



#### **ABOUT EIA**

We investigate and campaign against environmental crime and abuse.

Our undercover investigations expose transnational wildlife crime, with a focus on elephants, pangolins and tigers, and forest crimes such as illegal logging and deforestation for cash crops like palm oil. We work to safeguard global marine ecosystems by addressing the threats posed by plastic pollution, bycatch and commercial exploitation of whales, dolphins and porpoises. Finally, we reduce the impact of climate change by campaigning to eliminate powerful refrigerant greenhouse gases, exposing related illicit trade and improving energy efficiency in the cooling sector.

#### **EIA UK**

62-63 Upper Street, London N1 ONY UK T: +44 (0) 20 7354 7960 E: ukinfo@eia-international.org eia-international.org

Environmental Investigation Agency (UK) Ltd. Company Number: 7752350 VAT Number: 440569842. Registered in England and Wales

25 September 2018

# Summary

Despite the leopard's declining status across its Asian range, the Government of China continues to allow the production and sale of leopard bone products, exacerbating demand for a species seriously threatened by trade. According to Chinese news media, in March 2018, China's State Forestry Administration (SFA) gave permission for the sale of 1,230.5kg of leopard bone to a company that produces leopard bone wine - just one of at least 36 products, produced by 31 companies, which list leopard bone as an ingredient and which appear to be being manufactured and sold in China.

Leopards (Panthera pardus) have been listed on CITES Appendix I since 1975. They are listed as Vulnerable on the IUCN Red List, having been upgraded from Near Threatened in 2008 and Least Concern in 2002<sup>1</sup>. Illegal killing for their body parts is one of the main threats to the species' survival.

Leopards are Asia's most traded big cat, with more than 5,030 leopards having been seized from illegal trade in Asia since 2000<sup>2</sup>. This figure likely represents a fraction of leopard parts being trafficked. Trade in their bones, primarily to meet demand from Chinese consumers, is one of the drivers of this trade. With China's own wild population estimated at 204-378 individuals<sup>3</sup>, populations in other Asian range states have been targeted.

Leopard bone is consumed in similar ways to tiger bone, steeped in rice wine to produce health tonics and used in production of traditional medicines. Leopard bone has long been used as an ingredient in traditional Chinese medicine, including in mass-produced and packaged medicines. Since domestic trade in tiger bone was banned by State Council notification in 1993, leopard bone has also been widely used in production of products similar to those that would traditionally have contained tiger. Based on testimony from individuals engaged in illegal trade, consumers in China also illegally purchase leopard bone that has been sold to them as tiger.

# China's legal leopard bone trade - 2006 notifications

In 2006, the State Forestry Administration<sup>4</sup> (SFA) issued a notification stating that any organisation or individual in possession of leopard bone should declare the quantity and type of stock in their possession, along with details of when they were obtained and proof of legal acquisition of the stock. Following declaration, permits for sale, processing and use could be applied for without further requirement for proof of legal acquisition. The notification states that for stocks that had not been registered under this process, proof of legal acquisition must be submitted, examined and assessed when applying to sell, process or use these stocks<sup>5</sup>. The volume of the stocks declared in 2006 does not appear to be a matter of public record.

A notification issued by the State Food and Drug Administration on 21 March 2006 states that existing stocks of leopard bone could continue to be used for oral medicines only<sup>6</sup>. These notifications therefore sanctioned the continuation of legal, domestic trade in the parts and products of leopards in China, despite the serious threat posed by poaching and trade for Chinese consumers.

## Leopard bone trade in 2018

A copy of a permit posted online<sup>7</sup> appears to show that, on 16 March 2018, China's State Forestry Administration gave permission for an individual acting on behalf of one pharmaceutical company, Sichuan Qianfang Chinese Medicine Stock Co. Ltd, to sell 1,230.5kg of leopard bone to a second company, Inner Mongolia

IUCN Red List of Threatened Species: Panthera pardus. Available from: <a href="http://www.iucnredlist.org/details/15954/0">http://www.iucnredlist.org/details/15954/0</a>
Figure includes seizures of leopard skins, carcasses, stuffed and live leopards. Data collected by EIA and Wildlife Protection Society of India from multiple sources Laguardia, Alice & Kamler, Jan & Li, Sheng & Zhang, Chengcheng & Zhou, Zhefeng & Shi, Kun. (2015). The current distribution and status of leopards Panthera pardus in

China. Oryx. -1. 1-7. 10.1017/S0030605315000988.

In April 2018, the State Forestry Administration was incorporated into the new State Forestry and Grassland Administration, which maintains the responsibilities of the former SFA along with additional functions.

Notice of the State Forestry Administration (No. 3, 2006). Available from: https://eia-international.org/wp-content/uploads/Notice-of-the-SFA-2006-No.-3\_ENGL.pdf https://eia-international.org/wp-content/uploads/Notice-of-the-SFA-2006-No.-3\_ENGL.pdf [Chinese]

<sup>6</sup> Notification on the Management of the use of Leopard Bones State Food and Drug Administration Note [2006] No. 118. Available from: https://eia-international.org/wp-content/uploads/SFDA-Notification-on-the-Management-of-the-use-of-Leopard-Bones 2006-No.-118. ENGL.pdf [English] and https://eia-international.org/wp-content/uploads/SFDA-Notification-on-the-Management-of-the-use-of-Leopard-Bones 2006-No.-118. ENGL.pdf [English] and https://eia-international.org/wp-content/uploads/SFDA-Notification-on-the-Management-of-the-use-of-Leopard-Bones 3006-No.-118. ENGL.pdf [English] and https://eia-international.org/wp-content/uploads/SFDA-Notification-on-the-use-of-Leopard-Bones 3006-No.-118. ENGL.pdf [English] and https://eia-international.org/wp-co Notification-on-the-Management-of-the-use-of-Leopard-Bones\_2006-No.-1181.pdf [Chinese]

Hongmao Pharmaceutical Co. Ltd, for use in production of Chinese medicine products (see Appendices I and II).

The authenticity of the permit appears to be confirmed by the SFA's own website, which shows that a permit with the same identification number was indeed issued to the company in question in March (see Appendix III).

Hongmao Pharmaceutical Co. manufactures a widely available 'tonic' wine, Hongmao Yaojiu, which includes leopard bone on its list of ingredients. Based on figures declared by the company, it may be using the bones of 90-130 of leopards every year in production of this product.

According to Chinese media, a representative of the Yibin City Forestry Bureau in Sichuan stated that the individual named on the permit contacted the Department in 2009 to ask if they could register their leopard bone stock. In 2010, experts from the SFA came to verify that the bone was leopard bone and the quantity held as 1.23 tonnes. When the inspectors asked about the source of leopard bone, the individual stated that their father had purchased the bone from many different people over the past few decades while travelling around. Following media articles and discussion on social media questioning the legality of this transaction, the SFA and local forestry bureau asked the owner if he would be willing to reveal these sources and he declined; the representative of the Yibin City Forestry Bureau claim it can't force him to reveal the information8.

It appears likely that in this case, the permit for sale of leopard bone was issued without proof of legal origin, seemingly in contravention of even the loose conditions placed on domestic trade in leopard bone by the 2006 notifications.

Given the amount of leopard bone involved in this transaction, the small size of China's leopard population and the fact that leopards have been listed on CITES Appendix I since 1975, it appears likely that the bone in question was sourced illegally from leopards killed outside China.

The likelihood that illegally sourced bone is being used is further substantiated by EIA's historical investigations. In 2008, a director of Qianfang Traditional Chinese Medicine Co. Ltd. showed EIA investigators a fresh clouded leopard (Neofelis nebulosa) skeleton, claiming that it was leopard. While the permit issued in March 2018 specifies *Panthera* pardus, the generic term 豹骨 [baogu], which could refer to the bones of leopard, snow leopard or clouded leopard, is used in the 2006 notifications on leopard bone trade and on the lists of ingredients for products containing leopard bone. Chinese pharmaceutical companies further obfuscate the exact species used by listing non-taxonomic terms such as Os pardus and Os leopardi. It is therefore possible that some proportion of



Hongmao Medicinal Wine. The characters for 'leopard bone' (約骨) are displayed on the product packaging (circled in black). Image source: J1.com.

the bones involved in this permitted transaction could derive from poached and trafficked specimens of these other threatened big cat species.

The recipe for producing Hongmao Yaojiu has been included on an official Chinese Government list of 'intangible cultural heritage' – a list of cultural forms or skills which the Government deems worthy of protection – since 2014. This was confirmed by China's Ministry of Culture and Tourism<sup>9</sup> in a recent response to a Beijing-based lawyer's request for clarification.

Hongmao Yaojiu is just one of at least 36 medicinal products which list leopard bone as an ingredient and which appear to be being manufactured and sold in China by at least 31 different companies.

### Loopholes in China's Wildlife Protection Law

When China revised its Wildlife Protection Law in 2016, EIA raised concerns<sup>10</sup> around loopholes which allowed legal trade in protected species for the purpose of "scientific research, captive breeding, public exhibition or performances, heritage conservation or other special purposes"11. This case appears to demonstrate how the heritage conservation loophole is now being used to sanction large-scale, commercial trade in leopard products.

Leopards are included on a short list of protected

Chengdu Shangbao. 2018. 起底釣骨王: 数学教师向药酒企业售釣骨1.23吨,来源成谜. 27 June. Available from: <a href="https://www.thepaper.cn/newsDetail\_forward\_2221417">https://www.thepaper.cn/newsDetail\_forward\_2221417</a>
Fengmian News. 2018. 文化和旅游部: 鸿茅药酒非遗申报和认定合规. 18 May. Available from: <a href="https://3g.163.com/all/article/DI3C22360001899N.html">https://ag.163.com/all/article/DI3C22360001899N.html</a>
EIA. China's Wildlife Protection Law. Available from: <a href="https://eia-international.org/our-work/wildlife/tigers/tiger-farming/chinas-wildlife-protection-law">https://eia-international.org/our-work/wildlife/tigers/tiger-farming/chinas-wildlife-protection-law</a>

<sup>10</sup> 

See Article 27 of the Wildlife Protection Law of the People's Republic of China (unofficial EIA translation). Available from: https://eia-international.org/wp-content/ 11

wildlife for which the SFA, as opposed to provincial authorities, is responsible for approval of permits for sale, purchase or utilisation under Article 27 of the Wildlife Protection Law<sup>12</sup>. This list, published in August 2017, uses the generic term 豹 [bao], which could also refer to snow leopards and clouded leopards. The list also includes tiger, elephant, rhino, giant panda, crested ibis, golden snub-nosed monkey, gibbons, apes and bustards.

According to a publicly accessible database, 241 permits for sale, purchase or utilisation of protected species were issued by the SFA between August 2017 and June 2018. While the species and products involved in these permits are not listed on the public database, the fact these were issued by the central SFA appears to indicate that these relate to the species in the list above. Companies issued with these permits include several that appear to be manufacturing leopard bone wine or traditional Chinese medicine products and several others that have been implicated in trade in tiger products. This is therefore serious cause for concern that legislative loopholes are being used to permit commercial trade in tiger as well as leopard.

#### Hongmao Pharmaceutical Co. Ltd

Hongmao Pharmaceutical Co. Ltd was registered in 2002 and is based in Ulanqab, Inner Mongolia. The

company produces Hongmao Medicinal Wine, a widely available product which openly lists "leopard bone" as an ingredient on its packaging.

According to a statement from the company, production of 187kg of Hongmao Medicinal Wine requires 15g of leopard bone, and in 2017 sales of the product came to five billion yuan (550 million GBP)<sup>13</sup>. According to a Chinese news report, based on production volumes and prices, production of this amount of the product may have used the bones of 90 to 130 adult leopards in the year 2017 alone.

#### Qianfang Traditional Chinese Medicine Co. Ltd

Qianfang Traditional Chinese Medicine Co. Ltd was registered in 2002 and is based in the Xindu area of Chengdu, Sichuan province.

In 2008, the director of the company offered investigators the skeleton of a clouded leopard, claiming it was leopard. The skeleton still had some tissue and fur attached, indicating that it was recently killed and not from an old stockpile. During the meeting, it was suggested to EIA that more leopard bone was available.

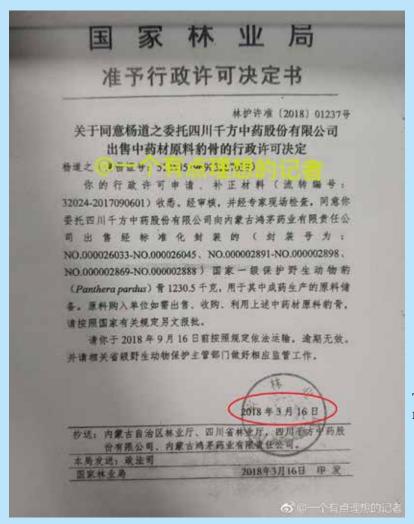
SFA announcement No. 14, 2017 (informal EIA translation). Available from: <a href="https://eia-international.org/wp-content/uploads/SFA-announcement-No.-14-2017.pdf">https://eia-international.org/wp-content/uploads/SFA-announcement-No.-14-2017.pdf</a>
Zhu, F. 2018. 就非处方药物鸿茅药酒监管问题致国家药品监督管理局的第二封公开信. Available from: <a href="https://www.sohu.com/a/228486402\_110618">https://www.sohu.com/a/228486402\_110618</a>





13

#### Appendix I – permit issued by the State Forestry Administration, 16 March 2018



The date in the red circle reads "16 March 2018"

#### Appendix II - English translation of permit

State Forestry Administration Certificate of Approval

Forestry Protection Permit No. 01237, 2018

Administrative permit relating to the agreement for Yang Daozhi on behalf of Sichuan Qianfang Chinese Medicine Stock Co. Ltd to sell raw leopard bone as a pharmaceutical ingredient

Yang Daozhi, ID number [unclear]

Your application for an administrative permit and supplementary materials (circulation code 32024-2017090601) were received. Following consideration, and following expert on-site inspection, it is agreed that you, on behalf of Sichuan Qianfang Chinese Medicine Stock Co. Ltd, may sell 1,250.5kg of bone of the leopard (*Panthera pardus*), a species under first class special state protection, packaged in a standardised way (package nos. NO.000026033-NO.000026045, NO.000002891-NO.000002898, NO.000002869-NO.000002888) to Inner Mongolia Hongmao Pharmaceutical Co. Ltd, for use as an ingredient in their production of patent medicine. If the purchasing party wishes to sell, purchase or utilise the aforementioned leopard bone medicine ingredients, please apply for approval in accordance with relevant national regulations.

Please transport [the items] by 16 September 2018, in accordance with regulations; failing to meet this deadline voids the agreement. Please would relevant departments of wildlife protection at the provincial level conduct corresponding inspection and supervision.

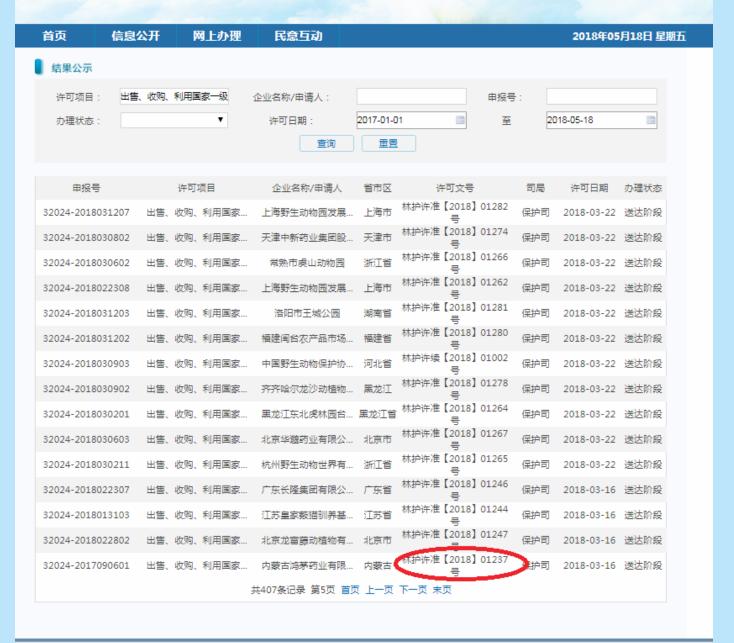
CC: Inner Mongolia Special Administrative Region Forestry Office, Sichuan Province Forestry Office, Sichuan Qianfang Chinese Medicine Stock Co. Ltd, Inner Mongolia Hongmao Pharmaceuticals. Co. Ltd. Issued by: Legal Office

State Forestry Administration, 16 March 2018

## Appendix III – Screenshot of SFA website showing approval of the permit above

The SFA website includes a database of decision outcomes relating to applications for permits. In the screenshot below, a decision to issue a permit "to buy, sell and/or utilise terrestrial wildlife under first-class state protection or the products thereof" to Inner Mongolia Hongmao Pharmaceutical Co. Ltd is posted. The number of the permit given, (2018) 01237, matches the copy of the permit above.





国家林业局行政许可受理中心 010-84239631 010-84239632 010-84239633 主办:国家林业局 承办:国家林业局办公室 国家林业局信息化管理办公室 京ICP备10047111

Text in the red circle reads "Forestry Protection Permit No. 01237, 2018", the same permit number as in the document above.

