

## Cargo Thieves are Getting More Aggressive and Sophisticated

### Mexican Situation Getting Extreme; 40 Attacks since 2008 for Third Largest Steel Maker

SCDigest Editorial Staff

**A**cross the globe, cargo robberies and hijackings are increasing in frequency, violence, and sophistication.

Once largely the province of amateurs, the practice is now largely run by professionals, with hundreds of known gangs in Europe alone. A relatively modest problem in the US, cargo theft is a major and growing problem in many parts of Europe, South America, Malaysia and Mexico – and increasingly violent.

“Our trucks always travel in Mexico with an armed guard,” a director of transportation for GM told SCDigest last year.

#### Mexican Problem Escalating

With a huge chunk of Mexican government and police resources tied up in the fight against the drug cartels there, thieves are ramping up their efforts to steal freight, says a story today from Reuter’s news.

The thieves not only carry heavy fire power, but increasingly sophisticated equipment to unload the stolen cargo and move it quickly to the black market. Everything from steel to coffee to food products is being targeted.

Reuters says for example that Altos Hornos de Mexico (AHMSA), the country’s third largest steel maker, has been victim of nearly 40 robberies since January 2008.

The fact that steel is among the targets says something itself. In order to unload heavy rolls or steel and find markets for them, “You have to be really well organized,” an AHMSA executive says.

**The costs for insurance, security, and increasingly fancy gear, such as GPS tracking on trailers or containers, continue to rise apace with the increase in cargo theft in Mexico.**

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A steel industry association in the country says robberies against its members rose by 250 percent in 2008, making away with some 12,500 tons of steel worth some \$11 million. The pace has been maintained or accelerated in 2009.

Law enforcement officials in Mexico say the drug wars may be partly responsible, as some members of the drug gangs splinter off and look for lucrative lines of work less targeted right now by authorities.

“Using intelligence gathered from employees either intimidated or paid off to leak transport routes, the well-connected groups can hijack a truck making a pit stop, empty out the cargo and dump the driver on an abandoned road,” Reuters says.

In the case of food, product will often show up at the same markets for which it was originally intended just hours later – but at a lower price.

The problem is not just limited to trucking – even the rail carriers are being hit. Ferromex, one of Mexico’s largest railroads, now pays government

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security forces to guard its trains after a spike in thefts.

Sometimes the hits occur on lonely stretches of highway. Other times, they occur before the goods are loaded.

For example, in the western state of Michoacan, workers packing limes were attacked by men with guns claiming links to two powerful drug

cartels in the region and demanding a fee for each crate before they could be loaded on to a truck – a practice that is becoming increasingly common.

Of course, all this is raising logistics costs for Mexican companies or US companies manufacturing there. The costs for insurance, security, and increasingly fancy gear, such as GPS tracking on trailers or containers, continue to rise apace with the increase in cargo theft.

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