

# EXECUTIVE SUMMARY

In recent years, the global illegal wildlife trade has exploded, expanding to meet vastly increased demand for wild animal products. Underpinned by crime syndicates, wildlife is trafficked in the same way as drugs or weapons: it is now the fourth-largest illicit trade, valued at over US\$ 19 billion annually.

Of grave concern to WWF is the effect of this trade on elephants – over 30,000 are killed every year in Africa, primarily for their tusks. The majority of the illegal ivory harvested is sent to Asian markets, particularly China and Thailand, with Hong Kong playing a key role in this trade.

Hong Kong currently has a legal stockpile of ivory taken from wild elephants, amassed before African elephants were listed under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and enacted in local legislation in 1990. Today, Hong Kong ivory traders claim to conduct their business by using this stockpile from 25 years ago. The current size of this stockpile is 111.3 tonnes and it lies in the possession of over 400 license holders.

WWF's detailed study of the ivory trade in Hong Kong assesses the effectiveness of the existing regulatory system through an analysis of government data and information from other specialist organizations in the field, supplemented by information collected by field investigators who posed as authentic ivory buyers to conduct interviews with ivory traders. The research has included conversations with three traders, who claimed to have access to at least 15 to 20 tonnes of ivory between them. This is a large sum compared with the 111.3 tonnes of legal ivory stockpile held by all businesses in Hong Kong. All three traders pointed to a number of irregularities in the Hong Kong ivory trade.

The study has uncovered several fundamental flaws in the current regulatory system and evidence of widespread illegality relating to the ivory trade. The evidence in this report demonstrates the systemic flaws in Hong Kong's illegal and under-regulated trade, which is directly fuelling present-day poaching activities in Africa. The study identifies seven major weaknesses in the current system of regulation.

1. Illegal ivory is accessible in Hong Kong. The city ranks fifth globally in terms of the quantity of ivory seized – over 33 tonnes have been confiscated since 2000. A recorded conversation with an ivory trader revealed that a buyer in Hong Kong can make a “purchase order” for ivory directly from Africa, thus fuelling the ongoing poaching crisis.
2. Legal ivory is used as a front for the illegal ivory trade. Traders claim to the government that they are selling very little ivory, yet Hong Kong has an extensive ivory business. One major ivory trader explained that “laundering” is easy, whereby traders use the stockpile of legal ivory as a front while they instead sell smuggled, illegal ivory to unsuspecting buyers.
3. Loopholes exist in the licensing system. These enable the system to be exploited by unscrupulous businesses, perpetuating the illegal ivory trade and driving the rapid decline in elephant populations. A major ivory trader suggested best licensing practices to the government, but this proposal was not adopted. Also, the government does not perform forensic testing to confirm the age of ivory being displayed, stored or sold.
4. The re-export of ivory from Hong Kong without permits is illegal, but rampant. Over 90 per cent of ivory buyers are mainland Chinese tourists, yet it is illegal to take ivory across Hong Kong's borders without a permit. An ivory trader described how buyers can simply smuggle their purchases across the border. This presents a huge challenge to Hong Kong Customs, as the city welcomes 60 million visitors every year.
5. Inadequate deterrents and prosecution. The maximum penalties for smuggling and selling illegal ivory under Hong Kong Law are harsh, but often only low penalties are given. Between 2011 and 2013, most prosecutions resulted in relatively small fines, with only about 10 cases resulting in short prison sentences.
6. Agriculture, Fisheries and Conservation Department (AFCD) has limited resources to inspect ivory traders. There are only eight inspectors who are tasked with checking all the shops selling items derived from rare and threatened species in Hong Kong.
7. The regulatory system lacks transparency. Most key information relating to the ivory trade is not publicly available.

In view of the lack of effectiveness in regulating ivory trafficking and trade and the toll it is taking on elephant populations, it's time to re-write the future of elephants by banning ivory sales in Hong Kong. WWF calls for **the Hong Kong government to rapidly phase out the commercial processing and sale of ivory, based on a firm plan and a short timeline.**

Hong Kong has earned an international reputation as a law-abiding society, and must ensure that this reputation is maintained. The threats posed by global crime syndicates and the legal loopholes in local regulations are a serious challenge to our rule of law, therefore WWF calls the Hong Kong government to take all available measures to disrupt and prosecute those who prey on and profit from the illegal trade. Only firm, robust and immediate action can halt the trade in ivory and save the elephants.