



Securing Global Trade Lanes

Container Security: Global Trends, Challenges and Strategies

Container security is now a strategic issue for global trading blocs – and the European Union, too, is considering its implications. For Europe's megaports, customs facilities and commercial export businesses, balancing trade, efficiency, and technology with the need to respond to global container security initiatives is now a strategic point of focus.

With nine of the top 20 megaports located in Europe and handling over 25 million containers, or 39 percent of world trade, it is imperative that all measures are taken to ensure the secure movement of cargo and the European region's participation in CSI is essential. (World Trade Report, WTO 2004)

The Critical Enabler: A Public-Private Initiative

The most important drivers of an effective European program in container security will be public-private initiatives that must be supported by all global trade supply chain constituencies in Europe, as well as national and international standards and initiatives supported by the

broader group of participants in a globally coordinated approach to container security.

Today, one of the most significant examples of public-private partnerships in container security initiatives is the Port Authority of New York and New Jersey's participation in the Transportation Security Administration's Operation Safe Commerce "Megaport Project," for which BearingPoint provides project management services.



Based in part on solutions that include radio-frequency tagging, electronic seals, and intrusion/radiological detection, the program currently involves 18 global supply chains to the United States from 12 countries in Europe, eastern Europe, the Middle East, and South America. This project shows how a public-private partnership focused on enhancing the security of container shipments can provide global supply chain

security benefits and also positive business benefits through increased global supply chain visibility and reduced inventory safety stock.

For European stakeholders and their peers around the world the bottom line in global con-

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tainer security practices is clear: Processes driven by efficient, accurate, and timely information can help create win-win opportunities to improve performance while also reducing risks. ■

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For more information, view the entire whitepaper, Secure Trade Lanes, at http://www.bearingpoint.com/solutions/internet_business_solutions/global_trade.html

BEARING POINT SEMINAR ON CONTAINER SECURITY

On June 23, AmCham Germany in cooperation with BearingPoint held a seminar on the issue of container security. The insecurities involved with the issue were discussed as there are still many uncertainties regarding the compatibility of EU law versus national law as well as other issues.

The Container Security Initiative (CSI) is a U.S. Customs initiative designed to protect trade in ocean-going cargo containers in an effort to fight terrorism. AmCham Germany welcomes the U.S. Customs' initiatives to increase security in the international logistics chain and maritime trade. At the same time, however, AmCham Germany points out the potential risks for companies, especially where their business processes involve dealing with public authorities.



"The monitoring and registration of the exported and imported containers as well as all maritime supply channels is important, but the increased security measures must not lead to disproportionately more red tape and thus higher costs," Dr. Dierk Müller, AmCham Germany's Managing Director, said at the press conference held before the seminar.

BearingPoint has a lot of experience in Global Trade Management and has already in the past consulted both authorities and companies. "To deal with the issues at an early stage will pay off. The prevention of danger comes before defending danger," said Gunnar Pfitzer, Managing Director at BearingPoint.

CSI was launched in January 2002 by

U.S. Customs. Based on certain risk assessment criteria, U.S. Customs must know the exact content of a container at least 24 hours before arrival. In addition, new security guidelines for ships and ports were introduced as of July 1.

The United States has already concluded agreements with several ports. An efficient implementation of the safety guidelines can only be assured on a bilateral level between the United States and the European Union. Therefore the EU signed an agreement with the United States in November 2003 for the EU-wide application of the CSI measures to guarantee transport security in EU-U.S. trade. Globally, over 48 million full cargo containers move between major seaports annually. Each year, more than 6 million containers arrive in the United States by ship.