ECONOMIC INCENTIVES AND TRADE POLICY OF WILDLIFE UTILIZATION

A Country Report by Indonesia

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Indonesia's biodiversity

❑ Indonesia is one of the mega-biodiversity countries → rich in species and high in endemism;

❑ Indonesia covers only 1.3 percent of the earth's terrestrial surface, but it is inhabited by some:

   ❖ 10% of the world's flowering plant species;
   ❖ 12% of the world's mammal species;
   ❖ 16% of all reptile and amphibian species;
   ❖ 17% of the world's bird species;
   ❖ 25% or more of the world's fish species

Geographic position of Indonesia

- More than 17,000 islands, and more than 60,000 km coastlines;

- set in the tropical climate, with most areas receive high rainfall;

- spans two major bio-geographical realms, *Indomalaya* and *Australasia;*

- can be divided into seven distinct bio-geographical regions, and more than 30 ecosystem types;

Geographic position of Indonesia

Problems associated with high biodiversity and geographic setting

♦ Wildlife is the most accessible resource, with more than 200 million people, in which, about 20% are on or under the poverty line → wildlife is under a serious threat;

♦ The geographic setting is prone to smuggling and wildlife laundering;

♦ → problems on how to ensure the use of wildlife species subject to harvest is "not detrimental" (Article IV of the convention);

Problems…

♦ Problems:
  – Wildlife is valued to low, and it is valued only from its direct use (products). Little is explored from its ecological and service values;
  – Consumer greediness, they want much with less price;

♦ These have led to overexploitation in the producer countries.

Indonesian policy

❑ Sustainable use policy:
- Wild harvest is allowed for particular species only;
- Harvest is limited by quota;
- No wild harvest for endangered species (totally protected);
- Captive breeding, ranching and artificial propagation for endangered and other demanded species;
- Wild-based population management;

❑ Promotion of poverty alleviation
- Emphasis is given to promote poverty alleviation through the protection of local people;
- Awareness and education to the local people on the best harvesting practices.

❑ Promotion of Non-Taxes Government Revenues from wildlife trade

Case study and lesson learned from reptile skins industry (example for *Python reticulatus)*

❑ P. reticulatus is the most widely distributed snake in Indonesia;

❑ It involves about 175,000 people:
  – 150,000 people catching the snakes (about 10% professional catchers and 70-80% part time farmers);
  – 17,000 collectors;
  – 3,500 people working for suppliers/ skinnery;
  – 2,500 people working in the tanneries;
  – 1,500 people working in the manufacturer

Python reticulatus ….

♦ Assuming average length = 3 meters, and the quota is 155,000 snakes, annual income for each group:

- Catchers: 3x155,000x$5.8 = $2,697,000 → $17.98/people

- Collectors:3x155,000x$(8.2-5.8) = $1,116,000 → $65.65/people

- Skinnery/ supplier:
  - Skins: 3x155,000x$(9.3-8.2) = $511,500
  - Meat: 5kgx75,000x$1.16 = $435,000
  - Gall bladder: 155,000x$1.16 = $179,800

  Total skinnery/ supplier: $1,126,300

- Exporters: 3x155,000x$(12-9.3) = $1,255,500

Total earning for *P. reticulatus* = $6,194,800

Effects of illegal trade

♦ Problems with shared resources, example *Python curtus*

♦ Analysis from trade report on exports by Malaysia to various countries (WCMC 1996-2001):

Year	export reported	import reported	destination	SG export (MY origin)
1996	-	24,000	SG	31,362
1997	578	90,578	SG	56,243
1998	41,019	65,352	IT,JP,MX,SG	66,195
1999	54,023	73,358	SP,IT,SG	79,459
2000	109,277	179,905	SP,IT,SG	130,618
2001	62,703	150,302	CN,DE,IT,SG	166,812

Effect of illegal trade (*P. curtus*)

♦ Malaysia is probably not range state for *P. curtus* ??(confirmation needed);

♦ The species is protected in Malaysia;

♦ With the GNP of more than US$4000, it is hard to find people willing to catch snakes, because snake catchers are mostly poor people;

♦ Indonesian trade association reported that it is most likely that the snakes were of Indonesian origin

Effects of illegal trade

♦ Modus operandi (based on report by Indonesian trade association)

– Many exports from MY to SG were only on paper;

– Raw skins were illegally shipped from Sumatra (Tembilahan and kuala Tungkal ports) to Singapore, with the skins were usually from the Indonesian supplier with higher price;

– Singapore re-exported them as Malaysian origin

♦ → REGIONAL PROBLEM which must be solved REGIONALLY

Effect of illegal trade

♦ Reduction of supply of raw skins to Indonesian exporters, which endangers the business sustainability;

♦ Further threat to Indonesian resources;

♦ Disincentive to the conservation

Development of Regional Policy

❑ For shared resources, it is advised that a regional policy which includes quota establishment and joint enforcement policy is developed;

❑ This is also in order to avoid unfair treatment by importing countries, especially with regard to stricter domestic measures (e.g. EU direct import suspension on the increase of quota, but no action for those not reporting quota)

RECOMENDATIONS

- Development of regional policy for:
  - Quota setting;
  - Enforcement.
- Develop mechanism for fair treatment by developed, importing countries;
- Develop international pricing policy in order to more appropriately value resources