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SPECIALTY MARINE



CONSTRUCTION MACHINERY THEFT

CIRCULAR

The Unlikely Side Effect: How western sanction packages affect the rise of theft of agricultural and construction-related machinery across Europe.

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Introduction

In the recent years, theft of various types of specialised machinery has surged across the continent, leaving engineers, construction workers and farmers helpless. In this circular we would like to bring this rapidly developing problem to your attention.

Across the UK, Benelux and other Northwestern European countries, a staggering rise of theft of GPS units, tachymeters, copper cables as well as surveying instruments and other small and mid-sized equipment has been reported. The practice has become so widespread that it has to be recognised as no longer accidental but as a systemic and strategic threat to the industry. It forms a part of transnational, transborder organised crime targeting specifically this sort of equipment due to its high resale value and portability.

The incidents reported throughout Europe paint a picture of how these groups operate:

- ◆ circumventing CCTV and alarm systems,
- ◆ forcefully entering on site containers,
- ◆ conducting rapid, coordinated break ins,
- ◆ clearing out anything of high resale value within minutes.

With 57% of respondents of the 2025 BauWatch Crime Report observing a sharp increase in crime – amounting to a whopping estimate of €1.5 billion in annual losses – this issue certainly deserves attention.

What drives the increase in theft?

The European Union alone has introduced 19 packages of sanctions against Russia which has left their economy in high demand of western high-precision equipment and spare parts which they cannot produce at home or source elsewhere. In order to bridge the gap in supply of the equipment so badly needed in not only the conventional military and drone navigation systems but also civil engineering and domestic agriculture, they have turned to supplying their market through illicit channels.

There have been reports of Russian forces removing equipment and machinery from areas where they have gained ground in Ukraine. Most notably, as reported by CNN in 2025, Russian forces have stolen over \$5 million worth of John Deere machinery from their Ukrainian factory in the city of Melitopol. The manufacturer was later able to remotely disable the loot, rendering it useless. Nonetheless, this shows the appetite; the same appetite that is currently ravaging European construction sites.

The reasoning behind such specialised theft is multifaceted. First and foremost, it is due to the high demand and corresponding lucrative resale value. High precision optical equipment, surveying machinery as well as GPS devices are simply sought after. These devices can easily reach prices exceeding €10,000 and are commonly used during the construction of all sorts of projects. The prevalent way to go about these thefts seems to be breaking into storage found on-site. Traditionally, such facilities were set up to ensure the fragile machinery remains sheltered from rain and frost overnight, not necessarily theft.

Whatever nominal value these pieces of equipment have to local organised crime groups in Western Europe, they have an exponentially higher, military engineering value in the very east of the continent. Ultra-precise geolocation, targeting, mapping, monitoring movement - all of these have rather useful applications in both civil and military engineering. Due to this overlap their demand is sky-rocketing and suddenly a tachymeter becomes a highly desirable dual-use device.



Impact

The previously mentioned EUR 1.5 billion in annual losses is a rather daunting figure. Financial loss however is not the only one at stake here. Another important aspect to factor in is the delay caused. Without essential equipment at their disposal, major construction projects simply cannot carry on. Nearly half (43%) of the projects experience delays, often up to a month, as a result of equipment theft. At its current scale, this has a destabilising effect on the entire industry, creating delays to tightly sequenced phases and causing bottlenecks across projects.

This has immense impact on the entire economy, going way beyond the replacement cost of a tachymeter. Elements such as reputational damage of the contractor, ballooning project budgets (24% of projects in the EU countries covered by the report by BauWatch have exceeded their budget due to crime) as well as contractual penalties and quickly increasing insurance premiums also play a considerable role.

Insurance implications

Such significant spike in crime will not go unnoticed by the insurance markets which cannot absorb all of this increase without making adjustments.

Likely consequences could include:

- ◆ Higher premiums reflecting higher losses to the assureds
- ◆ Higher deductibles as a way of passing some of the risk back to the assureds
- ◆ Stricter policy wordings – could potentially contain exclusions for most stolen types of equipment
- ◆ Insurability challenges – in most extreme cases, where security measures are lacking and theft (repeatedly) occurred, insurability might be jeopardised altogether

In order to minimise the impact on insurance conditions this increase in theft has, multiple measures can be taken. Prevention by elevating security is key.

Safety (and security) first

In the past decades, the focus on construction sites has primarily been safety, not security. Perhaps it is time for both. Organised crime in construction has become a sector-wide plague. In order to combat this challenge, it requires a sharp shift from purely reactive loss management to a more forward-looking proactive security approach.

There are many ways of countering this wave of theft. Some practical steps could include:

- ◆ Improving on-site security infrastructure
 - ◇ Installing reinforced storage units with certified high-security locks
 - ◇ Upgrading fencing, gates and motion-activated lighting
- ◆ Making use of high-tech protective solutions
 - ◇ AI-enabled CCTV camera towers
 - ◇ Applying forensic DNA or microdot marking to make equipment identifiable
- ◆ Tracking most valuable assets
 - ◇ Installing GPS trackers in most costly pieces of machinery
 - ◇ Maintaining a regularly updated equipment register
- ◆ Securing sites during extended periods of inactivity
 - ◇ Identifying inactivity periods such as bank holidays and summer shutdowns
 - ◇ Removing all high-value equipment and storing it in well-protected and insured facilities
- ◆ Finetuning operational checks
 - ◇ Putting in place checklists accounting for all the equipment at the end of the working day
 - ◇ Enforcing a good storage unit locking regime
 - ◇ Planning and Investing
 - ◇ Evaluating your security needs on a case-by-case basis
 - ◇ Putting in security investment plans ahead and execute them



Conclusion

The invisible hand maintaining the equilibrium of supply and demand appears to be having the same effect on the black market. The illicit trade of high precision machinery, such as GPS devices and tachymeters so indispensable in modern construction projects, has flourished in recent years as demand from the sanctioned Russian market keeps growing. What once could have been described as a series of isolated events, has now become a sign of a systemic issue, deeply affecting the entire industry. These illicit practices led by organised international crime groups have a significant impact on delays, exceeding budgets, undermining reliability and, most significantly – financial damages across the sector.

To minimise its impact, various countermeasures need to be introduced to strengthen overall security, ensure the economy keeps moving ahead, and keep insurance premiums low.

Taken together, these developments demonstrate how even usually unaffected sectors, such as construction and agriculture have become exposed to geopolitical

events – making it all the more essential to strengthen our security and resilience in this unpredictable geopolitical landscape.

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