



Rhino Economics

Role of the Pvt. Sector

CoP 16 Bangkok 2013

~Pelham Jones
PROA





Private Rhino Ownership S.A. Private Rhino Owner's Association (PROA)

- 400 Reserves
- 2.2 million ha
- 5000 rhino (more than the remainder of Africa)
- 28% of national herd
- Investment in rhino +R1 billion

A proven conservation success story





Current Poaching Situation

Primary Impact

- Known animals poached + 1 875 - SA
- Asset loss + R900 million
- Devaluation loss + R0.5 billion
- Loss in horn value R3.5 billion





Secondary impact National and Provincial Reserves

- Less demand, fewer sales & lower price = less income
(Rhino revenue offset operation costs)
- Less income = budget deficit
- Substantive increase in security costs
(From R160 to R450 million)





Poaching Impact Private Reserves

- Direct asset loss (X% of poaching incidents)
- 60% asset devaluation
- Increased security costs (turn profitable to marginal)
- Uncertainty in future (trade ban)

Results: Disinvestment as rhino are now a liability





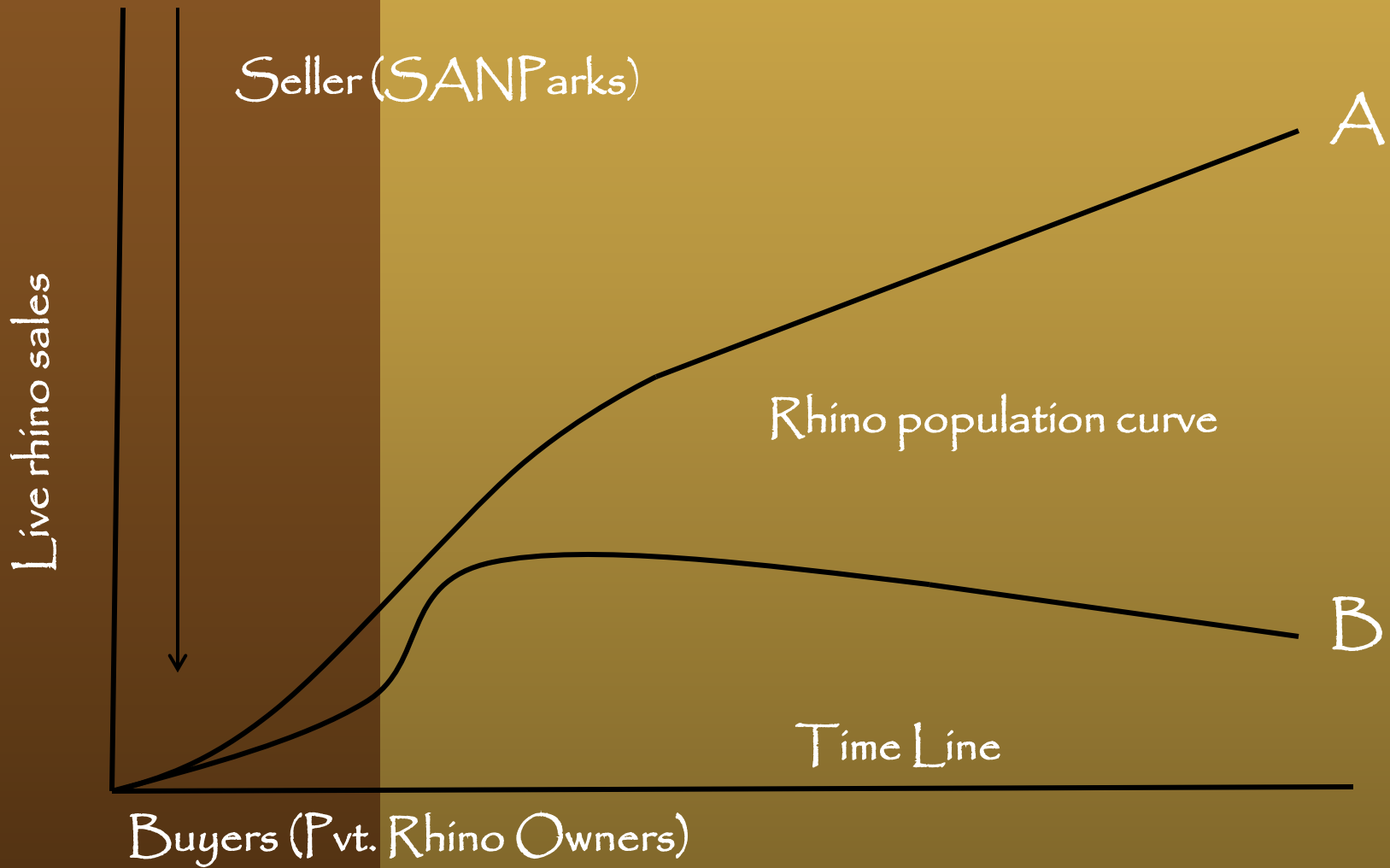
Impact on Rhino:

- Less range = impact on population growth
- Increased poaching = specie viability?
- Results = specie decline 2016?
= predicted extinction 2026?
- Less value



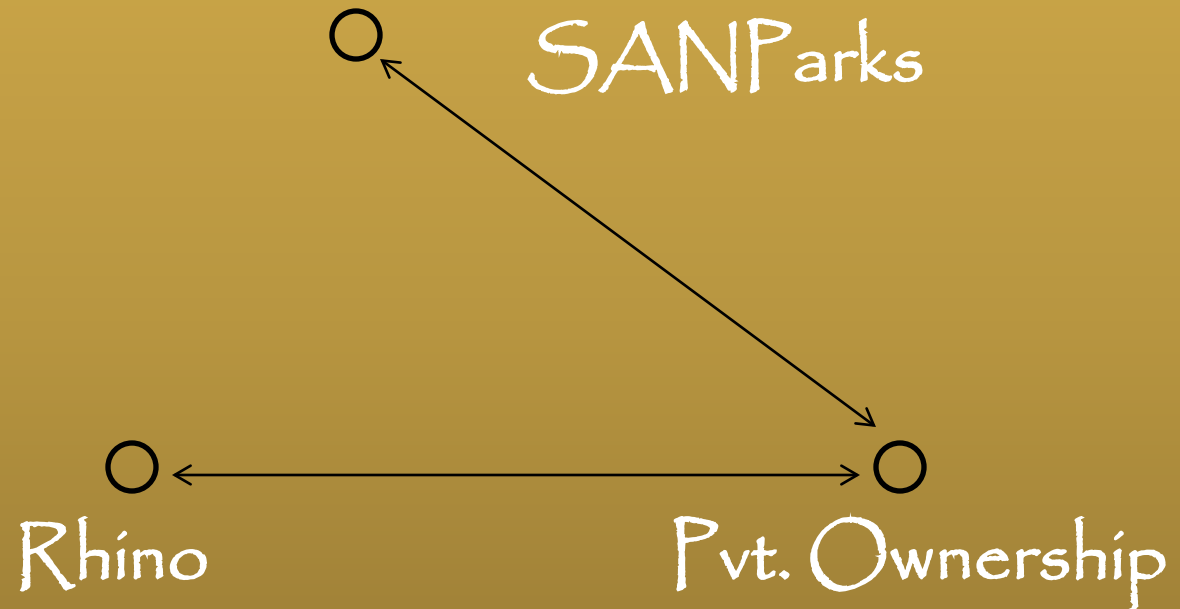


Interdependency:





Interdependency A tidal phenomena



Stimulated by trade and sustainable utilization
(Private sector engine room of demand)





PROA Owner Survey

February 2013

- 32% response from 380 reserves (814 000 ha of 2.2 million ha)
- Representing rhino population +3000
- 80% support legal hunting
- 91% support lifting of domestic moratorium
- 97% support legal trade in rhino horn
- 47% will keep rhino - whatever
- 53% uncertain / sold / selling





Rhino value to Private reserves

Direct:

- Tourism = revenue
- Existence = conservation asset & sale of excess animals
- Trophy hunting = R90 million Forex into rhino conservation (100 animals or 0.5% of population) helped create rhino conservation success in the 1980's
- Potential product value = horn

Indirect:

- Supports SA tourism industry etc.





Private ownership on a cliff edge

- Due to loss of asset and devaluation
- High security costs
- Potential revenue loss from hunting – Kenya application (1 of only 3 economic pillars)
- Disinvestment has already resulted in:
 - Habitat loss of +430 000 ha
 - Estimates +40 reserves no longer have rhino

ILLEGAL DEMAND
WILL NOT GO AWAY!





SA cannot continue with failed strategies

- 1980 – 83% Decline in black rhino population
- 100 000 rhino killed across Africa in the last 45 years
- +20 range states have lost all rhino despite substantive aid
- “more of same” including 1977 CITES ban not working
 - Criminalise trade in horn \$Benefit to criminals
- = Need for change in direction





Solution:

- Need to trade- Lift CITES ban
- Supported by PROA, KZN Ezemvelo, SANBI, and various credible NGO's.
(Based on sustainable utilization)
- Revenue lost to SA:
 - = 1 875 animals at 5kg
 - = 9375kg at \$40 000?
 - = \$375 000 000





Solution:

Demand Reduction:

- Educate end user market
- International law enforcement
- Political will and pressure

Legalized and Transparent Supply:

- Lift domestic moratorium
- Apply for international trade





Benefits:

- Collapse illegal trade
- Conservation revenue back to national , provincial and private parks
- Turn worthless stock pile into conservation revenue

SAVE RHINO'S LIVES





Conclusion:

- Future insecurity = Disinvestment
- Anti trade NGO's aiding and abetting illegal trade without a better solution
- Generally own no rhino- supported by social media groups (public ignorance)
- More of the same will not work





Conclusion:

- What will happen first?
- A change in consumer demand and problem goes away
- The demise of all wild rhino as per over 20 range states
- A policy turn around based on sustainable utilization bringing benefit to state, provincial, private and “RHINO”



Thank You

