# TRAFFIC BRIEFING

# CHINA'S IVORY MARKET AFTER THE IVORY TRADE BAN IN 2018

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## KEY points:

- In 2018, TRAFFIC visited 71 shops previously licensed to sell ivory which had been closed in the second batch of China's ivory trade ban and confirmed that all shops surveyed have either closed for business or, in the case of 69% of shops that have remained open, staff from these shops are proactively communicating the ivory trade ban policy to customers.

- In 2018, TRAFFIC visited 157 markets in 23 cities and found 2,812 ivory products in 345 unauthorised shops. Compared to a similar survey conducted in 2017, the number of stores with ivory decreased by 30%, but the number of ivory products displayed increased by 22%. Among the cities surveyed, the number of ivory products displayed in three second-tier cities—Chengdu, Chongqing, and Hangzhou—and two third-tier cities—Dongxing and Pingxiang—exceeded half of the number in all cities (56%), while the illegal trade of ivory in other cities fell by 19%.

- 24% of the ivory products recorded were pre-Convention ivory, which means they were manufactured before 1989.

- 94% of ivory products detected in the physical market were decorative accessories, reflecting the fact that buyers are likely to be newcomers to traditional Chinese handicrafts or random buyers, rather than consumers intent on making ivory purchases for investment or collection.

- Compared to the first six months of 2017, the price of ivory bracelets in 2018 decreased 9% in China and the price of raw ivory declined 17–38% at the end of 2017.

- Since the change of policy, the availability of ivory through the internet has declined. The average monthly number of new ivory advertisements (ads) in 2017 (after the announcement of the ivory trade ban policy) was 274, 61% lower than in 2016 (before the announcement), while the average monthly numbers of new ivory ads in 2018 (after the implementation of the ban) were 27% fewer than in 2017.

- Between July and December 2017, 40 social media accounts monitored by TRAFFIC posted an average of 113 ivory ads and 738 pictures/videos per day. Between January and June 2018, an average of 101 ivory ads and 701 pictures/videos were posted by the same accounts, representing decreases of 11% and 5% respectively from the previous six months.

## I. INTRODUCTION

China is reputed to be one of the world's largest markets for illegal ivory trade. Since 2002, ETIS (Elephant Trade Information System) reports to CITES have consistently identified China as the leading destination for ivory globally (Milliken, 2016). In September 2016, *An Act to Save African Elephants* - A Ban on Commercial Ivory Trade in China - A Feasibility Study Briefing, released by WWF and TRAFFIC, called on the Chinese Government to ban ivory trade in order to reduce the threats to African Elephants effectively. This bold action was designed to enable China to play a more active role in global wildlife conservation and to have a positive influence in compelling other countries and regions to strengthen their actions in cracking down on illegal trade in wild animals and plants overall (Xu *et al.*, 2016).

On 30th December, 2016, the Circular on Phasing out the Commercial Processing and Sales of Ivory and Ivory Products was issued by the State Council, requesting "the first batch of accredited ivory manufacturers and retail stores to cease processing and selling ivory and ivory products before 31st March 2017, while the remaining group of ivory manufacturers and stores were required to shut down their ivory selling operations before 31st December, 2017" (General Office of the State Council, 2016).

To assess the impact of this policy to ban commercial ivory trade in China and shut down the first batch of accredited ivory retail stores before 31st March 2017, WWF and TRAFFIC conducted a market survey during April and May 2017. The report was published in August 2017 under the title: *Revisiting China's Ivory Market in 2017*. It was found that all of the first batch of accredited retail stores had ceased to offer ivory for sale; the remaining retail stores were selling ivory products at a discount. Of these latter stores, 35% were found to be violating various regulations on ivory trade. Overall, the numbers of products and their prices when being sold illegally in both physical and online markets were in decline (Zhao *et al.*, 2017).

To understand the status of ivory trade in China after the full implementation of China's ivory trade ban, TRAFFIC conducted another large-scale market survey beginning in January 2018. The objectives were to check if all legal ivory retail stores had ceased to offer ivory, and to investigate the impacts of the 2017 policy change on ivory trade in physical markets across the country. In addition, TRAFFIC conducted statistical analysis on a survey of online ivory trade in the period January 2017 to June 2018 in order to understand the impact of the ivory trade ban policy on trade online.

# II. METHODOLOGY

## 1. Revisiting legal ivory market outlets

Since the first batch of 60 accredited ivory stores ceased to offer ivory before the end of March 2017, TRAFFIC visited 50 (or 83%) of these stores, from April to May 2017. From January to July 2018, TRAFFIC visited 71 (or 81%) out of the remaining 88 stores which had stopped their sales of ivory before 31st December 2017. The intentions for the survey were to confirm if these stores have removed the display notice of their Licence as "Accredited retail stores of ivory products" issued by the State; whether the stores have ceased selling ivory products; and to collect feedback from shop assistants on the status of the ivory trade ban policy.

## 2. Survey of illegal ivory markets

**1) Physical markets**

TRAFFIC has been conducting market surveys on illegal ivory trade in China since 2007. Various details about illegal ivory trade have been recorded during these surveys, including, names and addresses of the markets and shops visited in each city, and the number and type of ivory products, prices and weight of the items observed, as well as additional information on sources and the origins of products, if possible, via in-depth conversations with traders. No purchase of ivory or other illegal wildlife products was ever made during these surveys.

Between January and July 2018, TRAFFIC conducted surveys of ivory trade in 23 major cities across China, which were then divided into first-tier (mega) cities, second-tier cities and third-tier cities according to the criteria of TRAFFIC's 2017 report (Zhao *et al.*, 2017). The detailed list of cities is shown in Table 1:

**Table 1. List of cities visited for the physical market survey in 2018**

| First-tier cities (5) | Beijing, Shanghai, Guangzhou, Tianjin, Shenzhen |
|---|---|
| Second-tier cities (15) | Hangzhou, Nanjing, Harbin, Xi'an, Zhengzhou, Chengdu, Chongqing, Kunming, Xiamen, Fuzhou, Nanning, Dalian, Shenyang, Shijiazhuang, Tangshan |
| Third-tier cities (3) | Xianyou(Putian), Dongxing,  Pingxiang |

TRAFFIC made a few changes to the list of target cities for the 2018 market surveys compared with the 2017 survey. Of the first-tier cities, Shenzhen was added as a target city for market surveys, but all other cities were also part of TRAFFIC's ivory consumer research in 2017. Of the second-tier cities, Suzhou, Changzhou and Taiyuan (surveyed in 2017) were not visited in 2018, while Shenyang, Shijiazhuang, Dalian and Tangshan were added to the 2018 survey. Of the third-tier cities, three cities at the prefectural level (Pu'er, Yuxi and Xishuangbanna) were removed and replaced with Dongxing and Pingxiang, two cities at county level (i.e. lower in the urban classification hierarchy in China). These smaller cities are particularly significant as the largest entry and exit ports between China and Viet Nam and could be major channels for transboundary smuggling of ivory and other wildlife products (Liu, 2015; Vigne and Martin, 2016). Therefore, they were also included as target cities for the current market survey.

The types of market surveyed varied depending on the city. For example, TRAFFIC mainly visited the art and antiques collection markets, flower and bird markets and cultural products markets in first-tier cities; in Guangzhou, the jewellery markets were also visited. In the second and third-tier cities with a thriving tourism industry, tourism souvenir shops and specialty markets were also visited. With respect to the third-tier cities, which generally have no art and antiques collection market, border trade markets, wholesale markets, souvenir and specialty markets (e.g. rosewood handicrafts), were visited.

The survey also explored the supply connectivity between China's market availability and Viet Nam, previously noted to be a major source of illegal ivory in China (Liu, 2015; Vigne and Martin, 2016). In December 2017 and June 2018, researchers visited the cities of Mong Cai, Ha Long as well as Nhi Khe village (near Hanoi) in Viet Nam to understand better the ivory trade relationship between Viet Nam and the Chinese market.

Findings of the market surveys by TRAFFIC have been shared with the competent law enforcement agencies in a timely manner prior to publication of this report.

## 2) Website platforms

It needs to be appreciated that all ivory trade online is illegal in China, regardless of whether such transactions conducted before or after the ivory trade ban (which applied to authorised shops, the only outlets where ivory could previously be sold legally). In 2017 and 2018, TRAFFIC continued to monitor the trade of ivory and wildlife products from eight other endangered species (i.e. rhinoceroses, tigers, marine turtles, pangolins, Saiga Antelope, Helmeted Hornbill, leopards, and whales) on 31 website platforms, following survey methods described in Xiao and Wang (2015). The trend in illegal trade on different website platforms was assessed using a measure of the number of new advertisements for illegal wildlife products monthly. The effect of the ivory trade ban policy on online trade in ivory was also considered by comparing the number of monthly new advertisements of ivory before and after the policy was promulgated (30th Dec. 2016) and after the policy was fully implemented (31st Dec. 2017).

## 3) Social media platforms

In 2014, TRAFFIC recognised the emerging trend of illegal wildlife trade on social media platforms and predicted a major shift in illegal ivory flows on such platforms (Xiao et al., 2015). As activities on social media accounts are often conducted in private, TRAFFIC could only monitor and record advertisements for illegal wildlife products when the dealers were added as "friends"; such connections with dealers were often made through physical and online market surveys. The number of monitored dealers increased with the ongoing collection of account information. As of 30th June 2018, the number of dealer accounts on social media platforms monitored by TRAFFIC reached 340, although this is still a fraction of the illegal dealer accounts operating on such platforms. While the long-term monitoring of these accounts cannot reflect the overall status of illegal ivory trade on social media platforms, it can in part show the general characteristics and trends of such trade.

Since July 2017, TRAFFIC conducted regular surveys of relevant social media accounts, recorded the number of ivory product advertisements, pictures and videos posted by dealers two days every month, totaling 24 surveys as of June 2018. The relevant findings of illegal trade by dealers have already been submitted to law enforcement agencies and social media operators for further investigation and actions.

# III. RESULTS AND DISCUSSION

## 1. Legal ivory market

From January to July 2018, TRAFFIC visited 71 accredited retail stores in 18 cities across China, (i.e., Beijing, Shanghai, Guangzhou, Tianjin, Harbin, Shenyang, Dalian, Shijiazhuang, Tangshan, Nanjing, Hangzhou, Fuzhou, Putian, Nanning, Kunming, Chengdu, Chongqing and Xi'an), accounting for 81% of (88) accredited stores nationwide that have either ceased operations entirely or stopped offering elephant ivory for sale, before 31st December 2017. The results showed that: 54 (76%) retail stores that are still operating have removed the display notice of their Licence as "Accredited retail stores for ivory products", and changed their offering to mammoth ivory, emerald and jade products; while 17 (24%) retail stores have ceased operating. TRAFFIC researchers also identified mammoth ivory products being sold in a number of stores. Apart from some small accessories (below 0.5 g) which were suspected to be elephant ivory products, no other elephant ivory products were found. The law enforcement agencies in Beijing, Shanghai and other cities have reportedly inspected the accredited ivory retail stores several times after the ivory trade ban policy was fully implemented and confirmed that these stores have ceased to sell ivory.

The proportion of stores that have remained in business amongst previously licensed ivory outlets (i.e. before 30th Dec. 2017) in the final batch of stores (76%) was considerably higher than stores in the first batch (24%). (Figure 1). This may be partly due to the fact that the Circular to close down the first batch of stores was issued only a few days before licensed store had to act, and many stores did not have enough time to change their operations. The remaining stores had a whole year in 2017 to plan their future business. Therefore, most of these stores had successfully changed their business when surveyed in 2018 (selling products other than ivory).
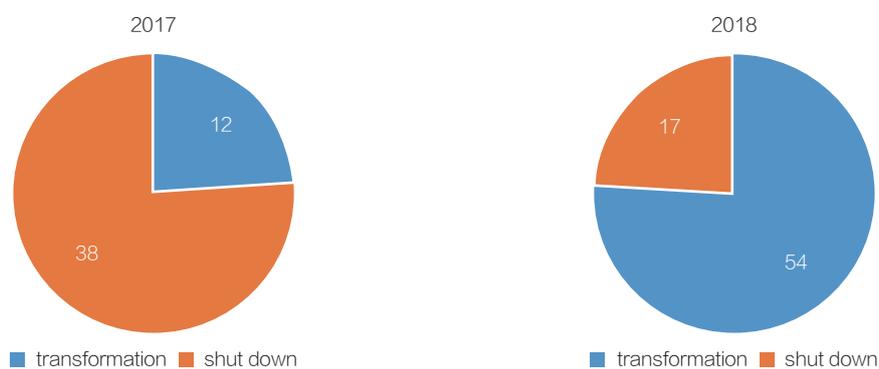


**Figure 1. The proportion of legal stores changing their operations or shutting down, assessed in the 2017 and 2018 surveys**

Out of the 54 operating retail stores TRAFFIC visited in the 2018 survey, shop assistants in 37 stores (69%) actively told customers who intended to buy ivory that China had fully banned sales of elephant ivory from 31st December 2017, and that their store would no longer offer such ivory for sale. The shop assistants in 16 stores did not refer to the ivory trade ban, although they actively told customers that their stores do not sell elephant ivory products any longer and recommended they buy other products, such as mammoth ivory, emerald and jade. One store was found to have changed to another tenant, who now sells carpets instead.

## 2. Illegal ivory markets

### 2.1 Physical markets

#### 2.1.1 Size of the illegal ivory product market

In 2018, TRAFFIC visited 157 markets in 23 cities across China. A total of 354 outlets were found to sell ivory illegally, while 2,812 ivory products were recorded (Table 2). Compared to 2017, the number of cities visited in 2018 remained essentially unchanged, but the number of markets visited in 2018 increased by 26%. The number of outlets that offered ivory illegally had reduced by 30%; yet the number of ivory products observed for sale increased by 22%.

**Table 2. Summary results of illegal ivory physical markets in China between 2017 and 2018**

| Year | Number of cities visited | Number of markets visited | Number of outlets selling illegal ivory | Number of illegal ivory products (pieces) found in market |
|------|------|------|------|------|
| 2017 | 22 | 125 | 503 | 2,307 |
| 2018 | 23 | 157 | 354 | 2,812 |

The growth in the number of ivory products offered in surveyed markets was mainly due to two factors:

**1) The increase in the number of markets visited.** While only 125 markets in 22 cities were visited in 2017, TRAFFIC visited 157 markets in 23 cities in 2018, representing an increase of 32 markets, or 26%;

**2) The mix of cities visited in 2018 reflects the current situation in China,** particularly for the inclusion of Dongxing and Pingxiang. As the major cross-border channels for smuggling of wildlife products, the two cities were found to offer many ivory products, much more than those in the three cities of Yuxi, Pu'er and Xishuangbanna that were surveyed in 2017. In a rosewood handicrafts shop in Pingxiang, the investigators chanced upon the shop-owner presenting dozens of ivory products to customers (Figure 2).



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**Figure 2. The large number of ivory products discovered in a retail store in Pingxiang**

A total of 1,959 illegal ivory products were detected in 87 markets of second-tier cities, representing 70% of the total number of illegal ivory products found in all surveyed cities (Figure 3). Of the 15 second-tier cities, the number of illegal ivory products found in Chengdu, Chongqing and Hangzhou markets reached 1,357, accounting for more than two thirds (69%) of the total number in second-tier cities, or nearly half (48%) of the total number in all the cities. There were 635 illegal ivory products found in 56 markets of first-tier cities, or 23% of the total. Third-tier cities had 8% of the total number of ivory products found in the survey.

**Table 3. Comparison of survey results for illegal ivory physical markets in first, second-and third-tier cities across China between 2017 and 2018**

| | Number of markets visited | | Number of outlets selling illegal ivory | | Number of illegal ivory products observed | | Average number of illegal ivory products per market | |
|---|---|---|---|---|---|---|---|---|
| Year | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 |
| First-tier cities | 33 | 56 | 134 | 111 | 513 | 635 | 16 | 11 |
| Second-tier cities | 70 | 87 | 350 | 234 | 1761 | 1959 | 25 | 23 |
| Third-tier cities | 22 | 14 | 19 | 9 | 33 | 218 | 2 | 16 |

Compared to the results in 2017, the average number of illegal ivory products per market in the first-tier cities across China in 2018 decreased; while the numbers in second-tier cities remained generally unchanged. However, when excluding the three cities of Chengdu, Chongqing and Hangzhou, the average number of illegal ivory products per market was only nine pieces. As for the third-tier cities, the average number of illegal ivory products per market was larger, as the two border cities of Dongxing and Pingxiang were newly included in the survey.

*2.1.2 Characteristics of illegal ivory products*

**Old and new ivory products**

Ivory can generally be characterised as being "old" or "new" stocks, according to sellers in the market and the investigators' experience, which relates to the period in which the stocks were acquired. Ivory products acquired after 1989, when CITES banned international trade in ivory, are defined as new ivory products in this report. The proportion of new ivory products found in markets during this survey reached 76% (Table 4). In fact, all the ivory products recorded in third-tier cities were new ivory acquired in recent years.

**Table 4. Number and percentage of old and new ivory products found in physical market surveys in 2018**

| | Number of old ivory products | Number of new ivory products | Percentage of new ivory products in total ivory products |
|---|---|---|---|
| First-tier cities | 191 | 444 | 70% |
| Second-tier cities | 495 | 1,464 | 75% |
| Third-tier cities | 0 | 218 | 100% |
| Total | 686 | 2,126 | 76% |

**Sources of ivory products**

Sellers of new ivory products were very cautious in answering questions about the source of their products: only 51 (14%) did so. Among them, sellers from 19 outlets mentioned their ivory products were sourced from Putian in Fujian Province; five outlets sourced from Guangzhou; 12 outlets sourced from cities in southern China, a definition which often refers to Fujian or Guangdong provinces; nine outlets mentioned their ivory products were processed in Suzhou. All the sellers in Dongxing and Pingxiang claimed their ivory products were sourced from Viet Nam.

Surveys conducted in the Vietnamese cities of Mong Cai and Ha Long, and Nhi Khe village (near Hanoi), in December 2017 and June 2018, found that a large number of ivory products, including raw ivory products, were available in Viet Nam (Figure 3). In some stores, labels and signboards had the term "ivory" written in Chinese, while only the word for "souvenirs" was written in Vietnamese. Some 38 out of 43 sellers in Viet Nam revealed that most of their customers were Chinese, and many of the owners and shop assistants could speak Chinese. They also suggested that small items of ivory, if no more than 10 pieces, could be concealed by passengers on their body and taken back to China through Customs, while large ivory items could be sent to Dongxing by the sellers, and delivered to the buyer's home via courier.



Figure 3. **Various ivory products offered for sale in Viet Nam**

With respect to old ivory, the sellers were less sensitive about providing information about the source of ivory products. Many divulged that such old stocks were mainly derived from Tibetan areas or overseas markets, including Europe and Japan. Ivory products imported into China from countries including the US, Japan and Europe, were mainly found in first-tier cities, while old ivory products originating in Tibetan areas were found in Chengdu, where many Tibetan merchants sold old Tibetan-style ivory products in the antique markets.

**Types of ivory items**

As the physical markets that TRAFFIC visited mainly targeted end-users, the ivory products found tended to be carved products, while tusks or raw ivory were very rare. The ivory items in the markets could generally be divided into four types:

Small ornaments and accessories: pendants, bead links, necklaces, rings, bangles, bracelets, and traditional Chinese handcrafts, etc.;

Small articles for daily use: chopsticks, cigarette holders, small boxes (cosmetic cases, boxes for sundry goods), combs, name seals, snuff bottles, dishware (with ivory handles), etc.;

Large items for display: pen holders, portraits, court lady statue, Guanyin statue, bird cages, magic balls, paper-weights, whole tusk carvings, etc.

Miscellaneous: raw ivory and other items whose usage could not be identified.

Figure 4 shows the large number of ivory ornaments and accessories found, accounting for 94% of the total number of ivory products identified through the survey, while ivory items for daily use made up only 5%. This, to some extent, demonstrates that consumers tend to buy ivory products in physical markets for use primarily as ornaments, much more so than for daily use. As these ornamental or daily use items tend to be small and typically made from new, machine-processed ivory, such items have no significant value in art collections or as investments. Finally, large hand-carved ivory items were seldom seen in physical markets. Dealers face much greater risks and penalties if caught with large, heavy and valuable items. Strengthened law enforcement efforts have also deterred many sellers from operating illegally. This perhaps also reflects a decline in the demand for such items from physical markets.
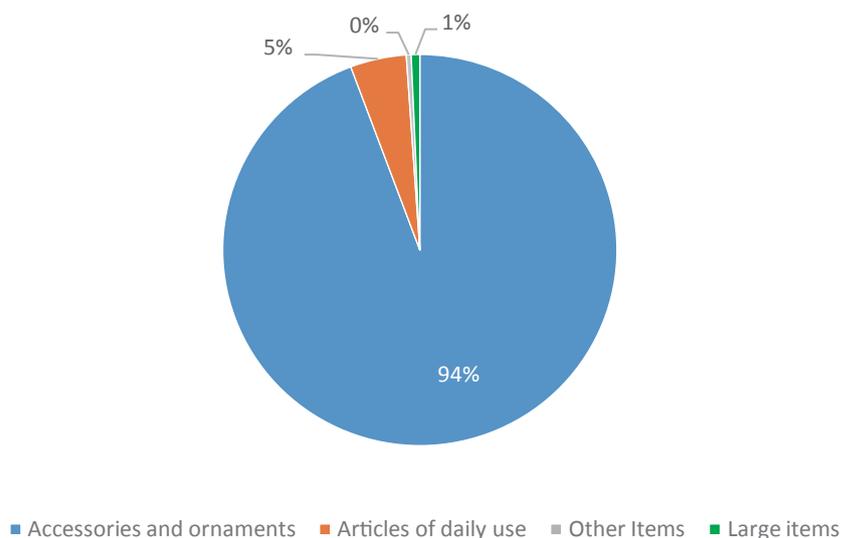


Figure 4. Ratio of different types of illegal ivory items found in physical market in 2018

### 2.1.3 Price of ivory items

Compared to 2017, the average prices of ivory items in end-user markets in 2018 remained relatively stable, without any significant changes. Taking the most common items: bangles and ivory pendants as examples (Table 5), the price of bangles (n=35) in 2018 dropped, while that of ivory pendants (n=34) was unchanged.

Table 5. Comparison of prices for ivory products in 2017 and 2018 (in CNY)

| | Bangles | | Ivory pendants | |
|---|---|---|---|---|
| Year | 2017 | 2018 | 2017 | 2018 |
| First-tier cities | 4,421 (n=14) | 3,262 (n=8) | 30 (n=5) | 34.5 (n=8) |
| Second-tier cities | 3,695 (n=33) | 3,825 (n=24) | 32 (n=34) | 32.4 (n=22) |
| Third-tier cities | N/A | 2,266 (n=3) | N/A | 33 (n=4) |
| Average | 3,911 (n=47) | 3,562 (n=35) | 32 (n=39) | 33.0 (n=34) |

Although the price of ivory items in end-user markets remained relatively stable, those engaged in the upper levels of the illegal ivory processing chain appear to be experiencing the falling demand for ivory. During the surveys in Viet Nam, TRAFFIC found that some sellers with large stockpiles have begun to tout raw materials to ordinary customers.

In December 2017, one seller in Ha Long city, Viet Nam, claimed she owned 800 kg of ivory tusks that could be delivered in-country to Mong Cai, at a price of CNY4,000 (USD582) per kg. However, if the buyer was worried that the goods might be confiscated when crossing the China-Viet Nam border, the seller could transport them to China at a higher price of CNY5,000 (USD728) per kg, a figure consistent with the stated price of ivory confiscated by China Customs in recent smuggling cases nationwide[1,2]. Compared to the price of CNY 6,000-8000 (USD873-1165) per kg in the first half of 2017 (Zhao *et al.*, 2017), this suggests a decline in the price of raw ivory in China by 17%-38% by 2018.

## 2.2. Survey results from website platforms

The monthly trend for new ivory advertisements during the period January 2017 to June 2018 is shown in Figure 5. A total of 4,485 new ivory advertisements were recorded during the 18-month period, with 250 advertisements per month on average. In the months January and March 2017, a total of 487 and 490 new ivory advertisements respectively were recorded, the highest monthly totals during the 18-month survey period. However, following the 31st March 2017 deadline for the first batch of accredited retail outlets to cease selling ivory, a noticeable decline in the number of monthly new ivory advertisements occurred in April 2017. New ivory advertisements gradually reached their lowest point during this survey period in October 2017 when 78 were posted, some 16% of the total in March 2017. Although the figure rebounded in the following months, the monthly number of new ivory advertisements was still lower than the overall average figure during the 18 month period.
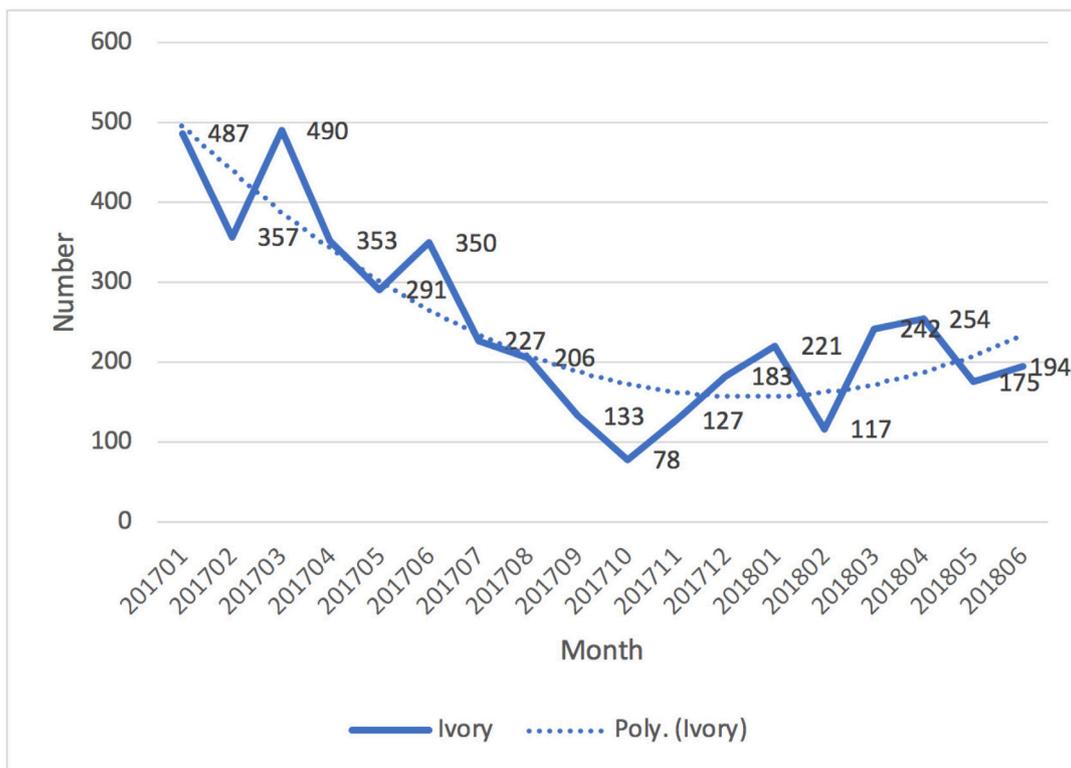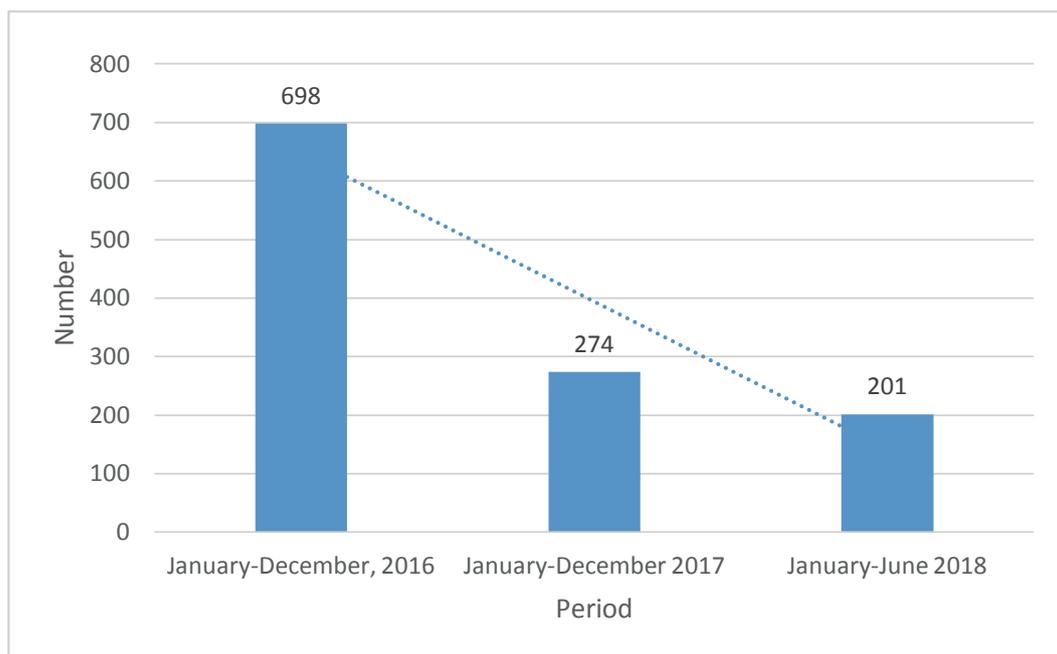


**Figure 5. Monthly trend in the number of new ivory advertisements online from January 2017 to June 2018**

To understand the impact on ivory trade on website platforms as a result of the ivory trade ban policy, records for the number of monthly new ivory advertisements in 2016, 2017 and first half year of 2018 were assessed to capture the period from when the policy was first promulgated to its full implementation. In 2016, a total of 8,372 advertisements were found on 31 website platforms, with an average monthly 698 advertisements (Xiao *et al.*, 2017). This compares with 2017, where a total of 3,282 advertisements were found, with an average monthly 274 advertisements. During the period from January to June 2018, the total number of new advertisements reached 1,203, with a monthly average of 201 advertisements. As Figure 6 shows, the monthly average number of new ivory advertisements on website platforms declined by 61% in 2017 as the implementation of the trade ban policy was in progress. During the period from January to June 2018, a period in which the full implementation of the ban had been in place, the monthly average number of new advertisements on website platforms dropped by 27% compared to 2017, suggesting that the ivory trade ban policy had a positive influence in reducing illegal ivory trade online.



**Figure 6. Trend in the monthly average number of new ivory advertisements during the period January 2016 to June 2018**

In 2017, new advertisements for ivory each month accounted for 73% of the nine endangered species' products being monitored for sale through website platforms. This proportion shifted considerably in the first half of 2018, with ivory making up just 35% of the total new advertisements for all nine species products. The marked difference in proportions between 2018 and 2017 is due in large part to a resurgence in new advertisements for other wildlife species and comparatively lower levels of new advertisements for ivory. This was possibly due to the full implementation of the ivory trade ban and publicity by various parties. Some sellers are no longer involved in ivory transactions.
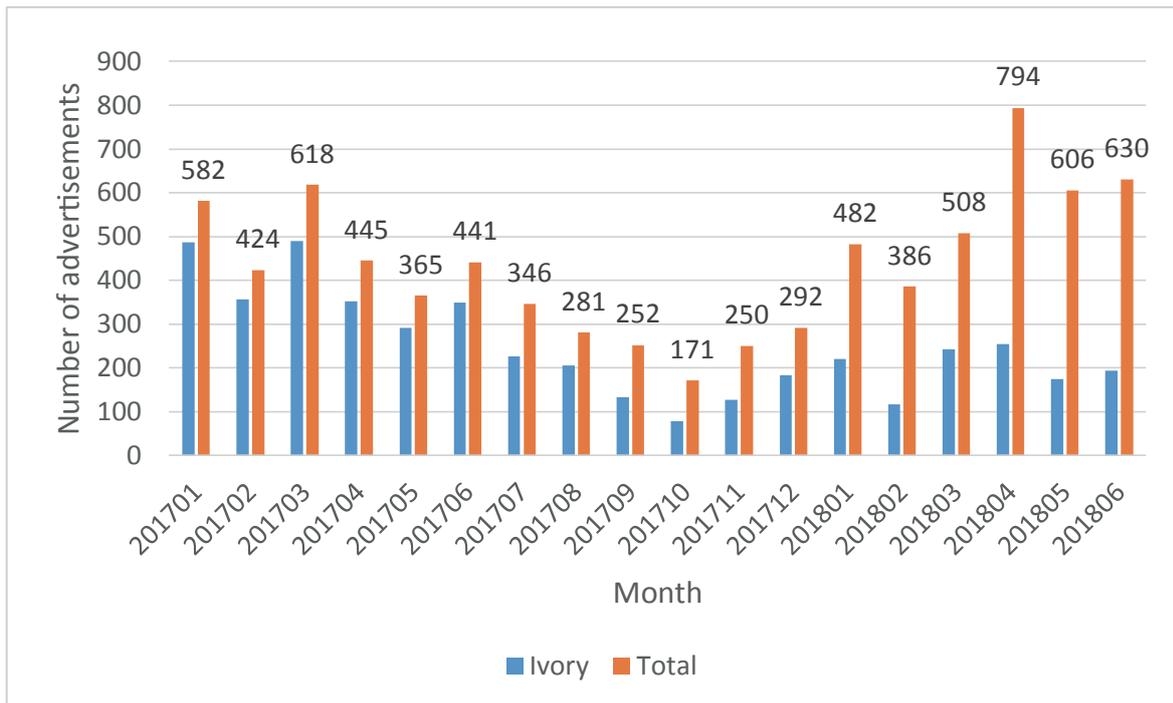
**Figure 7. Comparison of monthly new advertisements for ivory and nine species during the period January 2017 to June 2018**

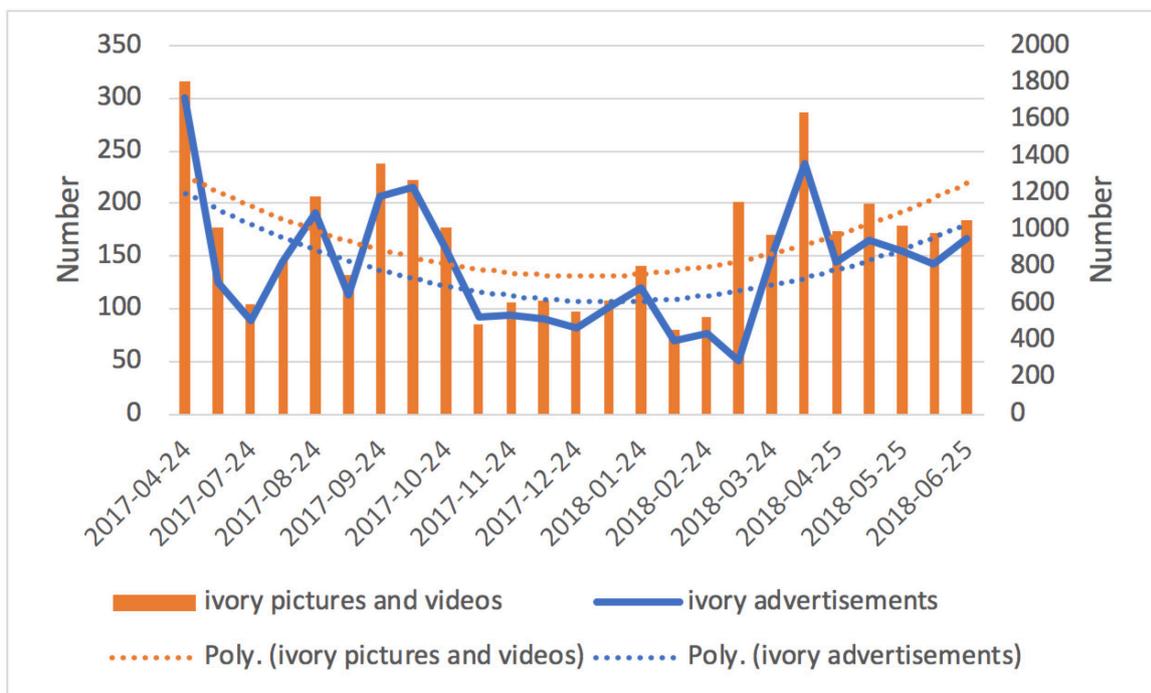## 2.2. Survey results from website platforms



**Figure 8. Trend in the number of ivory advertisements, pictures and videos on social media platforms**

Results of semi-monthly surveys on social media platforms during July 2017 to June 2018 (24 surveys in total) identified an average of 137 ivory advertisements/posts as well as 903 pictures and videos per survey (Figure 8). These surveys also indicated that the number of ivory advertisements, pictures and videos posted between November 2017 and February 2018 saw a temporary decrease, reaching the lowest point on 10th February 2018. Only 69 advertisements, 458 pictures and videos of illegal ivory items were recorded in the February 2018 survey. This coincided with a big move on the part of China's internet industry — the establishment of the "China Alliance of Internet Companies to Combat Wildlife Cybercrime" (the Alliance), which was jointly initiated by the three China-based internet giants—Baidu, Alibaba and Tencent—in November 2017. Social media operators took strong actions to control illegal wildlife trade on their platforms before and after the establishment of the Alliance. The Chinese internet companies within the Alliance subsequently joined a global initiative, the Global Coalition to End Wildlife Trafficking Online, in March 2018, which has made a collective commitment to taking effective actions to prevent and control illegal online trade information. Overall, there has been considerable progress in understanding the spread of illegal wildlife trade information online[3].

To control for the influence of new social media accounts, an analysis of postings from a set of 40 accounts that have been monitored since the first survey was conducted. On average, the 40 accounts posted 113 ivory advertisements and 738 pictures and videos per day during the period July to December 2017. From January to June 2018, these accounts posted 101 ivory advertisements and 702 pictures and videos per day, a slight decrease of 11% and 5% compared to the second half of 2017.
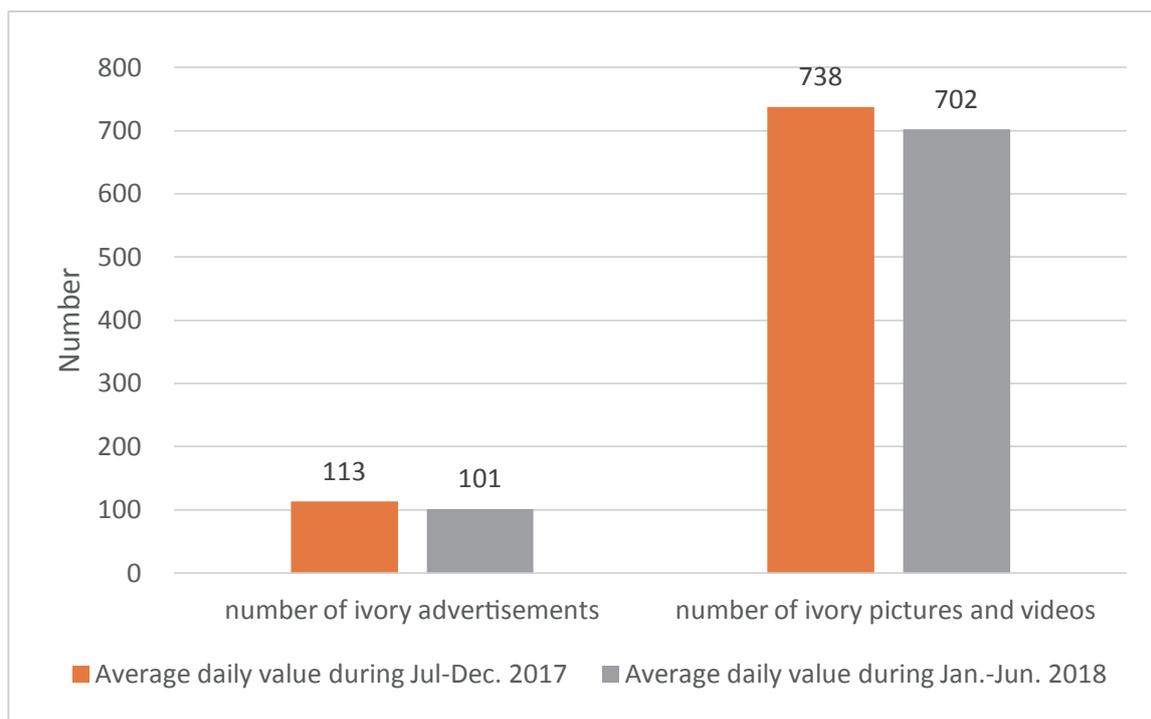


**Figure 9. Change in average daily number of ivory advertisements and pictures and videos from 40 target social media accounts**

[3]Leading Tech Companies Unite to Stop Wildlife Traffickers. https://www.traffic.org/news/leading-tech-companies-unite-to-stop-wildlife-traffickers/

# IV. CONCLUSIONS

In our surveys of outlets that previously conducted legal ivory business, it was found that all 71 accredited retail outlets that TRAFFIC visited had ceased all sales of ivory items in accordance with the government's ban on ivory selling by the 31st December 2017. While some outlets had shut down altogether, other outlets had shifted their operation to sell mammoth ivory, emerald, jade or other products. However, some outlets were still found to have "nationally accredited ivory store" notices erected on their premises. Furthermore, on the signboards of some antiques markets, the status of these shops as nationally accredited ivory stores still remained. Such information may easily mislead consumers and could compromise the effective implementation of the ivory trade ban policy.

Following the domestic ban, some consumer demand appears to have shifted to mammoth ivory, with an increase in the number of stores offering mammoth ivory products. This is a concern as oversight of the mammoth ivory trade pales in comparison to the elephant ivory trade, with much less attention given to mammoth ivory trade by law enforcement authorities. Sellers in the market have been found intentionally to obscure the difference between elephant ivory and mammoth ivory, as well as the mixing of mammoth and elephant ivories in their displays. Furthermore, small accessories, such as small beads and separators[4], are mixed in a bundle with different materials and ivories when displayed, while larger spliced carvings that may partly include elephant ivory have been seen in open display during surveys. Such sellers are presumably banking on the inability of consumers and law enforcement officials to differentiate between the two, and therefore laundering elephant ivory into the legal mammoth ivory market. Since it is hardly possible for law enforcement officials to check all items sold in a store, some sellers may be continuing to sell elephant ivory illegally, under the guise of it being mammoth ivory.

In the physical market survey for the current report, the number of stores which sold elephant ivory was found to be 30% less than the number recorded in 2017, while the total number of ivory items increased by 22%. Among them, the number of ivory products found in second-tier cities accounted for 70% of the total. More specifically, the number of ivory products found in the three emerging second-tier cities of Chengdu, Chongqing and Hangzhou accounted for nearly half (48%) of the total; while that of two third-tier border cities (i.e. Dongxing and Pingxiang) accounted for 8% of the total number. However, the number of ivory products sold in other than the five cities mentioned above fell by 19% compared to 2017. These findings suggest that second-tier cities including Chengdu, Chongqing and Hangzhou, as well as the third-tier cities of Dongxing and Pingxiang, should be the key areas for market monitoring, law enforcement and awareness raising campaigns in the future.

About 24% of ivory items recorded in the survey were found to be old ivory stocks (acquired before 1975). Many of the sellers had wrongly assumed that the ivory trade ban was targeted only at new ivory stocks, as these directly contribute to the African Elephant poaching crisis, and they were under the impression that the old ivory trade was not subject to the regulations of the ban. In fact, the commercial trade of any ivory products, both old and new, is illegal, and these ivory sellers appear to be deliberately violating, rather than just misunderstanding, China's domestic ivory trade policy. Even for ivory products from legal sources, they can only be marked before they can be displayed (only in non-commercial premises or locations, like museums), transported, donated or inherited.

The majority of ivory items in physical markets are ornaments and accessories, accounting for 94% of the total. This shows that most of the purchases in physical markets are fairly generic products that serve contemporary fashion needs, rather than as collectibles for investment purposes or art collections. These buyers are likely to find ivory items attractive and relatively inexpensive, and typically purchase these items as common ornaments or as gifts for others. However, this group would be less likely to seek out ivory if it was not commonly found in the market. For others, however, ivory could represent a relatively inexpensive entry into the world of traditional Chinese handicrafts, and with greater knowledge and experience they could gravitate towards other luxury products of higher values, such as carnelian, turquoise, jade and amber.

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[4] i.e. separators between two beads of a bracelet. It is very small, relatively inexpensive, and difficult to distinguish whether it is elephant or mammoth ivory.

From surveys of the border markets in China and Viet Nam, it can be surmised that a mature smuggling channel is in place between Mong Cai in Viet Nam and Dongxing, China. A large amount of ivory and other illegal wildlife items is smuggled into China through this channel and transported to different parts of China by courier or by other means to meet ongoing demand in China. The ivory seizure information of the law enforcement agencies, such as Customs, Forest Police and Border Police has also confirmed that Viet Nam is a significant point of supply for ivory into the Chinese market. Each year, a large quantity of endangered species items, e.g., ivory, rhino horn, pangolin, etc. are confiscated along this trade route (TRAFFIC, 2012-2018).

Compared to 2016, the average number of monthly new ivory advertisements on web platforms dropped by 61% and 27% in 2017 and 2018 respectively. The percentage of ivory advertisements among those nine other species being monitored also declined to 35% in 2018, from 73% in 2017. In contrast, the trade in other endangered species products such as rhino horn and tiger bone has begun to rebound in 2018, hence it is important for website managers and law enforcement agencies not to overlook the trade of other endangered species on website platforms along with their efforts to eliminate illegal ivory trade.

The average number of ivory advertisements, as well as pictures and videos, on social media platforms during January to June 2018 decreased from the average number during earlier surveys. Sellers on social media platforms were also found to be more cautious and sensitive during the current survey, compared with sellers on other web platforms, e.g. e-commerce sellers. Social media advertisements for illegal wildlife products are often erratically posted and deleted, seemingly to evade the inspection of social media operators and law enforcement agencies. Meanwhile, research showed that some sellers kept a close watch on the latest information concerning law enforcement agencies focused on combating wildlife crimes. Intelligence about enforcement operations, once collected, is promptly shared amongst sellers and agents to remove their advertisements/posts, and delete previous posts on illegal wildlife products so as to avoid detection.



**Figure 11. Business cards of Vietnamese sellers with social media account QR codes (collected by TRAFFIC)**

Based on survey results in neighbouring Viet Nam, TRAFFIC found that numerous Vietnamese sellers are also active on Chinese social media platforms to trade wildlife products illegally (Figure 11). Typically, Vietnamese mobile phone numbers were used to register accounts. They also induce Chinese tourists to add them as "friends" on these accounts, so that posts and advertisements for illegal wildlife products can be directed at these prospective consumers. When a transaction is made, Vietnamese sellers are often responsible for smuggling the illegal wildlife products from Viet Nam into Dongxing, China, and delivering these products to the Chinese buyer via courier (Zhang, 2017).

To counteract such practices, TRAFFIC has begun organising training workshops targeting managers of courier service companies in border areas with Viet Nam, including EMS, SF Express, STO Express, YTO Express, ZTO Express, Best Express, and Yunda Express. One such workshop was held in Dongxing in May 2018, to raise awareness for frontline couriers about the recent changes in the law, and to enhance their ability in identifying illegal wildlife products. The participants pledged to reject the delivery of illegal wildlife products and actively to report cases to relevant law enforcement agencies if such illegal products are found.

# V. RECOMMENDATIONS

1. The State Forestry and Grassland Administration (SFGA) and other relevant agencies need to continue to enhance efforts to publicise the ivory trade ban policy, to eradicate illegal ivory trade completely, to guide the general public in rejecting the purchase of ivory products, and to provide clarification to ivory and antiques dealers about the conditions of the policy. An effective public reporting system should also be established in order to uncover and combat trade in elephant ivory and other illegal wildlife commodities effectively;

2. Since the trade in mammoth ivory, as an alternative to elephant ivory, increased significantly after the ivory trade ban, the competent authorities or relevant industry associations are recommended to strengthen standards on mammoth ivory trade at the earliest possible juncture. These regulations need to define clearly the difference between elephant ivory and mammoth ivory, eliminate some misleading commercial advertisements, and crack down on the practice of mixing up elephant and mammoth ivories for sales.

3. As for illegal ivory trade in physical markets, monitoring and law enforcement of regulations needs to be enhanced, and publicity for the ivory trade ban policy needs to be amplified further. Operators and managers of physical markets should be explicitly required to comply with and promote the policy, highlighting that all ivory products, both old and new, are not allowed to be displayed for sale in the market, in order to reduce the probability of consumers encountering illegal ivory products.

4. As the cities of Chengdu, Chongqing, Hangzhou, Dongxing and Pingxiang were identified as major areas for illegal ivory trade, law enforcement agencies in these cities are recommended to take immediate action to regulate the market, combat illegal ivory trade and strengthen publicity about the ivory trade ban.

5. As Viet Nam is one of the major source areas for illegal ivory products in China, the law enforcement agencies in border areas of China and Viet Nam should enhance information exchange and intelligence sharing to crack down jointly on cross-border smuggling of wildlife. In this process, social media operators need to provide information to the law enforcement agencies in the two countries and help them combat cross-border crimes on wildlife smuggling.

6. Member companies of the Global Coalition to End Wildlife Trafficking Online need to step up their crackdown on illegal ivory trade, discover and delete promptly advertisements on illegal wildlife products on their own platforms and enhance the co-operation among members. Information regarding online trafficking must be shared with law enforcement agencies for them to take appropriate actions against the perpetrators. TRAFFIC and WWF will continue to promote more online companies to join The Alliance and/or the Global Coalition and work together to combat wildlife cybercrimes.

7. Logistics and courier service companies in China need to organise training activities for their staff on identifying illegal wildlife products in order to raise their awareness and improve their ability in identifying and rejecting deliveries of illegal wildlife products, and to cut off the transportation element of illicit wildlife trade. They are also requested actively to report to law enforcement agencies about cases of known illegal wildlife product consignments, and generally help reduce risk of their involvement in illegal trade.

8. Law enforcement agencies are recommended to strengthen publicity concerning illegal wildlife interceptions, arrests, court convictions and penalties for wildlife crimes, and raise public awareness about this to increase deterrence. Emphasis on the severity of wildlife crimes and counteracting the thinking that illegal wildlife trade represents a minor offence, as well as educating the public about the consequences of such criminal behavior, are all pertinent in reducing the insatiable lure of profits to be made from illegal wildlife trade.

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