



## The Rhino and the Bling



So your latest model Ferrari is parked in a prominent spot outside the top five-star hotel in the capital. You are meeting friends for a drink and since it is pleasantly warm you wear a short sleeve shirt so there is no way they can miss the golden Rolex on your left wrist - they will know it is the real thing. But what about your right arm? Maybe a rhino horn bangle worth the same as the wrist

watch (about U\$ 15 000) would make for a good conversation piece, not yet on the must have list of most of your friends.

The feeling when travelling through the key urban centers of Vietnam and China is that wealth is only really accepted when it can be presented in a conspicuous way. Status symbols and lifestyle products are what it is all about when competing for social status, and rhino horn jewelry and ivory have become part of this demand characteristic.



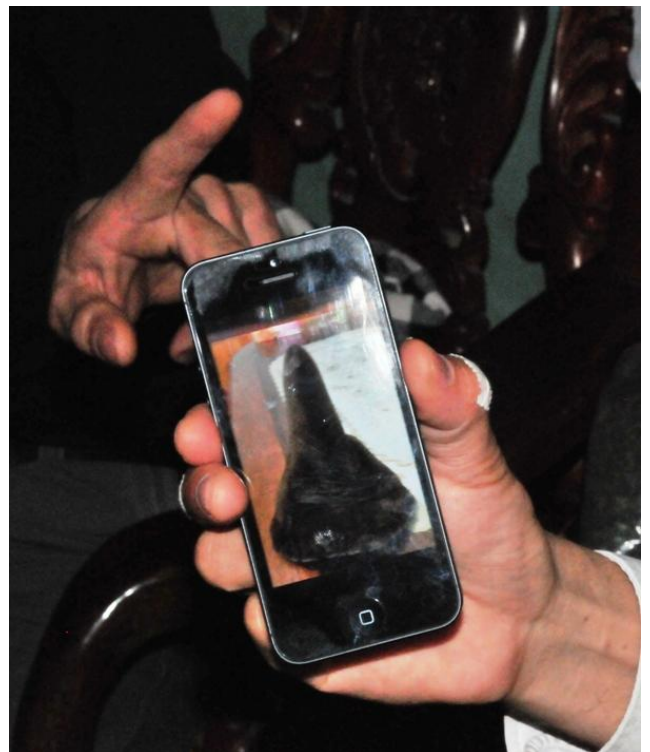
We have now visited a household which also serves as a store and workshop on three different occasions. It is about an hours' drive from Hanoi city center. On all three occasions we saw and documented with hidden camera large amounts of raw and semi worked ivory including end product souvenir and jewelry items as well as rhino horn products. Even on our first visit, in 2011, we were offered a rhino horn prayer bead bracelet. We watched the demonstration by the owner shining a torch light through one of the beads and explaining how we could ensure it was the genuine article. Pushing open a door in the basement of the house we entered a bedroom with a wide range of cut up ivory pieces in cardboard boxes. Some of the ivory was already



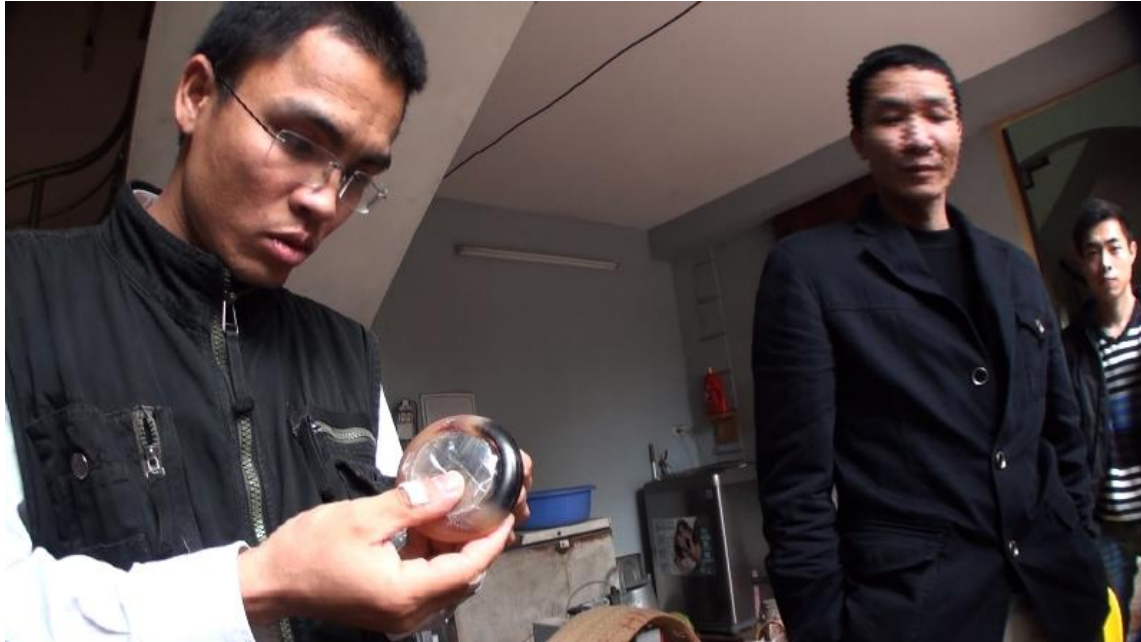
worked into finished bracelets. Since we had arrived during a local holiday the workshop upstairs was closed, however we managed to film a group of Chinese tourists being brought in by their tour guide buying a number of chop stick sets as well as bracelets. All items were carefully measured with calipers which together with a digital scale were part of the paraphernalia



used in each such sales transaction. When we asked to see some raw rhino horn an Iphone containing images of various horns was pushed into our hands.



On our second visit to the shop earlier this year the story was pretty much the same. This time there were Chinese clients buying the bottom half of a very large rhino horn. They gave their instructions on how to cut it, marking it first with pencil lines which were then followed with a band saw. They explained that these cuts would result in a higher yield of bangles. The cut out inner core would be worked into the beads which would then be shaped into prayer bracelets.



We asked where the horn came from and were told Mozambique (the chance being high that it was a Kruger rhino) via Kenya. This was not very surprising with Mozambique having lost its last rhino earlier in the year and this trade route being well established. We were also told which towns in China the shop owners could deliver to, so Chinese buyers did not have the risk of taking the illegal items across an international border. The carvers also pointed out the best land border where it would be easy to cross back into China with their prohibited merchandise. Since as a westerner there would be less of a risk for me at the border, I actually went as far as testing the water and offered to take some bracelets on to our next destination in China. They declined, pointing out that they had it all under control. On this visit we also



managed to go upstairs to a workshop where they were filing away at raw ivory pieces turning them into bracelets. We were told that the same machinery would be used to work the rhino horn pieces.

Back downstairs we ended up in the main sales and display room again, looking at various pieces of worked ivory, chop sticks and bangles. There were a few cardboard boxes half open and when I reached in I pulled out some cylindrical objects painted dark brown with a new year's wish written on the side in Vietnamese.



The objects were too heavy to be wood and when I asked, it was explained to me that it was ivory disguised as wood to transport it without any problems. Not surprisingly a few months later two Vietnamese travelers were arrested at Jomo Kenyatta airport with exactly these kinds of 'wooden' souvenir items. The story of the minimal sentences they received was well documented in the Kenyan press. I was now convinced the owners of this home and shop were indeed key players in the rhino horn and ivory trade business, not just middlemen and women, but had their own couriers importing for them.



I sent back a local contact with a hidden camera and he encountered yet another group of Chinese tourists having been taken to the shop by their guide, negotiating and buying various items. There was a large chunk of rhino

horn with tell tale pieces cut out of it. My local investigator asked if this was the same horn as last time: "No, No. We go through several horns a week and we can no longer keep up with the demand for bangles selling hundreds of them at about U\$ 10-15 000 a pop - depending on weight". All these discussions were recorded and transcribed and the price remained constant whichever rhino horn items were being discussed. U\$ 45 000 per kg was the basis for all calculations. Ivory was U\$ 1200 per kg. Our man was

told that some Chinese buyers purchase up to ten of these bracelets in one go and then resell them back home. He also learnt that the shop owner has a sister who operates a very similar establishment 100 meters further down the same road.

Considering that rhino horn in a neighbouring village was US 20 000 per Kg some three years ago, clearly there was and is considerable potential to make a nice profit from an appreciating asset. The more rhinos that get poached the rarer the commodity becomes, and the higher the price will go. Pretty much a no lose scenario for the investor and a no win scenario for the rhino.

We have already established that - at the retail level – approximately 90% of the small pieces of rhino horn sold in the traditional Chinese medicine shops are fake. In Guangzhou, China we filmed in a shop which had on display more rhino horns than are removed from Africa in a whole year. All of them were fake but advertised as the real thing. Combine these facts with this latest development and we have a scenario where all economic theories regarding the demand and supply of rhino horn, go out of the window. If 90% of the retail market is already fake then the overall demand is a multiple of the



horns coming out of Africa. How will this affect the now heated discussions around legalizing the trade? Where might demand level out and how many horns would it take to stabilize prices or bring them down? These new fashion accessories which seem to have come up almost overnight appear to have become a major source of demand nobody thought of a year or two ago. As further evidence of this diversifying market in rhino horn we also found horn tip signature seals





just like the ivory Hankos in Japan. Ivory Hankos historically represented a major demand source for raw ivory and were often cut to the right dimensions at source - in Africa - before being transported to Japan. While what we saw was fake but being sold as the real thing. The question is what will come next? The drinking cups and tea sets are already on display in some places. Where and when will it stop?



It seems extinction is the answer, as is happening fast with the tiger for which similar demand characteristics are in place. From the tooth or claw set in gold hanging on a yuppies neck to the tiger glue cake which is very popular as TCM throughout Vietnam and finally the pelt making for a trophy which one does not have to hide.

I guess the only hope left is in law enforcement at the demand end. In Africa dozens of poachers are already killed annually by law enforcement agencies protecting rhinos and elephants and behind each dead poacher a dozen new and eager candidates seem to



line up. This is unlikely to change with prices still on the increase. On the Asian side current law enforcement efforts are mostly about lip service and window dressing. None of the players we interacted with seemed to be in any way worried about any enforcement official putting them in handcuffs. Clearly the buyers of these rhino horn bangles will not want to hide

them in a jewellery box. They have to be worn or the status symbol aspect goes out the window. Showing off these items at the same time says: I am above the law. It seems that showing off an ILLEGAL lifestyle product of this nature gives it even more of a prestige appeal.

With this demand characteristic where will all this end? Will the visits to Africa of a Chinese baseball star or a famous Chinese actress get through to the players spending US\$ 15 000 on a rhino horn bracelet?



Will there be enough time to change this cultural and very materialistic outlook through education? When should we start to demand that some real enforcement takes place?



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ARCHIVE

### O.K., Lady, Drop the Shawl

In July, dozens of the ultra-thin ultra-rich, including Nan Kempner, Christie Brinkley, and Beth Rudin De Woody, were handed subpoenas by U.S. marshals. Their shattooshes—exquisite, expensive shawls made from endangered Tibetan antelope—were illegal, they learned. While some socialites surrender their wraps, others are going underground.

By Bob Colacello

It is probably safe to say that the last thing the dowagers, heiresses, and trophy wives of New York's high society were expecting as they lunched on lobster salad at the Bathing Corporation in Southampton this past summer, or worked out with their personal trainers by their pools in East Hampton, or packed their Vuittons for the Paris couture shows, was a flurry of subpoenas from the United States District Court in Newark, New Jersey, of all places. But that's exactly what more than one hundred socialites and celebrities, including fashion icon Nan Kempner, supermodel Christie Brinkley, and arts patroness Beth Rudin De Woody, had hand-delivered to them at their country houses or Manhattan apartments by U.S. marshals in July: subpoenas "for person and documents or objects," ordering them to testify

Service actually raiding the homes of socialites to confiscate these shawls and take the owners to court for illegal import or possession. I suggested we have yet to see this happening to the wealthy consumer in China or Vietnam. Plus of course a few hundred



wealthy individuals in the west wanting such a shawl in their closets did not exactly compare with the tens of thousands of newly wealthy individuals in China, all geared to showing off their new found wealth. Re-reading the 1999 Vanity Fair story it turned out that the key supplier was a Hong Kong based outfit shipping these goods for charity and society auctions in New York.

In the overall context though, she had a point. Creating awareness clearly needs to be a key priority. If an awareness campaign is not combined with serious enforcement measures on the ground however, the effects might be too slow to save our rhinos and elephants. Maybe raiding a few society homes and getting the story in the Chinese equivalent of Vanity Fair could be a major step in the right direction?

Imagine the scenario with our guy waiting at the bar for his friends to arrive, desperate to show off his new jewellery. It would be a major let down if instead of his friends arriving, he is soon surrounded by police officers. His new expensive rhino horn bracelet and golden Rolex are replaced with metallic handcuffs as he's arrested and dragged out of the 5-star hotel, past his Ferrari and eventually his mug shot is exposed to other socialites in the Chinese equivalent of Vanity Fair. At least we can go on dreaming...

The documented evidence of our visits to this workshop and sales outlet outside Hanoi has now gone to various international enforcement agencies. Let's see what happens.

More dreaming would be my guess...