



ICAO

ECONOMIC DEVELOPMENT

Voluntary Air Transport Fund



Targeting Cargo Theft and Delay

The air cargo supply chain is a combined set of interconnected parties, locations, procedures, and information exchanges that enables cargo to move from its origin to its destination by air. It is no easy task to guarantee the smooth movements of cargo through the supply chain. Air cargo industry, transporting high value goods as it does, is a potential target of pilferage. In 2014, losses in Europe, the Middle East and Africa as a result of cargo theft totaled US\$80 million.

On the other hand, the air cargo industry ships around 35% of global trade by value, but for up to 90% of the transport time, the goods may actually be on the ground waiting to be processed, especially in the cases of main gateway airports where the users usually have access issues. According to a recent research by Universal Postal Union, worldwide, of 1,400 international mail corridors, 81.7% (1,143 corridors) are able to deliver the mails in 9 days before the impact of customs and international transport. That number falls to 63.8% (893 corridors) when the customs-clearance impact is added and falls to just 22.9% (320 corridors) after the international- transport impact is also factored in.

Project Purpose & Description

A survey will be conducted to assess the rippling effect of cargo theft and delay on the economy which enables the industry to understand the true scale of the problems and to provide intelligence that helps operators plan their supply chains by using the latest market information. In addition, a universal reporting system will be developed to collect the information of cargo theft crimes. ICAO may consider - on the basis of the information collected - to develop Brochures and Best Practices targeting the cargo theft and delay. ICAO will also encourage each party in the supply chain to use the ICAO Air Cargo Development Forum and the ICAO Air Services Negotiation Event (ICAN) facility to enhance the communications through the supply chain and to pursue more holistic solutions to the cargo theft and delay.

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Benefits

The project is aimed to prevent the massive losses due to cargo theft and delay, and significantly improve the efficiency of the carriers and airports. These benefits can further pass to the insurance companies who take the underwriting risk due to cargo theft and the freight forwarders who are expected by the shippers to provide reliable and efficient services. A thorough research on the supply chain also enables the competency authorities, including customs and civil aviation authorities to better address the supply chain security and the facilitation of the cargo movements.

Budget and support requested

Support will be required to conduct the survey concerning the economic losses due to cargo theft and delay. The budget will also be used to build an online system for ICAO Member States to report the cargo theft crimes all around the globe. Additional funding will be used to facilitate the communications between the parties in the supply chain through ICAO air cargo events.



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For more information on ICAO's Voluntary Air Transport Fund please visit:
www.icao.int/sustainability/Pages/TRAF.aspx

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