

CONTENTS

Preface ix

About this book xi

Acknowledgements xiii

Introduction 1

01 A framework for understanding risk 4

Objectives 4

An analysis of supply chain threats 4

The severity of threat 7

Understanding the causes of supply chain disruption 14

External risk categories 22

Summary 30

Key points 30

02 Engineering supply chain resilience 31

Objectives 31

Preparedness and strategies for response 34

Business continuity management (BCM) 35

Offsetting the risk of business interruption 37

Case study of resilience: how does Cisco manage risk? 38

The role of flexible technology in supply chain resilience 42

The role of government and commercial companies 44

Summary 46

Key points 46

03 Industry sector resilience to supply chain threats 48

Objectives 48

Automotive 49

High tech 57

Consumer goods/retail 63

Food 65

- Fashion 74
- Pharma/healthcare 77
- Conclusion 80
- Summary 81
- Key points 81

- 04 Natural disasters and pandemics 82**
 - Objectives 82
 - The impact of natural disasters on supply chains 82
 - Pandemics 96
 - Summary 98
 - Key points 99

- 05 Climate change and emissions policy 100**
 - Objectives 100
 - Climate change 100
 - Pollution and 'diesel bans' 112
 - Summary 123
 - Key points 123

- 06 Economic risks to the supply chain 124**
 - Objectives 124
 - Demand shocks 125
 - Currency fluctuations 128
 - Supply shocks 128
 - Industrial unrest 133
 - Summary 136
 - Key points 137

- 07 Societal risks to supply chains 138**
 - Objectives 138
 - Fair labour 139
 - 'Conflict-free' minerals 148
 - Environmental practices of supply chain partners 154
 - Food shortages in developing countries 165
 - Summary 170
 - Key points 170

- 08 Corruption in the logistics industry 171**
- Objectives 171
 - Why is the logistics industry so prone to corruption? 171
 - Anti-bribery, anti-corruption legislation 172
 - Most corrupt markets 174
 - Freight forwarding and customs corruption 174
 - Customs corruption in the EU 178
 - Dealing with corrupt customs officials: WEF best practice 179
 - Smuggling and customs corruption 181
 - VAT fraud schemes 183
 - Cracking down on customs corruption 184
 - Freight forwarding, airlines and cartels 185
 - Unofficial tolls and crossing controls 187
 - Allegations of corruption in government contract negotiations 189
 - Major defence logistics corruption in Afghanistan 192
 - Humanitarian aid logistics corruption 194
 - Organized crime in transport operations 198
 - Summary 201
 - Key points 201
- 09 Cargo crime and piracy 202**
- Objectives 202
 - What is cargo crime? 202
 - Theft from trucks and warehouses 204
 - Combating vehicle-based cargo crime 206
 - Cargo crime in North America 208
 - Cargo crime in emerging markets 210
 - Theft from airports 211
 - Cyber-threats to supply chains 213
 - Piracy 216
 - Summary 223
 - Key points 224
- 10 Political risks in supply chains 225**
- Objectives 225
 - What will Brexit mean for the UK supply chain and logistics industry? 228

De-globalization and the Trump administration 240
Conclusion 245
Summary 246
Key points 246

11 Illicit supply chains 247

Objectives 247
Value chains in illicit goods 247
Types of illicit supply chains 249
Illicit transport networks 250
Narcotic supply chains 251
Trade in endangered animals 254
Counterfeit goods 256
Illicit trade in antiquities 259
Human trafficking in Europe 263
Illegal trade in cigarettes 264
Vehicle theft and exportation 265
Conclusion 266
Summary 267
Key points 267

12 Terrorism and security 268

Objectives 268
Risk and security in air cargo supply chains 269
Sea freight security 275
Conclusion 285
Summary 286
Key points 287

Conclusion 288

References 290
Further reading 297
Index 299