

**PRESS RELEASE**    CMS, Inc., Washington DC, February 10, 2000

## **INDONESIA HOSTS SUCCESSFUL CARGO SECURITY SEMINAR**

Indonesia's Directorate General of Customs and Excise under the Ministry of Finance, sponsored a seminar in Jakarta on February 8-9, "*Cargo Security: Challenges and Solutions for the New Millenium.*" The two-day seminar was extremely well attended by over 300 senior government and cargo industry officials. The proceedings were opened by Agum Gumelar, the Indonesian Minister of Transportation, and then keynoted by RB Permana Agung, the Director General of Indonesian Customs and Excise. Director General Agung described the seriousness of the current cargo crime situation in Indonesia and how important it was to Indonesian security and trade that the cargo crime problem be addressed, and he recommended initiating a government-industry cooperative program.

Ed Badolato, President of CMS, Inc., and former Chairman of the National Cargo Security Council was the seminar's featured speaker. He pointed out the key reasons why cargo crime had increased internationally to an estimated level of \$30 billion per year, with Indonesia's share considered to be at least \$1 billion. In Indonesia this year, smuggled electronic equipment is expected to take up 80% of the entire market sales. Some of the main causes for this increase in international cargo theft that Badolato discussed were the growth of international crime syndicates, cargo's worldwide linkage with illicit drug trafficking, the ease with which lucrative smuggling operations are conducted, and the urgent need to upgrade law enforcement's cargo security training and response capability.

Badolato also discussed future changes that are emerging in cargo security and their impacts on Indonesia. Some of the major future changes he described were the new role of the cargo security manager in supply chain management; the use of smaller, but more effective cargo security staffs, the growing requirement to be proficient in IT skills, risk management and asset protection; and the critical need to develop global security contacts.

It was clear that cargo security is gaining a lot of attention in Asia as evidenced by the number of local and regional attendees as well as the impressive list of seminar sponsors, including FEDEX, DHL, Motorola, Freeport Indonesia, Fuji Film, Bisnis Indonesia Newspaper, Samudera Shipping, PT Cardig Air, Asia Pacific Marine Loss Control--AIG, etc. The program's expert speakers provided interesting presentations from shippers, carriers, insurers, terminal operators, security firms, new cargo security technology companies, and customs officials--both US and Indonesian.

The two days ended with general consensus on three future action items. First, because of the valuable information and networking opportunities provided by the seminar, it will be made into an annual event to address regional cargo crime issues. Second, Indonesia will begin organizing a government-industry cargo security council under the leadership of the Ministry of Transportation, the Directorate of Customs and Excise, and the Attorney General, and the council will also include participation from the cargo handling industry. Third, improved cargo security training programs will be developed to enhance Indonesian law enforcement and industry's capability of to combat cargo crime.

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