

Skinned

The growing appetite
for Asian elephants



An investigative report from

ELEPHANT FAMILY
Protecting Asian elephants and their habitat

About Elephant Family

Our Vision

We create a future in which elephants and other species that share their habitat live in harmony with people, unthreatened.

Our Mission

Our mission is to power solutions that prevent conflict between people and elephants, demonstrating how humans and elephants can co-exist. We create safe homes for both elephants and people by reconnecting forest fragments, maintaining elephant migratory routes, and helping farmers protect their crops and homes.

Elephant Family is solely and entirely responsible for the contents of this report.

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Editorial Team:
Vicky Flynn, Belinda Stewart-Cox, Caitlin Melidonis

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Table of Contents

Executive Summary	01
Key Findings	02
Recommendations	03
Chapter 1	
Asian Elephants – An Introduction	04
Asian Elephant Populations	
Threats to Asian Elephants	
Poaching for Skin	
Elephant Family – Our Research	
Chapter 2	
The Skin Trade	07
The Origins of the New Skin Trade	
Monitoring the Online Trade	
Profile of a Trader	
Verification in the Field	
Chapter 3	
Dynamics of the Skin Trade	14
Sources	
Volume	
Prices	
Chapter 4	
New Threats to Asian Elephants	16
Legal Skin Trade	
Legal Live Trade	
Closure of Domestic Ivory Markets	
Captive breeding of Asian Elephants	
Conclusion	20

Executive Summary

Asian elephants live across a vast range of 13 countries, from India to Indonesia, yet their global population of 30,000-50,000 is barely 10% of their African cousins. While all elephants face the threats of habitat loss, conflict with people, and poaching for ivory, Asian elephants are also threatened by illicit live trade for the entertainment industry and, most recently, by poaching for the illegal trade in their skins.

Elephant Family has been investigating the illegal trade in Asian elephants since 2014, through research, analysis and field investigations. Initially monitoring live trade, we were alarmed to discover a marked increase in poaching in Myanmar, and seeing images of carcasses found with strips of skin missing but with the rest of the body left largely intact. We began investigating the trade in elephant skin products both online and in physical markets and, in 2016, exposed this trade to the international conservation community at the 17th meeting of the Conference of the Parties to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), in Johannesburg, South Africa.

The first conservation organisation to investigate the elephant skin trade chain, our research reveals that this trade continues to grow both in scope and in volume. Traders are diversifying and experimenting. Initially, powdered elephant skin was sold as a traditional medicine ingredient. Then a new trend emerged where dried elephant skin was carved and polished into prayer beads and other Chinese collectibles, with traders extolling the qualities of the blood-red hue in the translucent subcutaneous layers.

We are now seeing an increase in the online advertising of powdered elephant skin for sale to, apparently exclusively, buyers in mainland China. Videos posted on marketing sites show images of backyards in Myanmar and Laos being used by traders to carve up chunks of elephant skin, remove coarse hair with blow-torches and dry it in ovens before grinding it into a fine powder. It is then packaged for sale as medicine for stomach ailments. Field investigations revealed that while some consumers are satisfied with these prepared products delivered to them by courier, more discerning buyers in China's cities prefer to buy whole skin pieces complete with creases and hair to prove their authenticity, before grinding them into powder themselves.

The main source for elephant skin is, at present, Myanmar, where officials have identified a poaching crisis that has developed rapidly since 2010. But traders have also mentioned other Asian elephant range countries. Undoubtedly, the vast majority of known importers, online traders, physical salespeople and consumers are in China. The product labels are printed in Chinese, online traders communicate in Mandarin and prices are quoted in Chinese currency. In early 2018, we found elephant skin products on sale in Yunnan, Guangdong, and Fujian provinces of China.

Like many forms of illegal wildlife trade, traffickers are exploiting a traditional, usually medicinal use, to create new trends that drive demand, and allow them to profit from poaching. Of particular concern is the discovery that Chinese pharmaceutical companies are advertising the sale of medicine that contains Asian elephant skin derivatives, and that China's State Forestry Administration has apparently issued licenses for these products.

At a time when China has shown commitment to ending its domestic trade in elephant ivory, it would be troubling and perverse to find that, at the same time, it is creating a new legal demand for elephant skin products. Conservationists, law enforcement specialists and many governments agree that domestic wildlife markets facilitate the laundering of illicit commodities while simultaneously placing increased demand on law enforcement agencies as they attempt to address a growing and illegal wildlife trade with limited resources, inadequate criminal justice responses and institutional corruption.

This report outlines Elephant Family's findings and provides evidence of a profoundly worrying trend in elephant skin trade that severely threatens already fragile populations of Asian elephants. Moreover, this new trend could easily spread to Africa as has been seen with other species. As one trader told Elephant Family investigators *"it's only skin – who cares if it comes from Asian elephants or African elephants"*.

This report aims to provide greater insight into the illicit trade in Asian elephant skin. We also raise critical questions that need answers, and make recommendations to guide urgent action by key stakeholders. Our aim is to address a rapidly growing trend before it develops into yet another wildlife crisis.

Key Findings

Most traders also confirm that elephant skin products use Asian elephants, a species protected under Appendix I of CITES.



Elephant skin ground into powder is packaged for sale to consumers in China.

- Since 2014, the trade in Asian elephant skin has expanded from small-scale use to wholesale commercial trade as traffickers stimulate demand. The first account of manufacturing elephant skin beads was posted online in 2014. Elephant skin powder is now a dominant commodity sold as a medicine for stomach complaints.
- Manufacture of elephant skin products is taking place in Myanmar, Laos and China. The market in China is where skin products can reach several times the value at source. Elephant skin beads and powder are mainly traded through open online forums such as Baidu, and private personal messaging platforms such as WeChat. Traders use only Chinese language on forums and quote prices in Chinese currency.
- The primary source of Asian elephants used in the skin trade now appears to be Myanmar where poaching incidents have increased dramatically since 2010, with elephant carcasses found with their skin removed entirely or in strips. Most traders also confirm that elephant skin products use Asian elephants, a species protected under Appendix I of CITES.
- Elephant skin products have been found in physical markets in Mong La, Myanmar, and Xishuangbanna, Yunnan province, China and in January 2018 were also found in Guangzhou, Guangdong province, China.
- Documentation shows that China's State Forestry Administration (SFA) issued licenses for the manufacture and sale of pharmaceutical products containing elephant skin. These commercially produced products, claiming to contain African and Asian elephant skin, were advertised for sale by several Chinese companies.
- Asian elephants face increased commercial exploitation from a range of factors including an increase in live sales from the Asian range states to China, as well as captive breeding programmes using artificial insemination at facilities run by elephant entertainment centres.

Recommendations

To Asian elephant range states:

Implement CITES Decision 17.217 which directs Parties to *inter alia* undertake investigations into the illegal trade in live Asian elephants and develop a regional registration system.

Investigate the illegal trade in Asian elephants in all forms, including ivory, skin, trunk or other parts and derivatives, and robustly enforce related legislation.

Urgently develop DNA databases for all captive elephants to help understand the dynamics of the elephant skin trade, while also developing strategies to detect and prevent it.

To countries implicated in the poaching and trade in elephant skin products:

Pro-actively collaborate through the formation of a task force to urgently review the illegal, and legal, Asian elephant trade and develop a set of time-bound actions.

Develop a comprehensive regional profile of Asian elephant crimes by compiling, reporting and analysing data on poaching, seizures, trade dynamics and relevant prosecutions.

Conduct investigations to prosecute high value skin traffickers, and ensure appropriate deterrent sentences in respect of commitments made under CITES and under the Declaration of the 2014 London Conference on the Illegal Wildlife Trade.

To Myanmar:

- i. Develop enforcement capabilities to combat the killing of elephants through anti-poaching strategies.
- ii. Investigate and prosecute traffickers in elephant skin products.

To China:

- i. Investigate and prosecute anyone trading in elephant skin products, including offenders implicated in trade from Myanmar markets.
- ii. Report to CITES Parties on the licencing, manufacture and sale of elephant skin products purporting to be made from Asian and African elephants.
- iii. Reduce stimulation of consumer markets and of transnational trafficking by ceasing all licensing in elephant skin product manufacture, distribution and retail.

To CITES Parties and Standing Committee Members:

Extend CITES Decision 17.217 to include all illegal trade in Asian elephants, parts and derivatives.

Urge Parties to implement Decision 17.217 with urgency and seek written evidence of compliance with the Convention, if necessary imposing measures against Parties that fail to comply.

Review relevant decisions related to the import of live elephants for zoos and similar purposes to ensure that they are not traded for commercial use against the purposes laid down in the Convention.

Asian Elephants – an Introduction

Asian Elephant Populations

Asian elephants are found in 13 range countries. The largest population is in India, but Myanmar, Sri Lanka, Thailand, Malaysia and Indonesia each have wild populations exceeding 1,500 individuals. Cambodia and Laos have at most 1,000 elephants each, while Nepal, Bangladesh, Bhutan, China, and Vietnam have populations of 500 individuals or less. Although the Asian elephant population in total is estimated to number 30,000 to 50,000, much of the data derives from best-guess estimates rather than systematic surveys. Nevertheless, no one disputes that many Asian elephant range countries have small, fragmented populations of wild elephants.

Over 15,000 Asian elephants are held in captivity around the world in zoos, entertainment centres and trekking camps. Registration requirements for captive elephants are lax, exact numbers are unknown and breeding may mean this figure is higher. The largest single population of captive elephants is in Myanmar with around 6,000 individuals, formerly used by the timber industry but underemployed since the logging moratorium of 2016 and a limited felling regime since 2017.

CITES status

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) has listed the Asian elephant (*Elephas maximus*), including all sub-species, on Appendix I since 1975, several years before their African cousins. Under Appendix I, which lists all species that the Parties to CITES agree are threatened with extinction by trade, all international trade is prohibited save for exceptional circumstances. These

circumstances cannot include import for commercial purposes and are likely to be restricted to trade for “scientific” purposes as agreed by both the exporting and importing country.

Threats to Asian Elephants

Asian elephant numbers have undergone drastic declines in the last century with an estimated 90% loss across their 13 range states. The main threat comes from the expansion of human populations. The conversion of wild habitat into farmland brings humans and elephants into conflict for food and space, often with fatal consequences for both sides. Development projects, including settlements, roads, dams and railways also dissect or block many traditional elephant migratory routes leading to conflict and deaths. Ivory poaching is a lesser threat to Asia’s elephants as only the males tend to have tusks and most sizeable tuskers have long since been taken from the wild. But the trade in live elephants and the newly emerging skin trade are now a major concern.

Captive elephants are traditionally used for logging but as this kind of work diminishes, the main uses for captive elephants today are tourism – specifically in trekking camps, zoos, buy-to-rescue sanctuaries and entertainment centres where they are often forced to perform. These demands for live elephants, including calves which are more valuable to such facilities, are likely to continue driving the legal and illegal trade in live Asian elephants until tighter regulations, including registration and the DNA identification of elephants, are introduced for all captive facilities in every range state country.

Current estimated numbers of wild and captive Asian elephants across Asian elephant range states.¹

Country	Wild	Captive	Total
Bangladesh	250	100	340-350
Bhutan	500	9	509
Cambodia	1,000	100	1100
China	230-280 (221-245)	200	421-480
India	30,000	3,600	33600
Indonesia	1724 (1,300-1,500)	498	1,798-2,222
Laos	300-800	446	746-1,246
Malaysia	Peninsular M: 1,223-1,677; Sabah 1,100-1,600	40	
Myanmar	2,000	5,634 + 500	7,934-8,134
Nepal	135-250	216	351-466
Sri Lanka	5,600	250	5,850
Thailand	3,200	3,444	6,644
Vietnam	100	70	170
Total	46,929-48,981	15,107	62,036-64,088

Poaching for skin

Although elephant skin was seen being sold in markets for a number of years, there has been little documented information about the poaching of elephants specifically for their skin, perhaps because it was assumed to be a by-product of ivory poaching, killing for meat, or natural elephant mortality.

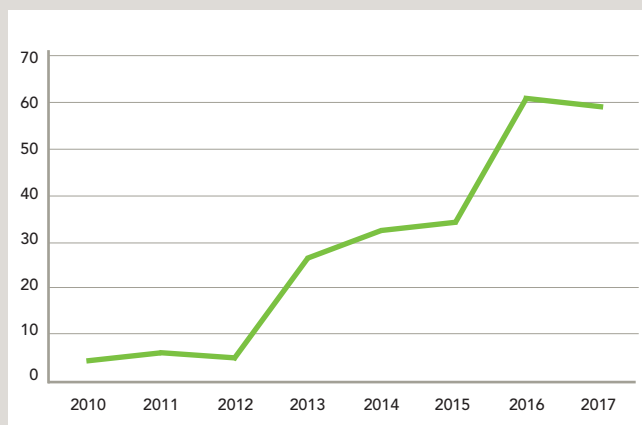
But, in 2016, Elephant Family was given information by Myanmar's Forest Department on the number of elephant carcasses found and their apparent increase over time. It was clear that the most recent deaths were caused by poaching rather than through human conflict or natural mortality.

Their figures show that in 2010, four elephant carcasses were found in the wild. In 2013, the number was 26 and by 2016, it was 61. So far, government statistics for 2017 record 59 wild elephant deaths and confirm that most were poached. Other sources put these figures higher.² The Myanmar government acknowledges that elephant deaths in some years could be around 30% higher.³

This sudden increase is disturbing. Similar trends have been seen before, most starkly with rhino poaching in South Africa where, in 2007, 13 rhinos were poached. Seven years later that number had increased to 1,215, an increase of over 9,000%.

These figures provide an insight into the number of elephants being killed and the increase in incidents over time. But they do not describe the horror of coming across the mutilated remains of elephants that were poached for their skin. In April 2018, Elephant Family was sent a graphic description by a colleague in Myanmar (see page 6). It provides insight into the precision used by poachers to remove the skin. It also highlights why this crisis poses a greater threat to Asian elephants than the ivory trade.

Myanmar Elephant Deaths



Elephant Family - Our Research

In 2014 and again in 2015, Elephant Family undertook field research to investigate the live elephant trade, predominantly between Myanmar and Thailand, on long-established routes for covertly transporting live elephants. Focusing in the north-west of Thailand, our investigators gathered information from a range of people with experience of elephant trade and its purpose: local mahouts, tour operators, elephant camp owners and villagers.

We found clear evidence of illegal trade in live elephants from west Myanmar to Tak province in Thailand. We also discovered that this was facilitated by fraud and corruption. Traders told us about the "military taxes" paid by smugglers to army personnel on both sides of the border to obtain the necessary documents.

Live trade is largely driven by the tourist camp demand for elephant calves. Calves are difficult to get in Thailand because too few are born in captivity to meet the current demand. A young elephant sells for around US\$30,000-40,000, although some quoted prices were far higher.

In west Thailand, traditional elephant keepers take their female elephants into the forest when not working, or at night, restricting their movement with long chains so that they can feed themselves on natural vegetation and, when the time is right, mate with wild bulls. Calves may then be sold to entertainment centres, often being traded as 'orphans' from mothers that had allegedly died.

Since our research into the live trade, elephant range states and CITES Parties have taken measures to address the illegal live trade to improve the detection of elephants laundered into the captive industry. Thailand, for example, has developed robust DNA testing of its captive elephant population, storing the profiles in a national database. In 2016, Elephant Family co-funded a review by IUCN and the CITES Secretariat of the live trade in Asian elephants on behalf of the CITES Parties, and recommended that "all elephant range states have in place legislative, regulatory, enforcement, or other measures to prevent illegal trade in live elephants."⁴ This review prompted the decision that all Asian elephant range states should adopt measures to prevent illegal trade including improving enforcement and developing databases similar to the one developed by Thailand.⁵

This review also uncovered a new and disturbing trend. During interviews with the Forest Department in Myanmar, officials provided information that revealed a marked increase in poaching, along with photographs of carcasses missing large sections of their skin, which appeared to have been sliced and carefully removed.

Eye-witness account

"The carcass was discovered by villagers the night before, in Ayerawady division, one of Myanmar's elephant poaching hot spots. A tuskless female... killed on the intersection of a stream and a tiny forest road near Thit To Pin Junction. Dozens of elephants – entire herds, have been killed in this area in the last year for their skin. People don't realise that the elephants are often killed using poison – the animals suffer for several days before they die, by which time the poison will have infected every inch of their body.

We are out with the forest police and a government veterinarian and we know we are close. The carcass has started to turn in the morning heat, and by the stench we know we have arrived. Even the hardened forest police officers cover their mouths. As we get closer the swarm of flies is so dense, we can barely make out the elephant, or what is left of it. The adult female has been cut to pieces, part of the trunk is missing, and the head has been severed – not to take tusks, females don't have them, but for her skin.

Every square inch of skin has been meticulously, almost surgically removed with skill. The severed legs lie in the shallow stream, skinned just like the rest of the body. We gather the remains to burn them for sanitary reasons. It is impossible to dig a grave in water. The poachers must have run off, disturbed in their grim task, as they abandoned the trunk which is usually sold locally as a much valued delicacy.

We use wooden poles to lever the head. And as it rolls over, the elephant's eye stares up at us. The skin has been removed all around the head, leaving only the eyes intact. It is the most horrendous image... it reminds me of torture, war, massacres. I have never seen such cruelty inflicted on an elephant. We wonder if she was already dead or still dying from the poison when they started the skinning.

We pile up wood, pour petrol on the carcass and set it on fire. As the heat becomes unbearable we retreat. The stream turns red.

Ivory poaching is also terrible, but this is worse. In the past, this female would have survived because she had no tusks and would not have been a target. But now poachers are looking for skin so they take any elephant, of any age. It is a disaster."

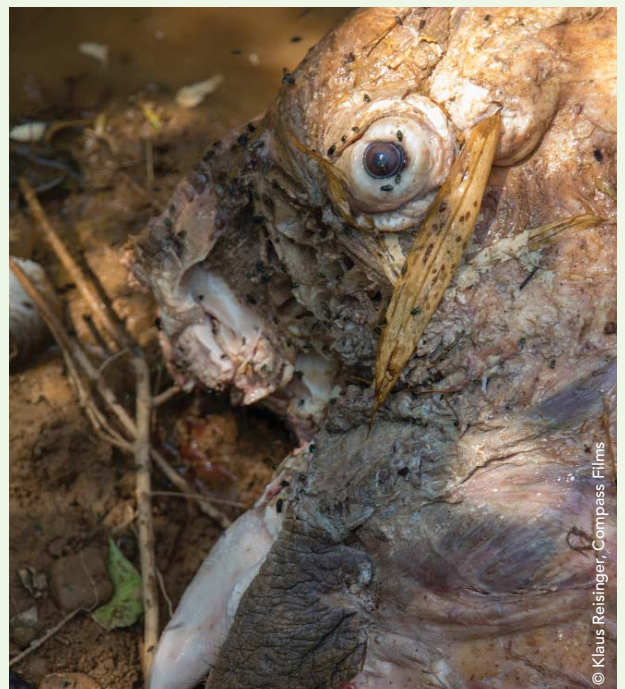
Aung Myo Chit
Country Coordinator (Myanmar Program)
– Smithsonian Institution

Klaus Reisinger
– Compass Films



© Klaus Reisinger, Compass Films

"In the past, this female would have survived because she had no tusks and would not have been a target. But now poachers are looking for skin so they take any elephant, of any age. It is a disaster."



© Klaus Reisinger, Compass Films

CHAPTER 2

The Skin Trade

The use of elephant skin in Asia is not new. Surveys by the non-governmental organisation Traffic found elephant skin openly on sale in Myanmar's Mong La market in 2006, 2009 and 2014, with ever larger quantities on show each year.⁶ Yet these findings, and their implications for Asian elephant conservation, were overshadowed by the conservation world's focus on the poaching of elephants for ivory and, as a result, solely on efforts to save African elephants.

As soon as Elephant Family learned in 2016 of the increase in poaching for skin in Myanmar, it promptly organised a research programme to uncover the trade chain and ascertain the extent, nature and drivers of the elephant skin trade. We aimed to triangulate our research through verification from several different sources at various points in the trade chain. Our objectives were to:

- Understand all aspects of the trade including the number of elephants involved and the source of skin products.
- Ascertain key trafficking routes and smuggling methods.
- Identify businesses, establishments and individuals controlling the illegal trade in all countries affected.

Our researchers began by assessing the presence of elephant products in trade. As law enforcement activities in physical markets have increased, so wildlife trade of all types has moved online, to social media chat services like Facebook, WeChat, WhatsApp and Baidu. Before committing resources to field work, we explored these sites using researchers with the necessary language and research skills, as well as different elephant skin-related search terms, avoiding similar, but unrelated terms. We very quickly found extensive trade in elephant parts taking place online including uncovering, for the first time, evidence of elephant skin being produced as jewellery and prayer beads and later, as powder.

The Origins of the New Skin Trade

Online traders like to discuss their experience selling wildlife products as a way of reassuring wary customers. Several traders told us that elephant skin was traditionally used for medicine and food in China. In fact there were no online conversations about elephant skin, or beads, before 2014. The first discussion about elephant-skin was in a medicine-related Baidu forum in March 2014, when one user enquired about buying this product. References to elephant skin on this particular platform gradually increased. By the end of the year, another four posts had mentioned this topic.

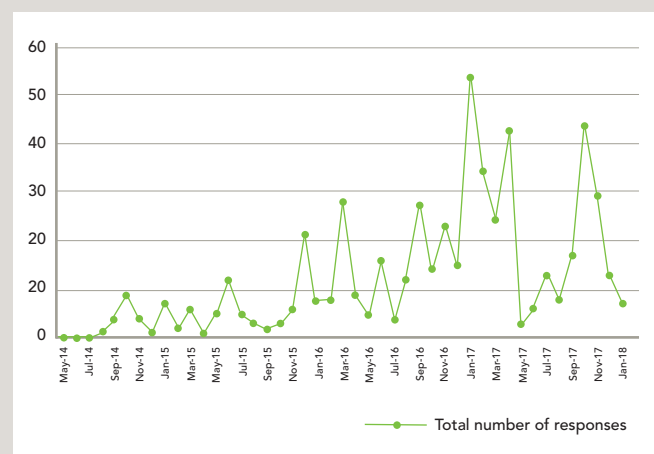
Discussion about elephant skin being turned into beads (in the style of traditional Chinese collectibles known as *wenwan*) emerged, for the first time, in late 2014. This product appears to have been developed entirely by one

female trader, who we shall call 'Jaz'. This conclusion is supported by multiple sources of information including an August 2014 *wenwan* forum discussion on elephant skin that focused on beads, but which also featured an open advertisement for elephant ivory, rhino horn and other endangered wildlife parts. This initial post generated 23 follow-up responses indicating that the trade in elephant skin beads was novel and little-known. The 2014 emergence is further substantiated by a medicine trader we encountered in Mong La in 2016, who revealed herself as one of the first suppliers of elephant skin pieces for the purpose of bead-making, describing how her friend asked her for good quality skin pieces. This trader provided details of dates and product properties that match findings that would subsequently be verified by other traders as our investigation developed.

In early 2015, *Jaz* would regularly publish social media screenshots of elephant skin bead enquiries to demonstrate her exclusive knowledge as the 'inventor'. Forum discussions from late 2014 to mid-2015 involved many users enquiring about the manufacturing process in the hope of reproducing elephant skin beads themselves. But amateur collectors struggled to produce good quality beads, leaving professionals like *Jaz* to become exclusive manufacturers and suppliers to an evidently receptive market.

With the trade in elephant skin powder, *Jaz* was the first to offer a supply online via open online forums. Her continued production of elephant skin beads, and the selling of elephant skin powder and pieces, supports her identity as an inventive and enterprising trader.

Total number of responses in Forum X each month



Number of monthly posts and responses on the most active elephant-skin product forum ("Forum X") over time. Each post and subsequent reply is counted as one response. The first post, in 2014 was by *Jaz*.

Uses

Elephant skin is used for two separate purposes:

1 According to online discussions and medicine traders in Guangzhou, the skin is used as a cure for stomach illnesses, such as stomach ulcers, gastritis, and stomach cancer. However in traditional medicine, it is also ground into powder and used as a blood coagulant or for external application on wounds and sores. Elephant skin powder has previously been mixed with elephant fat to form a cream used to treat skin infections.⁷

“This is for stomach conditions... It is not difficult to use, grinding is easy... My husband suffers from stomach ulcers, and we stir-fry it. It works. It is a little chewy.”

- Guangzhou medicine trader in conversation with Elephant Family investigators. February 2018.

2 As traditional *wenwan* jewellery, dried elephant skin has been marketed as a type of gemstone, where the subcutaneous layers are shaped into beads used to make bracelets and necklaces. Rectangular pieces of polished skin were also seen being sold as pendants.



Elephant skin in the process of being carved into beads.

Monitoring the online trade

Elephant Family's online monitoring began with 22 online forums, out of which nine were found discussing and advertising elephant skin. Four of these were set up to trade in *wenwan*, which traditionally includes ivory and rhino horn, and now includes elephant skin beads. Of the remaining forums, one was trading in traditional medicine and four were elephant skin specific. Two of the most active elephant skin-specific forums are dedicated to the use of elephant skin as a *wenwan* collectible, and have seen a total of 100 active posts since August 2017, demonstrating the high interest that elephant skin has generated in the market.

From discussions across the nine forums, we monitored 35 elephant skin suppliers, eight elephant skin powder suppliers, and 26 elephant skin bead suppliers (nine of which indicated that they were manufacturing beads). Each trader may advertise multiple products – indeed 15 profiles offered a combination of elephant skin pieces, powder, and beads. The 68 forum profiles led to a vast number of WeChat profiles and QQ chat room accounts, along with some advertisers providing telephone numbers. As well as elephant skin products, two users advertised elephant trunks for sale. Elephant trunks do not qualify as *wenwan* or medicine but appear to be traded in conjunction with these products.

A detailed examination of the interactions between online profiles on forums allowed us to refine our results, including identifying what we believe were fake profiles. Accounting for the aliases, Elephant Family identified 50 individual traders (43 on WeChat, six on QQ, and one on mobile-only). Of these, two traders openly advertised all forms of elephant skin products.

Elephant skin products in trade

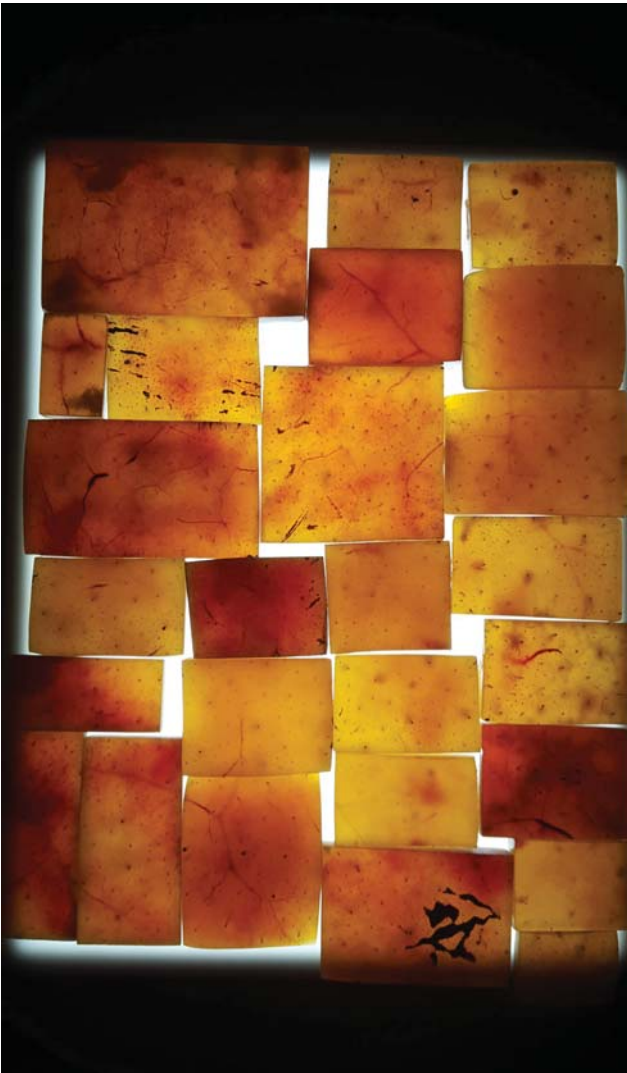
Three forms of elephant skin products were found being advertised online: skin pieces, powder, and beads. Dried, fresh, and frozen elephant trunks are marketed as a traditional delicacy with high tonic properties, but less often than other elephant derivatives.

Elephant skin powder is often sold in tubs of approximately 100g. Pill-forms have also been observed although less frequently. Beads are the most common product of elephant skins where it is sold as a *wenwan*. Rectangular pieces have also been seen in trade as pendants, but have not been observed in trade online since mid-2015. Skin pieces (approximately 15 x 15 cm) are advertised as the raw material for making powder and for the production of beads. Traders who sell both forms sometimes rank skin pieces as medicine-grade or gemstone-grade.

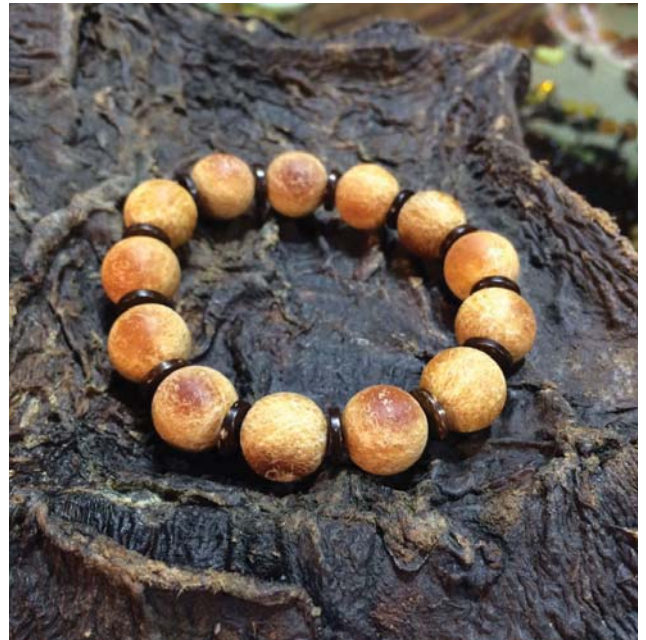
Interactions with online traders provided more detailed information on the skin trade, although researchers were careful to avoid purchasing products or stimulating the trade in any way. One trader responded through a

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Elephant skin pieces sold as pendants by online traders. The blood vessels and hair follicles can be seen.



Elephant skin beads for sale in Xishuangbanna, Yunnan province, China in August 2016.



A trader shines a torch against elephant skin to show the blood pigment prized in the manufacture of beads – Xishuangbanna, Yunnan province, China in August 2016.

He told us that: "listing elephant skin on the container label would be illegal but that the powder definitely contained elephant skin."

QQ chat room in 2018, claiming to be from Kunming where his relatives manufacture elephant skin powder. He told us that "listing elephant skin on the container label would be illegal but that the powder definitely contained elephant skin". He also said that skin powder is so popular that it is often sold out.

Profile of a trader



Above left: Jaz posts images of her recently finished elephant skin beads, and reiterates her role as the inventor of elephant skin beads. **Above right:** Jaz posts an example of her imports, referring to the sourcing as “long-term and non-stop”.



Above: Posts on her online profile suggest before distribution. Trunks of at least three

“I produce it myself... I invented the elephant skin beads... I even go to Myanmar and source the raw material myself.”

Jaz

*Jaz*⁸ is a manufacturer and supplier of elephant skin beads and powder. She openly claims to be the inventor of elephant skin beads – a claim that is supported by online posts and is not disputed by her competitors. She was the first trader to advertise elephant skin products on both *wenwan* and traditional medicine forums. As of early 2018, she was the most active trader, regularly posting evidence of her sourcing, manufacturing, and selling elephant skin products. She also sells intact elephant skin pieces, and elephant skin scraps from her bead making – always to Chinese buyers. From February 2017, we followed her posting photos of fresh and dried elephant trunks. She also posted content showing her processing the trunks in preparation for sale or use.

Jaz claims to be based in Yunnan province at a major border crossing with Myanmar from where she allegedly sources elephant skin. In the last few years she has

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Above left: This image was captioned, "allocating stock".

Above right: While this image was captioned, "ready for distribution".

posted photos of a Myanmar-China border gate, along with socio-political news updates from the region. Based on her social media posts, it is clear that she regularly imports elephant skin pieces for bead and powder production and in large volume. Moreover, she often describes her elephant skin source as "consistently plentiful". *Jaz* claims to have imported 400kg of elephant skin pieces in March 2015 to produce enough elephant skin beads to meet demand. But, despite her best efforts, she also said that she regularly fails to meet the demand. She says she can deliver products to anywhere in China citing two specific courier services and expressing a preference for one that carries less risk of detection.

Jaz has a strong online presence, though her activity level can be sporadic on the various platforms she uses. She was found to use six different Baidu profiles and four

WeChat profiles, interchanging her use to promote her own posts and also to evade detection by enforcement agencies, claiming on a number of occasions to be under investigation. She is understandably cautious of communicating with strangers. Her business is run with the support of her family who assist with the production, marketing, and delivery of products.

In addition to elephant skin products, *Jaz* was also the first person seen selling elephant trunks online in February 2017. The evidence suggests that she processes these herself. Cut into small pieces and dried, these would need to be rehydrated and braised for consumption. *Jaz* explains that elephant trunks were eaten as a delicacy by Chinese emperors. Images posted by her show her receiving fresh trunks, drying them and packaging them for delivery.

Verification in the Field

Although the online forums provide extraordinary insight into the elephant skin trade and allow us to explore the recent history of traders and the dynamics of the market, we aimed to establish the presence of elephant skin in physical markets. Our journey took us from the border towns of Mong La in Myanmar and Xishuangbanna in Yunnan, China to the city of Guangzhou, a short drive from Hong Kong.

Mong La

Officially known as Special Region No. 4 of Burma, Mong La is administered by the National Democratic Alliance Army (NDAA) and has been outside the control of the central Myanmar government for over 25 years. "Little Mong La" as it is often called (to differentiate it from "Meng La" in China) is a popular destination for Chinese tourists seeking vice such as gambling, drugs, and prostitution. Mong La is also well known for its trade and consumption of exotic and illegal wildlife.

Field research in Mong La was conducted in August 2016, and elephant skin was found openly for sale. Most traders had several pieces of skin on display in market areas. Visiting traders in their shops and homes prompted them to show us storage areas containing several hundred pieces of skin.

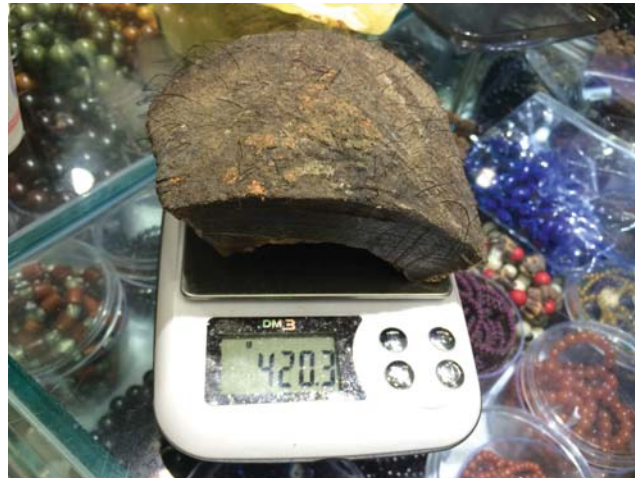
"They won't send it all the way from Africa. It's all Southeast Asia. All elephants from Southeast Asia."

In Mong La's medicine market, all traders in the open market showed an awareness of the use of elephant skin as beads. Ten physical shops, representing at least half of all those surveyed, had elephant skin pieces or powder for sale. Traders were asked about the origin of the skin and they consistently claimed it was from Southeast Asia. They were willing to transport the goods to mainland China by courier.

Xishuangbanna

Jinghong, the main district town of Xishuangbanna prefecture in China's Yunnan province, lies just across the border from Mong La. However, unlike Mong La, the wildlife business in Jinghong is more clandestine, probably due to enforcement action. In recent years, law enforcement authorities have raided markets and shops to seize wildlife products including Asian elephant ivory and elephant skins.⁹ As a result, illicit trade seems to have diminished in the town.

Despite this enforcement action, research conducted in Xishuangbanna in August 2016 found elephant skin pieces for sale, which traders stated came from Myanmar. While many traders were aware of the use of skin as *wenwan*



A trader in Xishuangbanna, China weighs a piece of Asian elephant skin in August 2016. At CNY5/g this 420.3g costs CNY2101 (US\$335)

beads, our researchers did not find beads for sale - only skin being sold for medicinal purposes. However, traders showed their own samples of elephant skin beads and further discussion revealed that traders were finding the beads of low quality. Discussing the products we had seen for sale online, Xishuangbanna traders said that these required a specific manufacturing technique that they had yet to acquire. One trader said he was in talks with a Myanmar manufacturer who could produce the beads perfectly, but he was reluctant to pursue this product further as the cost was high and he would prefer to manufacture the product in China.

"We are also looking [for processors], but so far no good. It's not smooth enough... We still need the Burmese's help."

"There is someone in Myanmar who can produce it, but their price is too high..."

Guangzhou

Guangzhou is one of the wealthiest and largest cities in mainland China and is a historical port on the Silk Road. Situated in Guangdong province in southern China, it is around 120km north of Hong Kong and easily reached by train. Elephant Family conducted research there in February 2018, visiting medicine markets and traditional jewellery shops.

Although traders were clearly aware that it is illegal to deal in elephant skin, we found it on sale in two forms: skin pieces similar in size to those seen elsewhere, and smaller pieces. These products were not visibly on display but when asked, traders produced them - one from a plastic bag on a top shelf, and another directed someone to deliver skin to the shop. In total we saw 3-4kg of skin, although one trader claimed to have over 10kg in stock and would accept orders, suggesting it would take him 3-4 days to acquire. Another trader declared that he had

SKINNED

The growing appetite for Asian Elephants

stocks readily available and could easily supply 10-20kg, no problem. One claimed to deliver skin all across China on a regular basis and showed us dialogue on WeChat as evidence. They both said they import larger pieces of skin and slice them into smaller pieces for customers. These forms of elephant skin were sold in preference to powder for two main reasons: product quality and authenticity. Traders mentioned that elephant skin powder would clump in the region's high humidity, and that pieces allowed customers to authenticate the products themselves, though traders did offer to grind the skin into a powder for us.

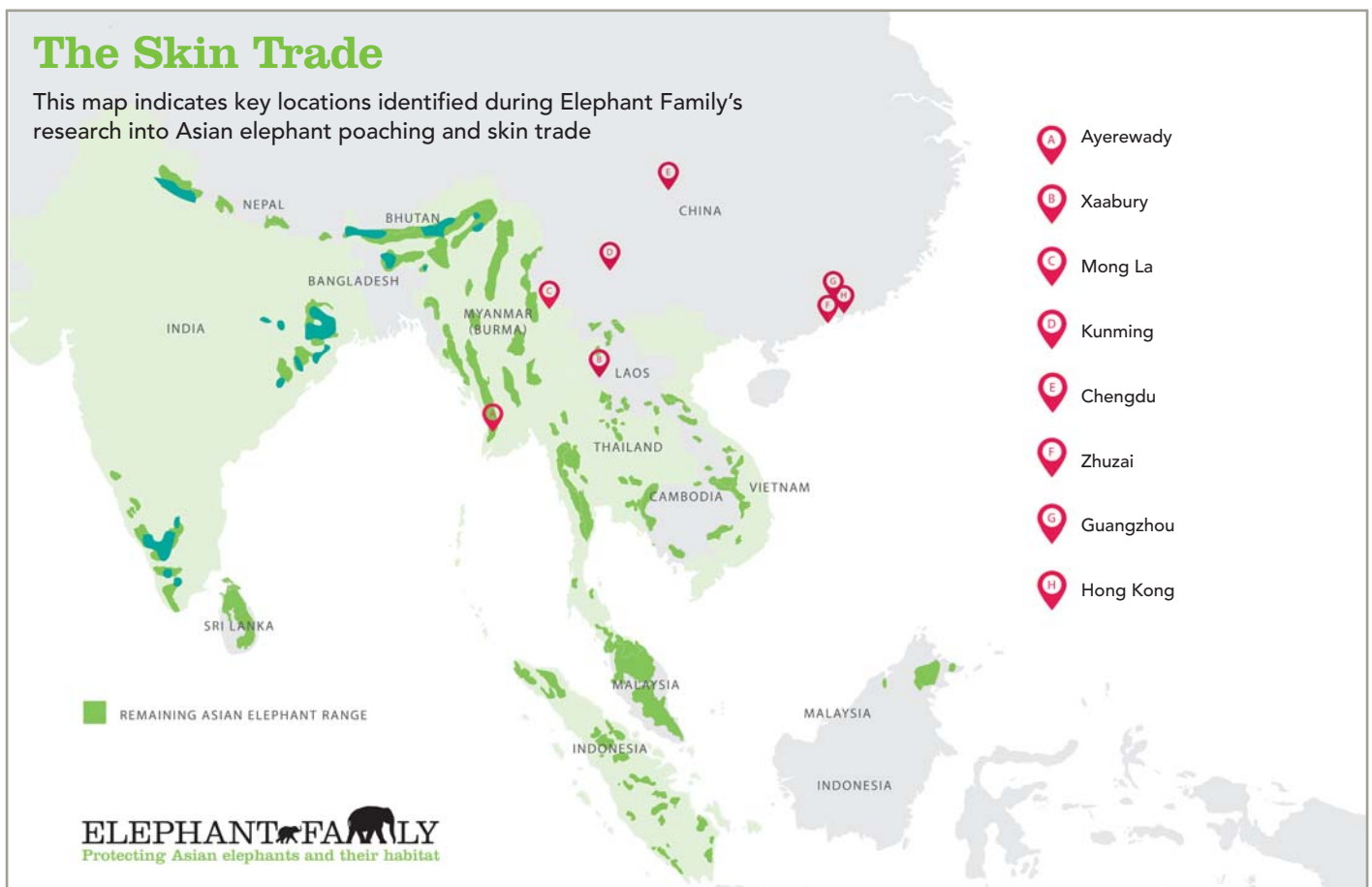
Indeed, authenticity appeared to be a concern for many of the traders' customers; buyers wanted to ensure that what they paid for was genuine and to be sure, they would need to see the whole product. This opinion was evidently shared among traditional medicine consumers, who form long lines with their own ingredients at shops that specialise only in grinding products into powder.

To convince our investigators of the authenticity of their wares, traders explained that you can identify elephant skin from the hair follicles because they are different from, say, cow skin. One trader produced a bag containing what

he claimed was hippopotamus skin, which he stated was a lower quality substitute for elephant skin. Most traders informed us that the elephant skin originated from Southeast Asia. One said it was impossible to tell but went on to list the likely origins – Southeast Asian countries that have elephants including Thailand and China, specifically mentioning Yunnan and Xishuangbanna. The traders offered to send skin to us via courier if we ordered online through their WeChat account.

Having noted the increased availability of pre-packaged branded elephant skin powder online, we also enquired about these products in local pharmacies. However, none sold elephant skin powder or cream. All pharmacies showed an awareness of the elephants' national protected status.

No elephant skin beads were seen for sale in Guangzhou and most traders did not know about them. However, one trader, in a Tibet-style *wenwan* shop, recognised the beads from a photograph we showed her. She said that her friend had seen the beads while on a business trip elsewhere in China. Another trader said the beads could be found in Chengdu, but were not sold in southern China because of the humidity which affects the longevity of the product.



CHAPTER 3

Dynamics of the Skin Trade



“[Elephants] don’t come into China easily. We have elephants in China, too. Yunnan, Xishuangbanna, for example. These are all nationally protected, no? Sure, but it is not much of an issue. You can open doors, but you must pay for it...”

Sources

Taking all the evidence into account, Southeast Asian range states are the most likely source of the elephant skin being traded illegally in Asia. Of eleven online traders who claimed to know the product origin, nine cited Myanmar and two cited Laos. Other Asian countries were mentioned as sources but enquiries to date have found little evidence to confirm this. A few traders suggested Africa as a source but no evidence was found. We suspect that these traders did not know the origin of the skin, whereas those who claimed it came from Asia were supported by a range of posts on social media platforms, along with the government-verified incidents of poaching for skin.

The precise locations where elephant skin products are manufactured is less clearly specified, but given the written and visual evidence provided by traders, it appears that many of them process their own elephant skin powder and beads.

In Guangzhou, traders did not know which specific countries their elephant skin came from, perhaps because the city is located far from the most likely sources. All the traders spoken to cited Southeast Asia as the source region.

“[Elephants] don’t come [from outside] into China easily. We have elephants in China, too. Yunnan, Xishuangbanna, for example. These are all nationally protected, no? Sure, but it is not much of an issue. You can open doors, but you must pay for it...”

Elephant Family researchers did not purchase any elephant skin products. Doing so may contravene national laws, risks stimulating further trade and emboldening traders. Testing elephant powder is also problematic. Specialists from the wildlife forensics network TRACE explain that powdered elephant skin presents a number of challenges for DNA analysis. While skin may retain its DNA after gentle drying, harsh drying using blow torches and hot ovens may damage the skin in such a way as to make it hard to analyse the genetic information. Adulterants (added as bulking agents or for additional health benefits) may also limit DNA analysis even if enough elephant DNA can be recovered. Grinding skin from different elephants, of different species, may also frustrate analysis as the profiles become mixed.

That said, while it might be challenging to analyse DNA from powdered elephant skin it is not impossible. Recovering small quantities of highly fragmented DNA is the norm in wildlife forensics and it may be possible, with appropriate techniques, to determine the elephant species. Moreover, as more of the Asian elephant range states implement DNA registration for their captive elephant populations, the chances of identifying the geographic origin of the elephants, and even individual elephants, increases.¹⁰

SKINNED

The growing appetite for Asian Elephants

Elephant Family has reached out to other conservationists in Africa but has found no evidence of African elephants being poached specifically for their skin (aside from rare and probably incidental cases). However, African elephant skin is legally exported from Zimbabwe, Botswana, Namibia and South Africa in significant quantities to several countries around the world (mainly the US and Japan), but these exports are thought to be for the leather and clothing industry.¹¹

Volume

Estimating the volume of trade in elephant skin is difficult because the subject is rarely discussed between traders. The trader known as *Jaz* discussed elephant skin bead production in 2015 when the products were new. She claimed that only 10% of beads met her standard and, as a result, she had to import 400kg of elephant skin pieces to produce enough quality beads for trading. Images and conversations between traders suggest that elephant skin pieces are imported in bulk, while frequent and regular imports by multiple sellers, substantiated by photos, indicate a plentiful and organised supply system.

The manufacturing processes reported to us also support the idea that the trade is structured and organised. The production of skin pieces alone is time consuming and complicated as skins need to be cut and dried after harvest.

Prices

The price of elephant skin products vary with the market location and specific product type. In addition, traders rarely advertise prices online but discuss them elsewhere. Due to variations in the sale dates, quantity and quality of elephant skin products, prices are not always comparable, and the prices cited below are approximate. Sellers prefer to connect privately with potential buyers via other communication channels. An extensive search across online platforms identified sample prices of various elephant skin products dating back to 2014.¹²

Based on the market prices provided by traders, the average price for elephant skin pieces in Myanmar was CNY660 (US\$108) per kg. (Traders in Myanmar quote prices in Chinese currency). In Guangzhou markets, the average price for a piece of elephant skin was ~7% more expensive than the price online at CNY1800 (US\$285) per kg, but traders would offer a lower average of CNY1275 (US\$200) per kg.

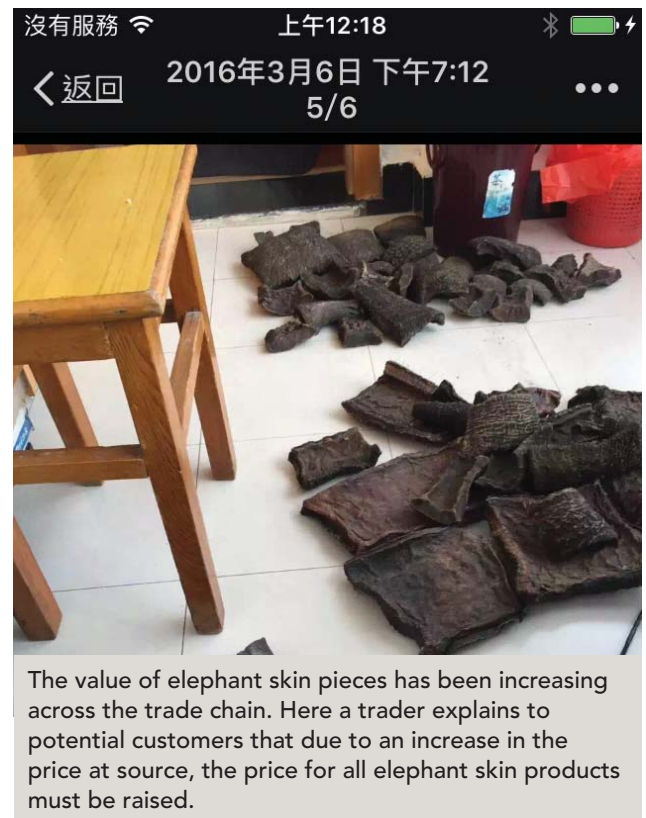
Online prices collated from 2017 and 2018 indicate that skin pieces are currently priced around CNY1192 (US\$190) per kg online, excluding delivery. Elephant skin powder is sold for CNY2670 (US\$425) per kg – over twice the price of skin pieces by weight. Although the sample size is

limited, the increase in online prices of elephant skin pieces since 2014 is consistent with some traders' claims.

The pricing of elephant skin beads is complex and subjective. Bead prices are based on a combination of the size, colour, clarity and design of the final product where applicable. The per gram price for a 'perfect' bead in 2015 and 2016 was CNY150 (US\$24) on average. The highest price for a 'perfect' bead recorded was CNY205 (US\$32).¹³ Even flawed beads have been advertised at CNY32 (US\$5) per gram, while the raw material is sold at CNY1 (US\$0.15) per gram.

The increased use of elephant skin powder may be a solution to reducing waste from bead production and maximising profits, since it can be made from imperfect beads and offcuts.

The change of marketing techniques and the uses of elephant skin revealed in this investigation – from one of traditional medicine to one of *wenwan* and gemstones – is frequently and consistently observed in the illegal wildlife trade, with other examples being rhino horns, saiga horns, and pangolin scales. Recent history has shown that where traffickers effectively market a wildlife product through such methods, market values and profit margins increase exponentially, thus causing poaching to escalate rapidly in a short timeframe. At its peak, rhino horn was reportedly traded at US\$65/gram.



New Threats to Asia's Elephants

The rise in the trade in elephant skin, right now, may be due to a number of factors which are difficult to determine online and from relatively limited interactions. But in the last few years, during which poaching in Myanmar increased at about the same time as elephant skin products appeared for sale online, other events have also occurred. These include the announcement of the closure of domestic ivory markets, an increase in the import of live Asian elephants into China, and notification by China's State Forestry Administration of a pilot licensing programme for elephant skin pharmaceuticals. The potential impact of these coincidental - possibly correlated - events cannot be ignored.

Legal Skin Trade

Research carried out by Elephant Family discovered commercially manufactured elephant skin powder products advertised on a number of China-based traditional medicine and pharmaceutical platforms, with all companies selling the same brand of a product called "Elephant Skin Powder". A notice issued in 2015 by China's State Forestry Administration (SFA), which also serves as China's CITES Management Authority, appears to approve the pilot production of these elephant skin products. The species used is unclear. The SFA notice fails to identify which species of elephant is licensed, the labels state wild African elephants, but third-party vendors say that both African and Asian elephant skins are used in the manufacture of powder products.¹⁴

State Forestry Administration Notice No: 8

In 2015, the SFA issued 'Notice No. 8' giving permission to 'pilot' the production of wildlife products for clinical use in designated hospitals.¹⁵ The species listed include saiga antelope antlers, pangolin scales, and various snake species. A linked annex to the notice lists Guangzhou Zhong Liang Pharmaceutical Company as the company granted permission for elephant skin powder production. Products made under this dispensation are stated to come with the 2015 version of the 'China Wildlife Utilisation and Management Emblem' (CNWM) sticker. Similar pilots for other species have led to full trade after a number of years.

Notice No. 8 was issued on the basis of three wildlife protection laws: 1. Forestry Protection Law No. 3 (2003) issued by SFA, SAIC relating to wildlife utilisation and production, and its pilot development, 2. Forestry Protection Law No. 252 (2004) issued by SFA, MOH, SFDA, SATCM, relating to the management of musk, bear galls and other products for use in medicines, and 3. Forestry Protection Law No. 242 (2007) issued by SFA, MOH, SFDA, SATCM, relating to the management of saiga antelope antlers, pangolin scales, rare snake species and other products for use in medicines.

Companies

The Manufacturer – Guangzhou Zhong Liang Pharmaceutical Co. Ltd

Guangzhou Zhong Liang Pharmaceutical Co. Ltd was established in June 2006. Its primary business is traditional Chinese medicine, from breeding wildlife for use in medicine to manufacturing end-user products.^{16,17} It is particularly known for its involvement in trading large volumes of pangolin scales and pangolin farming development.¹⁸ In 2015, Guangzhou Zhong Liang Pharmaceutical Co. Ltd was issued a licence by the SFA to run a 'pilot' for the production of elephant skin powder and is specifically listed as having permission to produce elephant skin powder.¹⁹ According to other SFA records, since 2015 the company has been issued 19 licences for the "sale, collection and utilisation of Grade-1 nationally protected wildlife and products", but these records do not specify the species that these licences have been issued for.

In fact, the company appears to be two connected entities: The Guangzhou Zhong Liang Pharmaceutical Co. Ltd is the commercial and business side of the company, while the Guangzhou Zhong Liang Wild Fauna and Flora Science and Technology Development Co. Ltd is the research and development department. The two entities have the same contact details and at least two common shareholders, although the Wild Fauna and Flora division is not listed on the SFA website as having permission to produce wildlife products. Elephant Family investigators visited the company's Guangzhou offices in January 2018 and found a sign outside the pharmaceutical company offices naming both companies. The offices did not

国家林业局2015年第8号公告

日期: 2015年06月12日 14时
来源: 林业

国家林业局公告
2015年第8号

根据《国家林业局 国家工商行政管理总局关于对利用野生动物及其产品的生产企业进行清理整顿和开展标识试点工作的通知》(林护发〔2003〕3号)和《国家林业局 卫生部 国家工商行政管理总局 国家食品药品监督管理局 国家中医药管理局关于进一步加强麝、熊资源保护及其产品入药管理的通知》(林护发〔2004〕252号)、《国家林业局 卫生部 国家工商行政管理总局 国家食品药品监督管理局 国家中医药管理局关于进一步加强藏羚羊、穿山甲、稀有蛇类资源保护和规范其产品入药管理的通知》(林护发〔2007〕242号)有关规定, 现对试点使用“中国野生动物经营利用管理专用标识”的企业及其产品(见附件1-3)、允许临床使用藏加羚羊角、穿山甲片、稀有蛇类原材料的定点医院(见附件4)以及2015版“中国野生动物经营利用管理专用标识”(见附件5)予以公告。

特此公告。

附件: 1. 生产、销售含天然麝香成分中成药的企业及其产品名称
2. 生产象皮粉的企业名称
3. 销售野生动物相关制品的企业及其产品名称
4. 允许临床使用藏加羚羊角、穿山甲、稀有蛇类原材料的定点医院
5. 2015版“中国野生动物经营利用管理专用标识”

Notice No. 8 announcing approval for a pilot production of wildlife products for clinical use, referring to Annex 2 as “name of company for production of elephant skin powder”

The entry on Annex 2 of SFA Notice 8 granting permission to Guangzhou Zhong Liang Pharmaceutical Co. Ltd to produce elephant skin powder.

序号 (No.)	省份 (Province)	企业名称 (Name of company)	产品名称 (Product name)
1	广东 (Guangdong)	广州中量药业有限公司 (Guangzhou Zhong Liang Pharmaceutical Co. Ltd)	象皮粉 (Elephant skin powder)



The sign at the offices of Guangzhou Zhong Liang Pharmaceutical Co. Ltd indicating its connection to the Guangzhou Zhong Liang Wild Fauna and Flora Science and Technology Development Co. Ltd

resemble a functional factory or office, but appeared to be more of a distribution point. Despite being issued a licence to pilot the manufacture of elephant skin products, it seems that no licence was issued to the company for distribution or retail. This may be done through a separate company.

The Seller - Beijing Huamiao Pharmaceutical Company

Beijing Huamiao Pharmaceutical Company is wholly owned by SINO-TCM, a Chinese state-owned enterprise also known as China National Traditional & Herbal Medicine Co. Ltd. SINO-TCM owns a catalogue of pharmaceutical companies across China. According to other SFA records (including Beijing Huamiao Engineering Technological Development Centre), since 2015 the company has been issued 34 non-species-specific licences for the "sale, collection and utilization of Grade-1 nationally protected wildlife and products".²⁰ Its name and branding, and that of Huamiao, is found on the only elephant skin product bearing an SFA CNWM utilisation sticker. An SFA-linked publication, Green Times, lists seven licensed distributors and retailers of wildlife products, but our searches found that SINO-TCM/Huamiao is marketing an elephant skin product indicating that only Huamiao is licensed to sell products manufactured by Guangzhou Zhong Liang Pharmaceutical Co. Ltd.



Packaging detailing elephant skin products bearing the branding of SINO-TCM/Beijing Huamiao. Retrieved 18 February 2018 from <http://www.kanggou.com/product-6-3-19-8522.html>

Marketing materials produced by Huamiao show products bearing a manufacture date of June 2014 and indicated that the elephant skins used in the product is of African origin. Similarly, the SFA-CNWM sticker suggests that the source of raw material is from wild African elephants, denoted by a "W" on the sticker. However, information posted on the website of at least one third-party retailer distributing the Huamiao product, specifically Yunnan Medicinal Materials Company, states that the raw materials include both African and Asian elephant skins. We have not been able to find in-the-box directions or a list of ingredients for further clarification.

Bj37/14/pkhkkkkkk1	
规格包装的大象皮粉	
标识码:	Bj37/14/pkhkkkkkk1
企业名称:	北京华邈药业有限公司
产品中文名:	规格包装的大象皮粉
产品英文名:	Guigebaozhuangde Daxiangpifen
参考图片:	无
规格:	待填
原材料:	非洲象(<i>Loxodonta africana</i>),
批准文件:	林护许准[2014]322号
标识核准时间:	2014
核发单位:	国家林业局全国野生动植物研究与发展中心
宣传提示:	暂无
备注(描述):	产品拉丁名后面的/B表示人工饲养; /W表示野生; /N表示来源未知; /etc表示“等”。
防伪二维码	
防伪浮雕底纹	
防伪专用安全线	
缩微文字	
公众识别的第二代防伪技术	

The image above shows an extract from the CNWM database, searched using the serial number of the elephant skin product. It confirms that the permission was issued to Beijing Huamiao. It also states that the licence permitting the production was 'Forest Production Permission [2014] No. 322' although the announcement of Notice No. 8 was in June 2015. The discrepancy in dates may be an administrative issue.

The Distributors

In addition to Beijing Huamiao, the Green Times article lists six other companies that are permitted to sell a range of products including pangolin scales, saiga antelope and elephant skins, but Huamiao appears to be the only one actually selling elephant skin powder:

Gansu Baiying City Tiansheng Agricultural Development Co. Ltd,

Shanghai Guanshang International Trade Co. Ltd,

Ailijia (Shanghai) Industry Management Co. Ltd,

Shanghai Dude Textile Technological Co. Ltd,

Aimashi (Shanghai) Trading Co. Ltd,

Zunzhan (Shanghai) Trading Co. Ltd

Other companies were found offering Beijing Huamiao elephant skin products, including some that list Asian elephants on the product ingredients.

Yunnan Medicine Materials Co. Ltd

This company, with a listed address in Kunming, advertises the same Beijing Huamiao product, but on their website describe the product as containing both African and Asian elephant skin,²¹ but other images on the site mention only African elephants. The website also advertises pangolin scales and saiga antelope horn powder, also produced by Beijing Huamiao.

Huashenglong Pharmaceutical Co. Ltd²²

Anhui Huayuan Pharmaceutical PLC²³

Kanggou Online Pharmacy

Kanggou Pharmacy website lists African and Asian elephants on the product ingredients list.²⁴

Legal Live Trade

Historically, the demand for live elephants has been driven by zoos, circuses and entertainment parks. CITES states that trade in Asian elephants and their parts cannot take place for commercial purposes, but can be allowed for scientific or exhibition purposes such as zoos. However, the term 'zoo' is poorly defined, and in many cases involves little science. The primary purpose is entertainment for commercial gain.

Analysis of the CITES trade database gives an indication of the recent trade within Asia, showing approximately 125 Asian elephants traded to or from range states between 2007-2016. Of those, China reported the import of 90 Asian elephants from Laos and Myanmar, including 50 in 2016 alone, reportedly to zoos owned by the Chinese government. The source is always stated as 'captive' and for the elephants imported to China, the purpose is invariably 'zoos'. Allegations have been made that, despite being reported, this trade (particularly the source and the use) is not compliant with CITES.²⁵ Once imported, it is difficult to monitor the fate of these animals. Live elephant trade from Africa has also come under scrutiny. The CITES trade database shows that approximately 100 African elephants have been traded over the last ten years. The most significant trade was

between 2015 and 2016 when Zimbabwe sold 61 wild elephants to zoos in China.

Whether legal or not, this trade causes concern when considered in connection with the wider threats to Asian elephants and the growing demand for them, dead or alive. Other species such as tigers are commercially 'farmed'. Tiger skins from China zoos are legally sold to taxidermists for processing, and contrary to SFA assertions, tigers have not been imported exclusively for scientific or exhibition purposes. They have gone into the domestic trade and been sold to private buyers.²⁶ Domestic markets are known to stimulate demand and threaten wild populations. Every effort should be made to ensure that Asian elephants do not suffer the same fate as tigers.

Registration of captive elephants using DNA profiles, stored on national and regional databases, would help monitor imports, exports, births and deaths, and thereby prevent laundering of wild elephants into captivity and the illegal trade. Greater scrutiny of facilities would ensure that elephants are not traded for commercial purposes, in contravention of CITES.

Closure of Domestic Ivory Markets

In the last few years, there has been a welcome trend in closing legal domestic ivory markets. Long viewed as stimulating the demand for ivory from all sources, and as a way of laundering illegal ivory into legitimate trade, these closures will simplify regulations and enforcement, helping to identify offences. Recent closures announced or enforced include China, Hong Kong, Taiwan, and the United Kingdom.

While these closures are positive, it is important to consider their potential consequences. The vast majority of ivory trade is illegal, and continues in countries where enforcement is weak. And, like the trade in Asian elephant skin, ivory trade also takes place online.²⁷ Time will tell whether the anticipated decline in ivory trade prompts an increased appetite for replacements from other species or other elephant parts. Wildlife traders all along the trade chain are motivated by financial gain and are likely to seek other illicit sources of income.

Skin products may be a replacement for ivory. They are potentially easier to source (male, female, African, Asian) and easier to conceal. Traffickers have long demonstrated their skill at stimulating markets for wildlife products and could do so again. Without effective monitoring and enforcement against the illegal trade in elephants in all forms – alive or dead, meat, skin, hair, trunks, feet and any other derivatives – we predict that criminals will continue undeterred.

Captive breeding of Asian Elephants

Facilities in China have started to breed elephants by artificial means. Several news reports from December 2017 state that an Asian elephant calf was born in the Yunnan Asian Elephant Breeding and Education Centre, "China's only Asian elephant rescue and breeding research facility", and that this was the first in the centre to be conceived with human intervention. The reports also state that three calves were also bred at the centre from natural mating. A representative from the centre was quoted as saying that he was "looking forward to using human intervention/artificial insemination to produce more Asian elephant calves."²⁸

Further research reveals that the breeding centre, in operation since 2008, is run by Xishuangbanna Wild Elephant Valley and is said to be "a cooperative project between the Xishuangbanna National Nature Reserve Administration and WWF".^{29,30} Elephant Family researchers visited the Wild Elephant Valley in 2016 and found it hosting an extensive entertainment facility where elephants are used for trekking as well as tourist performances including dancing and standing on their front legs while mahouts controlled them by pulling their nipples or striking them with bullhooks.

According to a government report published in 2010, the centre was developed for the "research of elephant breeding, to expand populations in captivity, to provide a source for re-release and entertainment (viewing) uses". The aim was to increase the captive Asian elephant populations to become the largest and most concentrated in China. It also claimed to have obtained 18 elephants, with three rescued from the wild. However, the numbers quoted in various reports contradict themselves.³¹

Elephant Family is troubled by the concurrence of these three trends: an increase in the number of live African and Asian elephants imported into China in recent years; the growing demand for elephant parts; and the breeding of elephants in non-scientific entertainment centres, particularly when the motive appears to be financial gain rather than conservation.

Moreover, other countries appear to be following China. In February 2018 a signing ceremony was held to officiate the building of an elephant rescue and breeding centre in Xayabury, Laos. The project is described as a collaboration between the Xayabury Provincial Government and the Sino-Laos Tourism Investment Co. Ltd, a business conglomerate based in Yunnan.³² Laos has a poor record of law enforcement and it is home to other captive breeding facilities with dubious records. Its apparent move into farming Asian elephants only increases concern and invites further scrutiny.

Conclusion



There is little doubt that the skin trade is a major and developing threat to Asian elephants across their range. History has shown that poaching and wildlife trafficking spreads rapidly across countries and continents. The growing number of skin poaching incidents in Myanmar, and the spread of trade across Myanmar, Laos and China shows that this is already happening. Traffickers are actively developing new ways to market elephant skin products, and are selling them to apparently willing consumers.

Elephant Family suspects that there is more than a coincidental correlation between the increase in poaching for skins, the increase in the online trade in skin products, and the issuance of licenses for the production of elephant skin pharmaceuticals. While these may not be directly connected, together they may be stimulating the demand for elephant skin and associated products. As we have seen with the trade in other species, parallel legal markets threaten wild species, frustrate law enforcement and facilitate the laundering of wild, poached animals into a licit market.

All range states, but particularly those where offences are taking place, need to take urgent measures to address this developing threat before it engulfs them. Anti-poaching measures are one approach, but so are tracking the buyers, sellers, and traffickers profiting from these crimes. China needs to be transparent with the licensing, manufacture and sale of elephant skin pharmaceutical products, ensuring that any research and experimentation does not threaten wild elephant populations by inadvertently stimulating a market which, until recently, posed little threat.

The international conservation and law enforcement community, and national governments have a history of reacting slowly to wildlife crime issues. Invariably, it takes a population crisis, or high-profile events to catalyse a reaction that is often too little, too late. We cannot risk Asian elephants being subjected to the levels of killing and trade seen with other species – too few of them survive and too many of their populations are fragile. If this escalates further, wild Asian elephants could quickly become extinct in half their range. There is already a crisis for the wild elephants of Myanmar.

Elephant Family urges an immediate co-operative response to this threat before it becomes a crisis elsewhere too.

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8. Jaz is not her real name. We wish to avoid giving her publicity, or for her to be singled out for enforcement effort in the face of a far wider issue to be resolved strategically and comprehensively.
9. Several Chinese media articles have documented enforcement action in Xishuangbanna in recent years.
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12. Elephant Family is conscious of the risks of publishing prices of wildlife commodities, and of the concerns expressed by the CITES Secretariat that publication of grossly inflated, and 'cherry-picked' figures may prompt speculative poaching. The prices quoted may vary significantly across the trade chain. While Elephant Family provides prices in the interest of understanding the trade dynamics, we urge against sensationalising the trade.
13. These values are based on samples of beads of various sizes and weights as provided by traders online, calculating the average density measurement of elephant-skin.
14. The CITES trade database shows that approximately 25,000 African elephant skins have been imported from African to Asian countries over the last ten years. Most are sourced from the wild for commercial purposes. The highest exporters are Zimbabwe and South Africa, and the highest importers are China, Japan and Hong Kong. Elephant Family is not aware of any connection between legal imports of African elephant skins, which in other regions are primarily used for leather, and the illegal trade in Asia or the pharmaceutical industry.
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ELEPHANT FAMILY



Protecting Asian elephants and their habitat

Elephant Family
1A Redchurch Street
London E2 7DJ
United Kingdom
T: +44 (0)20 7251 5099
E: info@elephant-family.org
W: www.elephant-family.org

Elephant Family USA
130 West 79th Street, 16A,
New York, NY 10024
T: +1 914 563 6240

Elephant Family is a
registered charity in
England (no 1091671).
Elephant Family US is a
registered 501(c) charity.
EIN/TIN 4 6-3085568.