



YAHOO! and the Sale of Whale, Dolphin and Elephant Products



A report by the Environmental Investigation Agency





EXECUTIVE SUMMARY

Yahoo! Inc., via its Japanese subsidiary Yahoo! Japan, is an important corporate facilitator of the widespread commercial trade in whale and dolphin products and African elephant ivory in Japan.

Yahoo! Japan Shopping and Auction sites sell more than four hundred whale and dolphin products (through around 100 whale trading companies), and thousands of ivory hanko and other ivory products (through 354 companies). Yahoo! Japan and Yahoo! Inc., with its 34% share of the Japanese company, profit directly from the sale of whale, dolphin and elephant products, through royalties on sales, tenancy fees and auction fees.

The five leading traders of whale and dolphin products on Yahoo! Japan's shopping sites were selling a total of 155 whale and dolphin products in August 2009. Fifty-five percent of these products were great whales, namely minke, Bryde's, sei, fin and sperm whale, which are protected species under the moratorium on commercial whaling established by the International Whaling Commission (IWC) since 1986. These whale species are also afforded the highest level of protection by the Convention on International Trade in Endangered Species (CITES), which prohibits international trade. The sales include Antarctic fin and minke whales, killed in the Southern Ocean whale sanctuary which was established by the IWC in 1994.

Thirty-nine of the products (25%) included toothed cetacean species (known as 'small cetaceans'), namely Baird's beaked whale, pilot whale and Risso's dolphin. Thirty-eight (24.5%) products were not listed with a species name, contrary to the requirements of Japan's labeling laws, and some products were a mix of both large whale and small cetacean species.

Many of the whale products sold by Yahoo! Japan shopping sites and auctions are highly polluted with mercury and methyl-mercury, risking the health of consumers. Of ten whale products purchased by EIA from

Yahoo! Japan shopping sites for independent analysis, 50% (five) exceeded Japanese national limits for methyl mercury and total mercury concentration (0.3 and 0.4 parts per million (ppm) respectively). The average mercury concentration of the ten products was more than twice as high as the national limit.

In recent years, international condemnation of Japan's whale and dolphin hunts, along with concerns over food safety, have led Japan's leading supermarket chains - AEON, Ito-Yokado, Seiyu and Uny - to prohibit the sale of whale or dolphin products in thousands of their stores. Japan's leading seafood companies, Maruha, Kyokuyo and Nippon Suisan, have all ended the production of canned whale meat and other whale products. At least 68 Yahoo! Japan online shopping sites sell elephant ivory products. Most of these shopping sites sell ivory 'hanko' - name seals used by individuals and companies to sign letters and contracts with their signatures engraved into the ivory. Ivory hankos form up to 70% of Japan's demand for elephant ivory, and are a driving force behind a resurgence in ivory smuggling and illegal killing of elephants.

Japan continues to be a major destination for smuggled ivory, and this trade is threatening elephant populations across Africa and Asia. Between 1998 and 2006, a total of 1,070 raw ivory pieces/tusks and 21,636 worked ivory items were seized in Japan. The year 2006 saw the highest number of raw ivory seizures in nine years, and Japan's largest ivory seizure ever.¹

Yahoo! Inc. is the second largest shareholder of Yahoo! Japan, with 34% of shares. It profits from the sale of elephant and whale products by Yahoo! Japan and therefore shares a responsibility for the sale of endangered species and highly contaminated food products.

The Environmental Investigation Agency (EIA) is calling on Yahoo! and Yahoo! Japan and their global affiliates and subsidiaries to ban the sale of all whale, dolphin, porpoise and elephant products via their internet fee-based services, including Yahoo! Japan Shopping and Auction websites.

YAHOO! INC. & YAHOO! JAPAN

U.S. internet giant, Yahoo! Inc. started out in 1994 as a web directory, the brainchild of Jerry Yang and David Filo. The California based company is the world's largest global online network of integrated services and one of the most visited internet destinations worldwide. With more than 500 million users worldwide, Yahoo! runs services in more than 20 markets and regions around the world.²

On 29th July, 2009, Yahoo! Inc. and Microsoft announced a ten year agreement in an effort to counter Google's overwhelming dominance of the internet search and search advertising market. In simple terms, Microsoft will power Yahoo! search while Yahoo! will become the exclusive worldwide relationship sales force for both companies' premium search advertisers, providing more choice, better value and more innovation.³ Pooling their collective search markets is estimated to give Yahoo! and Microsoft a combined 30% of searches in the U.S., compared with Google's 65%.

Yahoo! Japan was formed in 1996 to establish and manage a local version of Yahoo! in Japan. A joint venture agreement between Yahoo! and Softbank Corporation (which at the time had a large stake in Yahoo! Inc.) was amended the following year to form Yahoo! Japan Corporation ("Yahoo! Japan"), which swiftly became the dominant force in Japan's lucrative web market.⁴

Yahoo! Inc. currently owns 34.79% of the Yahoo! Japan, while 40.95% of the shares are owned by Softbank. Softbank is a major Japanese media and telecommunications company, with 21,000 employees and net sales of more than US\$27 billion (¥2.67 trillion). Softbank also owns a 3.8%



share of Yahoo! Inc. and, together with Yahoo!, has established a strategic partnership and shared ownership in the Chinese internet market, through Alibaba.com.⁵

Japan boasts one of the highest Internet penetrations worldwide, a \$5.7 billion online advertising market, and is ranked No. 3 in terms of total web population (about as many as Germany and the UK combined). Unlike its US affiliate, Yahoo! Japan completely dominates the Japanese web market, with 76% of the nearly 350 billion search engine and portal-related page views registered in the country.⁶ In August 2009, Yahoo! Japan received over 47.5 billion page views and had more than 228 million unique browsers.⁷

In the fiscal year ended March 31, 2009, Yahoo! Japan Corporation and its consolidated subsidiaries and affiliates recorded growth in sales and profit for the 12th consecutive year since the start of its services. Net revenue for the financial year ending March 2009 was approximately US\$2.69 billion (¥265 billion).⁸

In September 2007, Yahoo! Inc. commenced a new commercial arrangement with Yahoo! Japan, by which it provides search marketing services to Yahoo! Japan for a service fee, rather than the previous arrangement where Yahoo! Inc. had earned marketing services revenues from advertisers and paid traffic acquisition costs to Yahoo! Japan.⁹

The value of Yahoo! Inc.'s ownership in Yahoo! Japan is approximately \$8 billion based on the quoted stock price on 31 December 2008. Since acquiring its interest in Yahoo! Japan, Yahoo! Inc. has recorded cumulative earnings in equity interests of \$801 million, as of December 2008.¹⁰

Yahoo! Inc. founder Jerry Yang is a Board member of Yahoo! Japan. Softbank Chief, Masayoshi Son is a Director of Yahoo! Japan while Yahoo! Japan President and CEO, Masahiro Inoue, is also a Director of Softbank Corp.¹¹

ONLINE SHOPPING WITH YAHOO! JAPAN

Online shopping services Yahoo! Shopping and Yahoo! Auctions started in September 1999. Companies with Yahoo! Japan Shopping sites pay Yahoo! Japan a monthly tenancy fee in addition to royalties on sales. There is also a start up kit and the possibility of outsourcing web developers and store managers through Yahoo! contracted companies.¹²

As of August 2009, Yahoo! Japan had 17,142 Yahoo! Shopping sites and 29.68 million unique browsers of Yahoo! Shopping.¹³

Yahoo! Japan receives a 10.5 yen listing fee for every product (including whale products) listed on Yahoo! Auctions, plus 5.25% of the winning bid for that product. A product selling for approximately US\$28 (¥2,500), for example, would earn Yahoo! Japan approximately US\$1.50.¹⁴

As of August 2009, Yahoo! Japan had 16,549 auction stores with 18.94 million items listed on Yahoo! Auctions and 38.6 million unique browsers.¹⁵

YAHOO! JAPAN

YAHOO! JAPAN WHALE AND DOLPHIN SALES

In August 2009 there were 426 'whale' (鯨) items listed for sale by 98 vendors on Yahoo! Shopping and 251 whale items listed by 29 vendors on Yahoo! Auction sites. A search for 'whalemeat' (鯨肉) revealed 127 items listed by 26 vendors on Yahoo! Shopping and 13 items listed by seven vendors on Yahoo! Auction.

Yahoo! Japan shopping sites sell a large variety of cetacean species (minke whale, Bryde's whale, sperm whale, fin whale, sei whale, Baird's beaked whale, pilot whale and Risso's dolphin) and product types (e.g. whale bacon, red meat, sliced boiled blubber, skin, internal organs, tongue, stew, croquettes and burgers). Prices ranged from US\$1.60 (¥150) for Baird's beaked whale croquette¹⁶ to US\$340 (around ¥31,500) for a whale gift set which includes whale bacon, red meat and tongue.¹⁷ The best selling product was Baird's beaked whale jerky produced by Hakudai Food Co., Ltd.¹⁸

EIA examined the listings of the five companies appearing most frequently in the first 100 recommended cetacean products, using a search for 'whale' in Yahoo! Japan's Food Shopping page. The leading five whale meat sellers were Kujira-Oasis, Kujiraya, Yamaguchikirara, Hakudai and Sp-Gochisou. Together, they had 155 cetacean products available online via Yahoo! Japan Shopping sites.

Eighty-six (55.5%) of the 155 items included species that are internationally protected by the International Whaling Commission (IWC) moratorium on commercial whaling (minke, Bryde's, sei, fin and sperm whale). Forty of the products (25.8%) included toothed whale species (Baird's beaked whale, pilot whale, Risso's dolphin and sperm whale). Thirty-eight (24.5%) products were not listed with a species name, contrary to the requirements of Japan's labeling laws.

The largest number of listings (52) was posted by Hakudai Food Co., Ltd. (www.hakudai.com), a dedicated seafood processor located in Chiba prefecture, which claims to sell Japan's largest selection of whale products. A large proportion of Hakudai's offerings are toothed whale products (42% of the 52 listings), especially Baird's beaked whale, a rare large whale that is caught commercially in Japan's coastal waters.

Hakudai was the only company openly selling dolphin products – namely Risso's dolphin 'koro', a product made from the dolphin's skin and blubber which is used to add to soup. Traditionally, koro was made from sperm whales, however the Hakudai website states that Risso's dolphins (killed in Japan's drive hunts) are now used since sperm whale meat is rare.¹⁹ In 2006, Hakudai made international news when campaigners discovered that it sold dog food products made with Baird's beaked whale.²⁰

The second largest whale selling Shopping site on Yahoo! Japan was Kujiraya, a whale shop based in Taiji, Wakayama, where the infamous dolphin drive hunts take place. Kujiraya sold nine products labeled as pilot whale. Southern-form pilot whale, which is caught in the Taiji drive hunts, is probably one of the most polluted cetacean species sold in Japan for human consumption.²¹ Seven products were not labeled with a species name, but were described as 'whale from Taiji' and are therefore likely to be toothed whale or dolphin products.

Yamaguchikirara was the only company selling sperm whale.²² Sperm whales are protected by the IWC moratorium, but up to ten animals are killed each year by Japan via its special permit whaling in the North Pacific. Japan's Fisheries Agency research has published data showing high pollutant levels (mercury, methyl-mercury and PCBs) in sperm whales, which consistently exceed the limits set by the Ministry of Health, Labour and Welfare (MHLW).²³

A number of products were labeled as southern ocean whale, indicating they were either fin or minke whale killed in Japan's 'scientific' hunt in the Southern Ocean Whale Sanctuary.

TABLE 1: SUMMARY RESULTS OF FIVE LEADING WHALE SELLERS ON YAHOO! JAPAN

Vendor and Yahoo! Japan Shopping Site	Number of whale items listed (search for whale)	Number of products including internationally protected species	Number of products including toothed cetacean species	Number of products with no species identified
KUJIRA OASIS http://store.shopping.yahoo.co.jp/kujira-oasis/index.html	24	12 (minke, sei, fin whale)	0	12
KUJIRAYA http://store.shopping.yahoo.co.jp/kujiraya/index.html	31	15 (minke, sei, Bryde's, fin whale)	9 (pilot whale)	7
YAMAGUCHIKIRARA http://store.shopping.yahoo.co.jp/yamaguchikirara/index.html	29	21 (minke, sei, Bryde's, sperm whale)	9 (sperm, pilot, Baird's beaked whale)	3
HAKUDAI http://store.shopping.yahoo.co.jp/hakudai/index.html	52	34 (minke, sei, Bryde's)	22 (Baird's beaked whale, Risso's dolphin)	1
SP-GOCHISOU http://store.shopping.yahoo.co.jp/sp-gochisou/index.html	19	4 (minke)	0	15
<i>*Some products contain more than one species</i>	Totals	155	40 (25.8%)	38 (24.5%)



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POLLUTED PRODUCTS SOLD BY YAHOO! JAPAN

Toothed whales, dolphins and porpoises, such as Baird’s beaked and pilot whales, feed at high trophic levels and biomagnify pollutants in their muscle and other tissues. Meat and blubber products often reveal high levels of mercury, methyl-mercury, PCBs and other organic pollutants.²⁴

Over the last decade, there have been many independent assessments of the levels of toxic chemicals present in cetacean (whale, dolphin and porpoise) products in Japan. Peer reviewed scientific papers have revealed dolphin meat with mercury levels several hundred times higher than government recommended levels. Polluted whale, dolphin and porpoise products are still widely available in many parts of Japan; some products tested have been so polluted that they could cause acute mercury poisoning from a single meal.²⁵ However, there is no

legal provision nor regular testing or inspection to prevent the sale of toxic whale and dolphin meat.

ANALYSIS OF WHALE PRODUCTS PURCHASED FROM YAHOO! JAPAN

EIA purchased ten whale samples from Yahoo! Japan Shopping sites in 2007. All samples were subjected to independent accredited laboratory DNA testing to determine species, geographic origin and sex. Tissue analysis to determine presence and concentrations of methyl mercury (MeHg) and total mercury (Hg) was also performed.

According to the DNA analysis, the samples contained either Antarctic or North Pacific minke whale, or Baird’s beaked whale. Five of the samples, all containing Baird’s beaked whale, exceeded Japanese national limits for methyl mercury and total mercury concentration (0.3 and 0.4 parts per million, or ppm, respectively). Mercury concentration in one product purchased from the Yahoo!

Maruchan-gulme site was more than eight times higher than the national limit. The average concentration of total mercury over the ten products was 0.91ppm (wet weight), more than twice as high as the national limits. Average methyl-mercury concentration was 0.54ppm (wet weight); 1.8 times higher than the national limit of 0.3ppm.

Seven of the samples were purchased from Hakudai Yahoo! Japan Shopping site. Three of the seven Hakudai samples exceeded Japanese national limits for total mercury and methyl mercury concentration (0.4 and 0.3 parts per million (ppm) respectively).

TABLE 2: MERCURY AND METHYL-MERCURY LEVELS FOUND IN WHALE PRODUCTS SOLD IN YAHOO! JAPAN SHOPPING SITES

Product type	Yahoo Shopping site	Species according to DNA analysis	Total mercury (ppm wet weight)	Methyl mercury (ppm wet weight)
1 Whale jerky (tare), special product, soft type	Hakudai	Baird's beaked whale	0.82	0.60
2 Matured minke whale sashimi	Hakudai	Antarctic minke whale	0.04	ND
3 Whale bacon	Hakudai	Antarctic minke whale	0.02	ND
4 Whale heart	Hakudai	N. Pacific minke whale	0.10	ND
5 Whale jerky (tare)	Kamogawa Seaworld	Baird's beaked whale	1.13	0.63
6 Whale jerky (tare)	Hakudai	Baird's beaked whale	1.02	0.73
7 Fried whale	Hakudai	Baird's beaked whale	2.39	1.42
8 Fine sliced boiled whale (sarashi kujira)	Hakudai	Antarctic minke whale	0.14	ND
9 Dried whale	Maruchan-gulme	Baird's beaked whale	3.40	2.05
10 Boiled yamatoni can	Kenkocom	None (label indicates Antarctic minke whale)	0.08	ND
Average			0.91	0.54

Highlighted samples indicate mercury/methylmercury levels in excess of Japanese government guidelines.

ND=not detectable



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Baird's beaked whale sold in Kamogawa Seaworld's Yahoo! online store. This product contained mercury at 1.13ppm, almost three times higher than government regulatory limits.



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This dried Baird's beaked whale sold by Yahoo! Japan shopping site had 3.4ppm mercury, 8.5 times higher than the allowable level of 0.4ppm.

INADEQUATE PROTECTION OF JAPANESE CONSUMERS

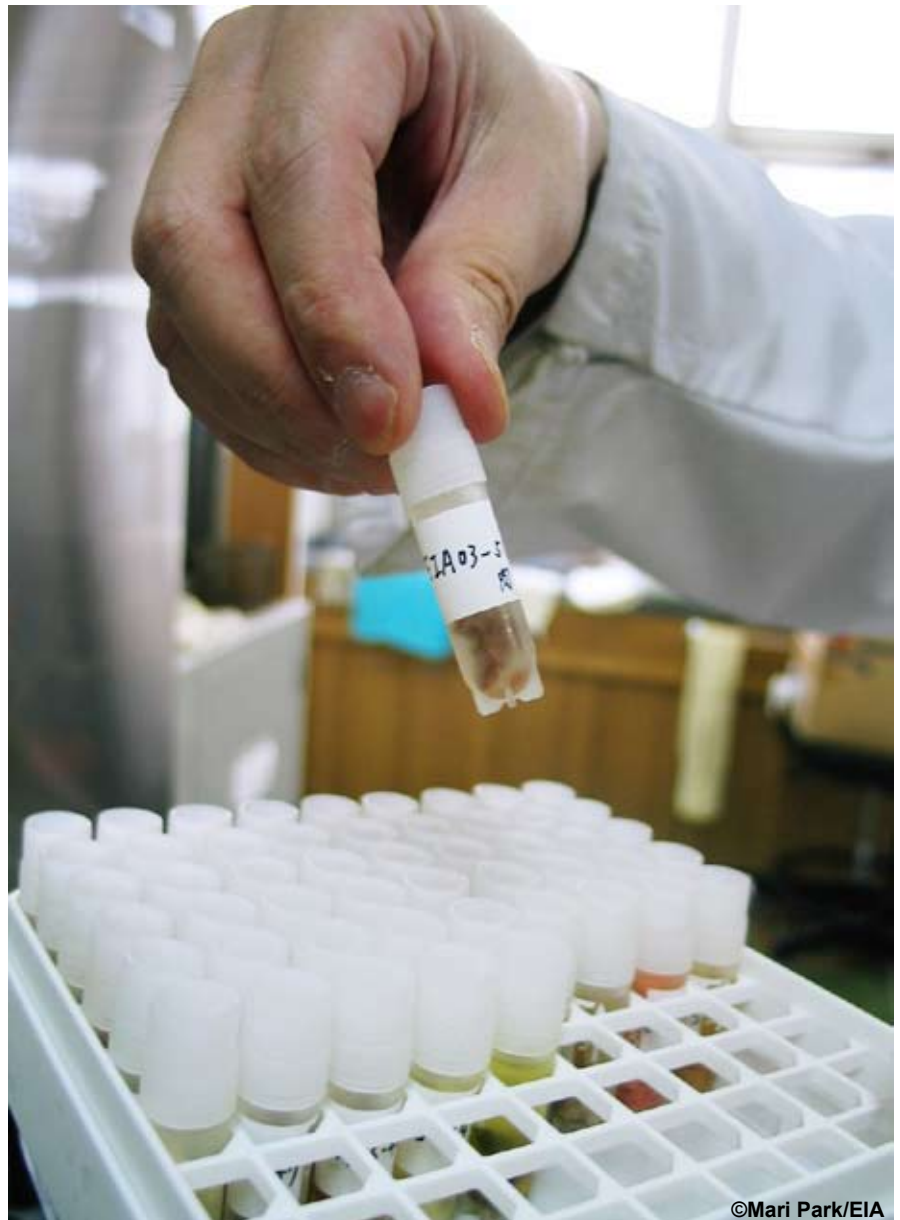
An increasing number of human diseases, including Parkinson's disease, hypertension and arteriosclerosis of the carotid artery, have been linked with consumption of whale meat. As a result, in 2008 the Chief Medical Officer of the Faroe Islands, where pilot whales have been hunted for many centuries, recommended to its regional Government that 'from a human health perspective ... pilot whale meat is no longer used for human consumption'.²⁶

In stark contrast, the Government of Japan has taken very few steps to protect consumers from high pollutant levels in cetacean products. In 2003, a seafood health advisory was released by the MHLW that warned pregnant women to limit their consumption of Baird's beaked whale, pilot whale, sperm whale and bottlenose dolphin due to mercury levels. The advisory was updated in 2005 to include Dall's porpoises, but remains wholly inadequate to protect consumers from high levels of pollution and even excludes many dolphin species found on sale in Japan (e.g. Risso's dolphin), which commonly exhibit high pollution levels.²⁷

Labeling of whale and dolphin products in Japan is subject to several laws, including the Food Sanitation Law and the JAS Law [Law Concerning Standardization and Proper Labeling of Agricultural and Forestry Products].²⁸ Since April 2001, retailers have been required to label processed seafood (including cetaceans) with the common species name and place of origin.²⁹ According to the Fisheries Agency, the system includes penalties that would apply to the mislabeling of dolphin meat.³⁰

Despite this, cetacean products on sale in Japan are often mislabeled or inadequately labeled, obscuring or misrepresenting the actual species, or origin. Of the 155 whale products sold by the leading five companies on Yahoo! Japan Shopping, 38 (24.5%) were not advertised with a species common name. The description of several Kujiraya products as 'local whales from Taiji' suggest they are likely to be dolphin or pilot whale from the Taiji drive hunts.³¹ EIA's research indicates that Japanese consumers purchasing products labeled as 'whale' from Yahoo! Japan Shopping sites may in fact be purchasing dolphin meat.

Half of the ten samples purchased from Yahoo! Japan shopping sites contained concentrations of mercury and methyl-mercury in excess of Japanese government safety levels.



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JAPAN'S HUNTING OF WHALES, DOLPHINS AND PORPOISES

Cetacean products on sale in Japan originate from several different commercial hunts. The largest hunt is the government sponsored special permit hunt for 'scientific research', which annually kills up to 985 whales in the Antarctic (minke and fin whales) and 380 whales in the North Pacific (minke, sperm, Bryde's and sei whales) including in coastal areas. The species taken are all protected by the 1986 IWC moratorium on commercial whaling and by the Convention on International Trade in Flora and Fauna (CITES) which bans international trade in species listed in its Appendix I. Listing on CITES Appendix I describes "species threatened with extinction which are or may be affected by trade. Trade in specimens of these species must be subject to particularly strict regulation in order not to endanger further their survival and must only be authorized in exceptional circumstances". Antarctic whales are further protected by the IWC Southern Ocean Sanctuary which was adopted in 1994 by 23 votes to one, with only

Japan opposing.³² Japan's large whale hunts have been formally criticized by the IWC on countless occasions, most recently in a 2007 Resolution which called on Japan to suspend indefinitely the Southern Ocean special permit hunt.³³

The 2007/08 Antarctic whaling season was destined to witness the first humpback whale hunt for more than four decades, resulting in unprecedented international attention to the plight of Antarctic whales. Sustained international diplomatic pressure has delayed the start of this hunt to date, while Japan is using the humpback whale as a pawn in negotiations at the IWC to resolve the current impasse between pro- and anti-whaling countries.³⁴

In addition to the government-sponsored 'great whale' hunt, four coastal whaling communities (Abashiri, Ayukawa, Wada and Taiji) hunt up to 112 toothed cetaceans each year in commercial hunts known as 'small-type coastal whaling', which target medium to large whales that were not included in the IWC's moratorium on commercial whaling.

In the last 20 years, over 1,000 Baird's beaked whales and almost 1,500 pilot whales have been killed in these hunts, producing in the region of 4,000 tons of meat.³⁵ Very little is known about Baird's beaked whales, which are larger than minke whales and classified as 'rare' in Japanese coastal waters.³⁶ Whalers derive, on average, seven tons of meat from each whale, making Baird's beaked whale the fourth most widely sold cetacean species in Japan in terms of tonnage.

Furthermore, around 20,000 small cetaceans are killed in unsustainable and unregulated commercial hand harpoon and drive hunts in Japan's coastal waters. The largest of these hunts is the Dall's porpoise hunt which takes place in northern Japan, killing around 15,000 animals each year. In southern Japan, the dolphin and whale drive hunt in Taiji, recently the focus of the award winning documentary "The Cove", kills thousands of dolphins and whales each year, including Risso's dolphins which are sold by Yahoo! Japan's Hakudai shopping site.³⁷



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How Yahoo! Japan Ivory Sales Contribute to Poaching of Africa's Elephants

YAHOO! JAPAN SALES OF ELEPHANT IVORY

Yahoo! Japan Shopping sites were searched by EIA researchers in September 2009, using the kanji form of ivory (象牙), which resulted in 354 individual Yahoo! Japan Shopping sites, with thousands of listings for ivory products. Of these 354 sites, at least 68 companies which listed three or more products for sale were individually checked to confirm they were selling elephant ivory via Yahoo! Japan Shopping sites.

Sales of ivory via Yahoo! Japan are predominantly (95%) signature stamps (known as 'hanko'). Other products sold include art, jewelry, Buddhist accessories, antiques, musical instrument tools and tea ceremony tools. The most expensive item on sale was a carved African elephant tusk selling for US \$37,000 (¥3,400,000), reduced from US\$47,000 (¥4,300,000).³⁸

One Tokyo-based company, E-Hankoya, was selling by far the largest number of ivory items via Yahoo! Japan, with more than 4,000 products listed.³⁹

IVORY TRADE BACKGROUND

During the 1980s, an estimated 70,000 elephants were being illegally killed across Africa each year to supply the international ivory trade. In the ten years leading up to 1989, the continental population of Africa's elephants plummeted from an estimated 1.3 million to around 624,000 animals. In 1989, recognizing the seriousness of the issue, the member nations of the Convention on International Trade in Endangered Species (CITES) voted by a 75% majority to ban international trade in African elephant products, including ivory.⁴¹ By the time the ban was passed, Japan was the world's largest importer of elephant ivory.

After the ban, elephant poaching across Africa declined rapidly as the major ivory markets in Asia, North America and Europe closed, leading to a collapse in prices and demand for ivory. Enforcement was simplified as enforcement personnel in many African nations were able to more easily intercept and seize poached ivory. For the next seven years African elephant populations began to stabilize and many began to recover.⁴²

In 1997, CITES approved the sale of ivory from southern African nations to Japan and the sale took place in

1999. Even this supposed limited resumption of international ivory trade kickstarted demand for ivory, and elephant poaching quickly started to increase once more. In 2002,⁴³ CITES approved a second sale, which took place in 2008, from four southern African countries to ivory traders from Japan and China. Poaching and ivory seizures skyrocketed with ever larger and more frequent ivory seizures occurring. Recent estimates suggest that as many as 38,000 elephants may be being poached in Africa each year.⁴⁴

In 2006, 2.8 tons of African elephant ivory were seized in Osaka, the largest seizure of African elephant ivory in the history of Japan.⁴⁵

ILLEGAL IVORY TRADE BEFORE THE BAN

Before the global ivory trade ban was imposed, Japan was the world's largest importer of ivory, much of it from poached elephants. Its insatiable demand helped to fuel the rampant elephant poaching of the 1970s and 1980s when many elephant populations across Africa were wiped out.

Japan imported ivory tusks equivalent to 238,325 African

elephants – more than 5,000 tons - in the two decades prior to the ban. Around 70% of the ivory imported into Japan during this period was estimated to be from illegal sources.⁴⁶ The ivory came from African nations where elephant poaching and illegal ivory trade were rife – Congo, Central African Republic, Zaire and Sudan – the latter an infamous center for poached ivory trade.⁴⁷ Tanzania, another hotspot of poaching and ivory trade, and South Africa, whose apartheid government traded ivory for arms from sponsored militia in Angola and Mozambique, were other important sources.⁴⁸ Japan also sourced ivory from major international smuggling entrepôts including Burundi, United Arab Emirates and Singapore, from where Hong Kong and Chinese syndicates moved ivory to Japan. EIA documented large-scale smuggling of ivory through Dubai to Japan and via Hong Kong and mainland China to Japan in 1988 and 1989.⁴⁹

The Government of Japan abstained on the CITES vote to put African elephants on Appendix I. Upon being informed of the impending ban on the evening of the vote, Japanese dealers flew to Hong Kong that night to arrange for the import of a large volume of ivory over the weekend.⁵⁰



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IVORY BAN LIFTED – ELEPHANT POACHING INCREASES

The Government of Japan was a major and active opponent of the international ivory ban and has strongly supported efforts to reopen international ivory trade. In 1997, CITES Parties succumbed to intense pressure by President Robert Mugabe of Zimbabwe, host of the 1997 Harare conference of the Parties to CITES, and Zimbabwe, Botswana, South Africa and Namibia were legally authorized to auction 50 metric tons of ivory tusks to Japanese dealers in 1999.

In the lead up to the 1997 CITES Harare decision, elephant poaching began to increase as the message spread that ivory trade would be legalized. Despite a lack of promised controls to monitor the illegal killing of elephants and clear signs that elephant poaching had increased, a second sale of 102 tons of ivory was authorized by CITES, which eventually took place in October and November 2008. Japanese and Chinese traders bought ivory through four auctions in Namibia, Botswana, South Africa and Zimbabwe.⁵¹

In recent years, poaching in many parts of Africa has increased dramatically. The Kenya Wildlife Service reported that illegal killing for ivory in 2008 across the country was double the level of 2007, and doubled again in 2009, linking the increase in poaching directly to the CITES decision to allow the sale of ivory stocks to Japan and China.⁵² Elephants in Central Africa are also under fire. A survey in the region of Zakouma, Chad recently concluded that elephants have declined from 3,800 in 2006 to just over 600 in 2009, as a result of selective and organized poaching for ivory.⁵³

Significant losses of elephants have been recently documented in the Democratic Republic of Congo, Republic of Congo, Cameroon, Central African Republic, Niger, Nigeria, and Malawi. Sharp rises in the price of ivory have been reported, reminiscent of the sort of early warnings that preceded the elephant disaster of the



1970s and 80s.⁵⁴

Based on volumes of seized ivory and DNA analyses, some scientists have estimated that as many as 38,000 elephants may have been poached in Africa in 2006 – the highest level since the passage of the ivory ban in 1989.⁵⁵

JAPANESE DEMAND FOR IVORY FUELS ILLEGAL TRADE

Around 70% of all ivory sold in Japan is for the production of hankos, for which many suitable alternative materials already exist. Japan is a significant destination for smuggled ivory and will likely continue to be so while demand for high quality ivory exists in the Japanese market.⁵⁶

Internet based sales like those offered by Yahoo! Japan Shopping sites and Auction sites play an important role in facilitating continued trade and demand for ivory that in turn contributes to intensifying

poaching of Africa's increasingly endangered and embattled elephant populations.

Japan continues to be a destination for illegal shipments of raw ivory, semi-worked ivory blocks, and semi-processed blanks used to produce hankos, and worked ivory products. Numerous routes for smuggling ivory into Japan have been identified, including via the Philippines, Korea, Taiwan, Singapore, Dubai and Europe.

The Japanese ivory market depends on large-size tusks to produce hankos. According to reports, many of the tusks that were purchased from Botswana, Namibia and Zimbabwe in 1999 were small with cracks across the surface, making 40% unsuitable for hanko manufacture. Ivory tusks seized in recent times have been of higher quality, and likely come from illegal sources.⁵⁷

WEAK REGULATION & ENFORCEMENT OF JAPAN'S IVORY TRADE

Japan has no comprehensive or effective reporting and enforcement system for ivory. Japan's 1992 Law for the Conservation of Endangered species of Wild Fauna and Flora ("LCES") provides the legal basis that governs domestic ivory trade. Unfortunately, the law is full of major loopholes that enable large scale smuggling of poached ivory into the domestic market where it can be mixed up with legal supplies and easily sold.

The exact documentation required to prove that ivory was acquired as 'pre-convention' and therefore exempt from the CITES trade ban is not specified by the legislation. Those wishing to 'register' ivory tusks need only provide a declaration by a third party that the ivory was acquired

'pre-convention' to enable the ivory to be registered and legally sold on. This minimal threshold of proof required to register ivory tusks enables poached ivory to be easily laundered into Japan's domestic market. An ivory tusk of unknown or illegal origin that is 'registered' de facto obtains legal status with Japan's domestic authorities. This legalization of smuggled ivory is highly profitable as legal ivory fetches a higher price than illegal ivory - up to US\$800 per kg. Raw ivory from a 500 kg seizure in 2000 was reportedly selling for US\$292-317 (¥35,000-38,000) per kg, despite the high quality, while large legal tusks were selling for as much as US\$750 (¥90,000) per kg already by 2003.⁵⁹

The scope of Japan's ivory trade is reflected in the fact that the Ministry of Economy, Trade and Industry (METI) has identified 14,704 retailers

of which 10,949 had registered (as required) with METI by the end of 2006, leaving another 3,755 retailers still unregistered. In addition, 278 ivory manufacturing companies and 595 ivory wholesalers also registered with the Ministry.⁶⁰

The Japanese authorities rely on 'voluntary self management' of ivory dealers trading in cut or worked ivory. If a dealer formally fulfills the requirements by maintaining the ledger records of ivory in the required format, submitting the ledger to authorities and allowing inspection, a dealer is held not to have been involved with any illegal ivory trade.

While the ledger database of ivory dealers is managed by METI, the raw ivory registration system is held by the Japan Wildlife Research Centre (JWRC). The lack of linkages in the system makes it impossible to

verify if cut pieces sold by registered dealers originate from registered tusks.⁶¹ The lax regulation provides a further opportunity for poached ivory to be laundered into the legal domestic ivory markets within Japan. The Japan Customs Agency is the body primarily responsible to enforce Japanese laws against illegal ivory imports. Unfortunately, they, and local police authorities are hampered by the major loopholes in the LCES and are unable to stem the flood of illegal ivory into Japan.

Once illegal ivory has passed Japan's custom controls at its borders, there is virtually no pro-active domestic enforcement by Japanese authorities to investigate and prosecute smugglers and traders of poached ivory. Hence there is little real deterrent to ivory smuggling.

Between 1998 and 2006, 91 seizures occurred in Japan of both raw tusks and worked ivory items. The largest seizure of ivory in the history of Japan, when 2.8 tons was seized in Osaka in October 2006, demonstrated the involvement of organized criminal syndicates in Korea and Japan.

Criminal charges were pursued for only five of the 91 cases, while lesser charges of "infraction cases" involving a fine were carried out in only 11 of the cases. According to Japanese law, smuggled ivory cannot even be confiscated under an "infraction case." If an illicit ivory seizure is not prosecuted, the Japanese Customs Authority must release the ivory and return it to the exporting country, where it is likely to re-enter the black market for poached ivory. If the owner of smuggled ivory is not established, even an infraction case is not possible, and the ivory is returned to the exporting country.⁵⁸

RECOMMENDATIONS

Yahoo! Inc. and its affiliates, including Yahoo! Japan, should immediately enact a company-wide policy to prohibit the sale of all cetacean (whale, dolphin and porpoise) products and all elephant products including elephant ivory and ivory from other species, such as walrus and hippo.

The international legal and ethical considerations surrounding Japan's continued whale and dolphin hunts, and the real and serious health risks posed to consumers by highly contaminated whale and dolphin products merit prompt and definitive action. Elephant poaching across Africa continues to intensify and African nations are losing elephant populations; while illegal ivory trade is driving corruption and social instability. Elephants, a highly valuable economic asset for the tourism industry in Africa, are being illegally killed. Their ivory is smuggled to Japan where there are more than 15,000 ivory companies and retailers. Yahoo Japan! facilitates this demand for illegal ivory, as at least 68 distributors were confirmed to be selling ivory on Yahoo! Japan Shopping sites.

Yahoo! Inc. rightly considers the Yahoo! trademark and related trademarks to be among its most valuable assets. Profits made by Yahoo! Japan on the sale of whale and dolphin and elephant ivory products taint the Yahoo! trademark internationally, and seriously damage Yahoo!'s environmental record. Prohibiting the sale of all cetacean and ivory products both In Yahoo! Japan Shopping and Auction sites, and throughout the Yahoo! corporate network worldwide is the only credible option available to Yahoo! Such action will help conserve cetaceans and elephants, while protecting consumers and indemnifying the company from the very real and potentially damaging consequences of inaction.



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Environmental Investigation Agency WASHINGTON, DC

PO Box 53343
Washington, DC 20009, USA

TEL + 1 202 483 6621
FAX + 1 202 986 8626
EMAIL info@eia-global.org

Environmental Investigation Agency LONDON

62/63 Upper Street
London N1 0NY, UK

TEL + 44 (0) 20 7354 7960
FAX + 44 (0) 20 7354 7961
EMAIL ukinfo@eia-international.org



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