

What is the future of the Chinese ivory industry after China's latest moves?



Esmond Bradley Martin specialises in studying the illegal trade in wildlife products, especially rhino horn and elephant ivory.

TOP RIGHT: Personal ivory name seals made up 4% of the ivory items for retail sale in Beijing in 2014 and were priced at around \$ 790.

BELOW: Sculptures of Africans, such as the one in the right of the photograph, are extremely rare to see for retail sale in Hong Kong.

Elephant poaching continues to reduce severely elephant populations in parts of Central, East Africa and Southern Africa. For example, the Tanzania government announced that from 2009 to 2014 the Tanzania elephant population dropped by a staggering 65,000 or about 60%; most of these 65,000 elephants were poached for the illegal ivory trade. Their tusks and others from surrounding countries are sent mostly to the ports of Dar es Salaam, Zanzibar and Mombasa.

Through circuitous routes, the tusks end up mostly in China, the largest market for illegal tusks in the world. There, they are sold to dealers for augmenting their stocks, to investors who hope the prices will continue to rise significantly for raw ivory, and to workshops where the tusks are crafted into a variety of objects for retail sale within the country.

Recently, the Chinese government has implemented major changes concerning the future of the ivory trade. Firstly, the

most recent and probably the most important one is that on May 29, 2015, Zhao Shucong, minister of the State Forestry Administration, stated, 'We will strictly control ivory processing and trade until the commercial processing and sale of ivory and its products are eventually halted'. Although no dates were given, the Chinese government formally announced that at some time in the future the government will stop the legal ivory trade in China.

Secondly, also in May 2015, the Chinese government reduced the number of officially licensed ivory factories from 37 to 34 and the number of officially licensed retail outlets from 145 to 130. The new policy of licensing ivory factories was started in 2004 with nine ivory factories; almost every year since then the government has



PHOTOS BY: LUCY VIGNE





LEFT: Chinese are by far the major buyers of ivory in mainland China and Hong Kong, but sometimes sales can be slow, disappointing the shop owners.

RIGHT: In Beijing and Hong Kong ivory necklaces and other ivory jewellery items made up about half the number of all the ivory items offered for sale in retail outlets in 2014.



number of ivory items on display for sale in the world) are mainland Chinese. These buyers smuggle ivory objects out of Hong Kong and bring them into mainland China illegally.

Curiously, but significantly, the price of ivory tusks in China on the black market for 2014 and for the first quarter of 2015 has remained about the same, contrary to earlier large increases in tusk prices. In early 2014, the average black market wholesale price a factory or carver in Beijing paid for 1–5 kg tusk of good quality was \$ 2100/kg; in 2010 the average price for a similar tusk was \$ 750/kg. Thus, the price had tripled over four years.

For the first quarter of 2015, the average black market retail price for a polished (not raw) tusk was \$2650/kg; wholesale prices were not available from my source but probably would have been around \$2000–2200/kg. The \$2650 price is based on polished tusks actually sold on social media and on certain restricted social media carrying information for potential buyers in China (the display for sale of which incidentally is prohibited), both of which I myself saw.

To conclude, the demand for ivory in China may have either remained stable or decreased slightly in 2014 and the first half of 2015. This may be plausible because the economy of China is no longer expanding at 9–10% per year, the government has clamped down on corruption in which some government officials accepted ivory objects as bribes, and Chinese officials are no longer supporting the ivory industry as an important part of China's cultural heritage to the same extent as previously. ●

increased the number to a maximum of 37 in 2014. The same is true for retail shops: from 31 in 2004 to 145 in 2014. One explanation for the large increases in the number of officially registered ivory factories and retail outlets was that from 2002 the Chinese government strongly promoted the cultural heritage of the Chinese ivory-carving industry.

Thirdly, from early 2015 the Chinese government imposed a one-year ban on the import of ivory. This regulation closed down legal imports of some European pre-CITES Convention (July 1975) tusks that had been given CITES export permits, and worked ivory items for personal use, notably from Zimbabwe.

Fourthly, in early 2015 the Chinese government began to restrict the number of mainland visitors from the huge city of Shenzhen to neighbouring Hong Kong. Although the reasons are not yet clear, the regulation may reduce significantly the number of Chinese shoppers to Hong Kong. This could adversely affect the retail ivory industry of Hong Kong because most of the retail buyers of Hong Kong ivory items (the city with the largest