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MC Enters the Container Security Business

Mitsubishi Corporation (MC) is teaming up with GE Security (GE), an affiliate of General Electric, to develop business in the area of shipping container security. On September 30, MC acquired shares in GE subsidiary "GE CommerceGuard AB", a company supplying container security equipment and developing related information services worldwide. At the same time, MC attained exclusive distribution rights for the security equipment in Japan and MC also plans to join with GE to develop related information services.

With heightened security concerns following 9.11, the United States government has been seeking to raise the level of security for the nearly ten million freight containers that enter the country each year. A variety of new security measures have been developed, including the deployment of U.S. customs officials to major ports around the world as well as the "24-hour rule" requiring advanced cargo declarations for vessels sailing from foreign ports to the United States.

At the same time, there have been ongoing efforts to develop systems to confirm if containers have been opened during transit after being stuffed and closed at overseas locations. It is critical that such systems do not inhibit the flow of cargo.

Using technology originating from Sweden, GE CommerceGuard AB has developed a global system utilizing Container Security Devices (CSD) to detect intrusion into cargo containers. Under this system, the CSD is "armed" when the door of a cargo container is closed. The CSD detects when the door of the container is opened without authorization, and transmits any alarms at any point in a series of electronic checkpoints as the cargo container is transported. The CommerceGuard system has been tested in over 3800 moves by various parties, including government authorities.

In addition to selling CSDs, GE CommerceGuard is also looking to establish global information services to provide information on cargo using the devices. In an effort to provide container security solutions in the U.S. and other countries, GE CommerceGuard is developing services aimed at shipping companies and manufacturers. The company's CSD is highly reliable in detecting intrusions and its system uses a radio frequency applicable to the worldwide market.

The CommerceGuard system is expected to help in the global effort to address the threat of terrorism, to increase safety at ports, and generally to raise the level of security for sea-borne transportation. In addition to the security advantages offered by the system, importers and shipping carriers are also expected to value the system's ability to track the flow of goods and enhance quality control.

MC is having discussions with GE and GE CommerceGuard AB regarding plans to expand the business to other countries in Asia.