

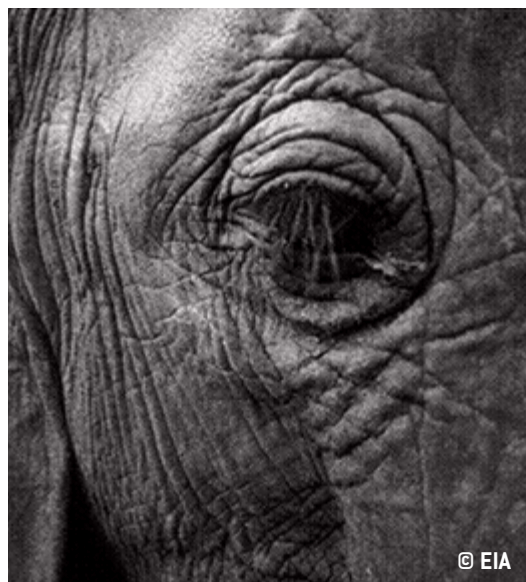


China, Ivory Trade & the Future of Africa's Elephants

AN EIA BRIEFING



Seized ivory, 2000. © EIA



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TOP Ivory room at the Dalian New Friendship Store, Dalian, China, May 2007 [on sale for US\$ 130,000] — 17 years after the ivory ban. Where does all the ivory come from? © EIA

BOTTOM Mary Rice © EIA

Executive Summary

Why China Should Not Be Approved as an Ivory Importer

China is seeking approval at the 57th meeting of the Standing Committee of the Convention on International Trade in Endangered Species (CITES), in July 2008, to become a CITES approved ivory trading nation. Specifically, China seeks to import ivory from stockpiles in Botswana, Namibia, South Africa and Zimbabwe to satisfy booming domestic demand. Given the 18-year international ban on international ivory trade, the 12th Conference of the Parties decided in 2002 that a second international auction of ivory from these southern African stockpiles could go ahead but only if a number of conditions had been met. Their decision stated that the ivory could be sold:

“Only to trading partners that have been verified by the Secretariat, in consultation with the Standing Committee, to have sufficient national legislation and domestic trade controls to ensure that the imported ivory will not be re-exported and will be managed in accordance with all requirements of Resolution Conf. 10.10 (Rev. CoP12) concerning domestic manufacturing and trade.” [CITES Res 10.10 (Rev CoP12)]

This briefing argues that sufficient control over China's ivory stocks has not been demonstrated either by the Government of China or the CITES verification missions sent to investigate China's ivory trade controls. Instead, China has:

- Failed to account for a massive 110 tonnes of self-confessed “missing” ivory stocks — equivalent to the tusks of 11,000 elephants; or to identify where, how and by whom “large amount of illegal sale of the ivory stockpile” took place.
- Failed to take action against traders and customs department officials implicated in the legalization of ivory stocks imported in contravention of CITES ivory regulations.
- Failed, with the CITES Secretariat Verification Mission, to report on total ivory stocks held in China by federal, provincial and territorial government departments.

China's rising demand for ivory to make trinkets, name seals, expensive carvings and polished ivory tusks has already triggered increased poaching in a number of African countries, decimating many elephant populations and producing an increasingly lethal threat to many others. Chinese citizens or companies have been prosecuted for illegal ivory trade in 23 of Africa's 37 elephant range states.

If China is allowed to legally import ivory obtained through the CITES approved auctions, the stream of smuggled ivory moving into China would turn into a flood. Poaching would increase as black market ivory traders respond to the easy and profitable opportunity to smuggle and mix illegal ivory imports into legal stocks within China. Without watertight controls over its domestic ivory stocks — which China does not have in place — the outcome for Africa's elephants could be disastrous.

Missing from China Government Stockpiles: 110 Tonnes of Ivory

In June 2008, EIA obtained an official Chinese document stating that 110 tonnes of ivory — equivalent to the tusks of 11,000 elephants — had gone missing from government stockpiles and that illegal sales were suspected.

ivory related criminal offences, a more detailed explanation of the measures undertaken on a regular system of reporting of ivory stockpiles and their disposal. These recommendations have been related to Protection Bureau for implementation and an assessment of these measures would be submitted to the CITES Secretariat by 30 June 2003.

In the course of the submitting the report to CITES, we have felt that the basis of our national legislations do suffice to meet the requirements under CITES. However, the implementation measures and national sanctions still fall far short and would have difficulty standing up to the assessment by CITES due to several factors:

(i) In 2002, the national ivory stockpile has seen a shortfall of 110 tonnes since 1991. We have not been able to account for the shortfall through the sale of legal ivory by the selected selling sites in the country. This suggests a large amount of illegal sale of the ivory stockpile has taken place. In view of this fact, the relevant department in the last year has instigated an investigation by organizing a team to report on their findings;

(ii) In the past, some of the designated ivory stockpile units, especially those units that have been designated for commercial trade in ivory, there were never any records of their ivory stockpile. For the current sale of stockpiled ivory, there is therefore a need to identify clearly the origin of these products;

(iii) The markets in numerous cities which deals with gemstones or antiques, stores (e.g. the government owned Friendship Stores, Arts and Crafts stores), five star hotels and ivory specialist stores have been for years dealing commercially in ivory products despite the fact that these products did not come from approved/registered sources. This practice has drawn criticisms from several international organizations that PR China's legislation and sanctions for the control of ivory trade has fallen far short in their implementation efforts.

(iv) The problem of creating a comprehensive registration of ivory stockpiles remains unsolved although the scheme has been instituted since 1997 to prevent the smuggling and illicit trade in ivory.

With the above identified issues, it is probable that China may not withstand the assessment by CITES. In the convening of the regular CITES meeting (?) in early next year, it is likely that measures will be adopted against China. In face of this, we would invite the protection agencies to give their full support to resolve these issues.

24 June 2003

办领导：

在保护司动管处的支持下, 我处已会同公约处, 按照 CITES 有关

The document, in the form of a letter from the Director of the Chinese Management Authority's Division of Law Enforcement and Training, reveals a stunning failure by China to comply with CITES ivory regulations which bar ivory imports and require strict controls over domestic ivory stocks [CITES Conf 10.10]. The official concludes by voicing his fear that this massive breach of trade controls would make China ineligible for international ivory trading approval by CITES.

The Parties to CITES should ensure strong support for the enforcement concerns expressed in the document. A full report on the illegal sales and the disappearance of the ivory stocks and the actions taken against those responsible should be provides to CITES Parties before a decision is taken on whether China should obtain ivory trading partner status.

DAMNING DOCUMENT

The letter, dated June 2003, states that:

1. A 2002 survey of government ivory stocks revealed that 110 tonnes of ivory was missing from the national stockpile and the shortfall could not be accounted for by legal ivory sales from designated selling sites around China.
2. The evidence suggested “a large amount of illegal ivory sale has taken place.”
3. “The relevant [Government] department in the last year instigated an investigation” into the missing ivory.
4. “Some of the ivory designated units especially the commercial sales units never kept any records of their ivory stockpile. There is a need to identify clearly the origin of these products.”
5. “The markets in numerous cities that deal with ivory have for years been dealing commercially with ivory products despite the fact that these products did not come from approved/registered sources.”
6. “With the above identified issues, it is probable that China may not withstand the assessment by CITES.”

A CHINESE GOVERNMENT COVER-UP?

The letter was addressed to Nigel Hunter, then coordinator of the CITES MIKE (Monitoring of the Illegal Killing of Elephants) Programme.

However, there appears to be no evidence in the public domain that China pursued the investigation into the missing ivory stocks or identified or prosecuted anyone involved in its disappearance.

There is no record of the Government of China officially disclosing the missing ivory to the CITES Secretariat or the CITES Enforcement Officer who led the ivory Verification Missions to China in 2005 and 2008. If such information was provided to the Verification Mission it is not referred to in its subsequent report.

Nor is there any record of China reporting to CITES on the findings of its official investigation into the missing stocks.

Neither the Chinese government nor the CITES Secretariat's China Verification Mission have reported on any actions taken against those involved in illegal sales of the missing ivory; or any new controls put in place to ensure against

the illegal import and re-export of ivory in accordance with the requirements of Resolution Conf 10.10 (Rev CoP 12).

China has also previously disputed the ivory's disappearance.

In June 2007, EIA released its report *Made In China* at the 55th CITES Standing Committee meeting. This disputed China's eligibility for ivory trading status based on a long history of transgressions and disclosed a reported 110 tonne ivory stockpile shortfall, based on a reference in the 2004 study *Ivory Markets of Asia* by Daniel Stiles and Esmond Bradley Martin.

The head of the Chinese CITES delegation responded with a formal complaint against EIA to the Bureau of the 14th CITES Conference of the Parties in The Hague, although the complaint was subsequently withdrawn without providing any information to challenge the evidence. The China CITES Management Authority Director of Law Enforcement and Training Division also denounced our report and informed EIA staff that it was “not true” that 110 tonnes of ivory were missing from national stockpile.¹

In the end, the Standing Committee members — regional representatives of CITES member governments — did not approve China's request at the 55th Standing Committee meeting.²

TOO LITTLE ENFORCEMENT, TOO MANY UNANSWERED QUESTIONS

The CITES Chinese Management Authority, by its own admission, lost control and oversight of 110 tonnes of ivory, was not able to account for the shortfall through legal commerce and suggests that much of the lost ivory was sold illegally. Other evidence obtained by EIA suggests much ivory was exported out of the country to Japan and other nations with government issued export permits.

Five years later, it has failed to report on any actions taken against those who stole and sold the ivory, or any new controls put in place to ensure such an incident will not be repeated.

Given China's history of poor ivory trade controls (see next section), the confirmation of a massive shortfall in the national stockpile raises serious questions which China must answer before a vote is taken on its ivory trading status.

REFERENCES

1. Personal Communication — W. Ziming to A. Thornton
2. Report of the 55th Standing Committee

China's History of Poor Ivory Trade Controls

Public disclosure of missing Chinese ivory equivalent to the tusks of 11,000 elephants is only the latest in a long line of troubling transgressions of CITES regulations governing ivory imports, exports and domestic trade.

EIA's 2007 comprehensive report *Made in China* summarised a wide range of evidence detailing high volumes of illegal trade in poached elephant ivory entering China.

This report (see right column) disclosed that China consistently failed to implement CITES regulations on ivory trade from the date of the international ban on ivory trade in 1990, until 2006 when it began to put enforcement policies in place.

Our report argued that the variety of illegal exports of ivory by government — owned and linked companies, plus private carving operations and traders, combined with the “registration” — de facto legalization of new (i.e. illegal) ivory by local or provincial customs authorities, disqualified China from obtaining ivory trading status.

In June 2007 EIA filmed³ evidence of senior managers of the Government of China-owned Beijing Gongmei offering a large volume of ivory and export permits was provided to the Enforcement Officer of the CITES Secretariat at the 55th Standing Committee meeting.

This argument about the laxity of internal Chinese controls is further strengthened by the admission in the letter from the head of China's CITES Management Authority Director of Law Enforcement and Training Division that “designated units in charge of commercial ivory sales failed to keep any records of their stocks or the illegal sales from them”.

Given that the China CITES Management Authority has since failed to report on where, how and by whom “large amount of illegal sale of the ivory stockpile...has taken place,” it is reasonable to assume that these transgressors are still operating and still engaged in the illegal trade that is fuelling an African poaching epidemic.

AFRICA'S NEW KILLING FIELDS

In recent years, the weakness of China's ivory trade controls, combined with rising demand for ivory from its booming middle class has fuelled renewed poaching of elephants across much of Africa. Not only are China's lax import controls enabling large volumes of ivory to be smuggled into China with impunity, but Chinese traders have their fingerprints on the flourishing black market ivory trade between Africa and Asia.

Made in China documented how Chinese citizens or companies have been prosecuted for illegal ivory trade in no less than 23 of Africa's 37 elephant range states. Amongst the worst affected are Cameroon, Central African Republic, Chad, Democratic Republic of Congo, Kenya, Malawi, Mali, Mozambique, Nigeria, Sudan, Tanzania, Zambia and Zimbabwe. With rising Chinese investment and human presence in resource extraction operations across Africa, opportunities for Chinese driven elephant poaching and ivory trading are increasing. In 2008, demand for ivory threatens to overwhelm the ability of range states to conserve their elephants from poaching gangs connected to Chinese ivory buyers, often in collusion with corrupt government officials.

REFERENCES

3. EIA video recorded 2000 with Senior Management of Beijing Gongmei Corporation Ltd.

4. *Made In China*, EIA Inc., 2007

OUR REPORT⁴ REVEALED THAT

- According to wildlife trade experts, all China's pre-convention stocks would have been exhausted by the mid 1990s, yet 80 outlets around the country are currently registered to legally trade ivory, raising strong questions as to the legality of the origin of their supplies.
- Employees of a major ivory distributor, Yue Ya, revealed to EIA investigators that they were allowed to register and legalise “new” (i.e. illegal) ivory by local and provincial Chinese Customs authorities. The owner of Yue Ya boasted that he would simply declare to provincial customs authorities, that “I forgot to register this ivory before the ban, but want to register it now.”
- Senior managers of the state owned Beijing Gong Mei Corporation, an ivory trading company owned by the Ministry of Foreign Trade, offered to sell large volumes of raw ivory to undercover EIA investigators and to supply accompanying government export permits — illegal under CITES regulations. These same managers admitted that the company had previously exported ivory to Japan in contravention of CITES rules.
- Two prominent government registered ivory carving factories — DaXin and Beijing Ivory Carving Factory — stated that they had also received government export permits for ivory through Beijing Gongmei. They also stated they had continued to acquire ivory from local government stocks after the 1990 ivory ban.

Key Questions China Must Answer at CITES Standing Committee 2008

China has the largest illegal ivory trade of any nation in the world. It is the most significant global destination for illegal ivory. In order to safeguard the future of Africa's elephants, before it is allowed to trade internationally in ivory, China's government must provide satisfactory answers to CITES member states to the following questions:

- What measures have been taken to locate or track the missing 110 tonnes of ivory from government stocks?
- Has any individual or company been prosecuted in relation to the missing ivory?
- What were the results of the government investigation into the missing ivory and have they been published?
- Did the investigation discover illegal selling from the government stocks and if so, which companies received the illegal ivory?
- Did any currently registered Chinese ivory carving, distribution or retail companies receive these illegal stocks?
- Are these illegal stocks on sale in China today?
- Are companies owned by the Government of China implicated in the illegal ivory sales?
- Did the Government investigation discover illegal exports of ivory from the national stockpile to Japan or other countries?
- Were government export permits provided for illegal exports of the national ivory stockpile?
- What has been done to address the officially acknowledged fact that designated ivory operations “never kept any records of their stockpiles”?
- Has the 110 tonne ivory shortfall been reported to the CITES Secretariat and how has China proposed to address this issue if it receives ivory trading status?
- If the CITES Secretariat has not been informed, why not?
- If the CITES Secretariat was informed, did the Verification Missions to China in 2005 and 2008 investigate the missing ivory and what was the outcome?

Chinese export firm offers undercover EIA investigators government-sanctioned ivory export licenses by falsely declaring ivory “old stock” acquired prior to CITES:

Beijing Gongmei Corp. Ltd. >> So in each shipment, when the export license is issue...there is no restriction on the quantity.

EIA / Translator >> Can the buyers order whatever they want?

Beijing Gongmei Corp. Ltd. >> Of course! Even several million US dollars worth.

EIA / Translator >> So you can get the export paper from your government?

Beijing Gongmei Corp. Ltd. >> Yes, Yes. It should be alright to Japan. We also export to other European countries too...for England I have to check... in fact, we can export it without any problem.



The company management offered to provide government export permits for several million dollars of ivory. © EIA

Recommendations from: China, Ivory Trade & the Future of Africa's Elephants

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CHINA...

Should withdraw its proposal to be a CITES approved ivory trading partner until it provides a full report to the Standing Committee and Conference of the Parties addressing the following:

- Questions pertaining to the missing ivory stocks
- Illegal sales pertaining to the stockpile
- The registration/legalization of illegal ivory stocks by local and provincial authorities
- Action taken relating to companies, including Beijing Gongmei, that offered to export and provide government permits for the same
- Prosecutions and actions taken against the companies and individuals responsible to ensure full compliance with Conf. 10.10

STANDING COMMITTEE...

Must direct China to provide a full account of the missing ivory stocks to include detail of:

- Illegal sales pertaining to the stockpile
- The registration/legalization of illegal ivory stocks by local and provincial authorities,
- Companies including Beijing Gongmei that offered to export and provide government permits for same prosecutions and actions taken against the companies and individuals responsible to ensure full compliance with Conf. 10.10.

Must direct the CITES Secretariat to provide a full report on all ivory stocks currently held in China to include their legality of origin and document how and where the 110 tonnes of ivory stocks went missing and who received this ivory.

In advance of any decision on trading status, the Standing Committee must direct the secretariat to conduct a more thorough scrutiny of the Government of China's control of domestic ivory trade, to include previously unsurveyed major cities, cross border trading areas, and TAR to ensure that China is in full compliance with Conference 10.10.

CITES PARTIES...

Must ensure that China is in full compliance with Conference 10.10 and that a full report on the origin, legality of origin and disposal of the national ivory stockpile and current ivory on sale in China is provided to the Parties.



EIA INC.

PO Box 53343
Washington, DC 20009, USA

TEL + 1 202 483 6621

FAX + 1 202 986 8626

EMAIL usinfo@eia-international.org

EIA LTD.

62/63 Upper Street
London N1 0NY, UK

TEL + 44 (0) 20 7354 7960

FAX + 44 (0) 20 7354 7961

EMAIL ukinfo@eia-international.org

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