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# South Korea Re-Visited: The Trade in Rhino Horn and Ivory

## from a Report by Tom Milliken

South Korea continues to be a major consumer of rhino horn in Asia. A domestic ban has not effectively curtailed availability according to surveys conducted by TRAFFIC Japan in late 1988, and as there is no regulation of domestic sales it is likely that smuggling continues. TRAFFIC has already made two visits to South Korea concerning this situation; the current trip continued past activities.

### Dim Prospects for Registration of Rhino Horn

During a visit earlier this year, the Ministry of Health and Social Affairs (MHSA) had requested TRAFFIC Japan for specific examples of what other governments in the region have done to control domestic trade in rhinoceros horn and derivative products. At a meeting with MHSA officials on 9 August 1990 copies of *The Evolution of Legal Controls on Rhinoceros Products in Hong Kong*, a report prepared by TRAFFIC Japan in response to South Korea's request, were presented together with a briefing on the situation in Taiwan where authorities are currently registering rhino horn. Officials argued that under existing MHSA laws it is impossible to require registration or introduce possession licences for rhino horn: they stated that action could only be taken if South Korea joined CITES and introduced a new law providing such measures. While TRAFFIC has not yet obtained copies of relevant legislation to confirm whether current laws are insufficient, this contradicts what was said by MHSA in April, 1990. At the same time, officials pointed out certain practical differences with Hong Kong, mainly that South Korea is a large, diverse country where a general registration would be an overwhelming task.

MHSA further suggested there was no need to take exceptional measures to control the rhino horn trade because the seven-year-old import ban means that only a negligible amount of horn remains in the country and what does could be regarded as 'contraband'. Increased prices proved the shortage of rhino horn and TRAFFIC's 1989 survey had exaggerated its availability MHSA argued.

TRAFFIC pointed out that, in fact, 40% of shops surveyed in Seoul produced actual horn for inspection. Moreover, Taiwan has had similar price increases and increase in supply.

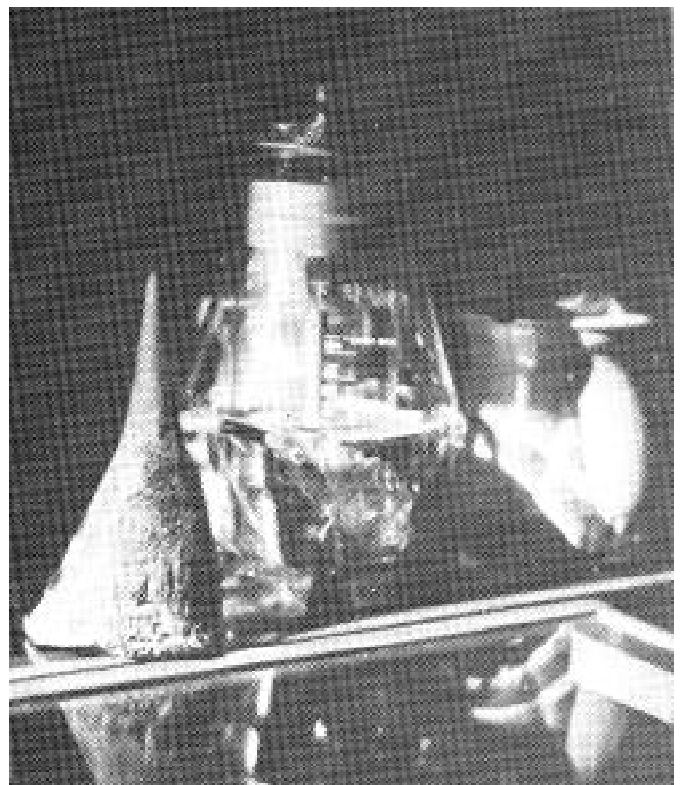
Concerning the legality of rhino horn possession, officials admitted that holding horn traded before the import ban could not be considered illegal. They countered the proposition that dealers could claim all stock as pre-1983 by saying that imports could be monitored because all foreign commodities entering Korea require licences. This, of course, fails to deal with rhino horn held by retailers who are not licensed importers, the problem of importers using old licences to justify present stocks, or the possibility of smuggled horn. Only a legally-mandated registration scheme and possession licences would solve these difficulties.

MHSA has, however, issued an official notification to six associations which possibly deal in rhino horn. On 3 April 1990 they sent to the Korean Pharmaceutical Association, Korean Herbal Medicine Doctors, Korean Association of Pharmaceutical Importers/Exporters, Korean Medicine Association, Pharmaceutical Manufacturers' Association and Pharmaceutical Wholesalers' Association the following, unofficially translated, letter:

The world-wide trend is for the protection of endangered species. Thus, importation of rhino horn as an ingredient for medicinal purposes was prohibited in 1983. However, some herbal medicines still use rhino horn as an ingredient and smuggling is still prevailing.

We especially request cooperation to stop the use of smuggled rhino horn and not sell it. In case rhino horn is used as an ingredient in herbal medicine, we wish to remind you that such practice could (would) be a violation of existing law and subject to strong legal action.

MHSA officials said there had been no particular response from industry sources to their letter. Other letters were sent to Customs Administration, requesting diligent implementation of the import ban, and to municipal and provincial governments, requesting enhanced surveillance to discover illegal transactions and the possible flow of contraband trade.



A black rhino horn on the counter of a pharmacy in Seoul

While these actions are to be praised, there is little legal backing for MHSA's stance and, apparently, insufficient legal basis to take the measures required to deal with the problem.

**Ivory Trade: South Korea's** ivory trade has assumed international importance following the world-wide ivory trade ban. Evidence that imports of worked ivory from Hong Kong increased dramatically in late 1989 have fuelled concerns that South Korea, a non-party to CITES, or the country's Free Trade Zones might become new regional bases for illegal trade in ivory products to neighbouring countries, especially Japan. South Korean Customs statistics record imports of worked and raw ivory. Annual imports from 1985 to May 1990 are presented below:

Year	Worked Ivory	Raw Ivory
1985	124kg	0kg
1986	560kg	555 kg
1987	358kg	600kg
1988	294 kg	2,249 kg
1989	28,828 kg	800 kg
1990(Jan/April)	2,129 kg	0 kg

These statistics demonstrate that South Korea's ivory trade was for the most part negligible until 1988 when the commodity was deregulated as a luxury item subject to import controls. Trade greatly increased that year, partially stimulated by the Seoul Olympic Games. Worked ivory imports soared to record heights the following year. In mid-1989 the prohibition on importing raw ivory was re-enforced and there has been no trade reported after June 1989. Imports of worked ivory, which remain unregulated, have continued in 1990 and the most-recently published Customs

data for the first four months of the year show trade volumes significantly higher than those prior to 1989.

In the first four months of 1990, imports of worked ivory have been recorded from:

Cameroon	347 kg
Hong Kong	1,382 kg
Taiwan	400 kg

Imports from Cameroon were received in January and April, 1990. If the January transaction occurred before 18 January when the international import ban under CITES took effect, it probably was legal under the terms of the Convention; April imports are likely to have been in contravention of CITES. Taiwan imposed a ban on the import and export of raw and worked ivory in August 1989, so the legitimacy of that trade is questionable. Although Hong Kong placed a reservation on the African elephant and continued trading worked ivory until 17 July 1990, the reply to a Parliamentary question in the UK House of Commons said that only 214.6 kg of raw and worked ivory had been legally exported to South Korea between 18 January and 31 May, 1990.

### Raw Ivory Trade Policy

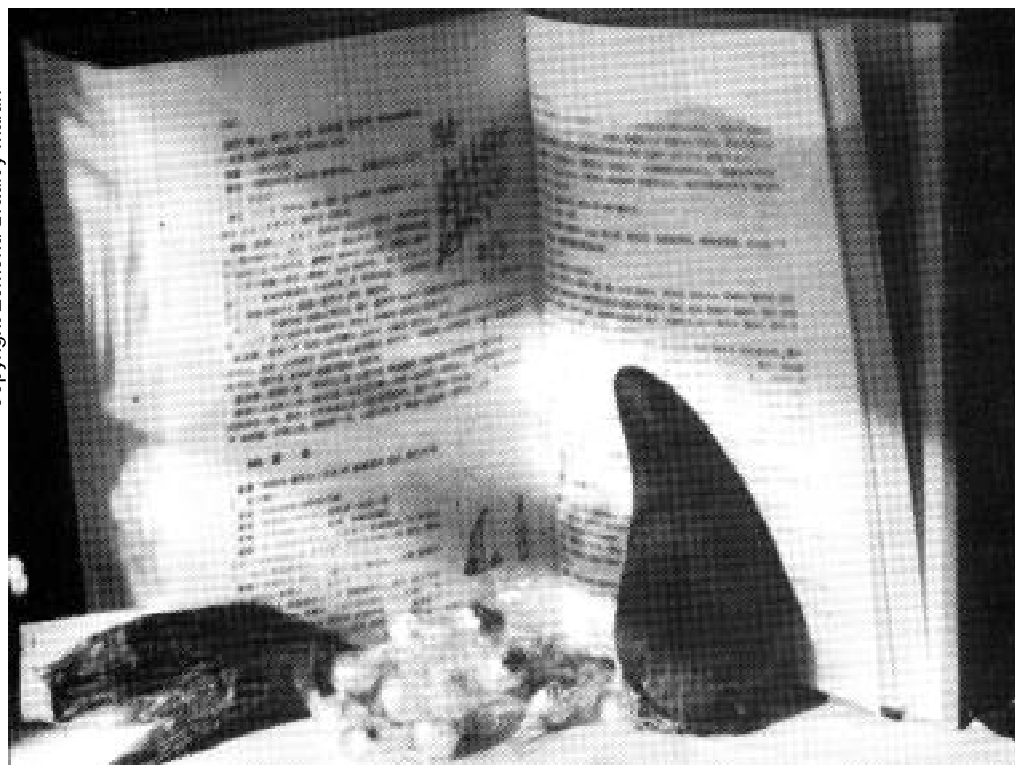
As from 8 March 1989 commercial import of raw ivory into South Korea was restricted under the Wildlife Protection and Hunting Law to cases involving re-export, scientific research, or trade for zoos; scientific research is the only classification officials are prepared to sanction trade under and this is said not to have happened. Implementation of the law, specifically the issuing of licences, falls under provincial and municipal authorities. Importing ivory as personal effects, a form of trade not regulated under the original measure and apparently used as a means of evasion, was banned in June 1989.

It was learned that the South Korean interpretation of raw ivory follows the international Harmonized System established under the Customs Cooperation Council. Ivory is referenced under 0507.10-1000 in trade statistics and encompasses all forms of raw ivory, including powder and waste. South Korea's current prohibitions are comprehensive and do not show any obvious loopholes.

### Worked Ivory Trade Policy

In talks with the Forestry, the Environment, and the Customs Administrations it was pointed out that the almost hundred-fold increase to nearly 29 tonnes of worked ivory imports in 1989 had caused international anxiety as to future Korean trading intentions. Also, at least two Korean nationals had recently

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*In front of a Korean traditional medicine book describing their uses, lie two rhino horns and a packet of Chung Sim Won balls which contain some horn as an ingredient*

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been implicated in an attempt to smuggle 70 kg of raw and worked ivory from Hong Kong where there is a large volume of unaccounted for ivory.

Forestry Administration officials said they were seriously mulling over the imposition of a total ban on worked ivory imports later in the year, and were currently engaged in discussions on the matter with the Ministry of International Trade and Industry. Customs agreed with a ban, but pointed out that they merely implemented, and did not make, import policy.

There is a possibility that ivory imports for 1989 have been incorrectly recorded. The 28,700 kg of worked ivory received from I-long Kong in May 1989 has a recorded worth of US\$ 26,218, less than a dollar a kilo. Most other worked ivory imports were valued at about US\$ 100 per kilo. Possibly only 287 kg were imported, or the price was mis-recorded, or the consignment grossly undervalued. In any case, an official of the Forestry Administration said that they were treating the figures as correct and using them to support their endeavour to ban imports of worked ivory.

Forestry Administration also said that there was resistance to imposition of tighter regulations from one or two companies. A case which had been reviewed entailed the authorization by the Chollabuk-do Provincial government on 17 April, 1989, of the export to Japan of 7,062 pieces of worked ivory totaling some 311 kg. These were thought to have been unfinished name seals. Japanese Customs records show 140 kg in May as the only imports from South Korea in the year.

## Free Export Zones

There are two 'Free Export Zones' (FEZ) in South Korea, the well-known one at Masan in Kyongsangnam-do Province, and a newer zone at Iri, Chollabuk-do Province. Since FEZs are not regarded as South Korean territory they are not under normal regulation but, although raw materials enter and manufactured products are exported freely, all imports remain subject to Customs inspection. FEZs in the United Arab Emirates have been used by certain Hong Kong dealers to process illegally traded ivory. The rise in South Korea's worked ivory imports has led to fears that similar operations might be set up there.

Masan FEZ was established in 1970 and currently contains 71 companies primarily engaged in the manufacture of electrical and electronic products, and machinery. Two-thirds of these involve Japanese investment; the rest are Korean, American, Hong Kong, Finnish and Singaporean owned, many involving joint funding. Officials of this FEZ said no companies were engaged in making jewellery or related products and they doubted any ivory entered the zone. Before a company is allowed to operate in the FEZ they must register and, in so doing, identify the types of raw materials they will use. The Director General said that he would not accept any concern dealing in ivory. The situation at the FEZ in Iri, established in 1973, is very much the same. Of the 26 occupants, most are engaged in manufacturing textiles, leather goods and electrical and electronic equipment.

However, Iri also boasts two other special domestic economic development areas called 'Industrial Estates' which offer tax and other incentives to entrepreneurs. One of these is a special Jewellery Estate where some 76 companies have facilities. These establishments do deal in ivory and, indeed, Iri's promotional

pamphlet lists ivory as a material used in manufactures. Custom's officers said they were already monitoring and prohibiting trade in raw ivory and would be aware of any ivory brought into the Jewellery Estate. The one known importer of ivory, the Dabo Gem & Metal Mfg. Co., claimed to have halted importation.

## Availability of Ivory Products

Ivory is not commonly found in Seoul shops. In the fashionable Myong-dong shopping district few ivory accessories were on display; the huge Lotte department store featured various ivory items as part of a special promotional display of Hong Kong products, but the quantity was limited and demand insignificant. Sales personnel mentioned that Korean women, unlike Japanese, do not like the colour of ivory and prefer brighter accessories. Indeed, very few middle-aged women are seen wearing ivory jewellery.

A number of shops selling name seals were visited but ivory seals were rarely displayed or found in significant numbers; wood and stone predominated. Although the tourist bazaars in Itaewon were more or less devoid of ivory, in Pusan, around the Pusan and Tower hotels, souvenir shops were offering Hong Kong-made ivory accessories and other products. Probably their best customers are the many Japanese visitors in this area. It seems that South Korean domestic consumption is limited, and current local demand is unlikely to cause a rise in imports.

## CITES Ratification

Little has been done towards either making the intra-departmental agreements or formulating the policies which are needed for CITES ratification, despite repeated assurances over the last five years that there is no fundamental opposition to South Korea becoming a member. Major changes in the personnel of the Nature Conservation Division of the Environment Administration have not helped progress. There appears to be a lack of both motivation and any sense of urgency to overcome the particular problems that exist with respect to CITES issues as a result of the fragmented and decentralized system of government.

## Recommendations

- 1. Rhino Horn** The South Korean government should continue to be pressed to legislate that all rhino horn stocks currently in the country be registered and possession licensed.
  - 2. Ivory Trade**
    - (a) The current effort by the Forestry Administration to obtain a ban on imports of worked ivory should be supported.
    - (b) South Korea's trade in ivory should continue to be monitored to identify sources, the level of trade, and possible violations under CITES.
  - 3. CITES Ratification** An international campaign should be instigated to publicize South Korea's failure to ratify CITES and her continuing trade in endangered species. Enough pressure should be exerted to force the pace of South Korean progress towards ratification; the global impact of South Korean trade in endangered species is sufficient to warrant considering action on a par with the US governments sanctions against Singapore several years ago.
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