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Maritime Supply Chains: weathering the digital storm

Kelly Malynn • December 04, 2024

Cargo and containers stuck on docks. Ships diverted to avoid war or piracy zones. Bottlenecks at key ports due to conflict. The cogs of commerce can grind to a halt when marine cargo faces delays, or global supply lanes are rerouted. These are just some of the multitudes of challenges which the maritime trade industry grappled with this year alone.

It is estimated that the maritime transportation industry moves around 90% of the world's goods around the globe1, but it is an industry that faces immense challenges, and the evolving risk landscape threatens the supply routes on which the global economy depends. While geopolitical events, understandably, focus mariners' minds, an increasing cyber threat is building against the industry.

Marine cyber threat

In 2023, a global logistics firm's Australian container terminals in Melbourne, Sydney, Brisbane and Perth were hit by a cyber-attack forcing the firm to suspend operations at these ports for three days. Hackers accessed the network of the company which manages a notable amount of the goods that flow in and out of Australia, and the backlog of containers waiting to unload was not cleared for nearly two weeks.

A port in the North of England was subject to a Distributed Denial of Service (DDoS) attack, against its website this year. Two weeks later, a port in the US, reported that an unauthorised threat actor was able to gain access to certain parts of its computer systems and was able to encrypt access to some data.

These incidents highlight the risks to modern cargo fleets that are heavily reliant on digital logistics systems, and that maritime firms and ports are being targeted by cybercriminals. In fact, 23,400 malware and 178 ransomware detections registered by maritime companies in the first half of 2024 alone2.

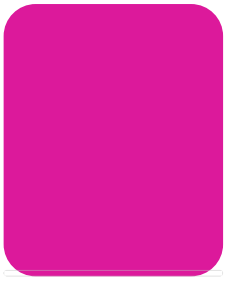
Digital dependence danger

From their navigation systems to docking and loading operations, environmental controls and asset tracking, the maritime industry's reliance on connectivity is providing opportunities for a new breed of digitally savvy threat actors. Maritime supply chains are under unprecedented strain. While maritime trade is slowly recovering after the pandemic, the sector is at risk from criminals with geopolitical or profit motivations. It is no surprise, therefore, that our 2024 Risk & Resilience research3 reveals that nearly a fifth (**17%**) of global executives in the transportation industry surveyed cited supply chain instability as the greatest threat they face this year, and **28%** ranked cyber risk as their top threat.

When light disruption to vital trade routes can have significant knock-on effects and hamper a business' ability to trade, the need for executives to assess the strength of their supply chains and identify any potential vulnerabilities is greater than ever. At the same time, while cyber-attacks are innately unpredictable, and cybercriminals increasingly favour the path of least resistance, and they would appear to be an ever-increasing focus on the marine and transportation industry. Both national and commercial ports and marine cargo firms need to ensure they invest in appropriate cybersecurity now and have the requisite crisis response mechanisms in place to minimise disruption should the worst happen.

It is encouraging to see that our research data revealed that **22%** of the global executives of logistics, transportation, cargo and aviation firms that we surveyed, plan to invest in improved cybersecurity this year. However, we know from our claims experience the importance of constant, 'always on' cyber security that seeks to pre-empt, adapt and respond to the constantly evolving cyber risk ecosystem and threat landscape. Highlighting the growing need for and importance of heightened cybersecurity and horizon scanning for the marine industry and the various organisations within it.

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[1] The rising tide of maritime cyberthreats in global trade | TechRadar

[2] https://www.techradar.com/pro/the-rising-tide-of-maritime-cyberthreats-in-global-trade

[3] beazley.com/en-US/news-and-events/spotlight-on-boardroom-risk-2024/methodology/

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