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# WESSA Position Statement: DEA Proposal for the Resumption of Trade in Rhino Horn

This position statement is based on the principles of sustainable utilisation and the Precautionary Principle, and reflects the Vision; Mission; Aim; Style and Values of WESSA. This position was developed as a submission in March 2015 to the National Department of Environmental Affairs' (DEA) appointed Committee of Inquiry into the Possibility of Rhino Horn Trade.

This position statement recognises that the socio-economic and environmental landscapes are complex and so must make space for continuous change and emergence.

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#### Position statement date:

8 November 2015

## INTRODUCTION

WESSA recognizes the intrinsic value of wildlife, the importance of wildlife to humanity, and views wildlife and people as interrelated components of an ecological-cultural-economic complex. We recognise that wildlife may be used in consumptive or non-consumptive manners, each of which has complex biodiversity management, animal welfare and animal rights issues. WESSA espouses an animal welfare philosophy which focuses on the quality of life for a

WILDLIFE AND ENVIRONMENT SOCIETY OF SOUTH AFRICA Reg No. 1933/004658/08 (Non-Profit Company)  
Registration Number in Terms of the Non-Profit Organisations Act 1997: 000-716NPO Tax Exemption Number: 18/11/13/1903

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population or species of animals. Our stance does not preclude the management of animal populations or use of animals for food or other cultural uses, as long as the loss of life is justified, sustainable, and achieved through humane methods.

WESSA has been actively involved in White and Black rhinoceros conservation since the early years of our Society. We were the proponents for the protection of the Mfolozi Reserve and specifically for its remaining rhino when the government planned to exterminate all wild game in that area in a bid to eradicate tsetse fly in the 1910's. WESSA campaigned in support of SANParks' efforts to bring back rhino from local extinction from the 1930's; and currently advance rhino conservation through our WESSA Rhino Initiative, in which we partner with Project Rhino KZN and Game Reserves United.

Rhino poaching has reached crisis levels in South Africa, driven by extremely high prices for rhino horn (and increasing demand for other rhino body parts) fuelled by growing demand from the illicit international trade in wildlife products. The illegal trade in rhino horn is controlled by highly organised, well-resourced and adaptive international crime syndicates, facilitated by local corruption and driven by complex supply and demand relationships. The rhino poaching crisis requires innovative and rational solutions. Amongst the suite of proposed solutions, the National Department of Environmental Affairs (DEA) is considering requesting the international wildlife trade regulator the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) to down-list rhinos so as to allow restricted trade in rhino horn.

#### **POSITION STATEMENT ON THE DEA PROPOSAL FOR THE RESUMPTION OF TRADE IN RHINO HORN**

It is WESSA's considered opinion at this point in time that the proposed CITES down-listing of rhino species *Ceratotherium simum* and *Diceros bicornis*, that would allow for restricted trade in rhino products, for the intended purposes of reducing poaching demand and profiteering from horn sales; will instead lead to the rapid demise of these species. WESSA is opposed to the current trade proposal as it principally carries an unacceptable high risk of being corrupted by the poaching syndicates and illegal horn traders, and that re-opening legal trade will encourage a growth in horn consumer demand and speculative buying. This will undoubtedly exacerbate rhino poaching above current levels; as what has been experienced in the massive upsurge in the poaching of elephants in their tens of thousands each year, in the wake of the CITES-approved 'once-off' sales of elephant ivory in 1999 and 2008. WESSA appreciates the increase in the cost of securing rhinos on public and private lands, but we feel that there are alternatives and issues that need to be addressed first before permitting horn trade. The risk of implementing trade without the appropriate measures could not only be a disaster for rhino, but also open a Pandora's Box situation for other wildlife targeted for illicit trade.

#### **CONTEXTUAL INFORMATION**

South Africa is endowed with more natural resources than the majority of countries in the world. Such natural resources must be viewed as an asset to the country but without losing sight of the responsibility as a member of a global community to securing such biodiversity assets for their intrinsic, ecological, cultural and economic value. The South African Constitution recognises the environment, with its component systems, process and species, as a resource for present and future generations to responsibly utilise for ecologically sustainable development.

WESSA recognizes the intrinsic value of wildlife, the importance of wildlife to humanity, and views wildlife and people as interrelated components of an ecological-cultural-economic complex. We recognise that wildlife may be

used in consumptive or non-consumptive manners, each of which has complex biodiversity management animal welfare and animal rights issues. WESSA espouses an animal welfare philosophy over that of an animal rights' one, and which focuses on the quality of life for a population or species of animals. Our stance does not preclude the management of animal populations or use of animals for food or other cultural uses, as long as the loss of life is justified, sustainable, and achieved through humane methods.

One of WESSA's Biodiversity Programme's aims is to be a champion for rhinos in South Africa, and has been active in fund-raising for and implementing rhino conservation and anti-poaching activities (WESSA Rhino Initiative, in which we are partnering with Project Rhino KZN and Game Reserves United). This position statement is intended to support these activities and join WESSA's voice to the other South African conservation NGOs opposing the resumption of trade in rhino products. In developing this position statement WESSA held a 'think-tank' on the rhino horn proposal in October 2014 consulting with wildlife trade experts, consulted with the staff of other conservation NGOs, rhino poaching researchers, the National Strategy for the Safety and Security of Rhinoceros Populations in South Africa, the Viability of Legalising Trade in Rhino Horn in South Africa, various research and opinion papers, WESSA conservation staff and the WESSA membership.

WESSA's opposition to the current DEA rhino down-listing and trade proposal is based on 10 principal concerns:

1. The example of the CITES-approved once-off sales of elephant ivory in 1999 and 2008 serves as a stark warning against re-opening legal rhino horn trade. These ivory sales were intended to undercut the illegal ivory trade prices and hence discourage elephant poaching, as well as to divert the illegal trade into legal channels that would instead benefit the supplier conservation agencies – as is intended with rhino horn trade. Global evidence is that the very opposite occurred: with considerable stockpiles of poached ivory being laundered through loopholes in sales process and resulted in greater Asian public acceptance of ivory ownership. This in turn stimulated market demand for ivory and revitalised the fading ivory carving operations. This exacerbated ivory poaching across Africa and South-East Asia, to the extent that poaching research by CITES programme MIKE (Monitoring the Illegal Killing of Elephants) puts the African elephant population in decline. Part of the increased poaching pressure is coming from speculative buying ahead of future 'once-off' legal sales. WESSA holds that the parallels of the proposed rhino horn trade with that of the ivory sales is too similar to ignore, and that resuming horn trade carries too great a risk for the remaining global rhino populations. WESSA opinions that the South African authorities, those of other range and consumer states and CITES are highly unlikely achieve the capacity and mechanisms needed to prevent the same situation happening through the legalising of rhino horn trade. We understand through research conducted by TRAFFIC (Milleken & Shaw 2012) that a significant driver of rhino poaching is thought to be speculative horn buying ahead of legal horn sales and declining wild stock. South Africa needs to refute horn sale trading and thereby undermine the incentive for speculating.
2. Corruption is a key international factor that aids illicit wildlife trade. The South African government has stated a willingness to combat local corruption, but there is little public confidence that concerted action is being brought against it. Rhino horn trade proponents argue that a legal trade mechanism, through a central selling organisation (CSO), will decrease opportunities for corruption. Milleken & Shaw's (2012) report suggests that legal trade is likely to stimulate more, rather than less, dishonesty. As in the above-mentioned ivory sales example, TRAFFIC reports indicated that many suspected illegal ivory traders were able to exploit loopholes in ivory trading requirements and international laws to launder poached ivory through corruptly acquiring legal trading permits. Not even the tightly controlled South African copper trading restrictions are preventing widespread copper theft and illegal trade. WESSA does not believe that the criminal syndicates will not succeed in corrupting the proposed CSO proposal, to launder illegal stockpiles; nor do we believe that the Asian consumer states will put any more effect than the dismally low levels of action they are currently taking against horn smuggling; just because their national focuses might now derive taxation from legal horn imports.

Horn smuggling is just not a priority crime with the same wildlife and human impact implications for them as what it is for many of the rhino range states. WESSA's concern is that a detailed watertight mechanism has yet to be put forward as how legal trade could be managed and controlled in both the demand, transitional and range states. It is WESSA's understanding from TRAFFIC that South Africa does not enjoy the confidence of the voting members of CITES that this country has the capacity to achieve the safeguards required by CITES for legalising this trade, in preventing poached rhino products from entering the legal system.

3. Part of the proposed trading mechanism is for the CSO to sell horn at a regulated price, set high enough to discourage an expansion in demand for horn. Pro-trade proponents have claimed that high legal prices can be expected to edge out the illegal traders and discourage further speculative buying that is partially driving poaching sales. It is also argued that crime syndicates holding horn stock will discourage further poaching so as not to increase the supply of illegally held stock which would reduce the value of this stock before it could be laundered into the market. WESSA holds that the set high value of horn will still encourage widespread poaching of rhinos, as even at discounted rates for illegal horn, this very high value product (currently worth more than gold or street cocaine by weight) will still be lucrative enough for the crime syndicates; at levels above the rhino population growth rate. If end consumer prices remain high, illegal suppliers will remain in business, as can be seen in the significant sales and smuggling of illegal cigarettes in South Africa. We suggest that rhino owners will still be perversely incentivised to poach or facilitate the poaching of their own animals, as what is currently widely suspected of happening.
4. Trade proponents argue that a CSO model of a monopoly selling to a cartel of Traditional Chinese Medicine (TCM) suppliers will be able to adjust the price of horn so as to bring the level of demand into balance with a sustainable level of supply. Pro-traders argue that this will also reduce the appetite speculators now have for buying horn, an appetite that is based on the prospect of the value of horn increasing because of the declining numbers of rhino. WESSA is not convinced that the demand will not increase once it becomes widely known in the market states that horn can now be legally bought and advertising touts its apparent medicinal qualities. By CITES agreeing to legitimise horn sales for what is predominantly a medicinal market, it will in effect be validating the public perceptions of horn's medical value (even though science has shown it, by a three-fold order of magnitude, to be less effective than common aspirin for treating the ailments traditionally treated with rhino horn. In the same way, DEA will promoting a false medicinal hope) and making fools of all the conservation efforts at demand reduction programmes in the Far East. A public seeing the flip-flopping of conservations on wildlife products may be disinclined to support further trade reduction campaigns, with potentially severe consequences for other endangered wildlife, such as our pangolins.
5. Well-resourced, highly adaptive criminal syndicates are currently engaged in illegal horn trade: syndicates that are suspected of being part of or having learnt from the highly effective smuggling and trading crime syndicates involved in diamonds, weapons, drugs and human trafficking. WESSA believes that the proponents for horn trade are failing to take into account the reaction of these illegal traders to the establishment of legal suppliers and under-estimating the capacity of these criminals to exploit the proposed system. It is unlikely that such criminal syndicates will respond passively: they will undoubtedly corrupt the regulated supply chain and step up the poaching effort in order to maintain margins – as what has occurred with elephant poaching across southern and central Africa.
6. Milliken & Shaw 2012 has warned that because rhino horn has no substantive medicinal properties, medicine producers/sellers can dilute it at will, making the price formation normally dictated by the law of supply and demand unpredictable. Again this makes opening horn trade risky and contrary to accordance with NEMA's Precautionary Principle. Internationally traditional medicines are fading against modern synthetic, cheaper medicines; especially by the modern generations, who are more aware of and sensitive to the issues surrounding medicines made from wildlife. Stimulating legal horn trade could set back this natural consumer trend which is acting in favour of endangered wildlife. Furthermore, creating legal access to rhino horn risks

reawakening demand in older markets, such as Taiwan, Japan, Singapore, and Yemen, where demand for rhino horn was prevalent in the 1970s and 1980s and has since decreased. If demand grows again in these markets, whether it be for medicine, ornaments, jewellery, dagger hilts or some form status symbol; this will put upward pressure on the horn price, incentivising poaching. And it is not just South African rhino populations that DEA's proposal places at even higher risk, but also that of Indian, Javan, Northern White, and Sumatran rhinoceros species. DEA's trade proposal risks the concerted conservation efforts and resources already made towards conservation these endangered species.

7. South Africa, other range states and conservation bodies encouraged consumer states such as China to create and enforce laws against rhino horn trade, on the basis of combating rhino poaching, preserving our biodiversity assets and the ethics of killing rhinos for their horn (a product that has been shown to have no substantive medicinal qualities, although it has a high perceived medicinal value). An international request from South Africa to open rhino horn trade will be regarded as a hypocritical, profiteering about-face. It will create considerable legal problems for South Africa and these foreign states in the matter of reconciling persons convicted for rhino poaching and illegal trade offences, as well as in the cases where suspect criminals or government employees have been injured or killed in the course of anti-poaching operations.
8. As Chinese per capita wealth and their population of dollar millionaires increases so will their appetite for luxury goods and medication, which includes rhino horn products – their population size creates a demand that can't possibly be hoped to be matched by legal sales of harvested horn. Ferreira & Okita-Ouma (2012) illustrated that there is no guarantee that providing rhino horn will result in reduction in demand, given that there is no information on the number of potential users that are currently restricted by high financial value. In fact, the provision of rhino horn may stimulate dormant markets because of affordability to a larger fraction of potential consumers. Enhancing supply and reducing demand are strategically proactive actions directed at influencing the financial value of rhino horn as an incentive for exploitation both legally and illegally. The supply-demand tension will lift prices to make poaching far more risk-tolerant and profitable than that which can be achieved by farming rhino horn. Then horn trade would not have helped stem the rhino population decline and range contraction being currently experienced due to poaching.
9. South African conservation authorities have enjoyed a reputation for being dedicated, competent and innovative in dealing with competing needs between local communities and wildlife. In this regard, WESSA reckons that should DEA approach CITES to down-list rhinos, that DEA will be undermining our conservation reputation and status in the global conservation arena; for proposing a wildlife trade that we have little chance of controlling and where wild populations are already in decline due to increased market-driven poaching. The 2005 United Nations programme of research into transnational and organized crime advanced that the solution for illegal fauna and flora trade lay in market reduction rather than market expansion (Schneider 2008, Milleken & Shaw 2012). DEA will then be deemed to be working in opposition to local and global conservation market reduction efforts by international organisations such as WWF and TRAFFIC, who have been making considerable investments into changing public attitudes in rhino horn consumer states. This will have serious repercussions for our perceived global conservation status, our ability to secure global conservation grants and anti-poaching funds, and may lead to a decline in South Africa's wildlife-based tourism industry.
10. WESSA supports the principle of sustainable utilisation of natural resources. We recognise that the protection of rhino is incurring substantial costs, both financial and human, to public and private reserves stocking them. We support the right of game reserves to financially benefit from the consumptive and non-consumptive use of their wildlife resources; provided that it is sustainable, humane, ethical and in accordance with best practice principals and relevant legislation. WESSA believes that revenue from ecotourism; increased hunting (where such is genuine, sustainable and without permitting the export of trophy horns or other rhino body parts), live rhino sales, as well as other uses of rhino products, such as innovative products like rhino horn infused wines,

spa treatments; can offset rhino management costs. We hold that increasing the sustainable utilisation by approving more hunting opportunities can deliver significant economic benefits to rhino stock holders, will generate significant indirect, local economic returns (principally through tourism-related jobs and services); and which can be effectively regulated (provided that the horns may not be exported, but instead destroyed);

Kenly Fenio's 2014 report on research conducted on the of communities living in and alongside the Great Limpopo Trans-frontier Park, and that of experts working in the separate reserves that form this park, illuminates community attitudes towards the park and that of poaching wildlife, that are of deep concern to rhino conservators. Although the communities exhibited differences, they held in common a feeling of being economically marginalized, anger towards the status quo, see huge financial and social status incentives for participating in or supporting rhino and elephant poaching and perceived widespread corruption amongst parks and police officials that supports poaching. Along with very porous borders, this research has highlighted the complex interaction of economic, social and political factors in perpetuating illicit wildlife trafficking. Until conservation and anti-poaching efforts are ramped up, and communities nearest the parks see it in their best interest to protect endangered animals such as the rhino, gaining greater traction through efforts to bring an end to poaching will be difficult. WESSA believes that instead of trying to get rhino trade approved, DEA and SANParks have a more immediate need to be directing their energies to addressing the issues of the affected communities, which are facilitating the costly poaching of rhino in direct competition to conservation efforts and investments. These efforts are not dependent on income from rhino horn sales, rather they need to be conceived with community direction, implemented independently from political interference and held accountable to their communities. This last aspect is critical if they are to avoid the corruption that has seen so many community development projects fail to deliver. This threat extends to other wildlife, especially for bushmeat, and which will probably shortly include focussed elephant poaching (as elephant populations north of the South African border dwindle, encouraging elephant poaching gangs to South African herds). Fenio's research suggests urgent, visible intervention with communities living alongside priority parks and reserves, such as an array of education and development programmes tailored to these different communities, are needed. These programmes need to focus on at-risk youth. These community engagement investments are needed now, in preference of directing energies and funds towards developing a trade proposal that will take 3-6 years to come into fruition; by which time rhino stocks may be too critical low to support trade anyway.

## REFERENCES & RESOURCES

*Links to other WESSA policies and position statements:*

- Sustainable Utilisation of Natural Resources
- Biodiversity
- Animals Rights Groups/Humane Societies

*Legislation and Policy:*

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