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BLOOD IVORY

Exposing the myth of a regulated market

Two legal sales of ivory stockpiles have failed to stem the flow of illegal ivory to East Asia, especially to China. In fact, the opposite has occurred, with the sales stimulating the market and contributing to an increase in illegal ivory flows and the poaching of elephants. In China, the latest legal sale in 2008 has clearly failed to either reduce the price of ivory or curb illegal trade. This failure should be recognised and not repeated. The single biggest threat to elephants is now the largest *regulated* domestic market.

The Environmental Investigation Agency (EIA) has been documenting the illegal international trade in ivory for almost three decades and since the late 1990s has been focusing specifically on the role of China as an emerging market for illegal ivory.

Several EIA investigations in China between 1999 and 2010 document a burgeoning illegal market that has grown year on year and shows no sign of abating. Yet although this evidence has been provided to decision-makers and enforcement authorities, the Convention on International Trade in Endangered Species (CITES) continues to sanction limited international trade in ivory. EIA has repeatedly argued that allowing any legal sale of ivory simply provides a means to launder illicit ivory and stimulates the market, resulting in an increase in the poaching of elephants.

China's ivory regulation and control system was initially introduced in 2004. However, China has been repeatedly highlighted in formal CITES documents as the main end destination in the international smuggling of ivory.¹ A host of analyses between 2004-08 stressed that China's control system remained flawed and described the adoption of the certification system as patchy, with some merchants, including many large-scale traders, continuing to deal in ivory from illicit sources. Violations of the State Forestry Administration system were commonplace and loopholes existed, and continue to exist. Mammoth and 'antique' ivory are still permitted

for export, and EIA has documented uncertified ivory products for sale in China in 2005, 2006, 2008, 2009, 2010 and 2011 as far afield as Lhasa (Tibet Autonomous Region), Xining (Qinghai Province) and Linxia (Gansu Province). Despite such evidence illustrating that China's control system was not fit for purpose, the decision to grant buyer's status went ahead at the 57th Meeting of the Standing Committee (SC) to CITES in July 2008.²

The decision was predicated on the basis that China had implemented strict domestic trade regulations whereby all pieces weighing less than 50g must be accompanied by a paper CITES permit which should be displayed alongside the piece; anything over 50g must have a photographic ID card (similar to a credit card) which must also be displayed alongside the piece. A further rationale for supporting this decision was the belief that the sale of over 100 tonnes of 'legal' stockpiled ivory would flood the market and bring down the price of ivory, thereby undercutting the illegal market and so reducing poaching.

In November 2008, China bought just over 60 tonnes of stockpiled ivory from Botswana, Namibia, South Africa and Zimbabwe at auction.



ILLICIT IVORY MARKET FLOURISHING

EIA's most recent investigations in Hong Kong and China indicate that the latest legal sale of stockpiled ivory from Botswana, Namibia, South Africa and Zimbabwe to China and Japan in 2008 has clearly failed to either reduce the price of ivory or curb illegal trade.

Investigations by EIA in Guangzhou, China, in November 2010 documented a thriving and growing illegal trade in ivory;³ up to 90 per cent of the ivory available on the market was illegal. The findings, supported by numerous subsequent surveys and reports, also show that prices have escalated as much as tenfold since 2005.⁴

EIA undercover investigators met with a range of ivory dealers and retailers. These conversations revealed a market free of effective control, with Guangzhou at the epicentre. Dealers spoke of a network of suppliers using shifting smuggling routes, such as via northern Vietnam, and sophisticated methods, such as concealing ivory in metal boxes suspended below ships.

Ivory from the second one-off legal stockpile sale (2008) was bought for an average of US\$157 per kilo.⁵ Yet EIA found that for State Forestry Administration accredited (and therefore 'legal') traders, purchase prices for raw ivory from this Government-owned, legal stockpile are as much as US\$1,500 per kilo. This price is reflected in the retail prices of ivory products in accredited retail outlets in Guangzhou, such as the Government-owned Friendship Store, and represents a massive mark-up.⁶

EIA discovered that the over-hyped ivory control system is clearly not working, a conclusion further supported by other observers. For instance, one report⁷ documents the results of an ivory survey conducted in January 2011; its key findings were that there has been a massive increase in the demand for ivory, with 63 per cent of the ivory on sale in Guangzhou and Fuzhou not bearing ID cards, thereby rendering it illegal. Prices quoted also reflect a massive increase in retail prices, ranging from US\$200 for a pair of chopsticks to US\$35,000 for a small polished tusk.

The failure of China's ivory control system to curb illicit trade is predictable. In 2008, EIA revealed that official Chinese Government correspondence showed 110 tonnes of ivory missing from the country's stockpile in 2002, with evidence suggesting that a large amount of illegal ivory sales had taken place.

Despite such evidence, the international community went ahead and approved China's system as fit for purpose, allowing the legal sale of ivory.

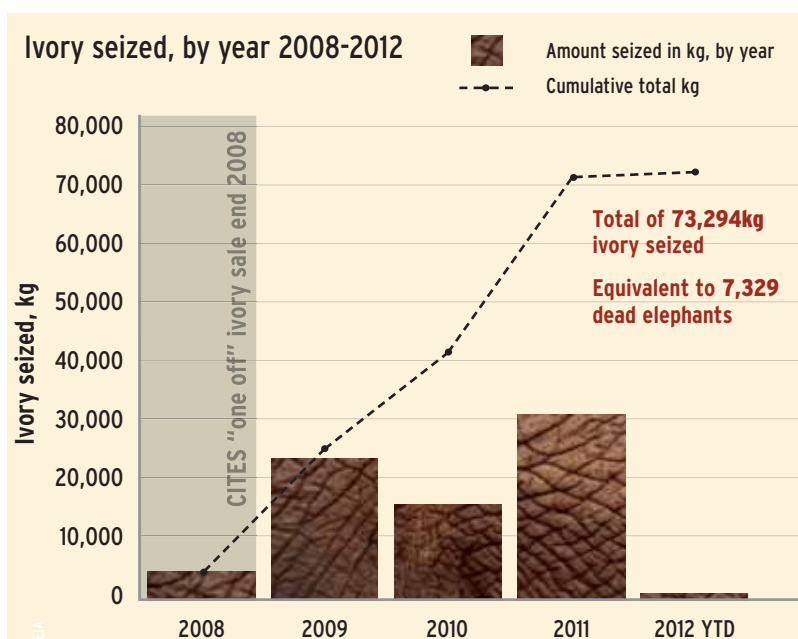
Since China was given Approved Buyer status by CITES, no follow-up mission has been conducted to review or assess whether the 'rigorous' control systems and mechanisms promised by the Chinese Government have been implemented and are being effectively enforced. It is clear from the findings of EIA's investigation in Guangzhou in November 2010 that they are not. Further intelligence gathered by EIA investigators working on other issues across China show that ivory is widely available throughout the country and that there is no evidence of any control or enforcement in place. Enforcement and control of these markets is generally poor or non-existent outside the main urban centres (the focus of most CITES missions), or even in the main urban centres, making them a convenient and practical outlet for laundered black market ivory.

BELOW:

Entire family group poached, Quirimbas National Park, Mozambique, 2011.



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THE CURRENT SITUATION

- The international trade in elephant ivory has been banned since 1989. Despite this – and two legal sales of ivory in 1999 and 2008 – large quantities of ivory continue to move illegally from Africa (and Asia) onto the markets of Asia.⁸
- The number of large ivory seizures, specifically through 2009 to date,⁹ continue to be an issue and African elephant populations, particularly those in Central and Western Africa, and many other populations in Asia continue to be vulnerable. The organisation which manages the Elephant Trade Information System

(ETIS) for CITES has announced that 2011 was the worst year for large ivory seizures since 1989.¹⁰ Since January 2011, there have been more than 30 tonnes of ivory seized in large consignments, representing the poaching of over 3,000 elephants.

- The flourishing domestic ivory markets of China and Japan constitute the key driving force of the global illegal ivory trade and the poaching that precedes it, but other countries – namely Malaysia, Thailand and Vietnam – have also been highlighted as contributing significantly to the illegal trade in ivory, either as transit countries or providing loopholes facilitating easy entry of illegal ivory into a ‘legal’ market.
- The majority of this contraband is destined for China, yet China and Japan continue to be approved buyers under CITES and it is unclear what process – if, indeed, there is one – exists to have that status removed.
- The current situation is totally contrary to the intention expressed prior to the CITES-approved one-off sales that the aim was to reduce ivory prices and thereby countermand the need for illegal trade. Effectively, the demand for illegal ivory, which undercuts the legal prices, has now soared and the illegal traders are cashing in. This is further supported by the volume of documented seizures of illegal ivory indicating China as their destination.
- A number of Elephant Range State countries have also reported significant increases in elephant poaching and the smuggling of ivory in, through and across their borders. Illegal killing of elephants in many parts of Central Africa has risen to alarming levels and Kenya, Botswana, Mozambique, Zambia and Zimbabwe are all feeling the pressure of increased poaching.¹¹ Since the beginning of January 2012, Cameroon has reported an elephant poaching crisis, with as many as 200 elephant poached from Bouba N’Djida National Park.¹²
- Despite the ongoing trend in seizures, sustained reports of poaching in Africa and Asia, and a failure of many Elephant Range States to submit the required data to the ETIS and MIKE programmes, CITES continues to sanction limited international trade in ivory.
- At the next meeting of the Conference of the Parties (COP) to CITES, to be held in Thailand in March 2013, ivory trade will once more be on the agenda.

NOW IS THE TIME TO ACT

- CITES remains the main mechanism through which illegal trade in ivory can be addressed and is central to affecting change. The closure of ‘legal’ markets would remove the incentive of many of the largest, most profitable syndicates to poach and traffic ivory, arguably constituting the most decisive, unequivocal way of protecting elephant populations around the globe.
- The European Union (EU) has been particularly weak on the issue and only a small blocking minority succeeded in preventing it from voting in favour of more proposals for one-off stockpile sales at the last Conference of the Parties to CITES in March 2010 (COP15). This situation does not appear to have changed significantly.
- In recent meetings with NGOs, the Department for Environment, Food and Rural Affairs (DEFRA) has stated that the current UK Government’s position is to oppose any further ivory sales. However, it is not clear whether the UK, as one of the key proponents within the EU and CITES Standing Committee who supported the decision to approve China as a buyer, is prepared to spearhead any remedial action.
- A key aim is to ensure that the UK and the EU actually have a position before the next meeting of the COP; the EU has maintained an open position at recent meetings, resulting in a lot of closed-door discussions and lack of transparency.
- The next CITES Standing Committee (SC62) is scheduled for July 2012 and a Decision-making Mechanism for Ivory Trade will be on the agenda. The UK is a member of the Standing Committee, representing the EU, and is in a position to inform the debate in the lead-up to this meeting and encourage the EU to take steps to rectify a misguided decision.

“Allowing any legal sale of ivory simply provides a means to launder illicit ivory and stimulates the market, resulting in an increase in the poaching of elephants”

BELOW:

Matriarch elephant Hope, poached in Samburu National Reserve, Kenya, in March 2011.



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EIA IS CALLING FOR...

- the UK Government and its EU partners to press for the withdrawal of China's Approved Buyer status as an ivory trading partner, with immediate effect;
- the UK and its EU partners to press for an immediate independent review of China's domestic ivory trade control, regulation and implementation;
- the UK Government and its EU partners to ensure that there is an unambiguous understanding of the impacts of the previous one-off sales before any decision-making mechanism is discussed and agreed;
- the UK and other governments which supported China's bid to become an Approved Buyer to shoulder the responsibility for that misguided decision and introduce clear policies to firmly oppose all future proposed stockpile auctions and to push for a review of those holding Approved Buyer status.



REFERENCES

¹ 2004 - SC50 Doc. 21.1 (rev 1); 2005 - SC53 Doc 20.1; 2006 - SC54 Doc. 26.1 (Rev.1); 2007 - COP14 Doc 53.1, COP14 Doc.53.2; 2008 - SC 57 Doc 33.2; 2010 - COP15 Doc 44.1; 2011 - SC61 Doc. 44.1

² SC57 Doc.33.2

³ EIA Briefing Document for the 61st Meeting of the CITES Standing Committee

⁴ 6年来牙雕价上涨将近10倍 牙雕收藏进入黄金时期
Source: <http://www.ttc.com/?action-viewnews-itemid-101633>

⁵ CITES Secretariat Press Release, Geneva, November 7, 2008

⁶ November 2010, Friendship store, Guangzhou. Prices ranged from 1,240 RMB for one pair of chopsticks to 238,000 RMB for a simple, polished tusk; ID certificate stated the weight as 5380g. Based on the exchange rate US\$1 = 6.43620 RMB, this puts the value of the tusk at US\$6,839 per kilo

⁷ *The Ivory Dynasty: A Report on the Soaring Demand for Elephant and Mammoth Ivory in Southern China* by Esmond Martin and Lucy Vigne

⁸ ETIS data presented at Cop15 stated that an estimated 361 tonnes of ivory had been seized over the period 1989-2009 (COP15 Doc 44.1, Annex)

⁹ <http://www.traffic.org/home/2011/12/29/2011-annus-horribilis-for-african-elephants-says-traffic.html>

¹⁰ <http://www.traffic.org/home/2011/12/29/2011-annus-horribilis-for-african-elephants-says-traffic.html>

¹¹ Status of Elephant Populations, Levels of Illegal Killing and the Trade in Ivory: A Report to the CITES Standing Committee - SC61 Doc 44.2 (Rev 1) Annex 1

¹² Reuters, March 15, 2012

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