



Mexico Fall 2023 Cargo Theft Report



Table of Contents

Executive Summary	Page 3
Spatial and Temporal Analysis for Cargo Theft in Mexico	Page 4
Regional Analysis	Page 4
Analysis of the Top 10 States with the Most Cargo Theft	Page 4
Cargo Thefts by Day and Time	Page 5
Cargo Theft by Product Type	Page 6
Cargo Theft by Location	Page 6
Overhaul Recoveries Q3-2023	Page 7
General Recommendations	Page 7



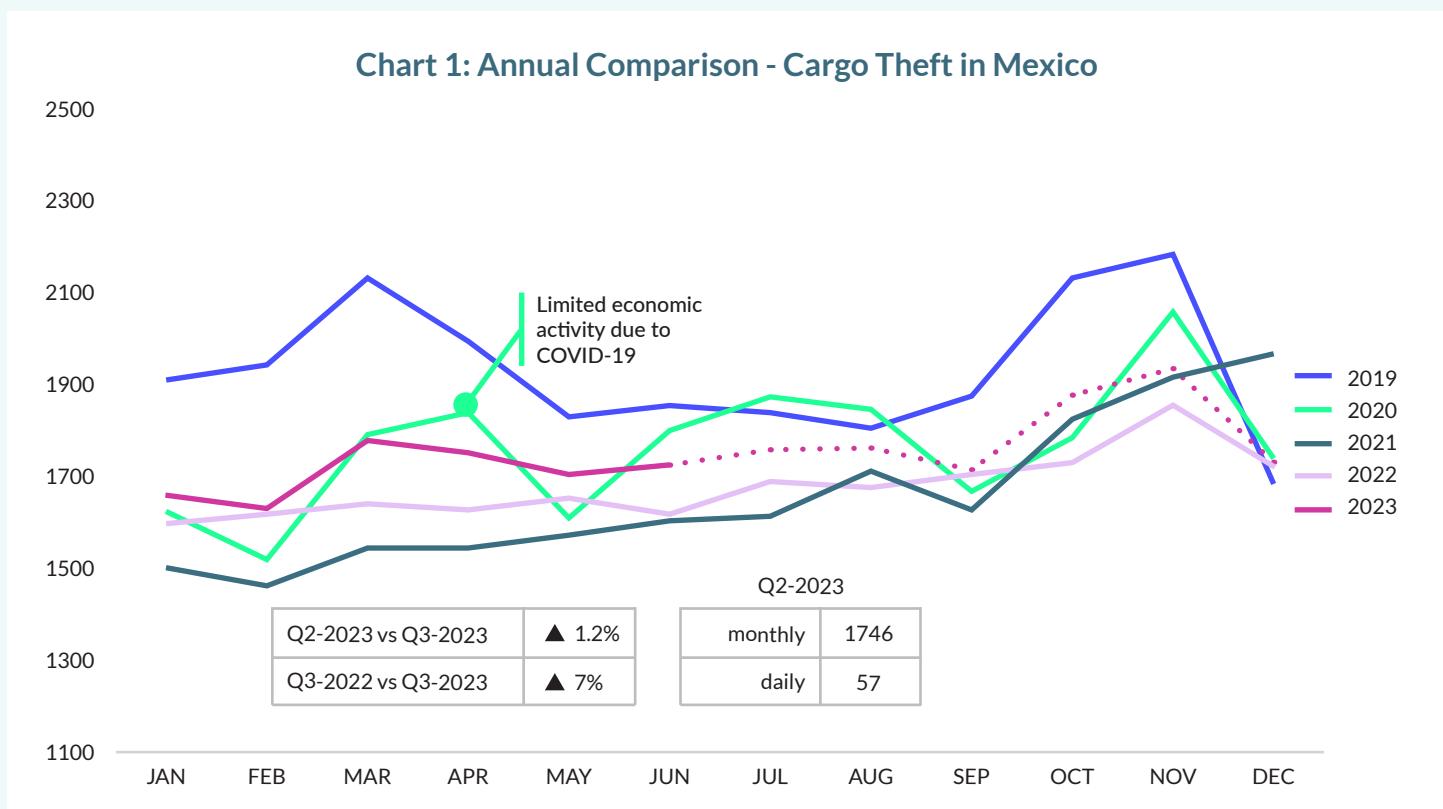
Executive Summary

Overhaul continuously monitors cargo theft in Mexico to provide decision-makers with the quarterly variations regarding criminal activity, with the aim of supporting prevention strategies designed by companies and mitigating risks.

During Q3-2023, Overhaul recorded 5,239 cargo theft events. This amount represents an increase of 1.2% compared to the previous quarter as well as a 7% increase compared to the same period in 2022. During this quarter, the National Public Safety System (SNSP) recorded that 81% of these thefts were violent.

Compared to the previous quarter, the key trends regarding cargo theft remained consistent. The Central region accounted for 65% of cargo theft, showing a shift of criminal activity from the West, Northeast, and Southeast regions to the Central region. Criminal activity continued to primarily occur between Mondays and Fridays, with 58% of crimes occurring between Tuesdays and Thursdays. Throughout the quarter, 54% of the thefts were concentrated between 12:00 a.m. and 12:00 p.m.

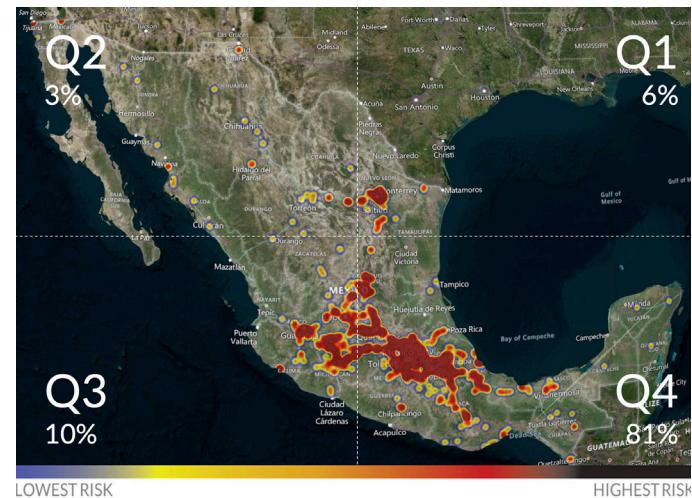
In the Annual Report 2022, Overhaul forecasted the future behavior of cargo theft in 2023, where three possible scenarios were considered: stable, optimistic, and pessimistic. In this report, Overhaul predicted that in the third quarter of the year a figure close to 5,253 thefts could be reached. During this third quarter, 5,239 cargo thefts were recorded, which represents a decrease of -0.3% against projections. Therefore, cargo thefts registered in the third quarter remain within the stable scenario.



Spatial and Temporal Analysis for Cargo Theft in Mexico

By dividing the country into quadrants, it was possible to determine that more than 50% of cargo theft events occurred in the fourth quadrant (Q4 - Central & Southeast Region), which accounted for 81% of the thefts in Q3. This quadrant includes six states, which are listed among the top ten states in Mexico with the highest percentage of cargo theft.

A comparison of Overhaul's analysis for the second and third quarters of the year shows a shift of one percentage point in the distribution of cargo theft from the third to the fourth quadrant. This shift is reflected in the increase in criminal activity in Guanajuato, Jalisco, Hidalgo, and Veracruz, which belong to quadrant 4.



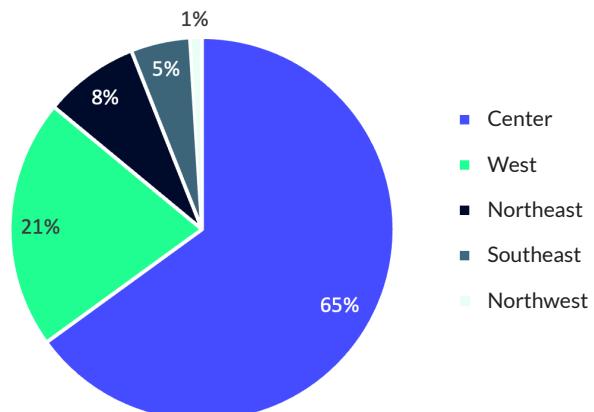
Regional Analysis

During the third quarter, the proportion of cargo theft crimes at the regional level remained stable. The Central region leads the list with 65% of recorded events. This region contains the State of México and Puebla, which occupy the first two places on the national cargo theft lists.

In Q3-2023 the most significant variation occurred in the West region, which decreased from 26% to 21% in cargo theft crimes. That percentage then shifted to the Central (+3), Southeast (+1), and Northeast (+1) regions.

It is worth mentioning that the variations in the distribution of cargo theft by region only show the geographic displacement of criminal activity and not the decrease of theft.

Chart 2: Cargo Theft by Region



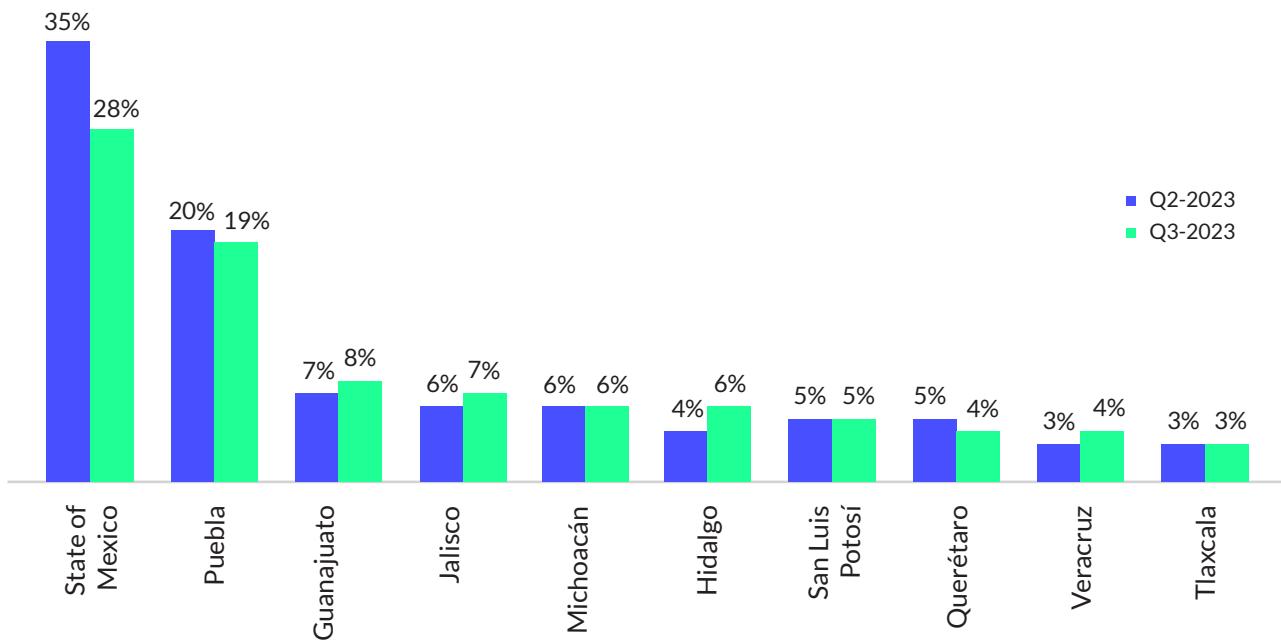
Analysis of the Top 10 States with the Most Cargo Theft

For the third quarter, 90% of cargo thefts were concentrated in ten states. The State of México and Puebla hold first and second place with 47% of all thefts nationwide, accounting for 28% and 19%, respectively. They are followed by the states of Guanajuato (8%), Jalisco (7%), and Michoacán (6%).

In comparison to the previous quarter, Q3 shows a rise in thefts registered in the states of Guanajuato (+1), Jalisco (+1), Veracruz (+1), and Hidalgo (+2). Hidalgo has shown steady increases throughout 2023.



Chart 3: Cargo Theft by States



Cargo Thefts by Day and Time

In Q3-2023, 80% of cargo thefts occurred on business days. The highest incidence was recorded on Tuesdays (21%), Wednesdays (18%), and Thursdays (19%). The days with the least incidence were Saturdays (10%) and Sundays (6%).

The times with the highest risk for freight transport are between 12:00 a.m. and 6:00 a.m. and from 6:00 a.m. to 12:00 p.m. Both periods recorded 27% of the events in the quarter. The most relevant variation was recorded between 12:00 a.m. and 6:00 a.m., which increased 3 percentage points compared to the previous quarter.

Chart 4: Cargo Theft by Day of the Week

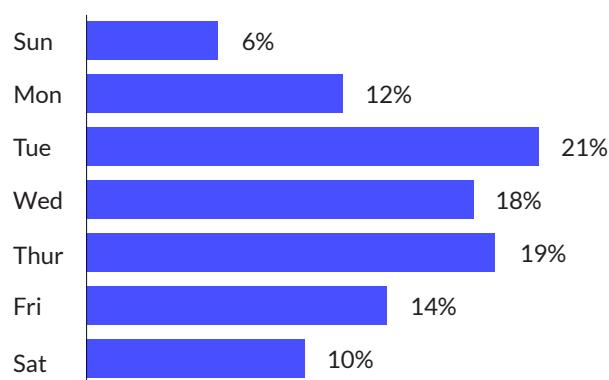
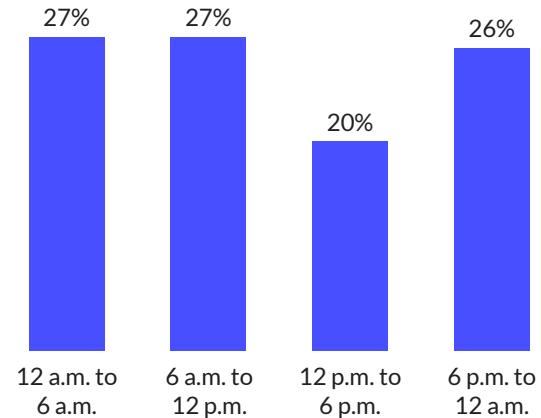


Chart 5: Cargo Theft by Time of Day



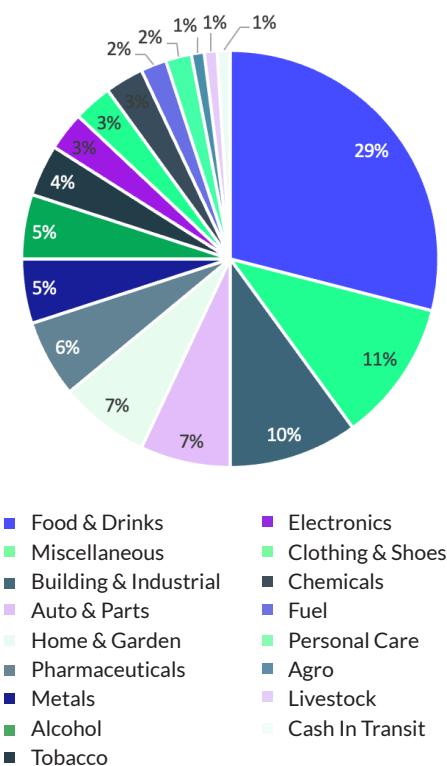
Cargo Theft by Product Type

The three most stolen product types in the third quarter were *Food & Drinks* (29%), *Miscellaneous* (11%) and *Building & Industrial* (10%).

The most significant increases corresponded to the categories of *Auto & Parts* (7%) and *Pharmaceuticals* (6%). Within the first category, the most stolen products were divided as follows: *Auto Parts and Liquids* (54%), *Tires* (29%), and *Vehicles* (17%). Most of the crimes were recorded in the states of Guanajuato (33%) and Puebla (17%).

Most thefts in the *Pharmaceuticals* category corresponded to *Medicines* (61%), followed by *Medical Equipment & Supplies* (17%), *Nutritional Products* (17%), and *Vaccines* (6%). The majority of thefts involving *Pharmaceuticals* were recorded within the states of Jalisco (19%), Guanajuato (14%), and Tlaxcala (14%).

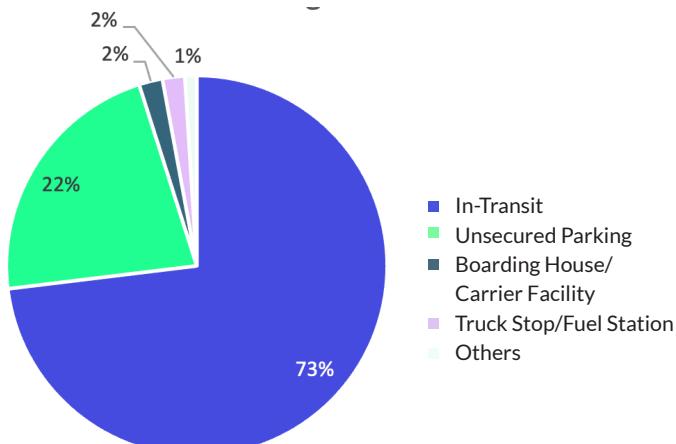
Chart 6: Cargo Theft by Product Type



Cargo Theft by Location

Thefts from units *In-Transit* accounted for 73% of the thefts recorded during the quarter. This percentage showed a decrease of four percentage points with respect to the previous quarter. This was followed by thefts from units in *Unsecured Parking* (22%), *Truck Stop/Fuel Station* (2%), *Boarding House/Carrier Facility* (2%), and *Others* (1%).

Chart 7: Cargo Theft by Location





Overhaul Recoveries Q3-2023

Success Case Story - Recovery of Clothing & Shoes

In September 2023, Overhaul recovered a tractor-trailer with a double container after it was stolen at KM 34 of the Arco Norte Highway (MEX-M40D). The theft occurred around 6:00 p.m. in Jilotepec, State of Mexico, as the unit was in transit. Six men in uniform intercepted the cargo unit and the accompanying custody vehicle, using two tinted pickup trucks without license plates.

The Overhaul Monitoring Center detected the risky situation and immediately initiated an emergency protocol. It established communications with the corresponding authorities both in the State of Mexico and in Hidalgo, at the same time activating the engine stop on the stolen unit. Consequently, the authorities recovered the unit at the 75 KM of the Queretaro-Mexico highways (MEX-57D) in Tepeji del Rio, Hidalgo, at a distance of only 18 kilometers from where the theft took place. The unit was abandoned by the criminals because they were unable to move it. Thanks to combined efforts with the authorities, the two containers were fully recovered, and the driver was rescued.

The key to this success story was the immediate activation of the engine stop command by the Monitoring Center run by the Mexican Security Operations Center (MSOC). The activation of the engine stop command through Overhaul's risk monitoring platform prevented the criminals from continuing to move the unit, forcing them to abandon both the vehicle and the merchandise to avoid making contact with law enforcement.

Electronic security measures provide an immediate reaction time regardless of the location of a theft. Combining prevention strategies with solid communication and strong electronic security measures reduces risk and increases the chances of recovery.

General Recommendations

Given the overall number of cargo theft events recorded in Q3-2023, the percentage of thefts committed with the use of violence, and the spatial and temporal concentrations of the crimes, the Overhaul Intelligence Center evaluates Mexico's cargo theft risk to be SEVERE (5), which is the highest of the five risk levels used.

Considering this situation, security and electronic monitoring measures should be present in all cargo units transiting through Mexico. This is particularly recommended in the case of cargo vehicles that must pass through the Central region of the country.

Overhaul's risk monitoring platform integrates various actors throughout the supply chain to ensure that all parties involved are in constant communication, thus enabling timely alerts regarding risk situations.

