



Brazil: H1-2024 Cargo Theft Report



Table of Contents

Executive Summary	Page 3
Data Collection Methodology and Process	Page 4
Spatial and Temporal Analysis of Cargo Theft in Brazil	Page 5
Regional Analysis	Page 6
São Paulo and Rio de Janeiro – Official Numbers	Page 6
Analysis of the Ten States with the Highest Volume of Cargo Thefts	Page 7
Theft by Day and Time	Page 8
Theft by Product Type	Page 9
Theft by Type of Event	Page 9
Special Report H1 - 2024.....	Page 10
- Analysis of the Cargo Theft of Agrobusiness	Page 10
General Recommendations	Page 12



Executive Summary

Overhaul's H1-2024 Report aims to detail the cargo crime scenario in Brazil based on meticulous studies. The analyses were carried out using a sample of exclusive data collected from public sources, complemented by advanced technological resources and the expertise of specialized analysts. In the report, cargo theft is considered to be all events involving the subtraction, attempted subtraction and/or recovery of raw materials, components, products in process and/or finished products, as well as the theft of cargo vehicles. The main objective of this report is to provide an in-depth understanding of this phenomenon, allowing companies to plan and operate in such a way as to mitigate possible negative impacts on their operations.

Road transportation is the most representative mode of transport in Brazil and, consequently, also the most vulnerable to criminal actions. These actions have become increasingly organized, exploiting flaws in transport processes and causing significant damage to companies, which continue to need to transport their goods. In 2024, up until April, the road haulage segment had accumulated more than 31,000 new formal jobs and recorded more than 265,000 hires. The Southeast region, especially the state of São Paulo, was the most affected, generating more than 17,000 new jobs, according to the National Transportation Confederation.

Despite the positive scenario for private and public investment in the sector, the first half of 2024 was marked by significant challenges. The floods in the state of Rio Grande do Sul in April and May affected at least 470 municipalities, resulting in considerable damage to the population and severely impacting the movement of people and goods. The floods caused landslides, collapsed bridges and blocked access routes, affecting the logistics of supplies, food, medicines and other essential products. Unfortunately, human lives were also lost and the environment was negatively impacted.





With the prospect of economic growth in Brazil for the rest of the year, demand for transportation and logistics services is expected to increase. The growth in consumption, including the increase in online shopping, is expected to intensify the movement of cargo, thereby increasing the exposure of goods to criminal activity.

According to the sample of data that makes up our proprietary database, cargo theft in Brazil has fallen by 17.9% in comparison to the first half of 2023. Comparing the second quarter of 2023 with the second quarter of 2024, our projections also point to a drop of 15.03%. After analyzing our 2024 numbers, the projections show a drop from the first quarter of 2024 to the second quarter of this same year of 2.06%.

Below we will show a series of analyses and comparisons regarding the behavior of cargo theft in Brazil from a spatial and temporal lens. We've also compared patterns among the 10 most affected states, including the day and time of greatest frequency, the most frequent type of event, the most stolen type of product and the type of event that happens the most. We also detail cargo theft trends involving Agrobusiness in our special report session.



Data Collection Methodology and Process

The analyses were developed based on our own data sample. We sought information about events through public sources using technological resources and specialized analysts. This enabled us to obtain data from a significant sample that allowed us to perform statistical analyses. However, Overhaul Brazil Intelligence does not claim to have all the information related to cargo crimes that occur in Brazil in its database. Our goal is to work with the best available information to analyze risks and anticipate possible future scenarios, as provided for in ISO 31,000, and not to establish a simple, exact and complete portrayal of the descriptive reality of the events in the period.



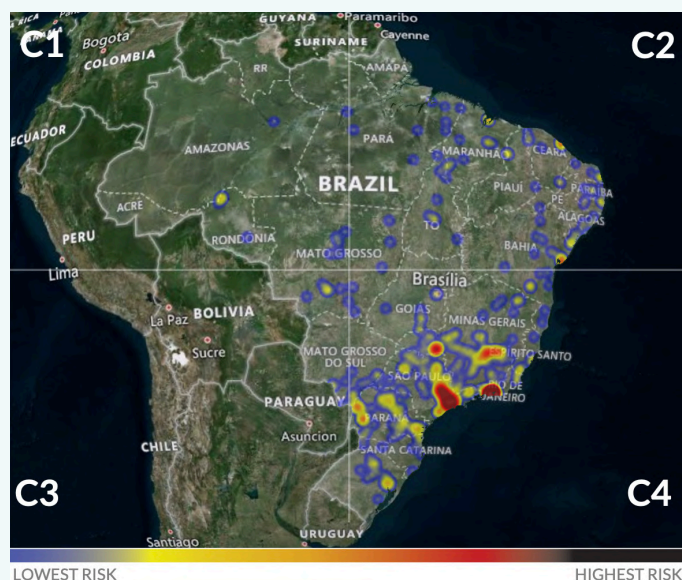
It is important to mention that the data is collected from various sources, such as media open to the public, data from the Public Security Secretariat of the states that provide this information, as well as partner companies that contribute to making it possible to increase our sample and make it more reliable and grounded. Among the open media sources, research is carried out daily and directly by Overhaul's Intelligence team, in addition to having technological support that uses artificial intelligence to search for articles and information globally on the subject.

All information is checked by the Overhaul team, which guarantees the veracity of the information and reliability of each event mapped by us. In other words, even though we do not have all the information about cargo theft in the country, all the information collected is totally reliable and provides us with great assertiveness in relation to the analysis of routes, locations and density of thefts geographically.

For the projections and predictions, involving all the information mentioned above that make up our sample, we used statistical techniques to establish extrapolations from the sample that led us to projections of the expected numbers of cargo thefts in the country. In this way, we are able to contribute to executive and operational decision-making to mitigate risks across multiple routes and for various types of cargo and regions. Furthermore, our information enables industry leaders to establish rules that can minimize losses for carriers, shippers, logistics operators and insurance companies. However, this report should not be used in an isolated and exhaustive way for objectives such as the establishment of public policies.

Spatial and Temporal Analysis of Cargo Theft in Brazil

By dividing the country into quadrants, as illustrated in the map below, the ongoing trend in the country is that 92% of cargo thefts occurred in quadrant 4 (C4). This quadrant includes the states of São Paulo, Rio de Janeiro, Minas Gerais, Paraná, Rio Grande do Sul, and Goiás.



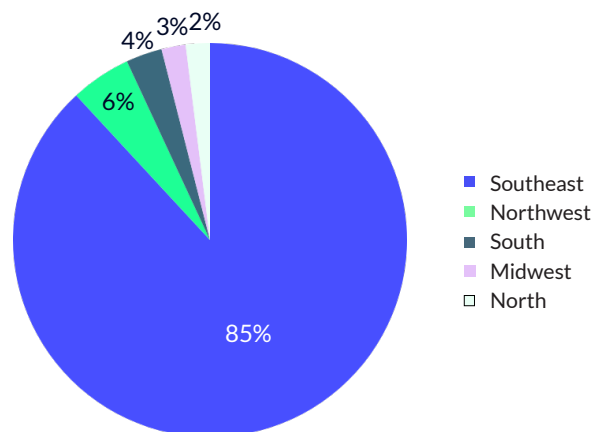


Regional Analysis

Not unlike other years, the first half of 2024 has once again shown the Southeast to be the most dangerous region in the country. The states of São Paulo and Rio de Janeiro remain the states with the most cargo thefts, both on their highways and in urban areas. Their economic advantage over other regions has a negative impact on crime and violence. In 2023, we could see a greater spatial distribution of cargo crimes, but at the beginning of 2024, this trend was no longer present. Instead, the first quarter experienced an alarming number of cargo thefts in the Southeast region, which was not repeated so acutely in the second quarter.

The Northeast once again took second place in our sample with an increase in cargo thefts in the region. The South, normally swapping second place with the Northeast, is in third place. It is worth remembering that this region suffered very heavy rains and unprecedented natural disasters during the first half of 2024.

Chart 1: Cargo Theft by Region H1-2024



São Paulo and Rio de Janeiro - Official Numbers

The official numbers released by the São Paulo Public Security Secretariat and the Rio de Janeiro Public Security Institute show that 2024 saw lower numbers than the same period in previous years, as indicated in the following graphs. São Paulo experienced a reduction of 21% compared to the same period last year. Rio de Janeiro also dropped by 43%. Overhaul monitors and uses information provided by public bodies, taking into account the figures reported for its studies and critical analyses, and also relies on other sources so that its coverage of the subject can do its utmost to help companies, clients and business partners in the fight against cargo crimes.

Chart 2: Cargo Theft - Official Numbers São Paulo State

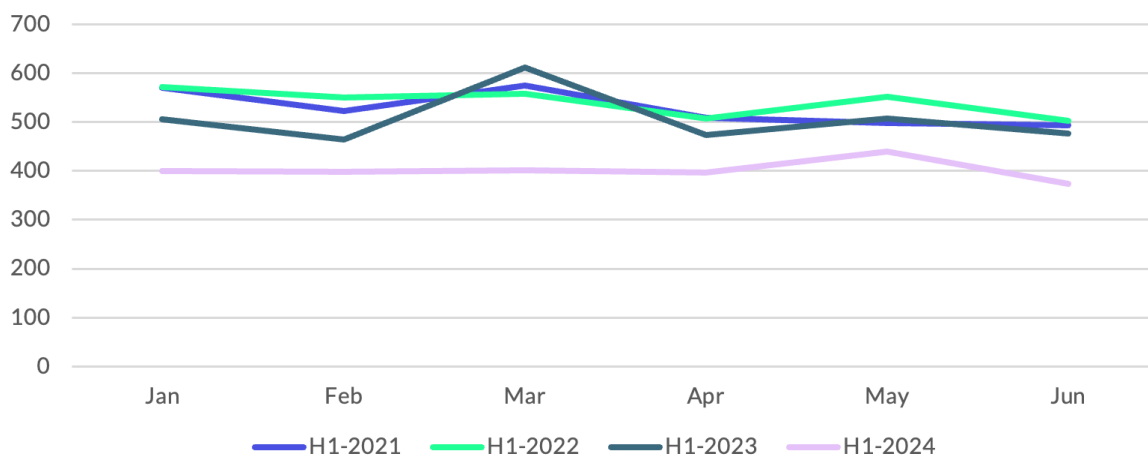
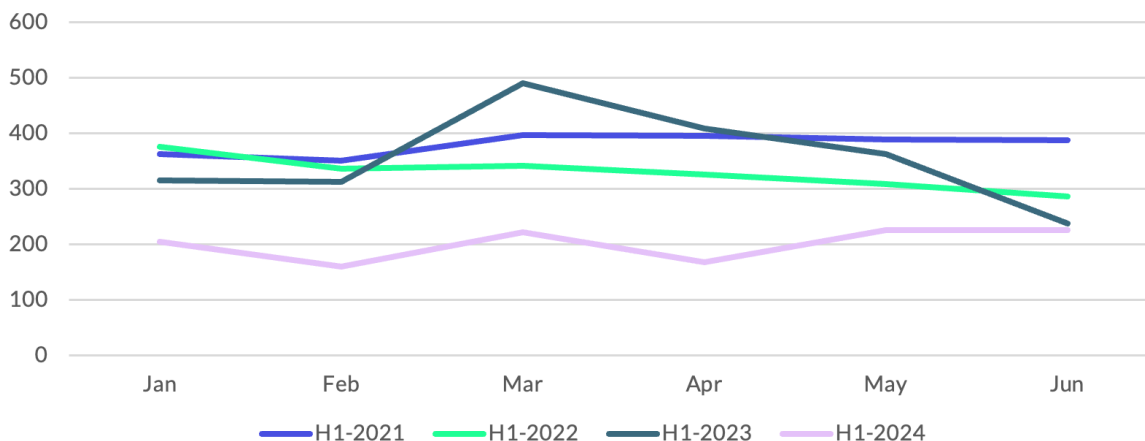




Chart 3: Cargo Theft - Official Numbers Rio de Janeiro State

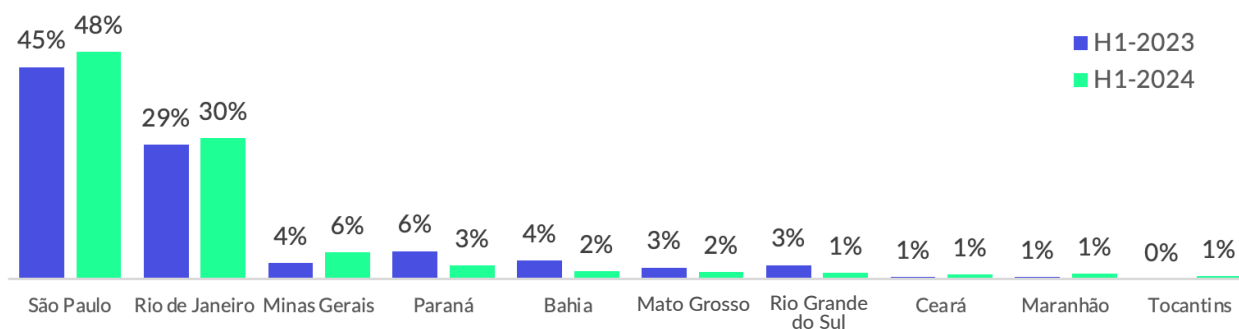


Analysis of the Ten States with the Highest Volume of Cargo Thefts

It is important to first understand that the graph below does not represent an increase or decrease in the number of cargo thefts in each state, but rather the way in which these figures are distributed across the country. In other words, although the number of occurrences was lower, the percentage of representativeness in the country may have increased. This indicates a greater concentration of robberies in one region compared to the others, rather than a greater number.

In the first half of 2024, the states of São Paulo and Rio de Janeiro together accounted for 78% of all thefts in the country, and this same trend has been observed year after year. São Paulo showed an increase in its representativeness in relation to other states of 3 percentage points compared to the same period last year, while Rio de Janeiro had a less significant increase in its representativeness of 1%. The state of Minas Gerais ranked third in the first half of the year with 6%, representing an increase of 2 percentage points, followed by the state of Paraná with 3%, which showed a drop in its percentages. This drop is the most significant in terms of thefts in the southern region of Brazil.

Chart 4: Top 10 Cargo Theft States H1 - 2024





Theft by Day and Time

Analyzing day and time patterns, the prevalence of thefts on weekdays is clear, as observed in previous reports. Wednesday appeared as the day with the most thefts in the first half of 2024 (19%). Monday, Tuesday, and Thursday had an even distribution of 18% of occurrences each. Weekends together accounted for only 13% of incidents. The greater movement of cargo on weekdays underpins this pattern, which is constant in Brazil. The greater exposure of cargo encourages criminal activity to take place during these days. In the same period last year, the day with the highest occurrence was Tuesday, with 21%. This quarter, however, it fell by 3 percentage points and shared second place with Monday and Thursday.

Chart 5: Cargo Theft by Day of the Week H1-2024

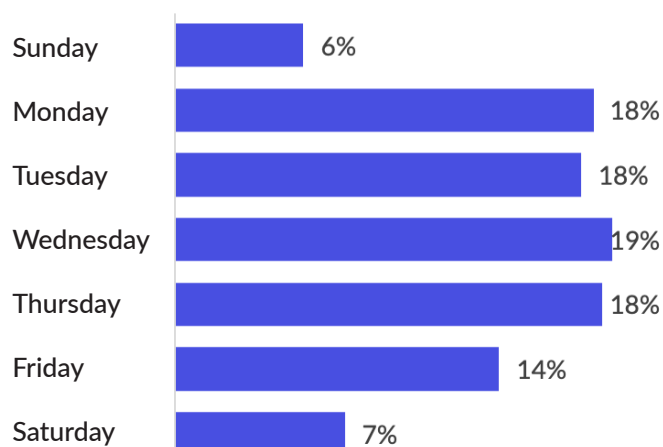
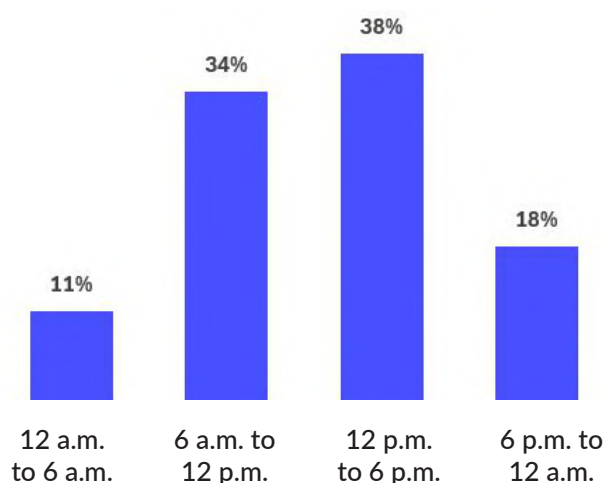


Chart 6: Cargo Theft by Hours H1-2024



The highest incidence of thefts occurs at night, between 12:00 and 18:00, with 38%. The second highest incidence period is in the morning, between 6:00 and 12:00, with 34%.





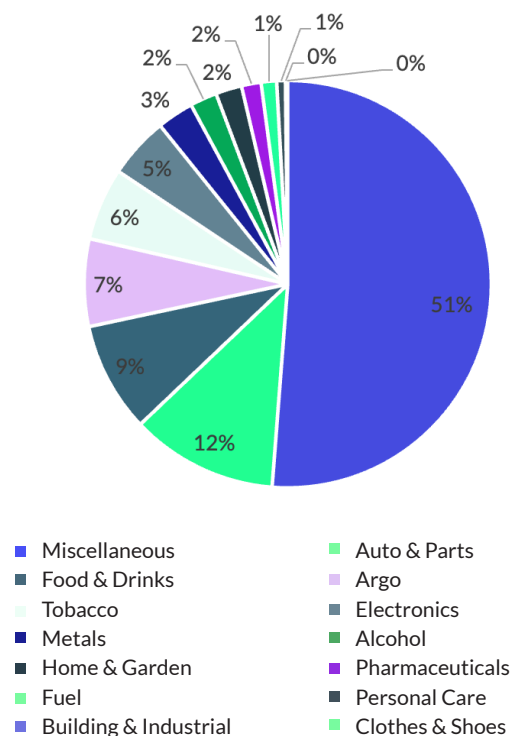
Theft by Product Type

By analyzing the different types of products targeted during the first half of 2024, we can see some similarities in trends when compared to 2023. According to the samples collected by the Overhaul Intelligence Center, the most stolen product was **Miscellaneous** with 51%, an increase of 4% compared to the same period last year.

The second product type is **Auto & Parts**, which is noteworthy for doubling its percentage from 6% to 12%. This type of theft also includes the theft of trucks by thieves who have no interest in the cargo. Cargo vehicles are usually stolen to be dismantled and used in the illegal parts market, making it difficult to trace the products and creating a very lucrative illegal market for criminals. The third type of product is **Food & Drinks**, which always ranks among the top types of products. This item fell from 13% in the same period last year to 9% in the first half of this year, representing a drop of 4%.

The last two of the top 5 product types were **Agro** (7%) and **Tobacco** (6%). **Agro** retained the same percentage points as the same period last year and **Tobacco** dropped 4% in its representation while also falling from the third place it occupied in 2023.

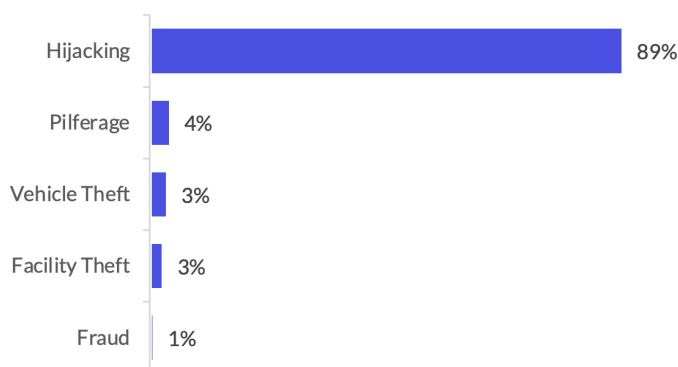
Chart 7: Cargo Theft by Type of Product H1-2024



Theft by Type of Event

Cargo crimes in Brazil continue to occur predominantly with the use of firearms and direct threats to drivers. **Hijacking** accounts for 89% of crimes, followed by non-Confrontational crimes such as **Pilferage** with 4% of occurrences. **Vehicle Theft** is the type of event that directly impacts Auto & Parts products and was the third most prevalent theft event during the first half of 2024 with 3%. It shared its position with **Facility Thefts**, which at the end of the previous year had a very significant increase, making it necessary to take precautions in the second half of 2024 so that this upward trend does not cause concern again. At 1% comes **Fraud**, which represents the participation of some employee or person linked to the logistics process in facilitating access to the cargo, sharing information, or manipulating internal activities in order to aid criminals.

Chart 8: Cargo Theft by Type of Event H1-2024





Special Report H1 - 2024

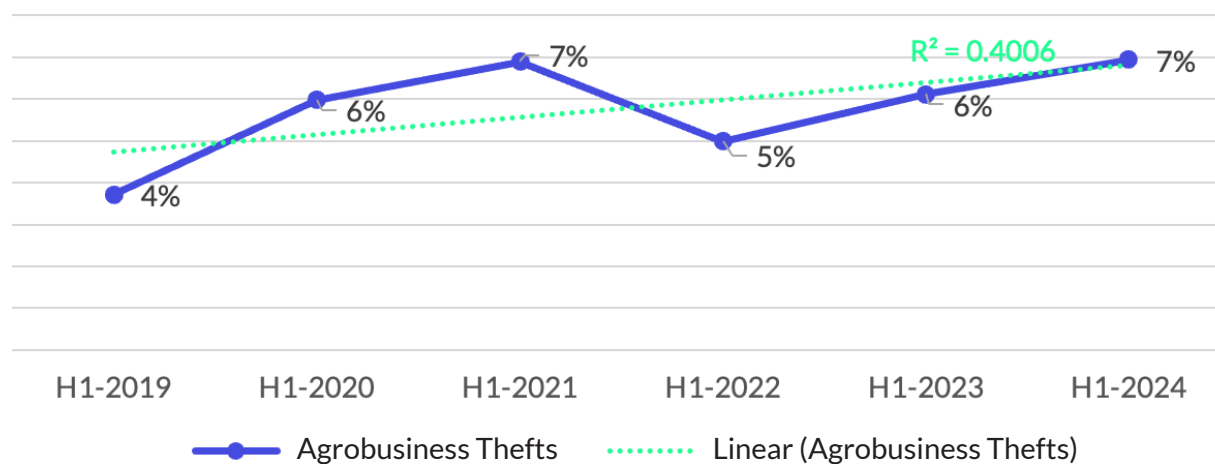
Overhaul's Intelligence Center understands the importance of Agrobusiness for the country, which represents around 24% of the national GDP. For this reason we have chosen to explore the nuances of this specific scenario, which suffers from theft, counterfeiting and smuggling. Below you will find an analysis of these risks and their impact on the supply chain, as well as information to help you during the harvest season. This is when shipments tend to increase and generate greater exposure to risk.



Analysis of the Cargo Theft of Agrobusiness

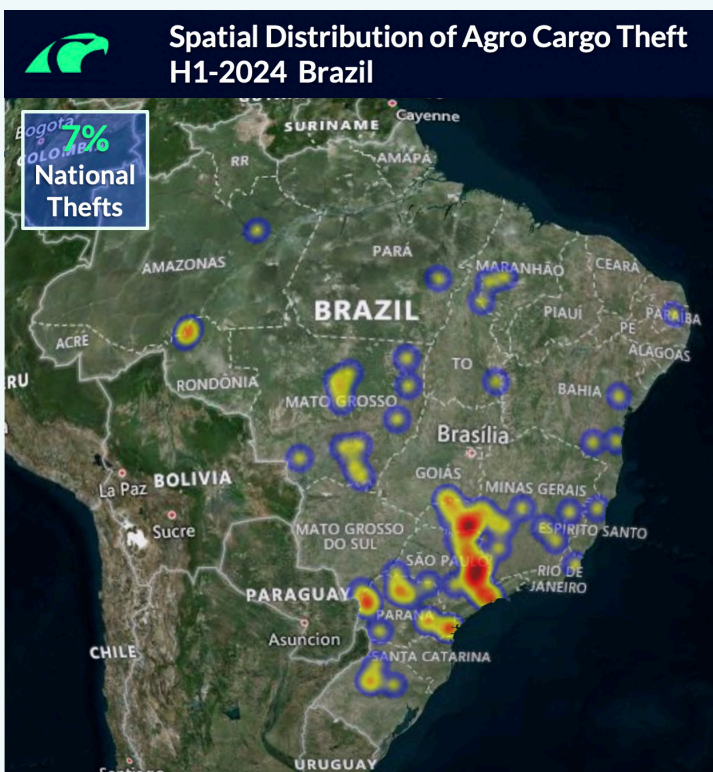
To begin our analysis, it is important to have an idea of how cargo thefts have been affecting Agrobusiness year after year. In the graph below, we have analyzed these theft behaviors across the same periods on a historical basis. The first half of 2024 shows high theft levels on par with 2021. After 2022, it is possible to see a linear and continuous increase in cargo thefts in this category. The historical series since 2019 also shows an upward trend, which turns our eyes to prevention and continuous improvement in our actions and processes to reduce risks.

Chart 9: Agrobusiness Cargo Theft Progression





Analyzing the spatial distribution of cargo theft events, it is possible to see a greater concentration of events in the states of São Paulo, Minas Gerais and Paraná. In São Paulo, with around 23% of all incidents, the interior of the state is the most affected. In Minas Gerais, also with 23% of all occurrences in the country, the region near Uberaba concentrates the largest number of events (28%). In Paraná, the strip from Maringá to Morrentes, crossing the state lengthways and passing through Ponta Grossa, is the region with the most incidents at 46%.



Regarding patterns in Agrobusiness crime, according to the sample collected by Overhaul's Intelligence Center, the day with the highest occurrence was Thursday with 24% of the incidents, followed by Wednesday with 23%. The time when shipments were most targeted during the first half of 2024 was at night, between 6:00pm and 12:00am, accounting for 46% of occurrences. The products most attacked by criminals were Grain (51%) followed by Pesticides (13%).

The federal government announced the 2024/2025 Harvest Plan at the beginning of July, with a 10% increase over the previous plan. The plan is contributing R\$400.59 billion towards corporate agriculture, as well as R\$87.5 billion for family farming. Although part of Brazil's agrobusiness productivity has been directly affected by the rains in the southern region of the country, which has reduced the expectation of agricultural production in this region, the harvest period still promises to have significant increases in volumes, which will require the logistics, transport and security chains to increase their capacities to minimize negative impacts during this period. The harvest period brings with it a concern for better management of transport and logistics in the sector. This not only applies to the flow of production but also loads of agrochemicals in general, such as pesticides, fertilizers and other products in this category, whose chains are also intensified during this period.



General Recommendations

Overhaul's Intelligence Center assesses cargo shipments in the country to be at a SEVERE risk for theft. It is important to shift our gaze to the details and peculiar characteristics of cargo crimes over time. More detailed views help us to perceive potential criminal behavior and to anticipate events that are relevant to risk management.

The best practices continue to be the use of intelligence applied directly to logistics and transportation operations, coupled with technologies and innovations, which should be used to anticipate and prevent risk situations and areas. Detailed planning applied intelligently will be the best preventive option, avoiding losses not only financially but also for brands.

The report above has shown a range of information, relationships and trends that, used correctly, can be applied daily in transport and logistics operations to promote safety and minimize unnecessary risks for companies and their logistics chains.