

STILL TRADING IN EXTINCTION

THE DARK SIDE OF
HONG KONG'S WILDLIFE TRADE



March 2021

EXECUTIVE SUMMARY



BACKGROUND

For decades, leading scientists from around the world have been sounding the alarm citing biodiversity loss, including species extinction, as a driver of impending ecosystem collapse and, more recently, as a contributor to pandemic risk. The wildlife trade is recognised as a cause of biodiversity loss and, according to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), around 24% of all wild terrestrial vertebrate species are today traded globally. In 2019, the legal wildlife trade was estimated to be worth US\$107 billion¹. The illegal trade has continued to thrive in its shadow.

In January 2019, members of the Hong Kong Wildlife Trade Working Group released *“Trading in Extinction: The Dark Side of Hong Kong’s Wildlife Trade”*² which, for the first time, provided quantifiable data on the extent and nature of wildlife crime in Hong Kong spanning 2013 to 2017. It demonstrated that Hong Kong has a disproportionately large trafficking footprint and has long been exploited by organised and serious criminal groups in the pursuit of large profits from illegally traded wildlife.

In March 2021, *“Still Trading in Extinction: The Dark Side of Hong Kong’s Wildlife Trade”* was released, which builds on that first report and provides an overview of Hong Kong’s wildlife seizures (2018-2019) and prosecutions (2017-2020). It presents insights based on data and observations, demonstrating that the trade continues unabated and, for several notable species, has even worsened. This executive summary presents these and other key findings.

It should be noted that the findings are based on two main datasets:

- 1) **The Customs and Excise Department’s (C&ED) summary data** provide perhaps the best indication of **overall volumes and values** for wildlife seized in Hong Kong annually.
- 2) **The Wildlife Product Seizures (WiPS) Database** provides **seizure details and specificity** not available in C&ED’s data, thus enabling continued characterisation of the illegal trade.

The WiPS Database is derived from a variety of sources, primarily government data spanning 2013-2021. This dataset provides seizure details such as type of product, country of consignment, prosecution details, concealment methods, mode of transport, etc. It should be noted, however, that not all parameters are consistently available for all seizures and not all seizures reported by C&ED in their annual figures have been identified and included in the WiPS dataset.

C&ED vs WiPS: The number of seizures cannot be directly compared between the two datasets, because of differences in counts of seizure cases/events, which are likely the result of different methods of classifying a seizure, e.g. incident or individuals involved.³ Nevertheless, the wildlife product volumes seized and estimated values in both datasets indicate considerable overlaps, despite this range in seizure numbers. These two datasets considered together then provide the best insight into wildlife trafficking in Hong Kong.

WILDLIFE SEIZURES SURPASS THE PRECEDING DECADE, WHILE DYNAMICS CHANGE

In 2018 and 2019, Hong Kong authorities seized over 649 Metric Tonnes (MT) of wildlife across 1,404 seizures. These figures are indicative that despite Hong Kong’s small size, trafficking in the city is comparable to that of leading nations. In 2019, Hong Kong’s wildlife seizures (375MT) equated to almost a third of the volume seized by mainland China’s customs agency that year (1,237MT).⁴

The volumes seized in Hong Kong in each of 2018 and 2019 surpassed all annual totals for the preceding decade, excluding 2015 when a single exceptionally large seizure of wood took place⁵. While the trade continues unabated, the dynamics have changed, with a decline in ivory seizures (historically a focus for local enforcement) and a dramatic increase of *“Other Endangered Species”* seizures (i.e. everything that is not ivory, pangolin or wood).

Indeed, 30.4MT of these *“Other”* species were seized in 2019 – an all-time high, and a tripling of the volume seized in 2018, which was itself threefold the volume seized in 2017. This growth also hints at diversification within the illegal wildlife trade. The increase in *Other Endangered Species* is of concern not least because of a general lack of transparency concerning the actual species in trade, but because many of those that could be identified are rare and threatened species destined for the exotic pet trade.

PANGOLINS REMAIN A STAPLE OF HONG KONG’S TRAFFICKERS

Pangolins, unfortunately best known as the *“most trafficked mammal in the world”*⁶, remain a staple of Hong Kong’s illegal wildlife trade. In 2018 and 2019, scales and carcasses equating to as many as 50,200 pangolins were seized, equivalent to a pangolin being poached every 21 minutes for the Hong Kong trade. Hong Kong is clearly playing a pivotal role in driving these creatures towards extinction.

Each of these two years marked grim milestones. In 2018, the total volume of pangolin seized surpassed all records for the preceding eight years. In 2019, authorities made the largest pangolin seizure in the city’s history, comprising 8.3MT of pangolin scales (along with 2.1MT of raw elephant tusks). This single seizure equates to the scales of as many as 13,800 pangolins and the tusks of 200 elephants.⁷

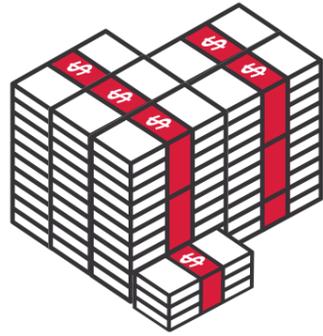
The significance of the illegal wildlife trade in Hong Kong is further evidenced by the volume of pangolin scales seized in the Territory arriving from Nigeria – the leading exit point for pangolin trafficked out of Africa. Of the 78MT seized from Nigerian consignments across the world in 2018 and 2019, Hong Kong’s seizures amounted to over a quarter.⁸



649 MT
OF WILDLIFE SEIZED

1,404
SEIZURES

HK\$ 207 MILLION
worth of illegal wildlife



MONEY MATTERS

In 2018 and 2019, illegal wildlife valued at HK\$207 million was seized in Hong Kong. Compared to other lucrative crimes, the values of these seizures rank in the top five of the 58 ordinances on which the C&ED act. However, this figure is likely an underestimate of the true value of the illegal trade, not least because only a fraction of the trade is intercepted. Based on a subset of seizure data (164 events⁹) documented in WiPS, at least 1-in-5 was valued at HK\$1 million or more, six of which were estimated to be worth more than HK\$5 million. The most highly valued single seizure identified was HK\$62 million-worth of pangolin and ivory combined.

The potential profit from such crimes inevitably provides enormous incentive for organised and serious criminal syndicates. It is vital that the financial flows of these crimes are investigated and, optimally, that proceeds are confiscated if prosecutions are to truly serve as deterrents.

THE DEVIL IS IN THE DETAIL

A snapshot of seizure events throughout 2018 and 2019 captured information including (but not limited to) the circumstances of seizures, transit routes, species taxonomies involved and details of offenders.

Just 108 such events indicate that in 2018 and 2019, wildlife was seized arriving from at least 38 countries across six continents. Most seizures were from passengers arriving at Hong Kong International Airport (HKIA). From a subset of data, it can be seen that out of 164 seizure events, 73 air passengers carried a total of 785kg of wildlife products as well as 1,234 live turtles and tortoises.

By volume, however, the overwhelming majority of wildlife was seized at Hong Kong's seaport in Kwai Chung. The largest of these were consigned from Central American nations, with six seizures from containers amounting to 245MT of wood logs arriving from Guatemala, Honduras and Panama.

In terms of species, Hong Kong's authorities seized hundreds of tonnes of 'threatened' wildlife, the majority of which are at risk of extinction. A diverse range of species and products were encountered including (but not limited to) Hawksbill sea turtle shell bracelets, ivory figurines, rhino horns, rosewood logs, totoaba maws, tiger bones, shark fins, dried seahorses, live Ploughshare tortoises, European eels and Humphead wrasses.

Live animals were also trafficked in large numbers, with the Agriculture, Fisheries & Conservation Department (AFCD) reporting 6,991 endangered animals seized over 2018 and 2019. Although data is sparse on the manner of such smuggling, at least 2,407 live animals were discovered in checked and carry-on luggage of air passengers, with some being stuffed into clothing such as socks, as well as being concealed in trucks and cars.



IMPRISONING PAWNS WHILE KINGPINS ROAM FREE

Based on observations of court proceedings as well as a review of publicly available data since 2017, it appears that prosecutions most frequently target comparatively insignificant carriers or 'mules'. Where data were available, offenders were frequently observed to be financially strained, without a previous criminal record, supporting or caring for multiple dependents and had committed the crime at the behest of a friend, boss or other contact. Almost without exception, none of those convicted appeared to be critical to the operations of criminal syndicates and it remains unclear whether others in the supply networks are typically pursued.

This compounds a longstanding issue, wherein prosecutions do not appear to be forthcoming in relation to the largest seizures made in the city. Of 19 seizures involving sea cargo containers (holding 398MT of wildlife products) in 2018 and 2019, arrests are only known for seven, resulting in one successful prosecution.

This case resulted in conviction of a part-time salesperson and housewife who alleged that she allowed a contact to use her address and phone number on a customs declaration for the illegal shipment of 29MT of Honduras rosewood. She was ultimately sentenced to three months in prison. Though culpable, the defendant, like many of those observed in the courts for breaching Cap. 586, hardly appeared to be the mastermind behind the crime or the chief beneficiary.

Concerns are compounded by decisions not to pursue prosecutions in connection to three of Hong Kong's most infamous seizures: 7.2MT of elephant tusks valued at HK\$72 million in July 2017¹⁰; 8.3MT of pangolin scales (along with 2.1MT of raw elephant tusks) valued at HK\$62 million in February 2019¹¹ and 82.5kg rhino horn valued at HK\$16.5 million in April 2019. The lack of prosecution in these cases is stark, since the Security Bureau (SB) cited these as prime examples of their Syndicate Crimes Investigation Bureau's (SCIB) "determination and capacity to conduct in-depth investigations in wildlife smuggling and combat organized crime networks."¹²

Despite the high values involved, none of the 2,542 wildlife trafficking cases investigated in Hong Kong between 2015 and 2019 have been linked to money laundering offences, despite strong indications from entities including the United Nations Office on Drugs and Crime (UNODC)¹³, US Department of Justice¹⁴ and Environmental Investigation Agency (EIA)¹⁵ that such offences are being committed locally and in parallel with wildlife crimes.

Despite the express purpose of the amendment of penalties under the Protection of Endangered Species of Animals and Plants Ordinance (PESAPO) in 2018 "to provide a strong deterrence against illicit wildlife trade and show that the Government is very serious about deterring these crimes"¹⁶, the persistent focus on low level mules will do little to deter those who are fundamentally making large profits from these crimes. The penalty amendment has ensured that multiple cases have been tried in the District Court and penalties are indeed harsher, though still far from the maxima. But as the hapless mules are prosecuted and indeed likely deterred from reoffending, there are many more waiting in the wings to be recruited, for relatively little money.



TIME FOR REFORM - FROM TRAFFICKING HUB TO GLOBAL LEADER

To address the lack of deterrence as evidenced by the continued rise in Hong Kong seizures, an enhanced enforcement strategy is needed. Policy reform is required, to ensure that wildlife crimes are investigated thoroughly and that those who are responsible for orchestrating and/or financing these crimes are deterred. One mechanism to do this is to use the existing legal framework and to elevate wildlife offences in the legislature, with the onus on the police and customs to investigate and prosecute. This can be achieved by incorporating wildlife crime offences under the Territory's Organised and Serious Crimes Ordinance (Cap. 455). Indeed, in 2019 Hong Kong's SB declared that it is "open-minded"¹⁷ to application of powers available under Cap. 455 in cases related to wildlife crimes. In early 2021, a Members' Bill for such policy reform was prepared and as this document goes to print, is in the process of being submitted to the government's legislature.

In conclusion, Hong Kong continues to have a vastly disproportionate ecological footprint for a city, let alone one of its size. As an international trade hub and a gateway to mainland China, we have an outsized responsibility to ensure that the illegal wildlife trade is not proliferating through or within our city.

This position provides us with a unique opportunity to detect, disrupt and deter organised and serious wildlife crimes as they bottleneck within the city. By bolstering the capacities of enforcement agencies, adopting conservation-centred approaches and meting out truly deterrent sentences to criminals and syndicates, Hong Kong can pivot from being at the heart of the problem to become a global leader in the fight against the illegal wildlife trade - with potentially far-reaching benefits for global biodiversity.

ENDNOTES

- ¹ Intergovernmental Platform on Biodiversity and Ecosystem Services (2020) IPBES Workshop on Biodiversity & Pandemics - Executive Summary. Available at: <https://ipbes.net/sites/default/files/2020-10/IPBES%20Pandemics%20Workshop%20Report%20Executive%20Summary%20Final.pdf> [Accessed 22 December 2020].
- ² ADMCF (2018) Trading in Extinction: The Dark Side of Hong Kong's Wildlife Trade. Hong Kong. Available at: <https://www.admcf.org/wp-content/uploads/2019/11/Trading-in-Extinction-The-Dark-Side-of-HKs-Wildlife-Trade-Report-EN.pdf>
- ³ While C&ED report 1,404 'cases' between 2018 and 2019, WiPS provides a review of 164 'seizure events'.
- ⁴ People's Daily (2020) 海关破获一起走私野生动物制品大案. Available at: http://paper.people.com.cn/rmrb/html/2020-03/06/nw.D110000renmrb_20200306_9-11.htm. [Accessed 20 January 2021].
- ⁵ In 2015, an unprecedented 1,008MT of Malagasy rosewood, comprising over 7,000 logs, was seized by C&ED.
- ⁶ UNODC (2020) Wildlife trafficking harms animals and human health: the case of Pangolins. United Nations: Vienna. Available at: https://www.unodc.org/unodc/press/releases/2020/April/wildlife-trafficking-harms-animals-and-human-health_-the-case-of-pangolins.html. [Accessed 13 January 2021].
- ⁷ The average tusk weight per elephant is estimated to be 5.45kg per tusk, with an average of 1.88 tusks per individual. This suggests that the seizure may have represented the tusks from as many as 204 elephants. Refer to Appendix C4 of the report Trading in Extinction for clarification on the methodology - ADMCF (2018) Trading in Extinction: The Dark Side of Hong Kong's Wildlife Trade. Hong Kong. Available at: <https://www.admcf.org/wp-content/uploads/2019/11/Trading-in-Extinction-The-Dark-Side-of-HKs-Wildlife-Trade-Report-EN.pdf>
- ⁸ UNODC (2020) World Wildlife Crime Report: Trafficking in protected species. United Nations: Vienna. Available at: https://www.unodc.org/documents/data-and-analysis/wildlife/2020/World_Wildlife_Report_2020_9July.pdf. p.68. [Accessed 13 January 2021].
- ⁹ A seizure event refers to the number of instances in which a seizure was made at a specific time and location, e.g. two individuals with three different products were apprehended together arriving at Hong Kong International Airport would be counted as one 'Seizure Event'. It should be noted that a single 'seizure event' does not equate directly to the number of seizures reported by C&ED, since not all of these data are publicly available and the definition of a single seizure by C&ED is unclear.
- ¹⁰ ISD (2017) Hong Kong Customs makes record seizure of ivory tusks (with photos). 6 July 2017. Government of the Hong Kong SAR. Available at: <https://www.info.gov.hk/gia/general/201707/06/P2017070600499.htm>. [Accessed 22 December 2020].
- ¹¹ C&ED (2019) Hong Kong Customs mounts joint operation with Mainland Customs to combat cross-boundary endangered species smuggling activities (with photos). 1 February 2019. Government of the Hong Kong SAR. Available at: https://www.customs.gov.hk/en/publication_press/press/index_id_2441.html. [Accessed 22 December 2020].
- ¹² SB (2019) Review of Legislation Relating to the Smuggling and Illegal Trading of Endangered Species. Government of the Hong Kong SAR. Available at: <https://www.legco.gov.hk/yr18-19/english/panels/se/papers/secb2-1471-1-e.pdf>. [Accessed 14 January 2021].
- ¹³ UNODC (2019) Transnational Organized Crime in Southeast Asia: Evolution, Growth and Impact. Available at: https://www.unodc.org/documents/southeastasiaandpacific/Publications/2019/SEA_TOCTA_2019_web.pdf. p.21. [Accessed 13 January 2021]
- ¹⁴ US DOJ (2020) International money laundering, drug trafficking and illegal wildlife trade operation dismantled. U.S. Attorney's Office, Southern District of Georgia. Available at: <https://www.justice.gov/usao-sdga/pr/international-money-laundering-drug-trafficking-and-illegal-wildlife-trade-operation>. [Accessed 13 January 2021].
- ¹⁵ EIA (2020) Money Trails: Identifying financial flows linked to wildlife trafficking. Available at: <https://eia-international.org/wp-content/uploads/Money-Trails-SPREADS.pdf>. [Accessed 14 January 2021].
- ¹⁶ Legislative Council Secretariat (2018) Report of the Bills Committee on Protection of Endangered Species of Animals and Plants (Amendment) Bill 2017 (LC Paper No. CB(1)508/17-18). p.21. Available at: <https://www.legco.gov.hk/yr16-17/english/bc/bc06/reports/bc0620180131cb1-508-e.pdf>. [Accessed 26 November 2021].
- ¹⁷ SB (2019) Review of Legislation Relating to the Smuggling and Illegal Trading of Endangered Species. Government of the Hong Kong SAR. Available at: <https://www.legco.gov.hk/yr18-19/english/panels/se/papers/secb2-1471-1-e.pdf>. [Accessed 27 November 2021].

