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# Cargo Theft & Logistics



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## What is cargo theft?

Cargo theft is the act of unlawfully taking another's goods. It can take many forms and can happen during all stages of the movement of goods in the supply chain. Goods are particularly exposed to a potential theft when they are being moved by truck and rail or from ship to ship and at ports. Whatever form it takes, it is a major difficulty for all parties in the supply chain.

Cargo theft, although not a new issue in the industry, is being increasingly focused on by marine insurers, as rates continue to rise. The International Union of Marine Insurance ("IUMI") recently commented that cargo theft had "*reached alarming proportions*"<sup>[1]</sup>. Cargo theft takes different 'forms' depending on which country you focus on, making it very difficult to combat, especially when there are already low levels of law enforcement. Instead of stealing goods directly from trucks, criminals are now using more sophisticated methods of theft, such as jamming GPS tracking systems and infiltrating organisations within the supply chains. There appears to be no preference on which goods to pilfer, and anything from electronics to food is targeted. Criminals are also no longer limited to selling the stolen goods on the 'black market', but now openly trade through online platforms. Rather shockingly, it is regarded within the industry that if the theft is not reported within 4 hours of occurring, the chance of a positive recovery is lowered by [around 60%](#).

## What are the effects of cargo theft?

The effects of cargo theft are wide-ranging and it impacts on a long list of stakeholders. Commercial costs to the companies, or individuals, who have suffered the crime include loss of sales, repair costs, penalties for late (or no) deliveries, and loss of reputation. It is also economically damaging. A 2008 EU/Europol study found that Europe's economy alone suffers EUR 8.2bn annually at the hands of stolen cargo.<sup>[2]</sup> In just one month, August 2019, South Africa suffered 4 major cargo thefts totalling almost [EUR 18 million](#). The ultimate impact is that at the end of the supply chain, prices increase for consumers, with the difference offsetting the cost of the theft. IUMI's calls for improvements to prevent cargo theft therefore come as little surprise.

Cargo theft has become one of the most prevalent legal issues in the distribution, transportation and logistics

industry. IUMI has suggested a range of preventative measures to curb this global issue.

- Creating special police units and improving law enforcement;
- Creating a network of secure truck parking areas and high-security storage facilities; and
- Cross-border communication on best practices and the current problems/trends in the area.

The EU has also developed a toolkit, designed to assist in educating and assisting the road transport industry and their drivers, in recognition of the fact the almost ¾ of intra-European trade is transported by road.

If you would like further information about cargo theft and logistics, contact our [Bournemouth and Southampton marine solicitors](#) at Lester Aldridge.

[1] Page 1 - [https://iumi.com/images/Berlin2015/IUMI\\_Position\\_Paper\\_Theft\\_Prevention15.09.2015.pdf](https://iumi.com/images/Berlin2015/IUMI_Position_Paper_Theft_Prevention15.09.2015.pdf)

[2] EU/Europol study based on Transport Asset Protection Association IIS figures from 2008