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**An Assessment
of China's
Management of
Trade in
Elephants and
Elephant
Products**

Prepared by

Caitlin O'Connell-
Rodwell and
Rob Parry-Jones

TRAFFIC East Asia

July 2002



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Front cover photograph: Asian Elephant
Elephas maximus.

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*Credit: Caitlin O'Connell-Rodwell /
TRAFFIC East Asia*



Performing elephants in Yunnan Province, China

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EXECUTIVE SUMMARY

The serious decline of elephants in many Asian and African range countries due to demand for ivory throughout the 1970s and 1980s, particularly in East Asia, resulted in the adoption of various international measures to reduce the threats to elephants.

In 1976, the Asian Elephant *Elephas maximus* was included in Appendix I and the African Elephant *Loxodonta africana* included in Appendix II of CITES. With continuing declines in populations of the African Elephant, the species was transferred to Appendix I of CITES in 1989, thereby effecting a ban on all commercial international trade in elephants, their parts and derivatives.

China took a reservation to the 1989 Appendix I-listing of the African Elephant in order to protect the ivory carving industry, the majority of whose stocks were reported to be pre-Convention stocks (legally obtained prior to China's accession to CITES). In August of the same year, the CITES Management Authority of China (CNMA) registered a total of 110 importers, exporters and ivory carving workshops, as well as 110 tonnes of raw and worked ivory, most of which was pre-Convention stock. Effective 11 January 1991, China withdrew its reservation and the ban on international commercial trade in ivory took effect in China.

Although stocks acquired before the ban were reported to be pre-Convention, analysis of CITES Annual Reports, show that from 1991 to 1999, China exported 571 tusks, 1,006,111 ivory carvings as well as 345 kg of ivory carvings (an additional 9,442,401 ivory carvings were exported in 1990). However, information on the permits and / or the Annual Reports did not record the 'Source' of the exports. Of the 566 tusks reported as being exported in 1992, 554 tusks were recorded by China as being from pre-Convention stocks. Japan, however, did not report the import of these tusks - and only 1,769 ivory carvings exported from China from 1991 – 1999 were reported as being pre-Convention stock.

The proliferation of safari parks in China since the mid-1990s is reflected in the increasing trend of live elephants imported into China. From 1989 to 2000, China reported the import of a total of 91 live elephants, of which 82 were imported between 1996 and 2000. In addition to the import of live elephants into China, elephants from China are also used for display or performances. Smuggling of live elephants has also been reported, with between five to seven elephants illegally imported from Myanmar in 1995.

Not all reported imports appear to have been conducted in accordance with the provisions of the Convention. The conservation purposes and benefits of the import, in 1996, of 16 captive bred elephants from Myanmar for 'Breeding' are questionable. Perhaps of greater concern is the import, in 2000, of a single shipment of 20 wild elephants from Malaysia for 'Zoos'. This trade is difficult to justify when there are captive bred specimens which could also have been used for the stated purpose. Furthermore, at least one safari park in China, the Guangzhou Panyu Safari Park, has an animal exchange programme under which it recently exported four red pandas, *Ailurus fulgens*, to Malacca zoo in Malaysia. It would appear that commercial trade in CITES Appendix I-listed species is being conducted where the profit is 'in kind'.

Seizure information for any illegal products, by its very nature, can only provide an indication of levels of illegal trade. Assessing China's full role in the illicit ivory trade is exacerbated due to serious deficiencies in China's seizure reporting system. Data that is available often lacks details on the date, number of pieces and/or weight of the seizure. The actual scale of illicit ivory trade in China therefore is likely to be considerably larger than current data shows. Nonetheless, available data clearly shows that China is a significant consumer of illegal

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ivory. Based on available data for the period January 1998 to September 2001, a minimum of 30 - 45 tonnes of ivory were seized destined for or entering China. Rhinoceros horn was also intercepted in some shipments from Africa. In addition to illicit ivory in trade, elephant skin reported to be equivalent to 20 elephants, believed to have originated in Myanmar and destined for a medicine manufacturing company in Shanghai was seized in 2000. In 2001, a further 10 tonnes of elephant skin, from an original 15 tonnes purchased in 1993, were seized in a Guangzhou traditional Chinese medicine company. The 15 tonnes were believed to represent 260 elephants. Smaller quantities of elephant skin also were observed by TRAFFIC staff for sale in the border areas of Laos and Myanmar.

The state-run ivory carving industry has declined since the international trade ban in 1989 and it is likely that much of the ivory-carving industry now is run through private, and illegal, family operations. The main buyers of ivory are believed to be Chinese nationals, and the prosperous cities such as Shanghai, Guangzhou and Beijing believed to be the main centres of ivory consumption. One vendor in a Beijing outlet visited in 2000 remarked that he could obtain as much new ivory as was required. In general, Chinese nationals mainly purchase ivory at the lower end of the price range, particularly smaller pieces such as jewellery, name chops and chopsticks.

China's emergence as an ivory consumer market, and its potential to develop even further, can be explained, in part, through the growth of China's private retail sector, the strong and increasing purchasing power of Chinese consumers and weak enforcement of ivory trade regulations within China. Consumer expenditure has surged in recent years and retail sales for jewellery, the most relevant category for ivory for which retail sales statistics in China are available, increased from over USD 360 million (RMB 3 billion) in 1994 to over USD 1.85 billion (RMB 15.3 billion) in 2000.

Strong trade links with Africa also shed light on the dynamics of the illegal ivory trade. Seizures of illegally imported ivory from expatriate Chinese returning from Africa and sent by post are common. The China-Africa link supports earlier evidence, documented by TRAFFIC, of Africa-based, Asian-run ivory processing operations which produce semi-worked and worked ivory products for illicit export to selected Asian markets including to China.

The majority of ivory in China's markets is believed to be from African elephants. Illegal ivory imports from Myanmar have been documented, but ivory vendors and carvers expressed a preference for African ivory. Corruption, although a common phenomenon throughout the world, can not be treated lightly: diplomats representing the Government of the Democratic People's Republic of Korea have been involved in a number of documented cases of ivory smuggling on a large scale. There is little evidence to suggest that North Korea has a domestic ivory carving industry within its own borders, and all seizure cases involving North Korean diplomats returning 'home' with consignments of raw ivory had air tickets which involved a stopover in Beijing, a routing which would make it convenient to move large volumes of ivory into China as diplomatic cargo (T. Milliken, *pers. comm.*, June 2002). Recently an official from airport Customs and a shipping worker from China Air were implicated in a smuggling case of around 14 tonnes of ivory. The involvement of an unnamed 'organ in China of a foreign country' in this recent case also was alleged although further details are not available.

The *Wild Animal Protection Law* (1989), the *Enforcement Regulations for the Protection of Terrestrial Wildlife of the People's Republic of China* (1992) and the *Customs Law* (1987) are the principal legal instruments regulating import and export, processing and sale of Asian and African Elephant products. The State Forestry Administration also recently issued Notification 2001/234 urging relevant agencies to pay close attention to illicit ivory trade and established price standards for ivory so that illegal trade could be treated as criminal cases.

Some successful enforcement actions have been carried out as reflected in the seizures made by Customs. Successful joint investigations and operations involving a range of relevant agencies also have been carried out on a number of occasions. While these efforts are to be commended, so far they have been one-off exercises only and their impact would be greatly increased if carried out on a regular basis.

Overall, however, enforcement of legal instruments is weak. Since registration in 1989, no further monitoring of ivory stocks in China has been conducted. Traders are not required to have a specific permit to sell ivory despite the Class I protected status of the African and Asian Elephant and despite the understanding that only vendors that registered in 1989 would be considered legal operators. It is therefore not possible to determine whether ivory seen in the markets of China is derived from stocks registered in 1989 or whether it has been more recently, and thus illegally, acquired. Implementation of legislation is hindered by a lack of inter-agency communication, overlapping responsibilities of government agencies and the consequent lack of clarity as to which agency is responsible for implementing which aspects of the law. This situation is particularly apparent with regard to the disposal of products confiscated from illegal trade. It is not clear which agency is responsible for holding confiscated stocks and whether confiscated ivory is kept in storage, destroyed or released / sold on to the domestic market.

In 1997, at the tenth meeting of the Conference of the Parties to CITES (COP 10) and following the one-off experimental sale of ivory stocks under a set of specific conditions to Japan, the Parties to CITES were mandated to report information on seizures of elephant products through the Elephant Trade Information System (ETIS) within 90 days of their occurrence. This system was established to track illegal ivory trade trends to determine whether decisions taken by the Parties to CITES influence illegal trade.

Despite the efforts of China's enforcement agencies in intercepting illegally traded ivory and the dissemination of limited information in some of China's daily newspapers, only two seizures have been officially reported by China through the CITES process for inclusion in ETIS from 1998 to the present. Many countries are not reporting seizures to the Secretariat through the established mechanisms, but implementation of ETIS in China is hampered by a lack of awareness about this system amongst relevant government agencies and a reticence about divulging ivory seizure information outside of China.

Although logistically it would be easier for China to ban domestic trade in ivory, outright bans, however, are often not a successful way of limiting trade. There are, however, serious deficiencies in the current regulation of sales of elephant products in China and there is an urgent need for stricter regulation. Illegal trade in elephant products, however, is but one of many pressing challenges facing China's wildlife management and enforcement authorities. Effectively addressing illegal wildlife trade will require a holistic approach. In this context, the importance of implementing the intent and recommendations of CITES *Resolution Conf. 10.10 (Rev)* can not be understated. In addition to providing details on the implementation of ETIS, this resolution includes recommendations (provided below) for the adoption of comprehensive internal legislative, regulatory and enforcement measures, the framework for which is applicable to the regulation of other wildlife products.

All countries around the world face challenges in addressing the illegal trade in wildlife. The successful law enforcement operations conducted to date, and the highly successful joint efforts of various agencies are to be commended and future efforts should be supported. It is clear that China plays a major role in the illegal international trade in elephant products and dissemination of information from China to the outside world would provide a clearer picture of the illegal international trade in elephant products, facilitate international cooperative enforcement actions and provide assistance to other countries, particularly in Africa, in addressing illegal exports.

The exchange of information also would help publicize the commendable efforts taken by some government agencies and demonstrate China's willingness to take part in international efforts to bring this trade under control.

RECOMMENDATIONS

The commitment of the Chinese Government to addressing the illegal trade in elephant products is clear to see through the recent and successful enforcement actions conducted to date. Illicit trade in elephant products, however, is but one of many wildlife trade issues facing China's enforcement authorities.

A holistic approach is required: many measures to address illicit trade in elephant products are also applicable to regulating trade in other wild species. The following recommendations should be considered within this context. Whilst some specifically target the illicit trade in ivory, others are applicable, on a more general level, to addressing the regulation of wildlife trade as a whole.

To facilitate communication and joint operations, it is recommended that China:

- Establish a cross-sectoral coordinating committee made up of representatives from relevant agencies to report quarterly on activities and to coordinate information exchange. Academics and relevant experts should also be included in this committee.

As a means of sharing information between relevant agencies and coordinating joint enforcement operations on a regular basis, it is recommended that China:

- Establish a Centralized Wildlife Crime Unit

Although a revised wildlife protection law is in progress, it is not clear when this law will be adopted. In the interim the most pressing requirements are to:

- Define and clarify the responsibilities of relevant governmental agencies, within the existing WAPL (1989), particularly with respect to:
- laws and regulations pertaining to the management and regulation of domestic ivory sales;
- the storage and disposal of confiscated ivory stocks.

Implementation of recommendations pertaining to the monitoring, management and sale of ivory on the domestic market, in accordance with CITES *Resolution Conf. 10.10 (Rev)*, also is urgently required.

- China is encouraged to implement these regulations whereby comprehensive internal legislative, regulatory and enforcement measures be adopted to:

a) Register or license all importers, manufacturers, whole-salers and retailers dealing in raw, semi-worked or worked ivory products; and

b) Introduce recording and inspection procedures to enable the Management Authority and other appropriate government agencies to monitor the flow of ivory within the State, particularly by means of:

- (i) compulsory trade controls over raw ivory; and*
- (ii) a comprehensive and demonstrably effective reporting and enforcement system for worked ivory.*

The TRAFFIC network, in collaboration with the CITES Secretariat, has developed ETIS training modules to facilitate the implementation of ETIS. It is recommended that:

- Training workshops be convened with a wide range of participants to facilitate the implementation of ETIS and to illustrate the applicability of ETIS to wildlife trade in general.

To enhance awareness about regulation of trade in wildlife, implementation of CITES and national legislation, it is recommended that:

- Training workshops be conducted with Customs, the CNMA and the State Administration for Industry and Commerce.

To facilitate the work of Customs in regulating international wildlife trade, it is recommended that:

- The feasibility of limiting the number of ports through which wildlife can be imported or exported should be explored.

To stop the illegal trade, processing and sale of ivory, it is recommended that:

- Targeted enforcement actions are carried out in selected areas along China's border areas with Myanmar;
- Targeted enforcement actions are carried out to close down illegal 'family-style' carving operations.

To address concerns regarding the trade in live elephants, it is recommended that:

- The origin of all captive elephants in China be recorded and the movements of these animals and any new animals noted;
- The China CITES Management Authority clarify its interpretation of trade for 'non-commercial purposes';
- The CITES Management Authorities of China and Malaysia clarify, within the context of trade for 'non-commercial purposes', the terms and agreements of animal exchange programmes between safari parks and/or zoos in China and safari parks / zoos in other countries.

INTRODUCTION

The demand for ivory throughout the 1970s and 1980s, particularly in East Asia, led to the severe decline of elephants in many Asian and African range countries. Various international measures were introduced under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in the hope of reducing threats to elephant populations through the regulation of international ivory trade (Nash, 1997). The first of these actions was to include the Asian Elephant *Elephas maximus* in Appendix I and the African Elephant *Loxodonta africana* in Appendix II at the first meeting of the Conference of the Parties (1976). By 1989, in recognition of the decline in most populations of the African Elephant, the Parties agreed to transfer the species to Appendix I. This decision of the seventh meeting of the Conference of the Parties to CITES constituted a ban on all commercial international trade in all elephants and elephant products, including ivory.

In accordance with CITES *Resolution Conf. 6.14*, the CITES Management Authority of China (CNMA), in August 1989, implemented a registration scheme for all commercial importers, exporters and processing workshops for raw ivory. A total of 110 importers, exporters and workshops were registered, together with 110 tonnes of raw and worked ivory, most of which was pre-Convention stock (Nash, 1997).

China, which had acceded to CITES in 1981, took a reservation to the 1989 Appendix I-listing of the African Elephant in order to protect the ivory carving industry, the majority of whose stocks were reported to be pre-Convention (Nash, 1997). (Pre-Convention stocks for China refer to stocks legally obtained prior to China's accession to CITES in 1981; pre-ban refers to the time prior to 1991 when China withdrew its reservation to the international trade ban. A commercial re-export permit for African Elephant ivory can be granted only if the applicant can demonstrate that the ivory acquired was pre-Convention stock (S. Meng, Deputy Director General, CNMA, *in litt.*, to S. Lee, Program Officer, TRAFFIC East Asia, August, 2000).) Effective 11 January 1991, China withdrew its reservation and the ban on international commercial trade in ivory took effect in China (S. Meng, Deputy Director General, *in litt.* to S. Lee, August, 2000).

World Wide Fund for Nature (WWF), in developing its Asian Rhino and Elephant Action Strategies (AREAS), identified priority population sites for securing the best chance for long-term conservation of the Asian Elephant and Asian rhinoceroses. Populations of the Asian Elephant have experienced major declines over the past decades as a result of poaching, habitat loss and fragmentation, the capture of live animals for domestication purposes and human / elephant conflict. WWF recognized that international trade is a global cross-cutting issue that impacts all of these species and the areas they inhabit.

This project (Phase 1) was designed to support WWF conservation activities by assessing and, where appropriate, putting forward recommendations to improve trade controls in China for Asian Elephant products. The study sought to i) determine the current status of the ivory trade in China, both legal and illegal; ii) determine whether there was a preference and/or a market for ivory from Asian elephants; iii) determine what regulations are in place to monitor the trade; and iv) assess the feasibility of improving these regulations.

Although the focus of the study was on Asian Elephants, their parts and derivatives, the means to distinguish between the ivory of Asian and African elephants are not yet available. References to 'ivory' in this report should be understood to be all-inclusive except when specified.

The report focuses on three specific objectives:

ASSESSMENT OF CURRENT LEGISLATION AND REGULATIONS

Legal instruments for regulating the ivory trade were reviewed and enforcement assessed. This section in the report is divided into the following sub-sections:

- *Structure of governmental agencies regulating trade in elephant products*
- *Legal instruments for the regulation of ivory trade in China*
- *Procedures for the issuance of permits*
- *Enforcement of legislation and regulations*

ELEPHANT TRADE MONITORING AND DATA COLLECTION

Ivory trade and seizure data were collated and China's participation in the Elephant Trade Information System (ETIS) assessed, including the means by which information is collected and reported to the CITES Secretariat. This section in the report is divided into the following sub-sections:

- *China's reported trade in ivory*
- *Status of illegal ivory trade in elephant products*
- *Elephant Trade Information System (ETIS)*

MANAGEMENT SCHEMES FOR TRADE IN ELEPHANTS AND THEIR PRODUCTS

The status of the domestic ivory trade in China and the ramifications of a trade ban for domestic sales of Asian elephant ivory were assessed. This section in the report is divided into the following sub-sections:

- *China's domestic ivory industry*
- *Status of current domestic ivory management schemes*
- *Trade in elephant products other than ivory*
- *Trade in live elephants*

METHODOLOGY

Initial research for this report was carried out between May and August, 2000. In February 2001, TRAFFIC East Asia staff visited Beijing to follow-up on information provided in Guangzhou regarding an ivory carving factory still operating in Beijing. In April 2001, TRAFFIC East Asia staff visited Yunnan Province to meet with the CITES Management Authority (CNMA Kunming branch) and to visit China's border areas with Lao PDR and Myanmar and, in April 2002, another member of staff from TRAFFIC East Asia visited the Chinese Export Commodities Fair, also referred to as the Guangzhou Trade Fair, to determine the availability of and potential markets for ivory in and from China. Information from these visits pertinent to the trade in ivory and other elephant products, and new information that has become available since that time is included in the report.

Data for this analysis were collected mostly through interviews, but also from published and unpublished literature. Legislation pertaining to ivory trade controls and registration schemes for domestic ivory stocks were reviewed, the feasibility of implementing domestic trade bans and of improving existing or implementing new

monitoring schemes for domestic trade were assessed, and China's implementation of the Elephant Trade Information System (ETIS) evaluated. Reports of legal and illegal trade of elephant products were also examined.

Chinese interviews were conducted through interpreters fluent in both Mandarin (Dr. Lu Wenhua, independent consultant) and Cantonese (Samuel Lee, TRAFFIC East Asia). A list of people interviewed during the course of the first part of the study is provided in **Table 1**.

Interviewees were selected based on their knowledge, experience and role as government officials, academics, or other relevant individuals. The geographical scope of the study was thoughtfully considered. Beijing was visited as it is the centre of government administration and in order to see the Beijing Ivory Carving Factory; Guangzhou, including the Da Xin Ivory Carving Factory (ICF), was visited as it remains an important centre for ivory trade; and Yunnan Province because the majority of wild elephants in China are found in the nature reserve system in Xishuangbanna and also because there is a considerable volume of trade in wildlife products across Yunnan's borders with Myanmar, Laos and Vietnam. Interviews were also conducted in a nearby Dai village outside Menglun Nature Reserve, and in the reserves of Mengyang and Menglun, in Yunnan Province.

Representatives of China's CITES Management Authority (CNMA) were interviewed at every level, from the central government to the government appointed village representatives in the communities surrounding the reserves of Xishuangbanna. Members of China's CITES Scientific Authority, referred to in China as the Endangered Species Scientific Commission (ESSC), were interviewed at the national and regional level, including specialists from external agencies whose research is used to make decisions regarding the issuance of CITES permits. Forestry Police representatives were interviewed at the national and local levels. Customs representatives were interviewed at the national level. Wildlife Conservation Department representatives were interviewed at the national, regional and local levels. Various other interviews were held with members of other governmental and non-governmental agencies that were involved in wildlife protection or wildlife trade monitoring at some level, including an animal rescue facility in Jinghong, Yunnan Province. A Vice-Chair of the Standing Committee of the People's Republic of China was also consulted. Where possible, follow-up visits with officials in Beijing were made after visiting Yunnan province.

Interviews were originally designed to gather specific information about ivory trade, regulations and enforcement, and the management of elephant product seizure data. After several interviews, where officials stated that ivory smuggling was not a problem in China, questions were broadened to include general information about how relevant governmental agencies execute regulations with regard to the wildlife trade industry, including ivory, and how these various agencies coordinate their efforts. Contact within the State Administration for Industry and Commerce could not be established within the time frame of this study and it proved difficult setting up meetings with Customs. As a result, information about Customs presented here is derived mostly from publications and information provided by other agencies.

Ivory trade data was compiled from records obtained from the Chinese Government, the World Conservation Monitoring Centre (WCMC), published literature and newspaper reports.

Table 1

People interviewed about the regulation and trade of elephant ivory and elephant conservation in China, May and July 2000

Institution	Title	Location
CNMA	Deputy Director General	Beijing
	Director, Fauna Division	Beijing
	No Title	Beijing
	Deputy Director	Yunnan (Kunming)
	Engineer	Yunnan (Kunming)
WCD	National Director	Beijing
	Provincial Deputy Director	Yunnan (Kunming)
	Prefecture Deputy Director	Yunnan (Jinghong)
	Principle Researcher	Yunnan (Jinghong)
	Researcher	Yunnan (Jinghong)
	Elephant Researcher	Yunnan (Jinghong)
	Elephant Ranger	Yunnan (Mengyang)
	Station Deputy	Yunnan (Menglun)
	Village Representative	Yunnan (Menglun)
	Ranger	Yunnan (Menglun)
ESSC	Director	Beijing
	Assistant to Director	Beijing
	Former Member	Yunnan (Kunming)
CAS¹	Former Director, ESSC, Co-chair BWG	Beijing
	Species Information System Manager	Beijing
CAS²	Deputy Director	Yunnan (Jinghong)
CAS³	Botanist/Elephant research	Yunnan (Menglun)
	Botanist	Yunnan (Menglun)
CAF⁴	Director/Professor	Beijing
Forestry Police	National Deputy-Director General	Beijing
	Officer	Beijing
	Head Dispatcher	Mengyang
	Dispatcher	Menglun
General Administration of Customs	Engineer	Beijing
	Former Employee	Beijing
Standing Committee University of Yunnan	Vice Chairman	Beijing
	Head of Biology Dept./Elephant researcher	Yunnan (Kunming)
	Assistant Dean/Botanist	Yunnan (Kunming)
WWF	Ecoregional Conservation Coordinator	Beijing
IFAW	Country Director	Beijing
	Program Assistant	Beijing
TNC	Biodiversity Specialist	Yunnan (Kunming)
Ivory Industry	Retired Carver	Closed Ivory Factory, Beijing
	General Manager	Da Xin ICF, Guangzhou
	Supply and Marketing of Foreign Trade, Agency Head	Da Xin
	Production Manager	Da Xin
Elephant Manager	Elephant Head Trainer	Mengyang
Reserve Administrator	Mengyang Office Manager	Mengyang

¹ Institute of Zoology; ² Primate Center; ³ Botanical Garden; ⁴ National Bird Banding Center

ASSESSMENT OF CURRENT LEGISLATION AND REGULATIONS

STRUCTURE OF GOVERNMENTAL AGENCIES REGULATING TRADE IN ELEPHANT PRODUCTS

Various government agencies in China are responsible for implementing laws and regulations pertaining to the trade in elephants and their products. The following government agencies were identified through interviews, government documents and published literature as being directly or indirectly involved in the regulation of trade in elephants, their parts and derivatives.

- *General Administration of Customs*
- *State Administration for Industry and Commerce*
- *State Forestry Administration*
 - *Endangered Species of Wild Fauna and Flora Import and Export Administrative Office (China CITES Management Authority - CNMA).*
 - *Wildlife Conservation Department (WCD)*
 - *Forestry Police*
- *Chinese Academy of Sciences*
- *Endangered Species Scientific Commission (ESSC) (China CITES Scientific Authority - CNSA)*

General Administration of Customs

General Administration of Customs has a total of 300 offices, including 42 regional offices and, where trade volumes are particularly high, Customs Divisional offices, and Customs Ports. There are 11 main departments and offices within Customs General as well as subordinate divisions, administrative offices and political organs. The main departments and offices of Customs General include:

- General Office
- Department of Policy and Legal Affairs
- Department of Statistics
- Bureau of Investigation
- Bureau of Anti-smuggling & Criminal Investigation
- Department of International Cooperation
- Department of Human Resources Management
- Department of Finance and Equipment

Customs are responsible for the supervision and control of all goods entering and leaving the customs territory (*Customs Law, 1987, Article 2*). Import and export regulations and procedures for dealing with illegal goods seized in trade are established either independently or jointly with relevant government agencies under the State Council (*Customs Law, Article 27*) and Customs are responsible for prosecuting anyone illegally importing and/or exporting wildlife or the products thereof (*Wild Animal Protection Law (WAPL), 1989, Article 36*). With the exception of officials employed at Customs General in Beijing, high-ranking Customs officials are rotated to different positions on a regular basis (Y. Xin, Engineer, Customs General, *pers. comm.*, 26 May 2000).

State Administration for Industry and Commerce

The State Administration for Industry and Commerce is responsible for supervising and controlling wildlife and/or the products thereof in the market place (WAPL, Article 22). Industry and Commerce, or wildlife administration authorities authorized by Industry and Commerce, may impose a fine of below ten times the value of the product for the unlawful sale, purchase, transport or carrying of wildlife under state or local protection (*Enforcement Regulations for the Protection of Terrestrial Wildlife of the PRC, 1992*, Article 37).

CITES Management Authority

The CITES Management Authority of China (CNMA), referred to in China as the Endangered Species of Wild Fauna and Flora Import and Export Administrative Office, is the government-appointed body responsible for the implementation of CITES in China. The head office is located in Beijing within the State Forestry Administration.

Responsibilities within the CNMA in Beijing are divided among the following divisions of the CITES Office:

- Division of Fauna
- Division of Flora
- Division of CITES Affairs (International Cooperation)
- Division of Law Enforcement and Capacity Building
- Division of Interior Affairs (including personnel and finances, etc)

There are 17 branches of CNMA throughout China (**Figure 1**) and each branch is established in a capital city of the province or municipality. Staff in the CNMA total 130 persons but funding limitations do not allow for regular meetings of all branch members. Funding for activities is obtained predominantly from the fee levied on CITES export permits although salaries are paid by central government (Ma, 2001).

The CNMA is responsible for issuing permits for all wildlife imported into or exported out of China. For species protected by the *Wild Animal Protection Law* (1989) but not listed in the Appendices of CITES, the CNMA is required to consult with the WCD before issuing a trade permit (C. Li, Deputy Director, CNMA Yunnan, *pers. comm.*, 16 May 2000). For species listed in the Appendices of CITES, the CNMA must consult with and obtain the positive advice of the ESSC, as the CITES Scientific Authority (S. Meng, Deputy Director General, CNMA, *in litt.*, to S. Lee, Program Officer, TRAFFIC East Asia, August 2000).

The Beijing CITES Management office and the branch offices of Shanghai, Tianjin, Guangzhou, Chengdu and Fuzhou can issue CITES permits directly without prior consultation with Beijing. The branch offices of Harbin (Heilongjiang Province), Kunming (Yunnan Province) and Shenyang (Liaoning Province) are able to issue permits for specimens not listed in the Appendices of CITES. The CNMA is considering opening more administrative offices for issuing import and export permits and certificates (S. Meng, Deputy Director General, CNMA, *in litt.*, to S. Lee, Program Officer, TRAFFIC East Asia, August 2000).

In addition to issuing trade permits and certificates, the CNMA administrative offices are also responsible for:

- Registration of wildlife importers and exporters;
- Organizing public awareness activities and training on CITES and national wildlife protection laws;

In Yunnan, WCD and the CNMA have powers of arrest similar to the State Administration for Industry and Commerce and can patrol markets for illicit wildlife products (Y. Du, Provincial Deputy Director, Yunnan, *pers. comm.*, 16 May 2000).

Forestry Police

Forestry Police are under the administrative jurisdiction of the Public Security Bureau under the State Council, but are funded through the State Forestry Administration. There are 30 Forestry Police departments in China with 6,000 branch offices and 60,000 employees. A Forestry Police school has been in place since 1995. Regular training for identification of protected species is reportedly provided at the city and provincial level and CITES training is provided by the CNMA (Z. Cao, National Deputy-Director, Forestry Police, *pers. comm.*, 26 May 2000).



Credit: Caitlin
O'Connell-Rodwell /
TRAFFIC East Asia

Asian Elephant *Elephas maximus* in captivity

The official function of the Forestry Police is to enforce wildlife protection laws and, at the county level, the main function is to investigate and enforce regulations regarding illicit trade (Z. Cao, National Deputy-Director, Forestry Police, *pers. comm.*, 26 May

2000). In the provinces of Yunnan, Qinghai, Xinjiang, Gansu, Sichuan, and Guizhou, however, the Forestry Police also act as nature reserve rangers due to the high concentration of illicit wildlife trade in the nature reserves of those provinces (Z. Cao, National Deputy-Director, Forestry Police, *pers. comm.*, 26 May 2000).

For minor offences, fines levied on illegal traders are provided to the division of Forestry Police responsible for handling the case. For a criminal case, forestry police are required to gather evidence and any ensuing penalties are provided to the court (Z. Cao, National Deputy-Director, Forestry Police, *pers. comm.*, 26 May 2000).

Endangered Species Scientific Commission

The Endangered Species Scientific Commission (ESSC), which functions as the CITES Scientific Authority for China, was established in 1981 and is comprised of 26 volunteer members selected by the Chinese Academy of Sciences (CAS). Members are chosen from institutions including the Chinese Academy of Sciences, Beijing University, North East Forestry University and the Institute of Zoology. There are three permanent members who handle communications and administration. All operating funds for ESSC come from the Chinese Academy of Sciences (Z. Jiang, Director, ESSC, *pers. comm.*, 4 May 2000), but as with the CNMA, the ESSC lacks sufficient funds to meet on a regular basis (Y. Wang, former ESSC member for Yunnan, *pers. comm.*, 17 May 2000).

The ESSC, as the China CITES Scientific Authority, is responsible for providing advice to the CNMA on whether to issue CITES documents for international trade. Information upon which these decisions are based is sometimes solicited directly from researchers working on the species, or gathered from published reports or from centralized databases such as the China Species Information System. ESSC reviews about 300 permit applications a year from the CNMA (Y. Guo, Assistant to the Director, ESSC, *pers. comm.*, 8 May 2000) which, given the large volumes wildlife in trade, indicates that only a small percentage of permits are checked by the CITES Scientific Authority in China.

The ESSC plans to establish a network of specialists to provide accurate and up-to-date information on the status and conservation needs of pertinent species. Future plans also call for a computerized advice library modeled on the system currently operating in the United States (Y. Guo, Assistant to the Director, ESSC, *pers. comm.*, 8 May 2000).

LEGAL INSTRUMENTS FOR THE REGULATION OF IVORY TRADE IN CHINA

The *Wild Animal Protection Law* (1989) (*WAPL*), the *Enforcement Regulations for the Protection of Terrestrial Wildlife of the People's Republic of China* (1992) (formulated in accordance with *WAPL*) and the *Customs Law* (1987) of the People's Republic of China are the principal legal instruments regulating import and export, processing and sale of Asian and African Elephant products.

Wild Animal Protection Law

The *Wild Animal Protection Law* (*WAPL*), also called the *Law of the People's Republic of China on the Protection of Wildlife*, or simply the *Wildlife Protection Law*, was promulgated in November 1988, effective 1 March 1989. Although a revised wildlife protection law is currently under review, the *WAPL* (1989) remains the law in effect. *WAPL* affords protection to terrestrial and aquatic species which are rare or near extinction, and terrestrial species with important economic or scientific value (*WAPL*, Article 2).

The law distinguishes between Class I and II State-protected wildlife, referred to as 'animals under special state protection' (ASSP). Provinces may also adopt provincial wildlife protection regulations which may include species not listed on the national *WAPL*. These regulations may be more, but not less, stringent than the national legislation. Yunnan, for example, prohibited all hunting and sale of live animals in 1997 (C. Li, Deputy Director, CNMA Yunnan, *pers. comm.*, 16 May 2000; W. Fan, WCD Station Deputy, Menglun, Yunnan, *pers. comm.*, 22 May 2000).

Asian Elephants are listed as Class I protected species in China. The illegal hunting of Class I protected species constitutes a criminal offence punishable in accordance with the provisions of Article 130 of the *Criminal Law* (*WAPL*, Articles 31 and 32). *Notification No.48* (1993), issued by the Ministry of Forestry (now the State Forestry Administration) states that non-native species listed in Appendix I and II of CITES and imported into China are categorized as Class I and II protected species, respectively, and trade regulated in accordance with Article 40 of *WAPL* and Article 24 of the *Enforcement Regulations for the Protection of Terrestrial Wildlife of the People's Republic of China* (1992). The African Elephant therefore is also categorized as a Class I protected species in China.

Sale or purchase of Class I State protected wildlife or their products is strictly prohibited although scientific research, domestication, breeding, or exhibition is allowed with a permit (*WAPL*, Article 22). Transportation within China of species under special state protection or their products must be approved by the Forestry Department under the government of the relevant province, autonomous region or municipality (*WAPL*, Article 23). The sale, purchase, transport or carrying of wildlife under special state or local protection, or any products thereof, is prohibited without a permit. Violation of this provision would result in the confiscation, by the

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Ivory carving on display in
China in 2002

administrative authorities for Industry and Commerce, of the illegal products and any income derived from the products (*WAPL*, Article 35). If the circumstances are serious enough to constitute a crime, the person shall be prosecuted for criminal responsibility (*WAPL*, Article 35). The law, however, does not stipulate clearly what violation would be ‘serious enough to constitute a crime’.

The export of specimens of ASSP requires a permit issued by the CNMA after consultation with and agreement of the WCD; the export of specimens of species listed in the CITES Appendices requires a permit issued by the CNMA after consultation with and the agreement of the ESSC and the WCD (*WAPL*, Article 24 and Article 40), and must be cleared by Customs after examination of the export permit (*WAPL*, Article 24). Any person who illegally imports or exports ASSP or CITES-listed species will be punished according to the *Customs Law* and, if the circumstances are serious enough to constitute a crime, they shall be prosecuted for criminal offense under the *Criminal Law* (*WAPL*, Article 36). Again, the circumstances which would be ‘serious enough to constitute a crime’ are not defined. If the provisions of CITES differ from those stated in *WAPL*, the provisions of CITES apply unless China has a specific reservation on the species in question (*WAPL*, Article 40).

Customs Law (1987)

The *Customs Law of the People’s Republic of China* came into effect in 1987. Illegal trade is punishable by a fine and confiscation of the smuggled goods, the means of transport used for smuggling and of any illegal proceeds (*Customs Law*, Article 47). Confiscated items and proceeds from illegal activities are required to be turned over to the State Treasury (*Customs Law*, Article 52).

PROCEDURES FOR THE ISSUANCE OF PERMITS

Permits for the trade and movement of specimens of species listed in the CITES Appendices or in China’s ASSP list are issued by the CNMA (Z. Wan, CNMA, *pers. comm.*, 10 May 2000; S. Meng, Deputy Director General, CNMA, *pers. comm.*, 11 May 2000).

Permits for trade in specimens of species protected under national legislation or CITES

Applications for permits to export animals under special State protection or listed in the Appendices of CITES must be submitted with the certificate of origin, contract or agreement of export, business license and other relevant documents to the provincial CNMA. The provincial wildlife administration authority reports their approval of the permit application to the national office of the CNMA (*Notification 1999 / 6: Procedures of Application and Approval on Import and Export Certificate of Wildlife*; Y. Du, Provincial Deputy Director, Yunnan, *pers. comm.*, 16 May 2000). The CNMA consults with WCD for permits requesting the export of ASSP species and with the ESSC for permits requesting the export of species listed in the CITES Appendices (C. Li, Deputy Director, CNMA Yunnan, *in litt.*, to S. Lee, TRAFFIC East Asia, 8/2000). The CNMA provincial branch issues the permit upon approval by the national CNMA office in Beijing. The permitting process can take anywhere between ten days and three months (C. Li, Deputy Director, CNMA Yunnan, *pers. comm.*, 16 May 2000).

For imports of CITES-listed species, five copies of the import permit are required. One permit remains with the Provincial Forestry Department and one copy with the provincial branch office of the CNMA. The third copy remains with the shipment and is required to obtain a transport permit, issued by the Conservation Department of the Provincial Forestry Department and must be shown to the Prefecture Forestry Department at the point of

destination. If goods are transported through provinces or to a different prefecture in the province then the same procedure applies with the same permit copy. Two permits are kept by Customs, one for their records and the other one is returned to the CNMA to show that it has been used (Huang, H., *pers. comm.*, to TRAFFIC East Asia, April 01).

ENFORCEMENT OF LEGISLATION AND REGULATIONS

The WCD, including Forestry Police, CNMA, and the State Administration for Industry and Commerce, are all responsible at some level for enforcing wildlife trade regulations within China but the responsibilities and powers vested in these authorities may vary by province.

Although China's wildlife protection legislation appears relatively comprehensive, the vagaries of certain articles within the laws and the overlapping responsibilities of agencies designated in the laws hinder effective implementation. Article 3 of the *Enforcement Regulations for the Protection of Terrestrial Wildlife* (1992), for example, designates the Department of Forestry Administration (i.e., the State Forestry Administration) as the responsible agency for the nation-wide administration of wildlife. However, Industry and Commerce are the designated authority for regulating wildlife goods that are placed on the market (*WAPL*, Article 22), and for confiscating wildlife and/or their products under state or local special protection that are sold, purchased, transported or carried without the appropriate permits (*WAPL*, Article 35). The large number of staff within the State Administration for Industry and Commerce should enable strict control of protected species in the market. However, overlapping responsibilities of relevant government agencies as well as the low level of awareness of Industry and Commerce regarding the regulation of sale of protected species hinders effective implementation of China's laws.

Inadequate channels of communication within the relevant government agencies also hampers effective implementation of laws and regulations. Amendments to the CITES Appendices and the adoption of new resolutions and decisions adopted at the biennial Conferences of the Parties, for example, are not always communicated to relevant agencies and offices in a timely manner. In 2000, some branches of the CNMA, for example, were unaware of the Elephant Trade Information System (ETIS) adopted by the Parties in 1997 at COP 10.

International borders are manned by the boundary army and Customs, the former being responsible for checking the movement of people across the border whilst Customs are responsible for checking trade permits (CNMA, Kunming Branch, *pers. comm.*, to TRAFFIC East Asia, April 01). Import and export of wildlife and any products are not restricted to certain ports in China (Y. Guo, Assistant to the Director, ESSC, *pers. comm.*, 8 May 2000) and there are more than 15 countries along China's borders, 400 officially designated ports of entry (C. Li, Deputy Director, CNMA Yunnan, *pers. comm.*, 16 May 2000) and numerous unofficial routes. Whilst Customs clearly has a pivotal role to play in the regulation of international trade, ineffective channels of communication between Customs and the CNMA regarding the exchange of intelligence information, also impedes effective implementation. Seizures made by Customs, are, in theory, reported to Customs at the provincial level every three months, and from there to Customs General in Beijing (Hei Sha, Mengla Customs, *pers. comm.*, to TRAFFIC East Asia, April 01) from where they should be available to the CNMA head office. The head of the Division of Enforcement at the CITES Management Office in Beijing, however, noted that the process for reporting was not fully functional (Wan, Z., *pers. comm.*, April 01), and the CNMA were not always aware of wildlife seizures made by Customs.

Disposal of seized products

Customs are responsible for regulating trade across international borders and for the confiscation of illicit commodities, including wildlife (*Customs Law*, Articles 27 & 47). Confiscated items are required to be turned over to the State Treasury (*Customs Law*, Article 52). However, there are reportedly no centralized storage facilities for seized ivory either at the provincial or national level (Y. Wang, former ESSC member for Yunnan, *pers. comm.*, 17 May 2000). It is unclear whether confiscated ivory is kept in storage, destroyed or released on to the domestic market. As Customs does not routinely inform the CNMA of seizures it is also difficult to design and implement a system for the management and regulation of seized ivory.

An official from the central office of the CNMA noted that, as the agency responsible for coordinating the implementation of CITES, they would like control over seizures of wildlife products. However, it was also noted that compensation would be required for Customs to relinquish control of confiscated goods (Z. Wan, CNMA, *pers. comm.*, 10 May 2000). The Customs office in Mengla County, Yunnan, reiterated this point noting that wildlife goods seized in illegal trade would be handed to the Forestry Department only if that body covered Customs' costs for handling the case (such as investigations and transport). If such payment was not forthcoming, Customs would retain the seized products (Hei Sha, Mengla Customs, *pers. comm.*, to TRAFFIC East Asia, April 01). As the CNMA does not have sufficient funds, compensation is generally not possible so control over seized wildlife products remains elusive.

Industry and Commerce are responsible for regulating wildlife goods in China's markets (*WAPL*, Article 22) and for confiscating wildlife and/or their products under state or local special protection traded in violation of the provisions of *WAPL* (*WAPL*, Article 35). Article 35 further notes that the Forestry Department is responsible for disposal of the confiscated goods. However, it is not clear how Industry and Commerce coordinates with the Forestry Department to transfer seized specimens for disposal. Adding further confusion, Article 37 of *Enforcement Regulations* (1992) states that either Industry and Commerce or the Forestry Department authorized by Industry and Commerce shall confiscate illegal wildlife goods seized from a domestic sale, purchase or transportation. It is not clearly stipulated which agency would hold the seized goods and, furthermore, overlapping responsibilities can result in one agency leaving responsibility to the other, and vice-versa.

Confiscated ivory goods appear to be held by the agency which seized the illegal ivory. However, as with seizures of ivory made by Customs on international borders, it is not clear whether ivory confiscated from China's domestic trade is kept in storage, destroyed or released on to the domestic market.

Joint enforcement activities

Despite the overlapping responsibilities of government agencies for enforcing China's wildlife legislation and regulations and the difficulties in communication between agencies, successful joint investigations have been carried out on a number occasions in China. In 1993, for example, the CNMA, police, as well as industry and medicine departments in Shaanxi Province undertook a cooperative investigation which succeeded in uncovering trade in rhinoceros horn and Tiger bone (Anon., unpubl. a.).

In recent years, the trade in wildlife has received greater attention and cooperation has improved considerably. Currently, there are three customs ports, in Shenzhen, Beihai and Dalian, where the CNMA works together with Customs to regulate imports and exports of wildlife (**Figure 1**).

The most successful joint operations were the Kekexili Operation I and the South Operation II, both of which were conducted in 1999. These collaborative actions were implemented by the Wildlife Conservation Department, Public Security Bureau (including Forestry Police), the CNMA and Customs. Funding was provided by the central government to the local corresponding agencies.

Kekexili Operation I was carried out in Qinghai Province to crack down on illegal poaching and trade of the Tibetan Antelope *Pantholops hodgsonii*, a Class I protected species in China and listed in Appendix I of CITES.

South Operation II was initiated in response to the interception of an unspecified number of elephant tusks, 11 Tiger skins, numerous Leopard skins, 575 python skins and a wide range and alarming number of other wildlife products that occurred in July 1999 at the Ruili border post in Yunnan on the China / Myanmar border (Anon, 1999a). As a result, the CNMA coordinated a two week operation in cooperation with Forestry Police, the Railway Police, airline officials, Customs and the State Administration for Industry and Commerce, concentrating upon wildlife destined for the food service industry. Checkpoints were set up on the roads and in some nature reserves at the same time in Guangdong, Guangxi, Fujian and Yunnan and raids conducted in markets and in restaurants specialising in serving wildlife dishes (Y. Wang, former ESSC member for Yunnan, *pers. comm.*, 17 May 2000). The operation led to the confiscation of more than 13,000 animals, a third of them listed on China's ASSP list, and the identification of nearly 400 businesses dealing in protected species (Anon., 1999b). At the eleventh Conference of the Parties to CITES (COP 11), delegates from the Viet Nam CITES Management Authority remarked in April, 2000 that illegal trading had been reduced (Z. Wan, CNMA, *pers. comm.*, 10 May 2000).

Although both operations were very successful, so far they have been one-off exercises whose impact would be greater if carried out on a routine basis. Ivory trade was not a focus of either of the efforts.

ELEPHANT TRADE MONITORING AND DATA COLLECTION

CHINA'S REPORTED TRADE IN IVORY

Analysis of CITES Annual Reports show that China has continued to import, export and re-export ivory products since the ban on international trade in elephant products came into effect in China on 11 January 1991, **Tables 2 and 3**.

Reported imports into China, from 1991 to 1999, total 438 carvings, 34 tusks and nine trophies. Of the 34 tusks, only one tusk, imported from Hong Kong (originating from China), was reported as being pre-Convention (WCMC). (Pre-Convention stocks for China refer to stocks legally obtained prior to China's accession to CITES in 1981; pre-ban refers to the time prior to 1991 when China withdrew its reservation to the international trade ban. A commercial re-export permit for African Elephant ivory can be granted only if the applicant can demonstrate that the ivory acquired was pre-Convention stock (S. Meng, Deputy Director General, CNMA, *in litt.*, to S. Lee, Program Officer, TRAFFIC East Asia, August, 2000).)

From 1991 to 1999, China is reported as having exported 571 tusks, 1,006,111 ivory carvings as well as 345 kg of ivory carvings. Only 1,769 ivory carvings exported from China from 1991 – 1999 were reported as being pre-Convention stock, compared with total reported exports of 9,442,401 carvings in 1990 and the 1,003,096 carvings in 1991. A further 5 kg of teeth are reported as having been exported although it is not clear whether these 'teeth' are tusks or other teeth. Of the 566 tusks reported as being exported in 1992, 554 tusks were

Table 2

Gross imports into China

Imports	Carvings	Tusks	Trophies	Carvings (kg)	Tusks (kg)
1990	12	0	0	9095	271
1991	3	4	0	0	0
1992	13	1	0	0	0
1993	4	0	0	0	0
1994	109	3	9	0	0
1995	52	26	0	0	0
1996	4	0	0	0	0
1997	135	0	0	0	0
1998	106	0	0	0	0
1999	0	0	0	0	0

Source: CITES Annual Reports, WCMC

Table 3

Gross exports from China

Exports	Tusks	Carvings	Carvings (kg)	Ivory scraps (kg)	Tusks(kg)	Teeth (kg)
1990	1	9 442 401	2378	400	38	0
1991	0	1 003 351	30	0	0	0
1992	566	469	95	0	0	0
1993	1	576	0	0	0	0
1994	0	308	0	0	0	0
1995	0	5	0	0	0	0
1996	0	1220	0	0	0	5
1997	0	41	220	0	0	0
1998	0	141	0	0	0	0
1999	4	0	0	0	0	0

Source: CITES Annual Reports, WCMC

recorded by China as being from pre-Convention stocks and five were seizures in the country of destination. The pre-Convention tusks were reported as having originated in Kenya and exported to Japan. Japan, however, does not record the import of these tusks. In 1992, China also reported the export of one pre-Convention tusk to Hong Kong. Exports of Asian and African Elephant ivory carvings reported as being from pre-Convention stock are provided in **Tables 4** and **5**.

The discrepancy between gross exports of ivory carvings from China (**Table 3**) and (re)-exports reported as being from pre-Convention stock (**Tables 4 & 5**) results from incomplete information being included on the permits and / or the Annual Reports submitted to the CITES Secretariat. It is thus difficult to determine the source of these ivory carvings exported in 1991. Other anomalies noted in the comparative tabulations compiled by WCMC include the reported export by Zimbabwe of 17 ivory carvings and 3 tusks in 1994, and 52 ivory carvings and 26 tusks of ‘Wild’ origin for the purpose of ‘Trade’ in 1995. China does not record the import of these ivory products.

Table 4

Reported exports of pre-Convention *Elephas maximus* ivory carvings and country of destination

Year	Destination	Quantity
1991	-	0
1992	Japan	11
1993	-	0
1994	Japan	85
1995	-	0
1996	-	0
1997	South Korea	2
1998	Japan	23
1999	-	0

Source: CITES Annual Reports, WCMC

Table 5

Reported re-exports of pre-Convention *Loxodonta africana* ivory carvings and country of destination

Year	Destination	Quantity
1991	-	0
1992	Hong Kong	423
1993	-	0
1994	-	0
1995	-	0
1996	Japan	1206
1997	Japan	2
1998	Japan	17
1999	-	0

Source: CITES Annual Reports, WCMC

STATUS OF ILLEGAL TRADE IN ELEPHANT PRODUCTS

Seizure information for any illegal products, by its very nature, can only provide an indication of levels of illegal trade. The difficulties of assessing China’s full role in the illicit ivory trade are exacerbated due to serious deficiencies in China’s seizure reporting system: there is no effective system for reporting seizures and no centralized system for recording seizure information. The actual scale of illicit ivory trade in China therefore is likely to be considerably larger than current data shows.

Reports of seizures of ivory destined for or seized in China were collected from public documents, websites and, where available, from government agencies. Collated seizure information is presented in **Table 6**. Information on which seizures have been included in the ETIS database was provided by TRAFFIC East/Southern Africa, *in litt.*, to TRAFFIC East Asia, 28 May 2002 and 8 June 2002. Seizure for which the details were not clear, are provided in text following **Table 6**. Recorded seizures represent only minimum levels of illegal ivory trade in China. Nonetheless, available data clearly shows that China is a significant consumer of illegal ivory. Geographical illustration of where reported seizures have been made is provided in **Figure 2**.

Elephant skin has also been seized within China’s borders. Details of these seizures, comprising around 15 – 18 tonnes, are noted later in the report under “*Trade in elephant products other than ivory*”.

Further information on seizures of ivory include a report in the 12 November issue of the “Jiefang Daily”(a local Shanghai newspaper) which reported that since July 2000, Shanghai Customs have encountered seven smuggling cases of ivory originating from Africa, with six of these seven cases discovered in September and October of 2000. One passenger arriving in Shanghai Pudong International Airport declared three boxes of goods as cigarettes, clothes, crafts and cosmetics which, upon investigation, were found to be 25 pieces of ivory making up 13 full ivory tusks (Anon, 2000c). A further 15 cases of ivory smuggling were reported to have occurred between 1 - 26 August 2001 (Anon, 2001e). In 2001, Shanghai Customs confiscated a total of 53 ivory tusks and 3205 pieces of worked ivory products (not included in **Table 6**) (Shanghai Wildlife Forensic Laboratory, *in litt.*, 7 January 2002, to TRAFFIC East Asia). From mid-March to mid-May, 2002, Shanghai Customs handled 11

Table 6

Recorded seizures of illegal ivory concerning China, 1998 to 2001

Year /Notes	In ETIS	Date of Seizure	Worked (pc)	Semi-worked (pc)	Tusks	Worked tusk	Weight (kg)	Location of Seizure	Origin	Destination	Data source
1998	Y	21-Oct-98			X		576	Roissy Airport, Paris	Cameroon	China	Anon, 1998
	N	Nov-98	?	?	?		1591	Zhanjiang Port, Guangdong	Djibouti	China	Anon, unpubl. b
1999											
Note 1	N	Early 1999			221 / 442			Guangxi, China	Africa	China	Anon unpubl. c
	N	16-Mar-99			330		2934	Huangpu, Guangdong Province, China	?	China	Anon unpubl. b
Note 2	N	28-Apr-99			X		537	Sheremetev Int'l Airport, Moscow	Nigeria	DPR Korea/China ??	TEU <i>in litt.</i> , to TEA, 15 May '02
	N	Jan-July 1999			13		?	Beijing			Anon, unpubl. d
	N	Jul-99			X		?	Ruili, Yunnan Province, China	Myanmar	China	Anon, 1999a
	Y	30-Aug-99			188		700	Kenya	Cameroon	China (DPR Korea Embassy)	TRAFFIC East/Southern Africa, <i>in litt.</i> , to TEA, May 02
Note 3	Y	30-Aug-99			102	112	457.293	Tianjin, China	?	China	Anon, unpubl. e
Note 3	Y	30-Aug-99	3249				231.556	Tianjin, China	?	China	Anon, unpubl. e
	N	Oct-99	9		15		?	Shanghai	?	China	Anon, unpubl. f
	N	15-Nov-99			3		8	Fengning, Yunnan	?	?	Anon, 1999c
2000											
Note 4	N	16-May-00		X			507	Tongle / Shenzhen Customs		China	Anon, 2000a
	N	07-Jun-00			13		140	Yangzhou Customs, Guangxi	Gabon	China	Anon, 2000b
	Y	18-Oct-00			25		123.18	Shanghai Pudong Customs	Benin	China	Anon, 2001a
2001											
Note 5 & 7	N	1 Jan to 31 Dec 01					13 000	Beijing Customs		China	Anon, 2002a
	N	1 Jan to 31 Dec 01					1100	Guangdong Zhanjiang Customs		China	Anon, 2001b
	Y	14-Feb-01			73		518.19	Schipol Airport, Netherlands	Nigeria	China (DPR Korea Embassy)	CITES MA (NL), <i>in litt.</i> , to TEA, 30 Jan 02
Note 6	Y	Apr-01					445	Heathrow, UK	Kenya	China	C. Mackay, <i>in litt.</i> , to TEA, 17 Jan 01
	Y	16-May-01			295		2613.5	Qingdao Customs		China	Anon, 2002b
	Y	12-Jun-01		244			29.87	Wenzhou Customs		China	Anon, 2001c
	Y	30-Jun-01	405		45	29	150	Belgium	Mali	China	TEU, <i>in litt.</i> , to TEA, May 2002
	N	End of June			2			Haikou Post Customs, Hainan Island	Africa	China	Anon, 2001d
	N	1 June - 15 Aug 01	258					Hangzhou Post Customs	Mali	China	Anon, 2001b
Notes 3 & 7	Y	Sept-01	34	49			3.7	Zurich-Kloten Airport, CH	Nairobi	Beijing, China	TEU, <i>in litt.</i> , to TEA, May 02
Notes 3 & 7	Y	Sept-01			20		71.1	Zurich-Kloten Airport, CH	Nairobi	Beijing, China	TEU, <i>in litt.</i> , to TEA, May 02

Notes to Table 6:

1. The quantitative measure word for 'tusk' in the Chinese source material ("fu") means "a pair" but is sometimes used to describe one item only. Thus, it is unclear whether "221 fu of elephant tusks" means 221 tusks or 221 pairs of tusks, i.e., 442 tusks.
2. The North Korean diplomat was en-route to DPR Korea via Beijing (TRAFFIC Europe – Russia, *in litt.*, to TRAFFIC East Asia, 31 May 2002). Noting previous involvement of DPR Korean diplomats in smuggling ivory to China, it is probable that the final destination of this ivory was China.
3. These seizures (30 August 1999 and September 2001) are recorded separately in the table (to show quantities and weight) but represent one seizure.
4. This seizure was made within China and it is unknown whether the seizure was old (illegal) stock or new stock recently smuggled into China.
5. The South China Morning Post, citing Agence France Presse, reported that 14 tonnes of ivory, with an estimated value of USD 70 million were seized. The ivory was illegally imported between 1999 and 2000. 12 tonnes of ivory were seized in March 2001 in a Beijing warehouse. Two men, Mr Qin and Mr Li, were accused of smuggling around 9 tonnes of ivory with the aid of an airport customs worker and a shipping worker for Air China. The Customs official and the Air China worker were charged with separately smuggling an additional 5 tonnes of ivory and then selling it with the assistance of Mr Li to Mr Qin. An unnamed "organ in China of a foreign country" was reported to be involved, but the paper [original source Beijing Times] did not name the country involved" (Anon, 2002c). Further details are not yet available. It is not clear whether these 14 tonnes are the same or part of the reported seizure of 13 tonnes from 1 January to 31 December 2001.
6. A Hong Kong business man was sentenced to life imprisonment in China for the smuggling of these 295 elephant tusks worth more than USD 8 million (Anon, 2002d).
7. Four seizure cases also included rhinoceros horn:
 - 1 January - 31 December, 2001, included three cases where rhinoceros horn was found.
 - September 2001: two rhinoceros horns (1.5 kg) and one leopard skin (1.8 kg) were also made with this seizure.

cases of ivory smuggling through Shanghai Pudong International Airport. Details of these seizures are not currently available.

Despite indications of large scale illicit trade in ivory, government officials interviewed in May 2000 felt that the smuggling of ivory into China was not of major concern. This viewpoint perhaps reflected a number of different issues: with no effective system for reporting seizures and no centralized system for recording seizure information, the actual scale of illicit ivory trade in China may not have been fully realized by relevant officials. Furthermore, in relation to other wildlife products illegally entering or leaving the country the illicit trade in ivory may not have been regarded as a high priority.

Subsequent conversations with the head office of the CNMA in Beijing during 2001 and with other branch offices in 2002 have revealed a high level of concern regarding illicit ivory trade into or destined for China. On 23 June 2001, the State Forestry Administration issued *Notification 2001/234* to the Departments of policy and legislation, Conservation Departments and the Public Security Bureau, copied to the Supreme People's Court, the Supreme People's Procuratorate, Ministry of Public Security, State Development Planning Commission, Ministry of Finance, General Administration of Customs, State Administration for Industry and Commerce and the CITES Management Authority drawing attention to existing legal instruments and urging all Forestry Departments at the provincial, autonomous region and municipal levels to pay close attention to the smuggling, sale, purchase and transportation of illegal ivory including ivory products in China. In addition, the Notification

Figure 2

Location of ivory seizures in China, based on available information, 1998 to 2001



Source: **Table 6**, this report.

established price standards for ivory, noted below, thereby enabling illegal activities to be treated as criminal cases. In accordance with Article 151 of the *Criminal Law* and the new price standards for ivory, a sentence of over 5 years imprisonment can be imposed on people for the smuggling of just one tusk of ivory into China.

Price standards established in *Notification 2001/234* :

Whole tusks, un-worked:	USD 30,230 (RMB 250,000)
Ivory pieces which, if re-assembled, would equate to one tusk:	USD 30,230 (RMB 250,000).
Cut pieces of ivory:	USD 5,000 /kg (RMB 41,667 /kg)

ELEPHANT TRADE INFORMATION SYSTEM

In 1997, at the tenth meeting of the Conference of the Parties to CITES (COP 10), elephant populations in Namibia, Zimbabwe and Botswana were transferred back to Appendix II under a specific set of conditions outlined in Part A of *Decision 10.1 (Conditions for the resumption of trade in African elephant ivory from populations transferred to Appendix II at the 10th meeting of the Conference of the Parties)*. This decision provided a framework to allow a one-off experimental sale of ivory stocks to Japan. In February 1999, the CITES Standing Committee agreed that the conditions set during COP 10 had been met and 49,574 kg of ivory from these countries were auctioned to Japanese buyers in April, 1999 (Milliken, 2000).

Some conservationists take the stand that a controlled trade in ivory is the only way to finance the conservation of wild elephants in Africa (DeAlessi, 1999; Sugal, 1997; Anon, 1997; Barnes, 1996; Kelso, 1995). Others are opposed to any trade in ivory (Achieng, 2000), believing that a limited controlled trade in ivory could increase the illicit ivory trade in Africa (Martin & Stiles, 2000) and throughout Asia (Roberts, 1999), particularly in China,

which has a long history of trade in ivory (Anon, 2000d). There are also concerns that renewed trade could lead to a rejuvenated ivory market, and possibly pose a threat of renewed poaching of local Asian elephant populations (Santipilli *et al.*, 1999, Das, 1997).

To address these concerns, two long-term monitoring systems were initiated to determine whether elephant poaching and illegal trade were affected by the legal status of the bi-lateral ivory trade, the details of which are provided in *Resolution Conf. 10.10 (Rev) (Trade in Elephant Specimens)*.

One system, Monitoring Illegal Killing of Elephants (MIKE) is a site-based monitoring system designed to identify trends in illegal killing of elephants and to determine changes in these trends over time. MIKE is also designed to assess factors precipitating the killing of elephants and whether these events correlate to developments within CITES. Thus, factors such as civil strife, levels of human activity and the extent of community involvement in conservation are also considered. MIKE's original design covers 45 locations in Africa and 15 in Asia. To ensure that data collection is standardized, capacity building at regional, sub-regional, national and site levels has been built into the implementation of MIKE. The CITES Standing Committee formally approved the MIKE design in February 1999 (Anon. 2000e). To date, there is no clear evidence linking an increase in poaching to the experimental trade of ivory with Japan (CITES Secretariat, 2000), but further reports and analyses are expected to be forthcoming for the twelfth meeting of the Conference of the Parties to CITES.

The other monitoring system is the Elephant Trade Information System (ETIS). ETIS is based on a modified version of TRAFFIC's Bad Ivory Database System (BIDS). At COP 10, ETIS was designated the appropriate instrument for the collation of law enforcement records for seizures or confiscations of elephant specimens which have occurred anywhere in the world since 1989. The design of ETIS was approved by the CITES Standing Committee in March, 1998 (Milliken, 2000).

The objectives of ETIS are to track current trends of illegal ivory trade through the use of law enforcement data on the seizure of elephant products, to assess whether and to what extent observed trends are a result of changes in the listing of elephant populations in the CITES Appendices and/or the resumption of legal international trade in ivory, as well as to establish an information base to support enforcement decisions (Anon., 2000f). Annex 1 of *Resolution 10.10 (Rev.)* calls upon all Parties to "provide information on seizures and confiscations of ivory or other elephant products in the prescribed format to the CITES Secretariat within 90 days of their occurrence" to TRAFFIC via the CITES Secretariat.

Data forms entitled "Ivory and Elephant Product Seizure Data Collection Form" were first made available in March 1998. A supporting document entitled "Explanatory Notes for the 'Ivory and Elephant product Seizure Data Collection Form'" (Anon, 2000f) has also been circulated. A copy of the ETIS form is included as Annex 1 of this report. As of 25 April 2002, ETIS contained 5,734 seizure records of ivory and other elephant products, involving 59 countries, which have occurred around the world since 01 January 1989. These records also contain previous entries into BIDS (TRAFFIC East/Southern Africa, *in litt.*, to TRAFFIC East Asia, 25 April 02). In accordance with Annex 1 of *Res. Conf 10.10 (Rev.)*, TRAFFIC periodically provides a detailed country-based seizure report to CITES Parties. Many more seizures, however, are occurring than are being reported to the Secretariat through the ETIS data collection process.

The status of implementation of ETIS in China

It is evident from the number of seizures made in China that China is a major destination for illicit ivory. It is also evident from the recent *Notification 2001/234* and the number of seizures made by enforcement authorities that the Chinese Government now is paying closer attention to the illegal international trade in ivory. Some seizures are reported in China's various daily newspapers and the CITES Management Authority has posted some seizure information on their official website. The reporting of seizure information, however, is at variance with the reporting of seizures to ETIS. Despite available seizure information, only two seizures have been officially reported by China through the CITES process for inclusion in ETIS from 1998 to the present (TRAFFIC East/Southern Africa, *in litt.*, to TRAFFIC East Asia 28 May 2002). There is clearly room for considerable improvement in the implementation of ETIS in China.

In discussions with the China CITES Management Authority regarding the lack of reporting to ETIS, the CNMA reported that completion of ETIS forms was severely hampered by the difficulty of coordinating with Customs to obtain seizure information, such as details of the mode of transport and concealment (Z. Wan, CNMA, *pers. comm.*, 10 May 2000; Z. Fan, Director, Fauna Division, CNMA, *pers. comm.*, 10 May 2000; S. Meng, Deputy Director General, CNMA, *in litt.* To S. Lee, Program Officer, TRAFFIC East Asia, August 2000). In addition, CNMA officials also reported that the ETIS process was too cumbersome and that the "Ivory and Elephant Product Seizure Data Collection Form" contained too many questions. Further, gathering information for a case concerning illegal ivory trade may take considerable time and submission of information is further delayed as the case may take many months to be processed through the courts (Z. Fan, Director, Fauna Division, CNMA, *pers. comm.*, 10 May 2000).

A further problem concerns awareness of ETIS as few officials in regional branch offices of the CNMA or in Customs have any knowledge of ETIS.

MANAGEMENT SCHEMES FOR DOMESTIC TRADE IN ELEPHANTS AND THEIR PRODUCTS

CHINA'S DOMESTIC IVORY INDUSTRY

China's long history of ivory trading decreased following the Cultural Revolution (1966 – 1976) when ivory carvers were sent to work on farms or left for Hong Kong (Laurie, 1989; Nash, 1997). Leading up to 1989, ivory carving in China was centered mainly in Guangzhou, but also in the municipalities of Beijing, Shanghai, and Tianjin, and the provinces of Zhejiang and Jiangsu (Martin, 1988). Stocks of ivory became increasingly harder to obtain in the years leading up to the CITES decision to list the African Elephant in Appendix I, and many factories either closed or downsized after the ban (Laurie, 1989).

However, seizures of ivory entering or destined for China, as noted later in the report, and the widespread availability of ivory products in the more prosperous cities China such as Shanghai, Beijing and Guangzhou (Leung, unpublished TRAFFIC East Asia field report, attached as **Annex 2** to this report), indicate that China is a significant emerging market for ivory. There remain at least two state-run ivory carving factories in China although it is likely that much of the ivory-carving industry is now privately run in small 'family-style' businesses.

Domestic ivory carving industry

The state-run domestic carving industry is in a state of decline. A large ivory carving factory in Beijing closed down after the ban (Anon., retired carver, *pers. comm.*, 6 May 2000) as well as a factory in Kunming (X. Ou, Assistant Dean/Botanist, University of Yunnan, *pers. comm.*, 16 May 2000). Although it was alleged that some carvers were hired by Japanese companies to work in Japan (C. Li, Deputy Director, CNMA Yunnan, *pers. comm.*, 16 May 2000) or continued carving ivory in China for Japanese employers (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000) there is no evidence of Chinese ivory carvers operating in Japan. A more plausible explanation is that carvers either changed professions entirely or changed the medium they were carving, or that they carried on carving ivory in small privately (and illegally) run operations. Representatives the CNMA – Kunming branch felt that the ivory industry had all but collapsed in Yunnan (C. Li, Deputy Director, Yunnan, CNMA, *pers. comm.*, 16 May 2000). In Shanghai, it was believed that the ivory carving industry had mostly moved to jade carving following the international ivory trade ban (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000).

Da Xin Ivory Carving Factory

Currently, the largest and likely the only legal ivory carving operation in Guangdong Province is the state-run Da Xin Ivory Carving Factory (Da Xin IFC) in Guangzhou which employs twenty carvers. Prior to the international trade ban, all ivory was purchased through the state-run Guangdong Arts & Crafts Import & Export Corporation. The last shipment of stock was received on 23 November 1988 (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000).

Since 1989, Da Xin ICF has not imported any ivory but has made two legal ivory (re-)exports of pre-Convention stock through a government designated export company (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000). Determining the quantity of remaining stocks at the Da Xin ICF ivory factory is difficult. In 1997, the factory reported having 50 tonnes of raw ivory at the time the ban went into effect, of which 20 tonnes remained, including raw, semi-worked and finished ivory pieces (Nash, 1997). In 2000, however, the factory reported that they had registered 20-30 tonnes of ivory with the CNMA in 1989, of which only one metric tonne was raw ivory and the rest worked or semi-worked ivory stock. They reported that they were still utilizing the same one tonne of raw ivory and that the remaining 17-18 tonnes of carved ivory pieces remaining in the stockpile were being depleted. They hoped to be able to purchase ivory from legal international sources in the future (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000).

The last order for ivory products was made by the Shanghai Friendship Store on 13 January 1989, which also supplied the stock for the order (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000). Before the ban, Da Xin ICF used to consume seven to eight tons of raw ivory a year. Based on the stocks remaining (17 or 18 tonnes) from stocks registered with the CNMA in 1989 (20 - 30 tonnes), as reported in 2000, and noting that the one tonne of raw ivory reported in 2000 as having been registered in 1989 was still remaining, this would mean that in the past 11 years the Da Xin ICF on average has sold between 182 kg to 1,182 kg of worked or semi-worked ivory per year for the past 11 years.

Currently, Da Xin ICF only sells ivory carvings to Friendship Stores (state-run department stores) and other department stores (not specified whether this referred to private or state-run outlets in department stores) as well as to four- and five-star hotels. They sell 70% of their products domestically and 30% internationally (G. D.

Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000). **Tables 4** and **5** provide information on reported exports of pre-Convention stocks from China which may account for the two legal exports reported (and noted above) by the Da Xin ICF.

In the years following the 1989 registration, there have been no subsequent registration requirements, nor were operations monitored except under special circumstances where CNMA approved ivory exports after the ban (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000).

Beijing Ivory Carving Factory

The Beijing Ivory Carving Factory (henceforth BICF) was visited by staff of TRAFFIC East Asia on 13 February 2001. The Deputy General Manager, Mr Li Yuan Chao reported that eight tonnes of ivory were registered with the CNMA in 1989, of which three tonnes were raw and around five tonnes were carved ivory. Currently, they have six tonnes of stock remaining, of which just over one tonne is raw ivory. The BICF has regular contact with the CNMA and periodic visits are reportedly made by the CNMA, although the stocks are not weighed during these visits. Prior to the ban there were about 800 carvers in the factory. As of February 2001, there were less than 10 carvers and around 30 people working in administration (Y. Li., *pers. comm.*, 13 Feb 01).

Four or five outlets, employing people formerly working at the factory, are licensed to sell ivory from the BICF. The BICF reported that they do not export any ivory as all exports were believed to be illegal (Y. Li., *pers. comm.*, 13 Feb 01).

The original stock (eight tonnes), the majority of which were reported to have been imported from Africa, were purchased with a loan of RMB 8 million from the bank, although the price for a high quality large tusk from Africa in 1989 was reported as approximately USD 194 /kg (RMB1,600 /kg). Since the ban, it was reported that the BICF had not bought any new stocks of elephant ivory although a strong desire was expressed to see international trade in ivory re-open. The BICF, however, did report importing mammoth ivory from Hong Kong for processing before re-export to Hong Kong. The factory was paid for the carving work rather than buying and re-selling the mammoth ivory, although some mammoth ivory was also imported directly from Russia for carving and sale (Y. Li., *pers. comm.*, 13 Feb 01).

Although business had dropped since the ban, the BICF still reported profits of between approximately USD 60,500 – USD 109,000 per annum (RMB 500,000 – RMB 900,000) between 1996 and 1998 and between USD 24,200 – USD 36,300 per annum (RMB 200,000 - RMB 300,000) from 1998 to 2000. However, the main business of the BICF was the rental of the building for office space which generated profits in the region of approximately USD 242, 000 per annum (RMB 2 million) and which was reportedly used for staff wages (Y. Li., *pers. comm.*, 13 Feb 01).

During a visit by staff of TRAFFIC East Asia to one of the BICF ivory outlets, the sales person stated that some of the retired ivory carvers had established ‘family businesses’ and continued to sell ivory from rented premises in department stores. The origin of the ivory they carved was cited as being from “all manner of sources” (Anon, ivory outlet in Beijing, *pers. comm.*, to TRAFFIC East Asia, 13 Feb 01). The sales person also noted that the outlet did indeed sell ivory from the BICF but believed imports of Asian ivory obtained since the international trade ban came into effect were also on sale in the outlet. When asked whether it was possible to take ivory out of the country, the sales person responded that small pieces were not a problem but that large pieces may cause problems with Customs (Anon, Ivory outlet in Beijing, *pers. comm.*, to TRAFFIC East Asia, Feb 01).

Domestic demand for ivory

In 1989, a survey reported that Chinese nationals bought very little ivory and that most of the retail trade is with foreign tourists, particularly Japanese and Taiwanese (Laurie, 1989). In 2000, a retired carver from a Beijing factory that was closed down after the ban stated that the clientele used to be mostly from Japan, Malaysia, Singapore, Taiwan (Anon., retired carver, closed ivory factory in Beijing, *pers. comm.*, 6 May 2000). This point was also expressed by the general manager of the BICF who stated that, prior to the ban, the main purchasers of ivory were from Europe, Japan, Malaysia and Singapore. Europeans reportedly preferred sculptures of traditional classical Chinese women. Korean nationals were also noted as purchasers of ivory and the BICF stated that the Chinese Ministry of Culture had held an Arts and Culture Exhibition in Seoul from late 2000 to early 2001 where Koreans had shown a preference for carved ivory horses and solid balls (not the intricate style associated with Guangzhou carvers).

At the Chinese Export Commodities Fair, known more commonly as the Guangzhou Trade Fair, visited in 1999 and 2002, only a few stalls exhibited ivory products. In 1999, only eight stalls were observed selling ivory products, and the number and range of products was limited, sometimes to only 5-8 different sample pieces of ivory per stall. Carved ox-bone ornaments were the predominant goods on display (refer to **Annex 2** of this report). The situation observed in 2002 was similar. Of 7,813 booths, 22 display booths sold handicrafts of which eight sold products traditionally associated with ivory, such as bone carvings. Only one booth had ivory on display. Ivory carvings on display in this booth were predominantly chopsticks, name seals and figurines but also included less traditional carvings such as landscapes and walking-stick handles. Information pertaining to demand, origins and purchasers of ivory was not forthcoming as the young sales-person was new and not knowledgeable in this field. The older sales people at the other seven booths, mainly selling goods made from ox bone, mammoth ivory, and hippopotamus ivory, respectively, appeared more knowledgeable about trade regulations for ivory and were not keen to engage in discussions on this subject. The lack of ivory for sale at the Guangzhou Trade Fair, which targets the export market, and the high level of awareness regarding ivory export regulations are positive signs.

According to the general manager of the BIFC, whilst ivory carving now aimed at all possible buyers, the main buyers were believed to be Chinese nationals (Y. Li., BIFC, *pers. comm.*, 13 Feb 01). The large quantities of ivory seized entering or destined for China supports this assertion. In general, Chinese nationals mainly purchased ivory at the lower end of the price range, particularly small pieces of ivory such as ear rings, necklaces and bracelets (Anon, ivory outlet in Beijing, *pers. comm.*, to TRAFFIC East Asia, 13 Feb 01). This viewpoint is supported by the findings of a survey conducted for TRAFFIC in 1999, and attached as **Annex 2** to this report, and by the predominance of small pieces such as seal chops, jewellery and chopsticks seen in ivory outlets in Beijing visited in May 2000, including the National Museum shop, the Friendship Store, Wang Fu Jing Department Store, China Arts & Crafts, Liuli Chuang market and Pan Jia Yuan Antiques Market. The manager of the Da Xin ICF also believed that Chinese buyers mostly purchase chopsticks for wedding presents and that China was not a large market for ivory although there was a slight increase in domestic consumption over the past year (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000). The survey conducted for TRAFFIC in 1999 also concluded that mainland Chinese from prosperous coastal provinces were consuming more ivory due to China's growing economy (refer to Annex 2 of this report) and the vendor in one Beijing outlet visited in 2000 remarked that he could obtain as much new ivory as was requested.

Retail sales in China for jewellery (**Table 7**), the closest category to ivory for which retail sales statistics in China are available, provide an idea of current and potential purchasing power of mainland Chinese consumers for ivory.

Table 7

Total retail sales of real jewellery in China, 1994-2000

Year	1994	1995	1996	1997	1998	1999	2000
USD million	36.3	75.0	107.6	124.5	137.8	164.4	185.0
(RMB billion)	3.0	6.2	8.9	10.3	11.4	13.6	15.3

Source: Anon 2002e

This surge in consumer purchasing power can be attributed to China’s transition from a centrally planned economy to a system based largely on free market forces (Anon, 2002f) which gives increasingly free rein to the private sector. By the mid-1990s, one Chinese worker in ten was employed by a private enterprise (Chen, 1997) and today, the private sector dominates the retail sector (Anon, 2002f) and accounts for over half the country’s entire Gross Domestic Product (Studwell, 2002). Recent government measures encouraging the populace to spend more and save less (China’s per capita savings rate - at nearly 40% - is amongst the world’s highest) resulted in a surge in total consumer expenditure. From 1995 to 2001, the total retail market grew at an annual average growth rate of 12.8% increasing by 81%, to USD 761.8 billion (RMB 6.3 trillion) (Anon, 2002f).

China’s emergence as an ivory consumer market and its potential to develop even further can be explained, in part, through the growth of China’s private retail sector, the strong and increasing purchasing power of Chinese consumers and weak enforcement of ivory trade regulations within China. China’s strong links with Africa – nearly all seizures destined for China originated from Africa - shed further light on the new dynamics of the illegal ivory trade. China has strong trade links with Africa and diplomatic missions in over 35 countries, 30 of which are African Elephant range states. (African countries in which China has diplomatic missions include Algeria, Angola, Benin, Botswana, Burundi, Cameroon, Central Africa, Cote D’Ivoire, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Ethiopia, Eritrea, Gabon, Ghana, Guinea, Kenya, Lesotho, Mali, Mauritania, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Republic of Congo, South Africa, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.) At the Ministerial Meeting of the China - Africa Forum on Cooperation, held in Beijing, October 2000, China pledged continued and further support for aid and business development, including sending Chinese personnel to African countries (Reuters, 2000a and b; Reuters, 2001a, b and c). There is no suggested or evidence of involvement by the Chinese Government in the illegal ivory trade, but the expatriate Chinese community in Africa has been involved in a number of illegal ivory shipments to China. For example, on 30 June 2001, a shipment of over 150 kg of ivory, organized by 15 members of the Chinese Medical Mission in Mali, was seized in Belgium en route to China and there is evidence, as noted in **Table 6**, of ivory being sent by post to China from Africa. This supports earlier evidence, documented by TRAFFIC, of Africa-based, Asian-run ivory processing operations throughout much of the African continent during the CITES ban period. These small-scale operations produce quantities of semi-worked and worked ivory products for illicit export to selected Asian markets including to China (Milliken, 2000). In addition to the involvement of Chinese expatriates in the smuggling of ivory to China, attention should also be paid to the illegal activities of the Government of the Democratic People’s Republic of Korea which has been involved in four documented cases of ivory smuggling in diplomatic cargo (CITES Secretariat, 1999). There is little evidence to suggest that North Korea has a domestic ivory carving industry within its own borders, and all seizure cases involving North Korean diplomats returning ‘home’ with consignments of raw ivory had air tickets which involved a stopover in Beijing, a routing which would make it convenient to move large volumes

of ivory into China as diplomatic cargo (T. Milliken, *pers. comm.*, June 2002). As noted in the text following **Table 6 (Recorded seizures of illegal ivory concerning China, 1998 to 2001)**, ‘an organ in China of a foreign country’ also was alleged to be involved in the smuggling of some 14 tonnes of ivory into China with the assistance of an official from China Customs and a worker from the state-owned China Air (Anon, 2002c).

Asian versus African ivory

The manager of the Da Xin ICF in Guangzhou believed that all of the ivory purchased prior to the ban originated from African elephants (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000), and Asian ivory was believed to be less desirable due to the smaller size of the tusks (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000; Anon, ivory outlet in Beijing, *pers. comm.*, to TRAFFIC East Asia, Feb 01).

The CNMA in Beijing believed most seizures of ivory entering China represented African ivory (Z. Wan, CNMA, *pers. comm.*, 10 May 2000) but CNMA officials in Yunnan felt that seizures of African ivory were rare (C. Li, Deputy Director, Yunnan, CNMA, *pers. comm.*, 16 May 2000). Most likely this reflects the proximity of Yunnan to neighbouring countries, such as Laos, Vietnam and Myanmar where Asian ivory is known to be in cross-border trade (Nash, 1997; Martin and Stiles, 2000; Martin and Stiles, 2002), although it should be remembered that it is currently not possible to distinguish with absolute certainty between Asian and African ivory without forensic examination.

Ivory prices

In the 1970s, ivory sold for RMB 30/kg and in the 1980s it sold for RMB 400+/kg (it has not been possible to locate meaningful exchange rates for the 1970s and 1980s). By the 1990s it was selling for RMB 1,500 /kg on the black market (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000). One local official in Yunnan stated that his informers reported that the black market price for Asian ivory in Yunnan is RMB 3,000/kg (Head Dispatcher, Forestry Police in Mengyang, *pers. comm.*, 20 May 2000), but the factory manager in Guangzhou felt that a profit could not be made on ivory if the price was that high and that most probably the ivory would be coming from Africa. However, he also remarked that the difference in black market prices between Asian and African ivory might be due to the fewer number of Asian elephants (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000). Ivory price data for 1999 is provided in **Annex 2** of this report.

STATUS OF CURRENT DOMESTIC IVORY MANAGEMENT SCHEMES

In April 2000, the Parties adopted *Resolution Conf. 10.10 (Rev.)* in which they agreed to take certain steps to regulate domestic trade in elephant products. This resolution includes recommendations pertinent to China whereby “those Parties in whose jurisdiction there is an ivory carving industry that is not yet structured, organized or controlled and ... those Parties designated as ivory importing countries” adopt comprehensive internal legislative, regulatory and enforcement measures to:

- a) *Register or license all importers, manufacturers, whole-salers and retailers dealing in raw, semi-worked or worked ivory products; and*
- b) *Introduce recording and inspection procedures to enable the Management Authority and other appropriate government agencies to monitor the flow of ivory within the State, particularly by means of:*

- (i) compulsory trade controls over raw ivory; and
- (ii) a comprehensive and demonstrably effective reporting and enforcement system for worked ivory.

As noted in the introduction, China registered all importers, exporters and processing workshops as well as ivory stocks in 1989. Since that time, however, no further registration of ivory vendors or inventories or monitoring of ivory stocks in China have been conducted. The CNMA, however, did note that such plans were being considered for the future (S. Meng, Deputy Director General, CNMA, *in litt.* to S. Lee, Program Officer, TRAFFIC East Asia, August, 2000).

Implementation of the measures noted above would require a considerable investment of resources. However, China's wildlife protection legislation which requires permits for transport and sale of wildlife as well as providing for the monitoring of domestic markets, in theory, allows for such procedures to be implemented. Ivory traders within China require a business license to sell goods, including ivory, but they are not required to have a specific permit to sell ivory despite the protected status of elephants and their products and despite the understanding that only vendors that registered in 1989 would be considered legal operators. Although the WCD is responsible for the domestic regulation of ivory trade (S. Meng, Deputy Director General, CNMA *in litt.* to S. Lee, Program Officer, TRAFFIC East Asian, August 2000), overseeing the monitoring of ivory stocks falls within the administrative responsibilities of the CNMA as the national agency responsible for the implementation of CITES. The CNMA has twice visited the Da Xin ICF in Guangzhou since the ban to inspect approved exports of ivory (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000), and periodic visits by the CNMA were also reported by the Beijing Ivory Carving Factory (Y. Li, BICF, *pers. comm.*, to TRAFFIC East Asia, April 01).

The Da Xin ICF in Guangzhou does, however, maintain two separate ivory log books, the records of which are required to be kept for ten years. One book holds records of:

- whole tusks, where the serial number on the tusk is entered, together with a factory serial number;
- the weight reported for each tusk;
- the actual weight of each tusk; and,
- the date that the tusk was cut.

The second log book is kept for crafted items, recording a serial number for each crafted item, the name of the artist and the weight of the raw material it took to carve the piece.

Currently, there is no system of linking finished carved products with original tusks. The Da Xin ICF managers felt that it would be simple to implement a system of linking carved products to the original tusks by adding a separate entry in the register for carved products, noting the serial number of the tusk that the carving was made from.

Regulation of versus banning the domestic trade in ivory

Although logistically it would be easier for China to ban domestic trade in ivory outright rather than introducing and implementing a monitoring scheme, outright bans are often not a successful way of limiting trade ('t Sas-Rolfes, 1997; S. Meng, Deputy Director General, CNMA, *pers. comm.*, 11 May 2000). In addition, banning the domestic trade in ivory in China may raise a level of resentment from traders who would likely expect compensation for stocks which the government is not in a position to provide. Furthermore, one of the key issues

regarding regulation of ivory trade in China is a lack of enforcement of already existing legislation and regulations; banning domestic sales is one thing, enforcing the ban quite another.

Nonetheless, there are clearly serious deficiencies in the regulation of elephant product sales in China, and effectively addressing this situation will require a methodical and holistic approach. Regulation of ivory sales is but one of the many pressing challenges facing wildlife management and enforcement authorities in China, and trade in ivory needs to be viewed within the context of wildlife trade as a whole: effective mechanisms for regulating trade in ivory will also be applicable to regulating trade in other wildlife parts and derivatives, or *vice-versa*.

In this context, the importance of implementing the intent and recommendations of *Resolution Conf. 10.10 (Rev)*, the details of which have been noted earlier, can not be understated. The regulatory and enforcement measures recommended for the regulation of domestic sales and the framework for collection and analysis of ivory seizure information provided through ETIS are applicable not only to the regulation of elephant products but also to other wildlife products. Ivory trade regulation systems already implemented in other countries, such as an ivory labeling system for ivory products, also warrants further examination. Suggestions for establishing such a system are put forward in this report under “Recommendations”.

Illegal trade in wildlife, including elephant products, is recognised by wildlife management authorities and the scientific community as one of the most serious threats to the long-term survival of wild resources both within and outside of China. This concern is perhaps not shared within the higher echelons of government or amongst government agencies or industry involved in the production of goods from wildlife resources. Increasing the political profile of wildlife trade and the threats this trade poses to long-term economic development and social stability is therefore of critical importance. A holistic approach, recognising the many challenges that China faces in its development, is key and would be assisted through the adoption of measures already shown to be of success in other countries in addition to those measures recommended and agreed upon by the Parties to CITES, such as detailed in *Res Conf. 10.10 (Rev)*. At the same time, it is crucial that technical and financial support is provided to those agencies responsible for the regulation of wildlife trade and enforcement of legislation and regulations.

Feasibility of China participating in a one-off limited sale of ivory

In Yunnan Province, home to China’s population of elephants, concern was expressed that further legal international sales of ivory could have an adverse affect on populations of Asian elephants because people would view the elephants as a potential source of revenue (C. Li, Deputy Director, CNMA Yunnan, *pers. comm.*, 16 May 2000; Y. Dong, Elephant Ranger, Mengyang, Yunnan, *pers. comm.*, 20 May 2000). At the same time, however, the CITES MA – Kunming branch, forestry police representatives, and park rangers in Mengyang nature reserve did not feel that the one-off experimental sale of ivory to Japan had had an impact on China’s population of elephants. The last incident of elephants being illegally hunted was in 1994.

Da Xin ICF managers expressed a more business-orientated approach, stressing the importance of maintaining China’s ivory carving culture and preserving the Chinese art form, and expressing an interest in a one-off experimental sale of ivory so that finished products could be sold to Japan where the market for ivory is believed to be bigger than China. They also expressed the opinion that the legal sale of ivory could also play a role in reducing the market for smuggled ivory (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000).

Until a demonstrably effective means of regulating and monitoring sales of ivory within China has been implemented in accordance with *Res Conf. 10.10 (Rev)* and participation in ETIS measurably improved, it would not be feasible or wise for China to participate in a one-off limited sale of ivory.

TRADE IN ELEPHANT PRODUCTS OTHER THAN IVORY

A revised edition of a TCM pharmacopoeia, first published in 1596, notes the following uses for elephant products: elephant ivory powder as a calming agent, to lower fever, for epilepsy, for osteoporosis and haemorrhoids; meat for lesions such as bedsores; skin to stop bleeding and inflammation; bone powder for ridding the body of toxins; and the bladder for the treatment of inflammation, jaundice and epilepsy (Anon. 1983).

Ivory powder collected from ivory carving factories is still sold for use in traditional Chinese medicine (TCM) for USD 7 /kg (RMB 60 /kg) and used to ‘warm’ the liver (G. D. Zheng, General Manager, Da Xin ICF, Guangzhou, *pers. comm.*, 18 July 2000).

Hunting of elephants for meat has been recorded historically and recently in Thailand, Viet Nam and India (Menon *et al.*, 1997; Nash, 1997b). Anecdotal reports of the consumption of elephant meat in China were investigated. Elephant meat was reportedly on the menu in some Kunming restaurants ten years ago (C. Kirkpatrick, The Nature Conservancy, *pers. comm.*, 17 May 2000), but no recent evidence of the consumption of elephant meat was found during the course of the study.



Credit: Rob Parry-Jones
/TRAFFIC East Asia

Elephant skin on sale at a traditional medicine stall on the Chinese border with Myanmar

Elephant skin is still used in TCM and appears to be used on a large scale. Nooren and Claridge (2001) document a seizure of elephant skin, reported to be equivalent to 20 elephants, the text of which is worth quoting in full: “A report in the Chinese language newspaper *Dushishibao* (Urban Times Kunming), on 15 September 2000 revealed that the Bureau of Forestry Police in Yunnan Province had found three tons of deer horns and elephant skin (equivalent to 1,500 deer and 20 elephants) in a locked railway wagon in Kunming (the provincial capital). The animal products were with 50 tons of a herbal medicine ingredient, *Curcuma aromatica* (*yujing* in Chinese) and the load was being sent to a pharmaceutical company in Shanghai. The entire three tons of wildlife products had been brought from Myanmar in the form of many small shipments in order to minimise the risk of detection and confiscation of the whole consignment.”

An even larger consignment of 15 tonnes of elephant skin was reported in the Chinese language daily newspaper *DangDai ShangBao* (*Contemporary Commerce Daily*), 9 December 2001, believed to represent the death of 260 elephants. Two tonnes from the original 15 tonnes had been sold by 1997 and a further three tonnes were sold in 1998. On 7 November 2001, the Guangzhou Forestry Police seized 10 tonnes of elephant skin at the Guangdong HuiHuang Pharmacy Company. The elephant skin originally had been bought from the government-owned Guangdong traditional Chinese medicine (TCM) material company (now called the Guangdong TCM Group). The retail price for the elephant skin was reported to be in the region of USD 20 /kg (RMB 160 /kg) (Anon, 2001f).

Elephant skin also was observed for sale in smaller quantities in a number of places in the Chinese border areas with Lao PDR and Myanmar. At the Tropical Plant Research Centre in Xishuangbanna Prefecture, April 2001, during a visit with the Xishuangbanna Forestry Department, vendors at a tourist market stall were observed selling elephant skin which they knew to be illegal and were quick to point out had been imported from Lao PDR. The forestry police were notified and arrived within around ten minutes to handle the case. Elephant skin was also observed in various places in Yunnan Province along China’s border with Myanmar: in Wanding Customs Port, which opened in the 1950s and which still remains an important trading point, five TCM stalls were observed all of which sold pieces of elephant skin for USD25 – 30 /kg (RMB 10 - 12 /50 grammes). Elephant skin was also observed in the ports of Zhangfeng and Yingjiang. In Ruili, also on Yunnan’s border with Myanmar, ivory and elephant bone, reported to be from Asian Elephants, were also observed (TRAFFIC East Asia, *pers. obs.*, April 2001). A trader interviewed in Ruili reported that awareness of the protection status of elephants and the legal status of ivory trade was generally high in China although smuggling did occur from Myanmar into China. One place in particular, Mi Zhi Na in Myanmar, was reportedly one of the main points of export for ivory into China (Anon, *pers. comm.*, to TRAFFIC East Asia, April 2001). Mi Zhi Na, called Myitkyina in Myanmar, is also reported to be a transit point for raw ivory in Myanmar going to Mandalay carvers. The main supplier of worked ivory to Ruili (Shweli in Myanmar) is the Nan Myint shop in Mandalay and the proprietor of this shop has reportedly been sending ivory stock to Ruili for years. Chinese traders were also reported to visit Mandalay to buy ivory from the Nai Myo Zin shop and from carvers, although this practice is reported to have declined since the 1990s (D. Stiles, *in litt.*, to R. Parry-Jones, TRAFFIC East Asia, 3 May 2002).

TRADE IN LIVE ELEPHANTS

The proliferation of safari parks in China (Wang, S. *pers. comm.*, to TRAFFIC East Asia, 5 February 1999) is reflected in the trend for reported imports of live elephants into China. Imports of live elephants increased dramatically in 1996 when a total of 24 were imported, compared with the import of nine elephants from 1989 to 1995 (Table 8). Although the head elephant trainer in Wild Elephant Gorge, Mengyang Nature Reserve, reported the import, in 1996, of 12 elephants on a ten-year loan from Thailand, CITES trade data maintained by WCMC reports the import of 11 only. Of the 12 reported by the trainer, seven were reported to be in Kunming and five in Wild Elephant Gorge (D.J. Liu, Head Elephant Trainer, *pers. comm.*, to TRAFFIC East Asia, April

Table 8

Reported imports of live elephants into China, 1989 – 2000

Country of Export/Year	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
Japan	1				1								2
Malaysia											1	20	21
Myanmar						2		16					18
Nepal					2								2
Thailand							3	8		6	6		23
Tanzania									10				10
South Africa										15			15
Total													91

Source: WCMC.

2001). Wild Elephant Gorge also supplements imports of live elephants from Thailand with elephants from within China. In May 2000, there were 18 performing elephants in Wild Elephant Gorge and the owner was reported to have a larger group of elephants in Guangzhou. Some of the elephants from China were purportedly crop-raiding elephants that were ‘rescued’ and trained, and one was an abandoned juvenile (D.J. Liu, Elephant Head Trainer, Mengyang, *pers. comm.* 21 May 2000).

The Deputy Director of the Yinjiang Forestry Department also reported the smuggling of between five and seven live elephants across the border from Myanmar into Yunnan in 1995. They were subsequently confiscated and sent to Kunming Zoo where they still reside (Zhou Tao, Deputy Director, Yinjiang County Forestry Department, *pers comm.*, April 2001). This incident is not reported in China’s Annual Reports, required under Article VIII of CITES, although it should be noted that, at that time, there was no branch of the CITES Management Authority functioning in Yunnan and there were very few staff working at the Beijing office of the CITES Management Authority.

The export of 16 elephants from Myanmar in 1996 draws further attention to the involvement of Myanmar in the trade in elephants and their products. As noted earlier, Myanmar was implicated in the illegal export to China of ivory and of elephant skin reported to be equivalent to 20 elephants. The conservation status of elephants in and trade in elephants and their products from Myanmar warrants close monitoring.

The large number of live elephants imported into China, particularly the 20 wild elephants imported in 2000 from Malaysia, raises an important question with regard to trade in CITES Appendix-I species. The Convention specifies that trade in specimens of species listed in Appendix I must only be authorized in exceptional circumstances (Article II) and that the import permit for any Appendix I-listed species, required before an export may take place, shall only be granted when a Management Authority of the State of import is satisfied that the specimen is not to be used for primarily commercial purposes (Article III, paragraph 3 c).

Resolution Conf 5.10 (Definition of ‘primarily commercial purposes’), recommends that “an activity can generally be described as ‘commercial’ if its purpose is to obtain economic benefit, including profit (whether in cash or in kind) and is directed toward resale, exchange, provision of a service or other form of economic use or benefit”. The resolution also recommends that Parties define ‘commercial purposes’ as broadly as possible so that any transaction which is not wholly ‘non-commercial’ will be regarded as ‘commercial’. The Annex attached to *Resolution Conf. 5.10* provides examples of transactions where an importation of specimens of Appendix-I species could be found to be not “for primarily commercial purposes”, and includes scientific purposes, education or training and captive breeding. The display of animals at zoos / safari parks can fall within the category of education although difficulties arise in defining these operations as ‘non-commercial’ when there is clearly a commercial aspect to the display of animals to a fee-paying public.

The purposes for which elephants have been imported into China are documented in **Table 9**.

Table 9

Reported purpose of live elephants imported into China, 1989 - 2000

Purpose	Japan	Malaysia	Myanmar	Nepal	Thailand	Tanzania	S. Africa
Breeding			16				
Circuses		1			18		
Educational					5		
Zoos	2	20	2	2		10	15

Source: WCMC

An Assessment of the Trade in Elephants and Elephant Products in China

In addition to these recorded imports, an unknown number of China's indigenous elephants have also been captured and some, at least, destined for use as performing elephants. Of the 91 live elephants imported into China since 1989, a total of 19 elephants have been imported for Circuses or travelling exhibitions. With the exception of six animals imported from Thailand in 1999 and reported as first generation (F1) animals born in captivity, all were reported as having been "bred in captivity". There is, however, no known breeding of elephants to the second generation (F2) and thus, in CITES terms, these animals can not be considered as having been "bred in captivity". Further, circuses are considered to be commercial enterprises and animals bred for these purposes considered as bred for commercial purposes. While these imports into China therefore appear to be a violation of the provisions of CITES, the trade in so called captive-bred elephants for use in circuses is a complex issue and one which was discussed at the 42nd meeting of the Standing Committee in 1999 (*Doc. SC.42.15*) – the same and last year that China recorded imports for circuses from 'captive-bred' sources. The situation has yet to be resolved satisfactorily.

Credit: Caitlin O'Connell-Rodwell / TRAFFIC East Asia



Some of China's indigenous elephants have been captured and trained as performing animals.

Of concern, however, are the 56 elephants reported as having been imported for the purpose of "Zoos" or "Educational" purposes. Of these 56 animals, WCMC data show that 10 were reported as having been bred in captivity and 46 were reported as having originated from the wild, the most recent imports from the wild being a single shipment of 20 elephants from Malaysia. Noting the conditions, described above, which must be met before an import permit for an Appendix-I listed species may be granted, one question that arises is whether so many animals, 46 of which originated from the wild, are required for educational purposes or display in zoos. In this context, two further points from *Res Conf. 5.10* are worth citing: "in keeping with the provisions of Article II, paragraph 1, the importation of specimens of Appendix-I species removed from the wild ... should, as a general rule, not be allowed unless the importer has first demonstrated that: a) he has been unable to obtain suitable captive-bred specimens of the same species, and c) the proposed purpose could not be achieved through alternative means.

WCMC data clearly shows that there are Asian Elephants which have been bred in captivity or at least were first generation animals born in captivity. It might have been possible to have procured animals from such operations rather than wild elephants. As concerns section c), whether the proposed purpose (education / scientific) could be met through alternative means, again the question arises as to whether such a large number of wild specimens contributes to and enhances the purpose for which they were imported or whether fewer animals would equally serve this purpose.

Viewed in this context, the import into China of 20 wild elephants in one shipment from Malaysia warrants further scrutiny to determine whether the trade was conducted in accordance with the provisions of the Convention. The import of Appendix-I listed species is not allowed if the purpose of the import is for commercial purposes and *Res Conf. 5.10* provides a general definition of 'commercial purposes' as "economic benefit, including profit (whether in cash or in kind) ...". Regardless of the difficulties in applying 'non-commercial purposes' to facilities where the public must pay a fee for viewing the animals, at least one safari park in China, the Guangzhou Panyu Safari Park, has an animal exchange programme under which it recently exported four red

pandas, *Ailurus fulgens*, to Malacca zoo in Malaysia (Anon, 2002g). The exchange of animals listed in Appendix I of CITES would appear to be trade for commercial purposes where the profit is 'in kind' and would benefit from further scrutiny and clarification from the Management Authorities of Malaysia and China.

The import of 16 live elephants from Myanmar for "breeding" also warrants further scrutiny and clarification from the China CITES Management Authority. The maintenance of 16 elephants and any off-spring would involve considerable investment of financial resources and the conservation purposes and benefits of breeding these animals are not immediately clear.

DISCUSSION AND CONCLUSIONS

China's long history of ivory trading, which declined during the Cultural Revolution, appears to be re-emerging. Although managers in the state-run ivory carving factories in Guangzhou and Beijing did not believe demand in China to be that large, ivory is easily obtained from a number of outlets in the more prosperous cities of China (**Annex 2** of this report; Esmond & Stiles, 2000).

The re-emergence of China as a consumer of ivory is likely linked to a number of factors. The growth in China's private retail sector has resulted in a surge in consumer purchasing power, supported and encouraged by the government. Measures enacted to encourage consumers to spend more and save less, however, are not mirrored by measures to increase regulatory controls for wildlife products in China's domestic markets. Although at least two state-run ivory carving factories are still in operation, their role in meeting demand for ivory is being usurped by private, and illegal, ivory carving and retail operations. It is likely that many of these operations are supplied by Africa-based, Asian-run ivory processing operations located throughout much of the African continent which produce semi-worked ivory for illicit export to China and other Asian countries. The majority of ivory in China's markets is believed to be from African elephants, but ivory was also reported to have been illegally imported from Myanmar for sale in China. Vendors and carvers of ivory, however, did not note a preference for Asian ivory. Corruption, although ubiquitous throughout the world, should not be underestimated when examining the illicit ivory trade in connection with China: diplomats representing the Government of the Democratic People's Republic of Korea have been involved in a number of documented cases of ivory smuggling on a large scale in diplomatic cargo, and recently China customs officials were also implicated in a huge smuggling case of around 14 tonnes of ivory.

Interviews conducted with China's government agencies and academics between May and August, 2000, revealed a low level of awareness regarding China's role in the trade in elephant products and did not perceive illicit ivory trade as a problem in China. Officials expressed more concern about the illicit importation of live wildlife and their products from the neighboring countries of Myanmar, Lao and Viet Nam which are destined for the food and medicine markets in China. Whilst the trade in wildlife in southwest China is indeed of serious concern, the lack of inter-agency cooperation, a phenomenon affecting regulation of all forms of wildlife trade, also likely contributed to the perception that ivory trade into and within China was not a problem. Seizures of ivory are made by Customs, but the lack of effective means of communicating this information within Customs and between Customs and other agencies, such as the CITES Management Authority of China (CNMA), results in administrators being unaware of the magnitude of the trade - thereby contributing to and maintaining the perception that ivory trade is not a serious problem.

By early 2001, however, the situation appeared to have changed dramatically. TRAFFIC East Asia staff found there to be a high level of concern amongst enforcement officials regarding the illicit trade in ivory into China,

resulting in a Notification being issued to relevant government agencies informing them of the serious nature of illegal ivory trade, establishing standards for treating illegal ivory trade as a criminal activity and urging the relevant departments to pay close attention to the trade. Most likely this increased attention was due to a recent spate of ivory seized outside of but destined for China as well as seizures of ivory made at China's international borders.

China's domestic ivory markets, however, are, for the most part, void of any forms of control or regulation. Since the initial registration of all ivory importers, exporters and processing workshops in 1989 and the registration of 110 tonnes of raw and worked ivory, most of which was reported to be pre-Convention stock, in the same year, there has been no further monitoring of ivory stocks in China. It is therefore impossible to determine whether ivory seen in the markets of China is derived from these registered stocks or whether it has been more recently and illegally acquired. This situation is exacerbated by weak supervision of the sale of ivory in China. Although trade licenses are required, specific permits to sell ivory are not required despite the Class I protected status of both the Asian and African elephant in China.

Nonetheless, available information from January 1998 to September 2001 show seizures have been made, comprising a minimum of 30 – 40 tonnes of illegal ivory. Rhinoceros horn was also intercepted in some shipments from Africa. Seizure information is not readily forthcoming from China's authorities and seizures documented in this report represent only a small proportion of total seizures in China. Large amounts of elephant skin, in the region of 18 tonnes, were also seized by Chinese authorities, and small quantities of elephant skin were observed in the border areas with Laos and Myanmar. What happens to elephant products seized by Customs on China's international borders or seized by enforcement officials within China remains uncertain and of concern. There are reportedly no centralized storage facilities for confiscated wildlife products at the county, provincial or national level, and currently ivory appears to be stored by whichever agency made the seizure. What happens to the ivory thereafter is unknown; it is unclear whether confiscated ivory goods are kept in storage, destroyed or auctioned to traders for sale on the domestic market.

Although inter-agency communication and collaboration appears to have improved, there is still no established mechanism for collation and reporting of seizure information, and there remains an urgent need to implement a centralized system of reporting seizures to ETIS. ETIS provides a good framework for cooperation between CNMA and Customs General for the sharing of ivory seizure information and would provide a suitable framework for the reporting of other wildlife seizures. Although China has submitted some ETIS forms to the CITES Secretariat, implementation of ETIS in China still has room for substantial improvement and better reporting would certainly provide a clearer picture of China's role in the international trade in illegal ivory as well as benefiting China's international image. Difficulties in communication between relevant authorities notwithstanding, ivory seizure information is already posted on the official website of the CNMA and it should be possible to submit basic data for seizures made in China which could be updated as the information becomes available, for example when a court case has been concluded.

China is not the only country struggling with the ETIS procedure and TRAFFIC reports that many countries are failing to meet the obligations outlined within ETIS. As of March 2000, only 230 ETIS forms had been submitted by the Parties to CITES. In addition, the majority of the records contain only the minimal essential information and important facts are often missing (Anon., 2000f). TRAFFIC recognizes the need to promote better understanding about the requirements of ETIS and to support the development of national-level data collection protocols to support better implementation of *Resolution Conf. 10.10 (Rev.)*. To this effect, an ETIS workshop 'toolkit' has been developed by TRAFFIC in collaboration with the CITES Secretariat to facilitate the establishment of national data collection protocols.

The import into China of live elephants, mainly reported to be for non-commercial purposes such as education and for zoos, and to a lesser extent as performing animals, is also an aspect worthy of further scrutiny. The import of live elephants sourced from the wild, such as the import of 20 wild elephants from Malaysia, is difficult to justify as necessary when there are elephants that have been bred in captivity which could equally have been used for the reported purpose of ‘Zoos’. It is also questionable whether such a large number of wild elephants are required for this stated purpose. Also of concern, are the questionable aspects of the ‘non-commercial’ trade in these wild specimens when there are ‘animal exchange programmes’ which, according to *Resolution Conf. 5.10*, as ‘profit in kind’, could be understood to be commercial trade. As safari parks in China become more popular and proliferate further, the import of live elephants and other live specimens of endangered species, as well as the export of animals through ‘animal exchange programmes’ will require close monitoring to ensure that trade in CITES Appendix I-listed species is conducted within the provisions of CITES.

The challenges facing authorities in regulating trade in elephant products in China are great but not insurmountable. While China’s highly developed bureaucracy can hinder effective enforcement, it can equally be put to great effect. The highly successful Kekexili Operation I and South Operation II demonstrate China’s ability to implement an extraordinarily successful coordinated effort between pertinent governmental agencies to crack down on illegal wildlife trafficking. The initiation of joint representation of Customs and CNMA officials at three ports also is a promising sign of the on-going work to harmonize efforts of these key agencies. These coordinated law enforcement efforts are to be commended and future efforts supported.

Although the wildlife management authorities in China are committed to regulating the diverse forms of wildlife trade in China, and enforcement authorities have made a number of seizures, increased collaboration between relevant agencies as well as political and financial support from the highest echelons of government is urgently needed.

RECOMMENDATIONS

The commitment of the Chinese Government to addressing the illegal trade in elephant products is clear to see through the recent and successful enforcement actions conducted to date. Illicit trade in elephant products, however, is but one of many wildlife trade issues facing China’s enforcement authorities.

A holistic approach is required: many measures to address illicit trade in elephant products are also applicable to regulating trade in other wild species. The following recommendations should be considered within this context. Whilst some specifically target the illicit trade in ivory, others are applicable, on a more general level, to addressing the regulation of wildlife trade as a whole.

GOVERNMENTAL STRUCTURE

The regulation, enforcement and monitoring of wildlife trade in China is overseen by multiple government agencies, often with overlapping responsibilities and a range of different policies at different administrative levels in different provinces. The roles of each agency involved in the regulation, enforcement and monitoring of elephants and their products needs to be clarified within and between all levels of the agencies involved. Despite present efforts and some success to improve relations and collaboration between agencies, better communication within and between agencies needs to be established to strengthen enforcement of existing regulations. It is therefore recommended that China:

- Establish a cross-sectoral coordinating committee made up of representatives from relevant agencies to report quarterly on the activities of each agency. Academics and relevant experts should also be included in this committee. This committee would facilitate the coordination of activities, information exchange and increase cooperation within and between agencies.
- Convene workshops and seminars with pertinent governmental agencies to define the roles and responsibilities of each organization and how responsibilities could be shared in the future. Such efforts will require support from the highest levels of government.

LEGISLATION AND IMPLEMENTATION OF CITES

Although the laws in China appear stringent, and impressive enforcement activities have been carried out on occasion, in general, implementation of legislation and regulations is weakened by the overlapping responsibilities of agencies. A revised wildlife protection law is in progress, but it is not clear when this law is likely to be adopted. In the interim the most pressing requirements are to:

- Define and clarify the responsibilities of relevant governmental agencies, within the existing *WAPL* (1989), particularly with respect to:
 - laws and regulations pertaining to the management and regulation of domestic ivory sales;
 - the storage of confiscated ivory stocks.

Implementation of *Resolution Conf. 10.10 (Rev)*, adopted by China and the other Parties to CITES at the eleventh meeting of the Conference of the Parties to CITES, is also urgently required. This resolution requires that Parties report the seizure of elephant product to the CITES Secretariat for inclusion in the Elephant Trade Monitoring System (ETIS).

Res Conf. 10.10 (Rev) also put forward a series of recommendations regarding the monitoring, management and sale of ivory on the domestic market of Parties which are consumers of ivory, and thus which include China. China is encouraged to implement these regulations whereby comprehensive internal legislative, regulatory and enforcement measures be adopted to:

- a) *Register or license all importers, manufacturers, whole-salers and retailers dealing in raw, semi-worked or worked ivory products; and*
- b) *Introduce recording and inspection procedures to enable the Management Authority and other appropriate government agencies to monitor the flow of ivory within the State, particularly by means of:*
 - (i) *compulsory trade controls over raw ivory; and*
 - (ii) *a comprehensive and demonstrably effective reporting and enforcement system for worked ivory.*

Suggestions for implementing these procedures include:

- Audit ivory carving factories and their outlets to determine remaining stocks of ivory from stocks registered in 1989.

- Require that all vendors of ivory have a license to trade and that such licenses are periodically reviewed by relevant agencies.
- Introduce a computerized tracking scheme for all carved ivory products linking the products to the manufacturer, wholesaler or retailers in possession of the products.
- Introduce a tracking scheme for all new ivory carvings to link them to the serial number of the tusk they were carved from.
- Require ivory vendors to submit to the relevant government agency an inventory of all ivory pieces, cataloged with a label, including the total weight of all stocks and products; and
- Require all manufacturers to keep a log of the tusk serial number that is linked to a carving serial number, the date of purchase, the ivory vendor, the date that the ivory was sold and to whom. As an example:

Tusk #	Carving #	Kg	Date of Purchase	Dealer	Retail outlet	Date of Sale
KE127/9714	DX89372	3.7	13 Jan 89	GA & C	Friendship	21 Nov 89

The column “Tusk #” corresponds to the country of origin (in this example, Kenya) and includes the ISO code of the country of origin (KE) followed by the factory given serial number (127/9714). The column “Carving #” corresponds to the proposed serial number for all carvings that came from that particular tusk, containing the factory name (DX) and serial number (89372). Kg refers to the size of the carving that came from the tusk, with the date of purchase of the tusk, the dealer of the tusk (in this example, Guangzhou Arts and Crafts), and the retail outlet (FriendShip Store) and on what date it was sold.

- Initiate a monitoring scheme with the State Administration for Industry and Commerce to review log books from manufacturers, wholesalers and retailers to prevent illegal ivory from entering into remaining stocks;
- A registration and permitting system for antique ivory could be established whereby vendors would register antiques and obtain a certificate of authenticity. This certificate would provide potential buyers of antique ivory with an official document, and at the same time would facilitate the elimination of ivory items falsely labeled as antiques; and
- CITES export permits should only be issued for registered companies and for stocks that comply with the proposed domestic management scheme.

PERMITTING AND BORDER CONTROLS

- The conditions under which CITES export certificates for pre-Convention stocks of ivory have been issued needs to be examined and clarified given that it is currently not possible to distinguish between pre-Convention stocks and stocks which may have illegally entered China since the international trade ban came into effect.
- The feasibility of limiting the number of ports through which wildlife can be imported or exported should be explored in order to facilitate the work of Customs in regulating wildlife trade.

An Assessment of the Trade in Elephants and Elephant Products in China

- Enforcement actions targeting the illegal transport and sale of elephant ivory and skin should be carried out in selected ports along China's border areas with Myanmar.
- Enforcement actions targeting illegal 'family-run' ivory carving businesses should be carried out as a matter of urgency;
- The feasibility of stationing CNMA representatives together with Customs officials at more ports to facilitate the permitting process and to assist in species identification and enforcement of CITES regulations should be explored;

ENFORCEMENT OF REGULATIONS

Clarification of existing laws and regulations to define the roles of relevant enforcement agencies would greatly facilitate enforcement of China's laws and regulations. Nonetheless, China has taken some impressive steps to crack down on illegal trade in wildlife but such efforts are usually not publicized outside of China. The joint efforts of enforcement agencies such as the South Operation (II) are an excellent example of the impact that coordinated enforcement can have on illegal wildlife trade. Such coordinated efforts should be commended and extended on a regular basis.

- Establishment of a Centralized Wildlife Crime Unit is recommended as a means of implementing joint enforcement operations on a regular basis and as a means of transcending the barriers between agencies that deal with the illegal trafficking of wildlife.

The unit could include representatives from Customs, CNMA, WCD, Forestry Police, Police and the State Administration for Industry and Commerce and would greatly facilitate the exchange of information particularly regarding seizures of illegally traded wildlife.

LIVE ELEPHANTS

The number of safari parks and zoos in China has increased in recent years and live elephants are in demand for zoos, educational purposes and for the entertainment industry. Live elephants are imported into China and there are also reports of 'problem animals' from China's indigenous populations being captured for display and for the entertainment industry. Imports into China of live elephants sourced from the wild in Malaysia are also documented, although it is questionable as to whether the import was conducted in accordance with the provisions of CITES.

- The origin of all captive elephants in China should be recorded and the movements of these animals and any new animals noted;
- The China CITES Management Authority should clarify its interpretation of trade for 'non-commercial purposes';
- The China CITES Management Authority should clarify, within its interpretation of trade for 'non-commercial purposes' and with reference to *Resolution Conf.5.10*, whether imports of wild live elephants from Malaysia were conducted in accordance with the provisions of the Convention and whether further live elephants from the wild may be imported into China;

- The CITES Management Authorities of China and Malaysia should clarify the terms and agreements of the ‘animal exchange programme’ involving the Guangzhou Panyu Safari Park and the Malacca Zoo and other animal exchange programmes within the context of trade for ‘non-commercial purposes’;
- The China CITES Management Authority should clarify whether there are other zoos or safari parks which also have ‘animal exchange programmes’ and whether such programmes can be categorized as trade for ‘non-commercial purposes’.

CITES, ETIS AND TRAINING WORKSHOPS

- Training workshops on the enforcement of national legislation and CITES should be conducted with Customs, the CNMA, traditional Chinese medicine authorities and manufacturing companies, and the State Administration for Industry and Commerce.

The TRAFFIC network, in collaboration with the CITES Secretariat, has developed ETIS training modules to facilitate the implementation of ETIS.

- Training workshops on the implementation of ETIS should be convened with a wide range of participants, including the CNMA, Customs and the State Administration for Industry and Commerce. Attention should be drawn to the illegal trade in ivory and the established reporting mechanisms for such trade. Attention should also be drawn to the applicability of the ETIS system to the collation of seizure information for other wildlife products.

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ANNEX 1

Elephant Trade Information System (ETIS) data collection form



SECRETARIAT
15, chemin des Anémones
CH-1219 CHÂTELAINE-Geneve
Switzerland

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES
OF WILD FAUNA AND FLORA



Telephone: (+4122) 917-8139/40
Fax: (+4122) 797-3417
Email: cites@unep.ch
Web: <http://www.cites.org>

*Please fill in one form for each individual seizure, or for the results of each court case.
Completed forms should be returned to the address above.*

Ivory and elephant product seizure data collection form

Is this the first time this seizure is being reported? Yes _____ No _____
Is this a follow-up report to an earlier submission? Yes _____ No _____

1. Source of data _____
Date of information: Day _____ Month _____ Year _____

2. Date of seizure: Day _____ Month _____ Year _____
Agency responsible for seizure _____

3. Type of activity (please tick): Export Import Transit
 Possession Sale Offer for sale Illegal killing Other _____

4. Location of discovery: Place _____
City _____ Country _____

5. Country of origin _____

6. Country of export/re-export _____

7. Country of destination/import _____

8. Elephant species: African _____ Asian _____ Unknown _____

9. Ivory type and quantity:
Raw ivory: Number of tusks/pieces _____ Weight (kg) _____
Semi-worked ivory: Number of pieces _____ Weight (kg) _____
Worked ivory: Number of pieces _____ Weight (kg) _____
Percentage (%) representing: Old _____ Fresh _____ Unknown _____
Comment _____

10. Non-ivory elephant products:
Elephant hide/skin: Number of pieces _____ Weight (kg) _____
Manufactured elephant hide product: Type of product _____
Weight (kg) _____ Feet (No.) _____ Hair (kg) _____
Other (please specify) _____

11. Other contraband seized with elephant products _____

12. Estimated value of seized elephant products in country of seizure _____

13. Mode of transport: Air _____ Sea _____
Land _____ Other _____

ANNEX 1 (continued)

Elephant Trade Information System (ETIS) data collection form

14. Method of concealment/fraud _____

15. Documentation: None _____ Falsified _____ Fake Permit _____
 Valid permit but wrong shipment _____ Other _____

16. Method of detection (please tick): Routine inspection Targeting Investigation
 X-ray Intelligence Other _____

17. Profile of offenders/suspects:
 Name _____
 (Individual or company) Alias(es) _____
 Address(es) _____

 Tel/Fax Nos _____
 Nationality _____ Passport/ID Nos _____
 Date of birth: Day _____ Month _____ Year _____
 Sex (please tick): Male Female Unknown

18. Status of offenders/suspects (please tick): Hunter Middleman Trader
 Importer Carver/manufacturer Wholesaler Retail seller Exporter
 Tourist/Consumer Courier Handling agent Other _____
 Repeat offender (please tick): Yes No Unknown
 Other information _____

19. Status of the case in court _____
 a) Date case introduced in court: Day _____ Month _____ Year _____
 b) Date case closed in court: Day _____ Month _____ Year _____
 c) Name of court: _____
 d) Verdict / Penalty (please tick): Not guilty Guilty
 Seizure maintained Return of goods Prison (months) _____
 Fine (value) _____ Other _____

20. Additional information _____

21. Was an Ecomessage form filed with Interpol? (please tick) Yes No Unknown

Name and position of person completing this form _____

Name of organization represented _____
 _____ Date _____

For CITES Secretariat use only

SDFC reference code: _____

Date received by CITES Secretariat: Day _____ Month _____ Year _____

Date passed to TRAFFIC: Day _____ Month _____ Year _____

Date entered in database: Day _____ Month _____ Year _____

Data quality rating: () 1 () 2 () 3 () 4

ANNEX 2

Review of China's Ivory Market, 1999: prepared for TRAFFIC East Asia by James Leung

Introduction

Following the 1997 TRAFFIC report *Still In Business: The Ivory Trade in Asia, Seven Years After the CITES Ban* (Nash, 1997), questions still remain regarding the impact of the "CITES ivory ban" on the markets for ivory in Asia. According to the TRAFFIC report, the predictions of the impacts of the ban varied considerably amongst different interest groups.

Some conservationists believed that, effectively, the trade in ivory would ultimately cease once all legal stocks of raw, semi-worked and worked ivory had been consumed. This would lead to the demise of the ivory carving industry as a result.

Several prominent resource economists proposed an alternative outcome, predicting that the ban would result in an immediate and substantial decrease in ivory trade lines, but that the "ivory pipeline" would eventually re-open. Furthermore, it was believed that newly industrialised countries in Asia would be targeted for market development, particularly as ivory prices dropped and the disposable income of these countries rose (Nash, 1997).

The 1997 TRAFFIC report concluded that insufficient information had been gathered on the domestic ivory industries, the quantities of ivory in dealer stocks, the quantities of finished products in the hands of manufacturers and wholesalers or already in retail markets, consumer demand and the rate at which these stocks are being used, or the presence of and sources of illegal ivory. As such, an assessment of the domestic trade dynamics of the targeted Asian markets could not be accurately conducted.

This report aims to supplement the information presented in Nash (1997) and attempts to provide data to help facilitate the investigation and assessment of the status and trends of the ivory market in China. Addressing the issues mentioned above for other Asian markets is beyond the scope of this report.

With the continued rapid development and growth of industries and services throughout China, per capita income has increased significantly over the past decade. The disposable income of many households has increased significantly. Hence, the potential further development of the domestic market for ivory is considerable. The primary objective of this investigation is to help determine whether this increase in spending power has actually translated into an increase in demand for the luxury good ivory in the domestic market.

Objectives of the report

The investigation conducted sought to identify the following key issues:

- The country of origin of ivory consumers;
- The destination of ivory products purchased;
- The country/continent of origin of the ivory;
- Methods for illicit transportation of ivory products;
- Substitutes to ivory available on the market.

Identifying if a direct correlation exists between the economic climate and the demand for ivory products could provide a useful insight as to the current and future demand for ivory in China.

Survey methodology

An overseas investigator was engaged to carry out surveys in six cities in mainland China. The cities surveyed were Guangzhou, Sanya (Hainan Island), Shenzhen, Kunming, Shanghai and Beijing. In addition, a half-day of research was undertaken in Shenzhen. Locations targeted for surveys included major department stores including the Friendship Store, shopping districts, antique markets and shops, four-star, and five-star hotels, Guangzhou Trade Fair, airports and tourist gift shops usually located by major tourist attractions.

The survey of all the cities was conducted between 20th October 1999 and 15th November 1999. More time was spent gathering research data from the larger cities such as Shanghai and Beijing (one week at each) due to the greater number of merchants selling ivory. Inquiries were generally made in English, but an interpreter was employed in Kunming.

The investigator presented himself as a potential customer. The roles adopted by the investigator included are as detailed below:

- A tourist looking to purchase a gift item for a Chinese relative.
- A friend or business acquaintance of a person who was interested in setting up a gift shop that would sell ivory amongst other gifts.

The role utilised was usually always determined before engaging in conversation with the 'target'. However, at times the role would change depending on the responses to the questions fielded. Occasionally the research consultant would purchase gift items if the shop assistant had been helpful, or if it was believed that by purchasing a gift, additional information could be obtained.

Survey results

The results of the survey are based on the responses that were provided by the people questioned. It should be noted that the same questions were fielded in all locations and that, at times, the responses varied considerably. The conclusions made in this report are based on the answers that were numerically the most frequent and subject to the investigator's interpretation of the answers received.

In many instances it was believed that the motive behind the responses received was to maximise the opportunity of making a sale rather than to provide truthful information. This was a common difficulty encountered when enquiring about the country of origin of the ivory. The answer given was often based on what the shopkeeper/sales person thought the investigator wanted to hear. Only information which was believed to be accurate has been included in the report. Although the investigator filtered this information to the best of his knowledge and ability, this report cannot ensure that certain details do not remain skewed.

Purchasers of ivory

From the responses received, it can be concluded that a variety of nationalities purchase ivory in China although the main purchasers were from Asia (including mainland Chinese) and Europe. Certain nationalities appeared to

purchase greater quantities of ivory, and some nationalities exhibited a preference for certain types of carvings. The results also suggest that people from both America and Germany rarely purchased ivory products.

Signature seals were the most ubiquitous ivory item available and it appeared that purchases were made by people of all nationalities. As established in the TRAFFIC report *Still in Business*, findings from this survey also confirmed that the Japanese are the main consumers of ivory signature seals. At the more luxurious hotels, where the prices were often inflated, Japanese nationals were often the only clients. People from mainland China also purchased signature seals. However, the quantity of ivory seals they purchased was moderate largely because plenty of cheaper substitutes were available.

Larger ivory carvings, such as sections of tusks, were purchased predominantly by Asians. Although Europeans (especially from Italy and Spain) and Australians were also cited as being customers, they tended to buy only single pieces. Chinese people from mainland China, Taiwan, and Hong Kong reportedly purchased multiple pieces. This information was obtained from the ivory factory representatives at the Guangzhou Trade Fair, 1999, and was confirmed with various retail shops throughout Shanghai and Beijing. These results are summarized in **Table 1**.

Ivory trade in China

The level of consumption of ivory goods by mainland Chinese appears to be regional. In areas such as Kunming and Hainan, the spending power of local people is low relative to other cities/municipalities visited. Shop owners/attendants stated that mainland Chinese people who purchased ivory were often from the neighbouring provinces of Guizhou and Sichuan. They also stated that sales in general were either in decline or not particularly good. Some believed this might be related to stricter government controls.

Salespeople questioned in Beijing, Shanghai, and Guangzhou reported that local people mainly purchased smaller ivory pieces such as jewellery (ear rings, pendants) and small ornaments rather than the larger, expensive pieces such as tusks and intricately carved pieces like “magic balls”. The quantity of ivory traded in Beijing, Shanghai, and Guangzhou was considered to range from moderate to high depending on the location within the city. Salespeople in tourist areas and shops stated that the ivory trade was prospering. It should be noted that there were a greater number of shops selling ivory pieces in these cities than elsewhere surveyed.

From observations made in Beijing, Shanghai and Guangzhou, it appeared that most of the potential customers at the targeted locations were of Chinese origin and mainly speakers of Putonghua or Mandarin - the national Chinese language of mainland China. Shopkeepers frequently stated that Chinese people residing in many parts of Asia such as Taiwan, Hong Kong, Malaysia, Thailand and Singapore were consumers. However, these salespeople also noted that mainland Chinese throughout China also formed a significant part of the market base. In the Friendship Store branch in Guangzhou, approximately 50%-60% of the purchasers were cited as being from mainland China.

If other provinces begin to prosper, demand for ivory is likely to increase. However, none of the new ‘western’ department stores, including the arts and crafts departments, were found to display ivory carvings or ornaments for sale, and were largely stocked with ‘western’ products. This may indicate a change in consumer preference.

It also appeared that a number of substitutes for ivory have appeared on the market. These are discussed in more detail in the section on substitutes.

Description of outlets visited

Refer to **Table 1** for details of establishments visited in each city.

Guangzhou

All of the retail outlets observed selling ivory products were either department stores or hotel gift/souvenir shops. No other shops or outlets selling ivory were observed in the main shopping districts. The hotel gift shops were generally quite small, and did not stock a large selection of ivory products; usually no more than ten different pieces including chopsticks, signature seals, penholders, bracelets and small figurines.

The only department store observed selling ivory products was the Friendship Store. This had the largest selection of ivory products observed in Guangzhou, approximately 30 different items.

There were eight factories/outlets present at the Guangzhou Trade Fair selling, amongst other carved goods, ivory products. Some factories only carried 5-8 different sample pieces of ivory. Carved ox-bone ornaments were the predominant goods on display and factory representatives noted that “Bone Carvings” have only appeared in the last three years.

Chinese entrepreneurs living in Hong Kong were observed tending two booths at the Fair. Both had retail outlets in Hong Kong and one trader remarked that the market in Hong Kong for ivory was not saturated. This statement was later supported by a shop assistant in Shanghai who stated that some customers from Hong Kong purchased ivory with the intent of reselling it back in Hong Kong, as an attractive profit could be made.

Sanya (Hainan Island)

During the investigation, no department stores or retail outlets were observed selling ivory products in Sanya. Only hotel gift shops located in the Pearl River Garden Hotel and the Gloria Resort were observed selling signature seals and Japanese nationals were reported by shop attendants to be the sole purchasers of ivory name seals. No other ivory products were observed.

Kunming

Kunming is a rapidly developing city and it appeared that small retail outlets were being replaced with shopping malls or gift shops in hotels. As in Guangzhou, the selection of ivory products available in these hotels was limited. However, a few department stores had a relatively large and varied selection of ivory products, between 30-40 items.

In addition to hotels and department stores, the only other location observed selling ivory goods was the Jing Xing Antiques Market. This was a four- to-five storey complex with about 30-40 small retail shops on each floor selling various antiques including ivory pieces. Each shop would only stock a few ivory antique pieces if any. Few shoppers were observed in the complex.

Very few private outlets outside the establishments mentioned were observed selling ivory goods. Most of these focused on jade products, and would stock only a few pieces of ivory if any.

Table 1
Summary of survey findings

Cities investigated	Outlets visited	Reported turn-over of trade *	Nationality of purchasers
Beijing	Dazhalan street Liulichang street Wanfujing street Drum Tower gift shop Friendship Stores Beijing Hotel Bamboo Garden Hotel Airport	Moderate-High	Japan, China, Hong Kong, Taiwan, Thailand, Spain, Italy, England, France, Singapore, Malaysia.
Shanghai	Yuyuan Garden Bazaar Department Stores include: Friendship, Isetan, miscellaneous. Shanghai Arts & Crafts Store Shanghai Centre Huaihai Zhong Lu shopping district Hotels: Sofitel, Hilton, Equitorial, Hyatt Airport	Moderate-High	Japan, China, Hong Kong, Taiwan, Thailand, America, Singapore, Malaysia, Spain,
Guangzhou	Biannual Trade Fair Department Stores: Dung Fan, Friendship Store, miscellaneous. Hotels: China Hotel, Guangzhou International Hotel, Bai Yun, Garden Hotel Miscellaneous gift shops Airport	Moderate	Japan, China, Hong Kong, Taiwan, Thailand, Spain, Italy, England, America, France, Germany, Malaysia.
Kunming	Department Stores: Sakura, Jing Xing Antiques Market Golden Dragon, miscellaneous. Hotels: Holiday Inn, Kunming Hotel, Greenlands Hotel. Tourism Arts & Crafts Shop Airport	Moderate-Low	Japan, China, Hong Kong, Taiwan, Thailand, Spain, France,
Shenzhen	Hotels: Guangdong, Far East Grand, Landmark, Central Plaza. Airport	Low	China, Hong Kong.
Sanya	No department stores observed. Hotels: Pearl River Garden, Gloria Resort.	Very Low	Japan.

* Denotes prosperity of the ivory trade based on the number of potential customers/shoppers observed in the retail shops visited and relevant shopping areas, and the responses received from various merchants. The rating of prosperity is a scale derived from these observations and responses. The outcome of the ratings (i.e. high-low) for each city is purely relative to one another.

Shenzhen

Ivory products were only observed in a couple of hotel gift shops. Each shop carried four to five pieces. Business was cited as being very poor.

Shanghai

Shanghai’s position as one of China’s most affluent cities was duly reflected in the number of retail outlets selling ivory products. From observations made, the two areas which contained the largest concentration of retail shops trading in ivory products were the Yuyuan Garden & Bazaar, and the Huaihai Zhong Lu shopping district (located within the old French Concession district).

The Yuyuan Garden & Bazaar is located at the north-eastern end of the old Chinese city and is one of the city's premiere attractions. Due to its considerable area, it is difficult to determine the exact number of shops selling ivory products, however it is estimated that between 50-70 vendors are present. The size of the outlets varied considerably as did their stock of ivory items available. In general, the entire range of ivory items observed in other cities in China was available at the Yuyuan Gardens & Bazaar. Business in this area appeared to be brisk and several shop owners stated that the ivory trade was good.

The Huaihai Zhong Lu shopping district consists largely of shopping malls. None of the modern shopping centres selling 'western' goods were noted as selling ivory items. Ivory products were found on sale in more 'traditional' shopping centres or arts and crafts shops. The most varied selection of ivory goods, between 30-50 items in each, was observed at the Friendship Store and the Shanghai Arts & Crafts Store.

As with other five star hotels in China, a number of those visited including the Sofitel, Hilton and Equitorial contained a limited selection in the gift shops.

Two shops at the airport had a very limited selection of ivory products on display including figurines and chopsticks.

Beijing

Similar to Shanghai, Beijing has a number of shopping districts. Three shopping districts were investigated, as follows:

- Dazhalan Street – located near Tiananmen Square: a very limited selection of ivory items (usually only chopsticks) were observed in only a couple of shops.
- Liulichang Street – located to the west of Dazhalan, it is considered to be Beijing's 'antique street'. It contained by far the largest number of retail outlets (over 30) selling ivory products in Beijing. The variety and scale of ivory items stocked varied from shop to shop, although in no shop was the available selection as extensive as in the Friendship Store. In general the pieces sold were small in size. Only a few shops had whole tusks on display. Business was cited by a shop-keeper as being good.
- Wanfujing Street, located to the east of the Forbidden City, is regarded as prestigious and generally houses a number of up-market department stores some of which displayed a reasonable selection of ivory items, approximately 30-40 pieces.

The Friendship Store, as with the other cities investigated, contained the largest and most varied selection of ivory items.

The only hotel observed to display ivory goods (approximately 10 items) was the Beijing Hotel, which contained several retail outlets.

A couple of the shops at the airport had ivory figurines on display. No other ivory items were observed.

Table 2

Price range of ivory items at various wholesale & retail establishments (RMB; USD)

Ivory Item	Price Range (in RMB)	Price Range (in US \$ Equivalent)	Remarks
Minhou Zhenggang Engraving Factory (wholesale prices)			
Chopsticks	220	23 - 28	Carved pieces were priced higher.
Signature seals	200 - 250	45	
Bracelets	400	25	
Single tusk (3ft in length)	350,000 - 420,000	39,812 - 47,774	
Shanghai Arts & Crafts Store (Shanghai)			
Signature seals	400 - 1200	45-136	Carved pieces were priced higher.
Bracelets	650	74	
Chopsticks	400 - 1000	45 - 114	
Single tusk (3ft in length)	460,000 - 600,000	52,324 - 68,249	
Greenlands Hotel (Kunming)			
Signature seals	600 - 900	68 - 102	Carved pieces were priced higher.
Bracelets	780	89	
Chopsticks	400 - 870	45 - 99	
Single tusk (3ft in length)	650,000	73,936	
Friendship Department Store (Beijing)			
Signature seals	400 - 960	45 - 109	Carved pieces were priced higher.
Bracelets	550	63	
Chopsticks	400 - 850	45- 97	
Single tusk (3ft in length).	450,000 - 580,000	51,186 - 65,974	
Fuzhou Arts & Crafts Import & Export Corporation			
Raw Material per catty	50 - 2000	6 - 227	Price range based on prices charged for 'scrap' ivory and the highest quality/grade of ivory available.

Notes: Price range based on prices charged for 'scrap' ivory and the highest quality/grade of ivory available.

No significant price increase is apparent when the above table is compared with Table CN-4 in the 1997 TRAFFIC report Still in Business.

Ivory exiting the country

Shopkeepers generally were of the opinion that Customs officers are unlikely to take any action if small pieces of ivory were taken outside the country. However, they noted that difficulties may arise when attempting to transport larger pieces of ivory. Some factory representatives at the Guangzhou Trade Fair suggested that some mainland Chinese entrepreneurs probably purchase ivory with the intent of re-selling it to markets outside of China. These factories were not willing or able to elaborate on how this might be carried out.

Taiwanese people were often identified as significant purchasers of ivory goods. One shop assistant in a branch of the Friendship Store suggested that certain individuals from Taiwan exported significant quantities of ivory from China with the co-operation of customs officers. Information on how this was actually conducted was not forthcoming.

Sources of illegal ivory entering the country

Obtaining information regarding illegal imports into China is a sensitive issue, and most of the shopkeepers questioned either declined to give an answer or indicated that they obtained their goods from factories within China. Most people were unwilling to give contact details of the factories, but mentioned that they were usually based in Guangdong Province. Nonetheless, some interesting information was disclosed during these conversations.

The same shop assistant from the friendship store noted above also mentioned that ivory signature seals for sale in that particular branch were imported into the country illegally. It was stated that the ivory was African in origin and that diplomats from an East Asian country were responsible for bringing it into China. When questioned about the legality of such activities, the shop assistant indicated that this information was quite well known.

Information was also obtained in Kunming about the potential movement of Asian ivory into China. One shop admitted purchasing ivory from two uncertified sources. Part of the ivory in the shop was obtained from two entrepreneurs from Pakistan. The original source of the ivory was unknown. The remaining ivory in the shop was purchased from a factory in Guangdong who arranged for transportation of the material to Kunming. According to the shop assistant, the factory stated the ivory was from Myanmar.

Similar information was also received from a hotel gift shop in Shanghai. According to the shop assistant, the ivory originated from Myanmar and that delivery of the ivory to the shop was arranged by the shop manager who was also from Myanmar.

Origin of ivory stocks

Most of the shops/entrepreneurs approached could not establish the country or continent of origin for the ivory. When questioned, many responded that the ivory was from Asia or China. However, this was often a reference to where the ivory was carved. The original source of the ivory, i.e. Africa or Asia, is usually provided to the shops by the factory verbally. No certificates are issued by either the factories or the retail shops to verify the country of origin.

According to several factory representatives, physical inspection of the ivory itself can sometimes give an indication. They suggested that the rings/bands present in ivory tend to be thicker and are spaced wider apart in African ivory. To the trained eye, the continent of origin is often determined in this fashion although the accuracy of such analysis is unknown. Ivory pieces that have been intricately carved cannot be identified in this manner as the lines become nearly invisible and/or distorted.

From general observations in the shops and conversations with salespeople, it appeared that most of the more recent ivory stocks were of African origin. All factory representatives at the Guangzhou Trade Fair stated that their ivory was African and that they were unaware of how one could obtain supplies of Asian ivory in China.

There appeared to be little difference between the market value of Asian and African ivory. Asian ivory is considered by some to be more aesthetically pleasing due to the narrow bands. In general however, the price of the finished product is dictated by a number of factors, as detailed below:

- ***Craftsmanship***: the level of detail on a carving and the experience of the carver;

- **Grading:** according to the factories, there are five different grades/categories of ivory. Each grade is generally priced differently;
- **Age:** pieces that are considered antiques are usually priced higher by as much as 50%. However, it was not uncommon for the price to be bargained down to similar levels of contemporary ivory items.
- **Location of Shop:** prices of items in shops located in upmarket locations such as five-star hotels were higher.

No significant difference in prices between African and Asian Ivory could be established.

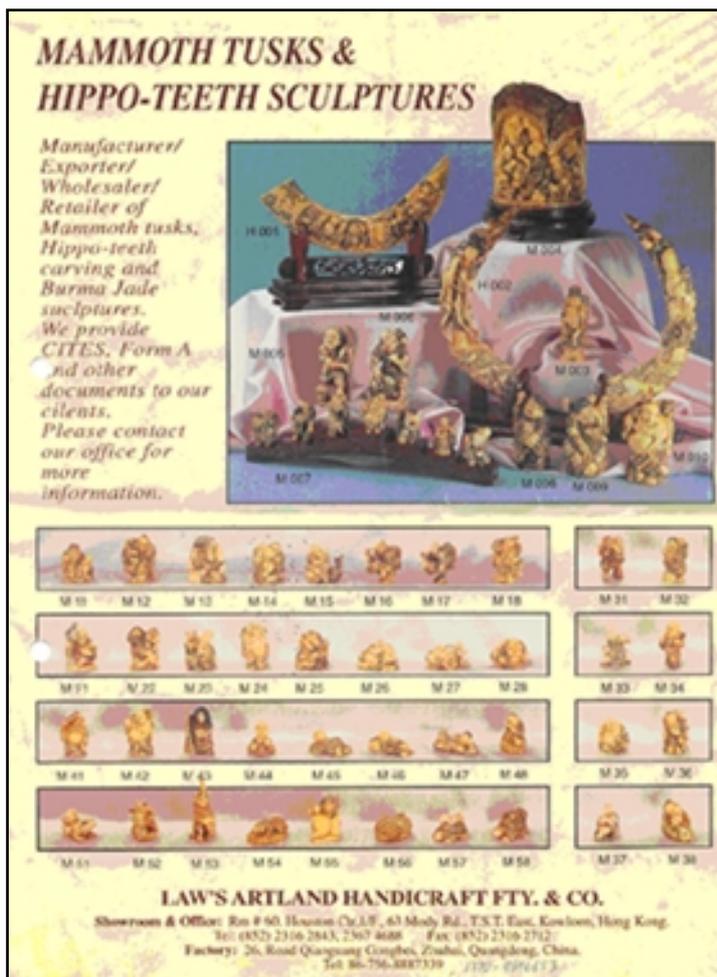
Substitutes

A variety of ivory substitutes were available on the domestic market. The most ubiquitous substitute was ox-bone, which could be found in all the cities visited. Ox-bone carvings were also the predominate carvings on display at the Trade Fair. The ratio of this substitute to ivory at the Trade Fair was approximately 100:1.

Other substitutes observed are described below:

- Elephant bone;
- Mammoth tusks;
- Hippopotamus enamel;
- Plastic resin figures made to look similar to ivory;
- Wood carvings made to look similar to ivory.

The most expensive and recent ‘substitute’ to enter the market was mammoth ivory. Carvings in this medium were observed only at the Guangzhou Trade Fair and were not available in any other shops. Mammoth carvings were usually priced slightly higher than their ivory counterparts as each piece was considered unique and because the supply is finite. This substitute was being strongly promoted at the Fair. A greater quantity of mammoth ivory to elephant ivory was observed with a ratio of approximately 10:1 in certain booths at the Fair. According to the factory personnel, not many pieces had been purchased, but interest had been shown by purchasers from a variety of nationalities, including mainland Chinese.



Ornaments made from ivory alternatives, mammoth tusk and hippopotamus teeth. Hippopotamus ivory was not commonly observed in China in 1999 and prices charged were lower than for elephant ivory counterparts.

Table 3

Prices for substitutes

Items ~	Wholesale prices for various substitutes in US\$ (FOB Hong Kong)					
	Mammoth Products*	Hippopotamus Products *	Ox-bone Products#	Elephant Bone Products #	Plastic Resin #	* Wood Carvings
M11	\$54.00	\$25.80	\$3-6	\$6-9	\$2-3	N/A
M12-M18	\$61.00	\$29.70	\$3-6	\$6-9	\$2-3	N/A
M21-M28	\$49.00	\$23.50	\$3-6	\$6-9	\$2-3	N/A
M31-M32	\$43.00	\$20.60	\$3-6	\$6-9	\$2-3	N/A
M33-M38	\$49.00	\$23.50	\$3-6	\$6-9	\$2-3	N/A
M41-M48	\$42.00	\$20.60	\$3-6	\$6-9	\$2-3	N/A
M51-M58	\$42.00	\$20.60	\$3-6	\$6-9	\$2-3	N/A
L8-L29	\$42.00	\$20.60	N/A	N/A	N/A	N/A
L30-L34, L47-L48	\$58.00	N/A	N/A	N/A	N/A	N/A
L35-L38, L49-L52	\$64.00	N/A	N/A	N/A	N/A	N/A
L39-L42, L46	\$54.00	N/A	N/A	N/A	N/A	N/A
L43-L45	\$49.00	N/A	N/A	N/A	N/A	N/A
WA001 - WA071	N/A	N/A	N/A	N/A	N/A	\$ 5.50
Raw Material (per ton)	N/A	N/A	\$341-455	N/A	N/A	N/A

Table 4

Prices for substitutes

Items ~	Wholesale prices for various substitutes in RMB (FOB Hong Kong)					
	Mammoth Products*	Hippopotamus Products *	Ox-bone Products#	Elephant Bone Products #	Plastic Resin #	* Wood Carvings
M11	RMB 475	RMB 227	RMB 30-50	RMB 50-80	RMB 15-30	N/A
M12-M18	RMB 536	RMB 261	RMB 30-50	RMB 50-80	RMB 15-30	N/A
M21-M28	RMB 431	RMB 207	RMB 30-50	RMB 50-80	RMB 15-30	N/A
M31-M32	RMB 378	RMB 181	RMB 30-50	RMB 50-80	RMB 15-30	N/A
M33-M38	RMB 431	RMB 207	RMB 30-50	RMB 50-80	RMB 15-30	N/A
M41-M48	RMB 369	RMB 181	RMB 30-50	RMB 50-80	RMB 15-30	N/A
M51-M58	RMB 369	RMB 181	RMB 30-50	RMB 50-80	RMB 15-30	N/A
L8-L29	RMB 369	RMB 181	N/A	N/A	N/A	N/A
L30-L34, L47-L48	RMB 510	N/A	N/A	N/A	N/A	N/A
L35-L38, L49-L52	RMB 563	N/A	N/A	N/A	N/A	N/A
L39-L42, L46	RMB 475	N/A	N/A	N/A	N/A	N/A
L43-L45	RMB 431	N/A	N/A	N/A	N/A	N/A
WA001 - WA071	N/A	N/A	N/A	N/A	N/A	RMB 48
Raw Material (per ton)	N/A	N/A	RMB3000- RMB4000	N/A	N/A	N/A

Notes: * Denotes quotations received from Law's Artland Handicraft FTY. Ltd, which has a retail outlet in Hong Kong and a factory based in China. The shop/factory owner indicated that the prices listed are very similar to those charged in China. The difference in cost is mainly due to freight charges. The prices observed in China for similar carvings consisting of the same material were approximately the same.

~ Denotes Item-No. as detailed in the Law's Artland Handicraft FTY & Company catalogue. See page 53.

Denotes the retail price ranges noted in China for products similar in size and shapes to those itemised in the above table and that are shown on page 53. Prices were obtained from the numerous retail outlets located in the following areas:

- Shanghai - Yuyuan Garden Bazaar, Huaihai Zhong Lu shopping district.
- Beijing - Dazhalan and Liulichang shopping districts.

Hippopotamus ivory was not commonly observed. Shops selling this substitute, usually only displayed a few pieces. The prices charged for such pieces were lower than for an elephant ivory counterpart.

Wood carvings made to look similar to ivory were only observed in Shanghai and Beijing. Some of the smaller arts and crafts shops visited had a relatively diverse selection, approximately 50 pieces. In general, few shops or department stores stocked these carvings. Prices for this substitute were substantially lower than the ivory equivalent.

Plastic resin ornaments were only observed in the department stores that appeared to target the less affluent consumer. Of all the substitutes mentioned above, these were the cheapest.

The prices and price ranges for substitutes are detailed in **Table 3**. Although the retail outlet/factory which provided the quotation for the mammoth and hippopotamus items did not deal in ivory, they mentioned that the prices for African ivory would be either slightly less or the same as the mammoth equivalent. From the observations made at the Trade Fair, this would appear to be correct.

Discussion and conclusions

Ivory was more readily available in the more prosperous regions of China, such as Shanghai, Beijing and Guangzhou, where residents enjoyed a high standard of living relative to other areas in China and where shopkeepers reported moderate to high turnover of ivory sales. In the less affluent provinces visited, the consumption rate of ivory appeared to have stabilised or declined since the enactment of the ban on international ivory trade.

With the exception of Sanya in Hainan, mainland Chinese were reported to be consumers of ivory. Beijing and Shanghai were considered by those questioned to be the largest markets in the country. It was indicated by factory personnel at the Guangzhou Trade Fair that some mainland Chinese purchase ivory in bulk for intended re-sale. The final destination(s) of the re-sale market could not be identified.

Tourists from overseas were also noted as consumers of ivory in China. These tourists are generally from Asia and Europe, although the latter usually only purchased single pieces. Japanese and Taiwanese were often mentioned by shopkeepers and factory personnel as being the largest consumers of ivory products. Some factory personnel indicated that some of the purchases made by the Taiwanese were intended for re-sale. No further information was forthcoming.

Although a large number of the antique pieces observed were considered by salespeople to be Asian ivory, the majority of ivory more recently in the market was believed to have originated from Africa.

Asian ivory, however, was also available in the market. One potential source of recent stocks of Asian ivory appears to Myanmar. Whether any of the more recent stocks of Asian ivory in China originates from China itself is difficult to assess. Antiques ivory pieces, stated as being from Asian Elephants were not uncommon in many of the antique shops visited, although few of these pieces were mentioned as being 'Chinese ivory'. None of the alleged post-ban ivory was stated as originating from China.

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TRAFFIC, the wildlife trade monitoring network, works to ensure that trade in wild plants and animals is not a threat to the conservation of nature. It has offices covering most parts of the world and works in close co-operation with the Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

For further information contact:

The Executive Director
TRAFFIC International
219c Huntingdon Road
Cambridge CB3 0DL
United Kingdom
Telephone: (44) 1223 277427
Fax: (44) 1223 277237
Email: traffic@trafficint.org

TRAFFIC East Asia
Rm. 2001., Double Building
22 Stanley Street, Central
Hong Kong
Telephone: (852) 2 530 0587
Fax: (852) 2 530 0864
Email: tea@pccw.imsbiz.com

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