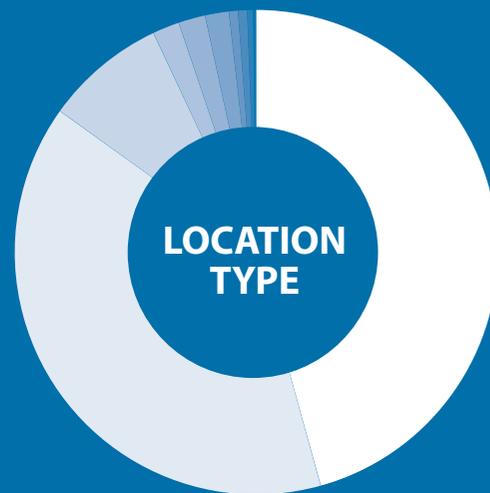


514

Number of new cargo crimes recorded by TAPA's IIS in EMEA last month



Theft from Vehicle	286 (55.7%)
Theft	175 (34.0%)
Theft of Vehicle	22 (4.3%)
Hijacking	9 (1.8%)
Theft from Facility	7 (1.3%)
Theft from Trailer	7 (1.3%)
Theft of Trailer	3 (0.6%)
Theft from Container	2 (0.4%)
Robbery	2 (0.4%)
Truck Theft	1 (0.2%)



Unsecured Parking	235 (45.7%)
Unknown	202 (39.2%)
En Route	42 (8.1%)
Origin Facility	9 (1.8%)
Destination Facility	9 (1.8%)
Secured Parking	8 (1.6%)
Maritime Transportation Facility	3 (0.6%)
Authorised 3rd Party Facility	3 (0.6%)
Aviation Transportation Facility	2 (0.4%)
Services 3rd Party Facility	1 (0.2%)

€1,987,886

Biggest single loss - Theft of Trailer loaded with perfume from an Authorised 3rd Party Facility in Oxfordshire, UK, on 10 March,

Number of countries in EMEA reporting incidents

15



8 Crimes in EMEA recording a loss value of between €50,000 & €100,000 produced a combined loss total of €611,092

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

 **€59,061**

AVERAGE LOSS VALUE LAST MONTH

 **45.7%**
Or 235 of the recorded incidents took place in Unsecured Parking locations



MODUS OPERANDI USED IN LATEST CARGO THEFTS:

Intrusion	256 (49.8)
Unknown	199 (38.8%)
Theft from Moving Vehicle	30 (5.8%)
Violent & Threat with Violence	20 (3.8%)
Internal	6 (1.2%)
Deceptive Stop	1 (0.2%)
Deceptive Pick Up	1 (0.2%)
Deception Other	1 (0.2%)

TAPA CASTS ITS NET OVER A RECORD NUMBER OF CARGO CRIMES IN EMEA

The work of TAPA EMEA's IIS Team to gather more sources of cargo crime intelligence is giving the Association's members an ever-increasing pool of information to manage risk in their global chains across the region.

After the 68.7% and 77% year-on-year growth in incident reports to TAPA's IIS database in January and February, figures for last month made an even higher jump – up 264.5% over the corresponding number for March 2018 – to 514 incidents, the highest-ever monthly total recorded in the EMEA region by the Association. This is likely to increase even further with incidents still being added to the database.

Three countries in EMEA reported over 100 incidents to TAPA's Incident Information Service (IIS) in March:

- Sweden – 175 incidents, 34% of the monthly total
- France – 156 or 30.3%
- United Kingdom – 101 or 19.6%

The Netherlands was the one other country to record a double-digit rate of incidents, with 55 or 10.7%.

Overall, losses or attempted thefts were notified to TAPA's IIS in 15 countries in the region, including five in Africa; South Africa (9 crimes), Nigeria (3), Malawi (1), Uganda (1) and Zimbabwe (1).

The 106 or 20.6% of incidents reporting a value produced a loss total of **€6,260,476** or an average for these crimes of **€59,061**.

Nine major cargo thefts took place during the month, totalling more than **€4.4 million**. These were:

€1,987,886

The theft of a trailer loaded with perfumes after thieves used a tractor unit to smash their way through the entry gates of an Authorised 3rd Party Facility in Oxfordshire, UK, on 10 March.



€582,301

In a separate incident in the same UK county last month, thieves set fire to six portacabins and stole nine HGVs after breaking into a secured compound.



€573,414

The third highest recorded loss ended with two suspects being shot dead by police in Kampala, Uganda. According to the intelligence report, the driver of a cash-in-transit vehicle and two accomplices laced the food of the truck's two security guards with sedatives and waited until they were unconscious before moving the cash to another vehicle. However, police officers soon intercepted the vehicle and two of the offenders were shot as they tried to escape. The crime was recorded on 6 March.



€409,000

A Theft with an Internal M.O. was reported to TAPA EMEA on 15 March after a shipment of control units for cars – some 1,800 in total – disappeared near the town of Sibiu in Romania. At the time, the cargo was en route from the manufacturer to a logistics centre in Malacky, Slovakia, and was ultimately destined for a receiving plant in Neckarsulm, Germany.

€291,204

The loss of assorted kitchen products and household appliances after a truck was stolen from a secured parking in Gloucester in the UK on 1 March.



€187,383

A truck carrying copper was hijacked in Hammanskraal, Gauteng province, in South Africa on 25 March.





€157,000

Another shipment of car parts – this time from Biartorbágy in Hungary – was stolen while en route to a plant in Wunstorf, Lower Saxony, Germany. This incident, reported on 6 March, also stated Internal as the modus operandi.

€123,858

A number of offenders stole a truck and two trailers carrying soap, toothpaste, toothbrushes, deodorants and shower gels after stopping the vehicle while it was travelling in Irene in Pretoria, South Africa, on 1 March. The vehicle's tracking system led a police SWAT team to a location where the truck was recovered but the cargo was missing.



€116,481

Motorbikes were stolen from an unattended shipping container left in an unsecured parking location in Christleton, Cheshire, in Northwest England on 2 March.



With a lower than usual number of crimes with financial data, there were only eight incidents recorded with loss values of between **€50,000** and **€100,000**. These included:



€95,973 – 55 pallets of Food & Drink stolen from a vehicle in Landskrona, Sweden on 10 March

€88,906 – 36 tonnes of copper concentrates stolen in Zimbabwe. Two drivers were allegedly involved in the theft.

€94,643 – the hijacking of a truck carrying alcohol products in Germiston, South Africa, on 29 March. In this incident, attackers opened fire on the tyres of a security vehicle and threatened the truck driver with a gun. However, the thieves were apprehended by police officers as they tried to hitch the trailer to another vehicle.

€88,805 – the loss of electronics products from a truck parked in an unsecured location in Helsingborg, Sweden

€69,887 – a shipment of televisions stolen from a truck in an unsecured parking place in Cheshire, UK



In Sweden, multiple supply chain attacks were recorded in Helsingborg, Landskrona, Malmo and Stockholm with losses including 128 televisions, 612 pairs of shoes, 13 pallets of electric toothbrushes, cigarettes, food, alcohol, razor blades and electronics.

Hotspots for cargo crimes in France in March included six regions with double-digit incident rates:

- Grand Est – 36 incidents
- Hauts-de-France – 28 incidents
- Île-de-France – 23 incidents
- Bourgogne-Franche-Comté – 16 incidents
- Auvergne-Rhône-Alpes – 11 incidents
- Normandy – 10 incidents

The types of products stolen in March were unspecified in nearly three-quarters of crimes reported to TAPA’s IIS. Of the remaining 15 TAPA IIS product categories, Tobacco once again recorded the highest number of losses – 25 in total or 4.9% of freight thefts last month. Three other product categories suffered 10 or more losses:

- Food & Drink – 17 (3.3%)
- Clothing & Footwear – 16 (3.1%)
- Furniture/Household Appliances – 12 (2.3%)

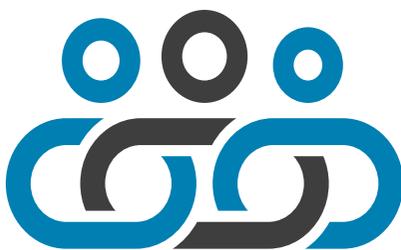
The majority of incidents involved Theft from Vehicle crimes – which represented 286 or 55.7% of the monthly total, ahead of the 175 or 34% of cases of Theft and eight other types of incidents.

Unsecured parking locations continued to present the greatest risk to goods moving in supply chains across the EMEA region. They accounted for 235 or 45.7% of the March 2019 total, while Intrusion was the modus operandi recorded in 49.8% of crimes.

With new cargo losses continually being added to the IIS database, TAPA EMEA members are encouraged to review the detailed intelligence available online to support their risk management programmes. The IIS database also includes further information of all of the cargo crimes recorded in March.

PRODUCT CATEGORY	No	%
Unspecified	383	74.5%
Tobacco	25	4.9%
Miscellaneous	20	3.8%
Food & Drink	17	3.3%
Clothing & Footwear	16	3.1%
Furniture/Household Appliances	12	2.3%
No Load (Theft of truck and/or trailer)	9	1.8%
Cosmetics & Hygiene	7	1.3%
Metal	5	1.0%
Computers/Laptops	5	1.0%
Car Parts	4	0.8%
Tools/Building Materials	3	0.6%
Tyres	3	0.6%
Pharmaceuticals	2	0.4%
Phones	1	0.2%
Sports Equipment	1	0.2%
Cash	1	0.2%

WELCOME TO OUR NEW MEMBERS



Please join us in welcoming the latest members to join TAPA Asia Pacific...

Company	Country	Website
Royale Cold Storage North Inc	Philippines	www.royalecoldstorage.com.ph/
Special Commodity Logistics Pte Ltd	Singapore	www.rhenus.com/en/sg/
Karuda Transportation Sdn Bhd	Malaysia	www.karuda.com.my/
Shan Poornam Metals Sdn. Bhd.	Malaysia	shanpoornammetals.com/
Sinotrans Dongguan Supply Chain Management Ltd.	China	www.cn-olsc.com/about-us
Man Shun Shipping Company Limited	Hong Kong	www.gd.sinotrans.com/
GEODIS Australia Pty Ltd	Australia	www.geodis.com/en/prehome

Please join us in welcoming the latest members to join TAPA EMEA...

Company	Country	Website
Redtortuga	ES	www.redtortuga.com
Trendy Foods Luxembourg S.A.	LU	www.trendyfoods.com
MediaMarktSaturn Retail Group	DE	www.mediamarktsaturn.com
Alarmplane.de GmbH	DE	www.theftex.com
ESA s.r.o. sp. z o.o.	PL	www.esa-logistics.pl

Please join us in welcoming the latest members to join TAPA Americas...

Company	Country	Website
Vertex	USA	https://www.vrtx.com

NORTH YORKSHIRE POLICE LAUNCH INITIATIVE TO PREVENT CARGO CRIME AND CATCH OFFENDERS



North Yorkshire Police in the United Kingdom have launched a special 'Op Cargo' initiative to catch gangs who slash the covers of curtain-sided commercial vehicles and raid the contents, often when the driver has parked up for the night.

In a press release, the force said officers are using a range of policing tactics to prevent crimes happening and catch offenders. They will also work with drivers, haulage companies, service stations and agencies - including the National Vehicle Crime Intelligence Service (NaVCIS) - to support their objectives.

The operation will be ongoing and will run throughout the county. It will focus on specific areas where lorry drivers are vulnerable, such as service stations and laybys, the media statement says.

This year, North Yorkshire Police say they have received around 50 reports from drivers about stolen cargo after their vehicles were

tampered with. Inspector Dave Murray said: "Because of our location, a lot of heavy goods vehicles travel through North Yorkshire. While the vast majority do so safely, we know that there are criminal gangs who come into the area to target these vehicles.

"We've always taken haulage theft in North Yorkshire seriously but this is the first time we've worked in partnership with NaVCIS and businesses to focus on the problem. We'll be using a range of tactics that we know are effective to prevent haulage crime in the first place, to reassure HGV drivers, to reassure the public and to disrupt and deter criminals from coming to North Yorkshire to commit crime."

'It is not simply down to the police to fix this. Industry has an important role to play too in terms of adopting the best preventive measures to keep our goods, vehicles, facilities and employees safe. One of the most effective solutions is to implement TAPA's Security Standards to make supply chains more resilient.'

In 2018, around £90 million of goods were stolen from haulage vehicles in England and Wales, with nearly 900 reports to date in 2019, the press release said.

It reinforced intelligence already well-known to TAPA EMEA members that criminals often work in gangs to cut their way into lorries and load the goods onto a waiting vehicle. They target a range of items that are then sold on the black market, including alcohol and tobacco, electrical goods or vehicle parts.



Thorsten Neumann, Chairman of TAPA EMEA, said: "The high level of cargo crime in the UK has been one of the main features of our Incident Information Service (IIS)

intelligence in recent years. We are also well aware of the outstanding efforts of UK law enforcement agencies and NaVCIS to tackle this problem and this great initiative by North Yorkshire Police is the latest example of this commitment to stop crimes from occurring and to ensure offenders face justice. However, it is not simply down to the police to fix this. Industry has an important role to play too in terms of adopting the best preventive measures to keep our goods, vehicles, facilities and employees safe.

"One of the most effective solutions is to implement TAPA's Security Standards to make supply chains more resilient. By doing this, companies can protect themselves better and reduce the number of investigations police authorities are asked to undertake, enabling them to concentrate their resources on bringing down the organised crime groups which are so often behind these attacks."



INDIA'S SUPPLY CHAIN STORY: REAPING REWARDS AFTER BIG CHALLENGES

The \$2.5 trillion Indian economy has been growing at a healthy clip, and India continues to be one of the fastest growing economies in the world. The emerging opportunities due to industry-friendly government policies like Make in India (companies being encouraged to make India their manufacturing hub) and Start Up India (the policy push to make India a country of start-ups) has been encouraging global companies to do business in India.

But one of the nuts and bolts of the economy – its supply chain that needs to consistently improve and keep getting more efficient with each passing year – faces risks that are detrimental to domestic and global companies doing business in the country. India still needs to build efficient supply chains that will reduce

'As Indian companies expand their wings, within and outside the country, risk to their supply is emerging as one of the bigger challenges that they need to address urgently.'

the time for raw materials and finished goods to be processed to reach the right customers.

According to the World Bank Logistics Performance Index (LPI) for 2018, India is ranked 44th in the world. It is the weighted average that a country scores on six counts – efficiency of clearing process, ease of arranging shipments, quality of logistics services, tracking and tracing of consignments, timeliness of shipments and quality of trade and transport infrastructure. Germany and Singapore are the best ranked while India is beaten by countries like Estonia, Slovenia and Greece. It has inched up from 47 in 2013 but there is still a long way to go.

When companies begin to outsource small or large parts of their supply chains to third parties, risks have to be factored into the business.

As Indian companies expand their wings, within and outside the country, risk to their supply is emerging as one of the bigger challenges that they need to address urgently. Building TAPA standards into their supply chain model could help transfer the risk and ensure accountability with the respective stakeholders.

Risks around India's supply chain

There are stories of thermal power plants running low on coal, one of their key raw materials, manufacturing disrupted due to labour unrest and a whole lot more. When the prices of petrol and diesel fluctuate, it adds the risk of escalated cost to the purchases as well as for transport companies.

Forecasting errors, not unheard of in India, can add to the unpredictability that supply chains face. The lead times could be long, products could have a short life cycle and orders placed by intermediaries within the supply chain could complicate matters further. For companies, this could mean misallocation of resources in inventory, facilities, transportation, sourcing, pricing and, worse, information management.

Communication and the flow of information can get challenging. Retailer and/or distributor and every branch carries out their own forecasts. At each location, sales managers calculate their own forecasts. These in turn are further modified by area sales executives. This repeated modification, together with the fact that forecasts are sometimes carried out in the absence of correct information, could lead to a high margin of error. Not all companies have a wide enough presence that they can ensure everyone follows a uniform practice.

While demand risk and one-time incidents can be handled as an emergency, for several global companies, it becomes too much if this is repeated frequently. Some unpredictable factors, which are tough to account for during the planning process, can kick in at different times. When dealing with a country of the size of India, cultural risks have to be factored in. What works in the northern part of India as a business practice may not hold true in the other regions. Such variations have to be factored in when companies consider expanding their supply chain.

In some regions of the country, supply chains can be disrupted because workers at the plant may resort to potentially unreasonable demands. India's automotive belt in the National Capital Region, which houses several automobile companies and their suppliers, has seen some unwanted situations.

The Managing Director of a European company, Graziano, was killed after workers stormed a plant some years ago.



'Some of the incidents mentioned caught media attention because they happened in close vicinity to the capital, Delhi ... but not all of them may be crimes that grab media headlines, however, they are risks to the smooth functioning of supply chains.'

Similarly, the HR head of Maruti Suzuki plant was killed by irate workers, which disrupted work and caused major losses.

Not easy to report crime

Some of the incidents mentioned caught media attention because they happened in close vicinity to the capital, Delhi. There might be hundreds, indeed thousands, of them which go unreported because they are petty crimes and also happen far removed from the media centres. Not all of them may be crimes that grab media headlines, but they are risks to the smooth functioning of supply chains too.

Imagine a bunch of trucks held up at the border of two states because the policemen either are carrying out a routine check or, occasionally, demand money if the documentation of the vehicles is not complete.

Police are administered in India's 29 states by the local government, without a centralised, digitised crime database, (there are crime records maintained by National Crime Bureau - NCRB, which are not available to public/corporates) with a procedure that may sometimes be at a slight variance with each other. Procedurally, it makes it difficult for transport companies, a critical part of efficient supply chains, to move ahead with business in the face of adversities.

These anomalies make it difficult for TAPA members to report crime and the IIS data being reported is only a fraction of the overall crime issue.

Transport infrastructure: A weak link

For long, the quality of transport infrastructure has been one of the biggest risks to trade and supply chains in India. Regulatory frameworks, which ensure predictability for investors and users alike, and for infrastructure services, are yet to be well developed. Investments in roads, ports, rail and air are only being made in recent years. For supply chains to work efficiently in such a scenario requires a herculean task and, often, higher capital investment.

Even though it takes longer, most of India's logistics transport is dependent on the road infrastructure. India's rail network has been losing cargo transport to roads because of high cost, a trend which has not reversed.

Businesses need to cut down the time supply chains to move raw materials and finished goods from one location to another. The spread of toll roads has improved the quality of road transport. But not all toll plazas still use the fast tags that can automate the passing of vehicles! The National Highway Authority of India operates nearly 450 toll plazas while state governments operate another 500.

STANDARDS FAQs #20



A monthly update by Mark Gruentjes, TAPA EMEA Standards Lead

After receiving a steady stream of questions about TAPA's Security Standards from Audit Bodies and our members, we feel it will be beneficial to share some of the questions received and the responses given by the TAPA EMEA Standards Team. We aim to cover 3-5 questions in *Vigilant* each month.

In this month's article we take another peek into the future of TAPA's Security Standards.

Work has started on the next revisions of the Facility Security Requirements (FSR) and Trucking Security Requirements (TSR). In addition, the development and introduction of a Supply Chain Cyber Security Standard is high on the agenda for TAPA to address the growing threat of criminals attacking vulnerable supply chain equipment, systems and networks. And, through the promotion of the Association's new Parking Security Requirements, we are also continuing our efforts to help improve the situation where the lack of safe and secure truck parking continues to underline why this is the category where we see the highest number of incidents.

If you would like to raise a new topic for discussion or ask questions about one of our published responses, please contact us at info@tapaemea.org



Question 1.

How will TAPA introduce control measures to address supply chain cyber threats?

Answer: TAPA is currently looking at ways to introduce cyber threat control measures into both the FSR and TSR Standards. We are very aware that other standards and regulations exist on this topic, so we are being careful not to duplicate what is already out there. A list of cyber threat controls has been developed and now we need to decide which controls should reside in the main body of the TAPA Standards and which ones will be provided as an optional extra that the Logistics Service provider (LSP)/ Applicant can add onto their normal certification.

Question 2.

In a previous article, TAPA mentioned the use of Multi-Site Certification being introduced in the next revision. I already have more than 10 sites certified under the existing single site certification process, so what are my options? Will I be forced to convert to a Multi-Site Certification if I do not see the need yet?

Answer: As mentioned in earlier updates. Multi-Site Certification is in addition to all existing certification options available to users. The main benefit of Multi-Site Certification will be in lower overall audit costs and the possibility of including more sites under the certification at no or low cost. Keeping sites in a single site certification or transitioning them to a Multi-Site Certification option is a decision for the site operators.



Question 3.

As a medium-size courier company, we previously looked at TSR. It was not a good fit for our business as we only operate final mile deliveries using vans. I am now aware TAPA is looking at security requirements for vans and fixed body trucks in the next revision. Should I relook at TSR certification for my business?

Answer: The opportunity to certify and include vans and fixed body trucks in the next revision of the TSR is an existing development. It will bring measurable security quality to an industry sector that has seen significant growth in recent years. So, yes, we strongly advise any operators of vans and fixed body trucks to take a look at the revised TAPA TSR 2020 as soon as it is available later this year. The new requirements will come into force on July 1, 2020.

STANDARDS SUPPORT



Question 4.

I want to use secure parking sites for my trucks in transit. I find that there are not enough sites with parking places available or they are expensive to use. What is TAPA's view of this situation and why do you think your PSR Standard will make any difference?

Answer: Unfortunately, the problem of a lack of safe and secure parking for trucks is not new. There are many reasons why this situation exists, and it will require industry and national governments to collaborate on finding realistic solutions. Existing secure parking schemes are fragmented and provide limited coverage. This needs to change. The EU has just completed a study and is looking to introduce a safe

and secure parking standard, but it may be some time before this is formally launched.

The introduction of TAPA PSR was in response to direct requests from our members for TAPA to play a role in addressing the "lack of parking" problem. We cannot solve this on our own but hope to make a meaningful contribution.

We hope the PSR certification scheme, which includes information on approved parking locations as well as access to incident data for risk assessment use, will be successful in attracting many existing parking place owners to adopt the Standard and become more visible to the industry. We are also committed to aligning

with the EU and other regulators which are considering introducing similar standards. It is our stated goal that adopting TAPA PSR will be a stepping stone aligning with any future regulatory standards.

It makes no sense to have competing or different standards, but TAPA wants to play a role now and in the future in managing the certification, and promoting the use of parking sites. Because TAPA PSR is available for use now, the growth in new users is gaining momentum. So, we believe PSR has a very important role in advance of future regulatory parking requirements as well as a continued role in promoting the availability and use of safe and secure parking when regulations are introduced.

MAKE A DATE

DUBLIN 2019

TAPA EMEA CONFERENCE

23&24 OCTOBER

TAPA
Transported Asset Protection Association

TAPA SECURITY STANDARDS

Working with our global members to grow best-in-class supply chain resilience.

TAPA's Facility Security Requirements (FSR), Trucking Security Requirements (TSR) and Parking Security Requirements (PSR) are highly-respected 'by the industry, for the industry' Security Standards designed to help you manage risk and maintain the resilience of your supply chains. We're ready to help **your** certification programme.

Grow with us.

FSR

TSR

PSR



Contact our Standards Team at info@tapaemea.org