

# CHINA UPDATES

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### **Chinese Buying Up Imported Foods**

Yuri Valazza started a small shop eight years ago in Shanghai, selling imported foods to locals.

"At that time it was almost 90 percent foreigners," said Valazza, according to MarketPlace.org.

China Updates is a service provided by U.S.-China Health Products Association. The Newsletters are issued approximately three times a month. China Updates provides news on regulatory environment, new legislation, association activities and any information related to China's natural health products industry.



Those numbers have changed as the quality in Chinese domestic products has dipped.

Due to a rising consumer class and a number of scandals such as the one involving 300 million pounds of tanning leather byproduct ruining crops of rice, many Chinese no longer believe the domestic food sold to them is safe.

"Whenever it rained, our rice paddy and the river would suddenly turn bright yellow," said Wu Shuliang, who suffered from health problems as a child and now owns a rice paddy near a hill of chemical waste. "Much of my rice died. It killed everything in its path."

Area residents are turning to imported goods and Valazza's small store to feed their children safer products.

"We see a lot of fresh milk being bought a lot, yogurt, especially, anything that children tend to eat, baby foods," Valazza said.

The small convenience store has seen a 30 percent increase in revenue over the last year according to MarketPlace. Overall, imported food generates \$18 billion per year in China.

"With imported food, if the label says it's organic, I trust that," said Zhang Qi, a 33 year-old lawyer shopping with his 3 year-old daughter. "Food made in China -- especially children's food -- is often labeled organic, but it's easy to fake that. So we're sticking with imported food, organic or not."

American companies such as Organic Valley have capitalized on this trend and started exporting milk to China three years ago. The organic isn't the only label Chinese are concerned with.

"You also have the USDA seal of quality control," said Organic Valley CEO George Siemon, "So it really is a double premium that we're able to offer people." (*Source: worldfoodnews.com*)

### Interest in TCM Expanding Globally

While some Chinese scholars propose abolishing traditional Chinese medicine, foreign pharmaceutical institutions and industries are pursuing them.

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More than 100 countries and regions around the world have set up TCM institutions, with the United States, Europe, Japan and South Korea investing heavily in related research and medication development, industry, analyses show.

The UK-based pharmaceutical company GlaxoSmithKline PLC announced its first TCM medication research and development program, which targets not just the Chinese market, but the global one as well.

"TCM is a well-established medical science based on thousands of years of clinical practices. It shows great promise treating complicated conditions that the single-target Western medicine has failed to handle," said Zang Jingwu, senior vice-president and head of GlaxoSmithKline's R&D in China.

"Our priority is to transform TCM from an experience-based practice to evidence-based medicines through innovation and differentiation," he said.

Currently, a 10-person team in Shanghai is in charge of the program, with a medication candidate for skin disease in the works.

Zang, a US-trained neurologist, said TCM is more of a multi-target therapeutic approach, which might work to treat complex conditions.

He said an example of this is ginkgo biloba leaf extract, approved in Germany, which, according to China's pharmacopeia, is TCM in essence. Globally, ginkgo biloba leaf extract is widely used to treat dizziness and ringing in the ears.

Industry insiders call such products "exotic TCM". In ancient TCM works, ginkgo is known for restoring consciousness.

"That is similar to our approach in TCM R&D," he said. He referred to skin diseases for which medications can demonstrate more evidence of effectiveness as a top candidate for TCM. Other areas of research that also show great promise include stomach and intestinal diseases and supplementary treatments for cancer, he added.



However, given that the culture and ideology of TCM is different from that of Western medicine, great innovation is required to integrate the two sciences, he said.

"In fact, many in Western medicine circles have recognized the importance of TCM, but the problem is how to prove and develop that," said Huang Jianyin, deputy secretary-general of the World Federation of Chinese Medicine Societies.

TCM is developed through empirical testing and refinement of herbal mixtures and relies on clinical experience, and many in the West don't trust that, he said. TCM, particularly herbal products, are largely available in the US and Europe, but questions like how to prove their effectiveness in the context of Western medicine and how to best use them remain unanswered, Zang added.

Zhang Lingping, director of the international cooperation department of the Beijing University of Chinese Medicine, welcomed the emerging trend.

"Their increasing interest shows Western medicine circles have begun to learn about the time-honored medical science, which originated in China," she said. Zhang said traditionally, Western medicines have been highly targeted and such a method doesn't seem to work well for complex diseases.

"They are beginning to closely look at TCM, which highlights a natural and comprehensive manner in healing," she said.

The university also had partnerships with foreign academic institutions in TCM research focusing on cancer and cardio-cerebrovascular diseases. A better approach for TCM development is to enhance its dosage and stability, she said.

"It's more feasible and practical for them to improve the techniques during the TCM production, which the multinational pharmaceutical giants are better at," she said.

But that might also pose a challenge for domestic TCM industries, she acknowledged.

Of the global herbal medicine sales volume, the Chinese mainland accounted for only 2 percent, industry analyses show. Japan has the share of the market at 90 percent.

Mao Zedong once expected TCM and Chinese cuisine would be China's two major contributions to the world, said Huang. "He wouldn't have imagined the tough situation today." (*Source: China Daily*)

### Dr. Jonny Bowden Presents in Beijing



(L) Dr. Bowden (R) Jeff Crowther

DeTao Masters Academy and Beijing University invited Dr. Bowden to give a lecture on nutrition to a packed room of students. His two-hour lecture covered overall nutrition and supplementation as well as discussing the controversial topic of cholesterol and fat as not being the culprits in cardiovascular disease, diabetes, metabolic syndrome and a variety of other health issues, which is the topic of his new book "The Great Cholesterol Myth" co-authored with Dr. Stephen Sinatra.

The packed room left about 50 students standing with a place to sit. The topics covered during the presentation really hit home as a majority of the students now have parents or grandparents suffering with cardiovascular disease, diabetes or weight issues.

It was a great lecture and really drove home the point the need to increase educational opportunities like this. Many of the supplements Dr. Bowden covered were unknown to the students and the concepts of LDL / HDL were not well understood.

Hopefully DeTao Masters Academy will host more lectures with Dr. Bowden.

DeTao Masters Academy pulls together global leaders in various fields to give lectures in China. They have relationships with Beijing University and Fudan University two of China's most prestigious educational institutions.

Jonny Bowden, PhD, C.N.S. (aka "The Rogue Nutritionist") is a board-certified nutrition specialist and a nationally known expert on weight loss and nutrition. He has authored a series of best sellers and can be found on his blog at: [www.jonnybowden.com](http://www.jonnybowden.com). (*Source: USCHPA*)

### China Set to Implement Food Tracking

China will speed up the construction of a national electronic food-tracking system as part of efforts to boost food safety supervision, a Cabinet circular said Tuesday.

Featuring an agenda on food safety work for 2013, the State Council circular urged efforts in making infant formula, ingredient milk, meat, vegetables, liquor and wine, as well as dietary supplement products traceable.

Standards concerning volumes of pathogenic microorganisms (such as bacteria), use of food additives, and levels of residue from pesticides and veterinary drugs in food products will be improved before the end of the year, the document said.

National product standards for honey and edible vegetables as well as relevant standards of testing methods will also be improved by the end of 2013.

Calling for efforts in forming a food safety credibility system, the Cabinet urged a "blacklist" system to be set up to publicize names of firms who fail to be honest in its business, a move intended to promote self-discipline initiatives in the food industry. *(Source: Xinhua)*

## Wisconsin Ginseng in China

One of China's oldest and biggest medicine companies agreed Monday to sell only genuine Wisconsin ginseng at its 1,800 retail stores, an estimated \$200 million deal that was finalized during Gov. Scott Walker's trade mission to the world's second-largest economy.

Under the agreement with the Ginseng Board of Wisconsin, Tong Ren Tang Health Pharmaceutical — a 364-year-old Chinese pharmacy — will pay for trademark seals indicating that for the next decade the company is selling genuine Wisconsin ginseng at its stores in China.

All products will be purchased from the Ginseng and Herb Cooperative, a Wausau-based association representing Wisconsin ginseng producers.

Wisconsin produces more than 95 percent of the ginseng in the United States, and China is the biggest foreign importer. Many Chinese consumers know Wisconsin for its high-quality ginseng products as herbal medicine and gifts.



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China's ginseng market was plagued with counterfeit products in the past, many of which were illegally labeled as Wisconsin imports.

The deal is a renewal of existing partnership between Wisconsin's which started in 2009. Only products sealed with an official trademark are now allowed to be sold at TRT stores.

Wisconsin's annual ginseng exports to China jumped from 30,000 pounds in 2006 to 200,000 pounds in 2011, thanks to lower tariffs and a crackdown on counterfeits.

Walker said the deal could bring up to \$200 million in ginseng sales to Wisconsin over the next decade. *(Source: AP News)*

## Nordic Naturals Introduces CoQ10 Product

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Nordic CoQ10™ Ubiquinol provides 100 mg of coenzyme Q10 ubiquinol in each soft gel. Shown to support cardiovascular health and the transformation of food into energy, ubiquinol is the active antioxidant form of CoQ10, a fat-soluble molecule found in nearly every cell, tissue, and organ in the body. Nordic CoQ10 Ubiquinol is the company's newest release, joining Ultimate Omega+CoQ10® and Omega LDL™. It is available in 60 count, unflavored soft gels that contain ubiquinol in organic extra virgin olive oil. The product does not contain gluten, milk derivatives, or artificial flavors. *(Source: Nordic Naturals)*

## Symrise Gets Ingredient Approval from China's FDA

“SymWhite 377” is now authorized for use in cosmetic products marketed in China as the supplier of fragrance and cosmetic active ingredients successfully completed the registration process with the Chinese Food and Drug Administration (CFDA).

Considering the importance of the skin whiteners in Asia, which consumers use to remove age-linked stains or to get a clear and even complexion, effective and safe lightening ingredients have a huge potential in China.

“SymWhite 377 has an excellent safety profile and provides visible effects in less than 14 days. SymWhite 377 can improve the appearance of dull complexions, can promote clarity and brightness, and provide a beautiful, uniform skin tone. Further, it can also diminish the appearance of dark facial hair. As a powerful anti-oxidant it delivers an added functional value,” Symrise claims.

SymWhite 377 is inspired from pinosylvin, a natural skin brightening compound occurring in pine. It was synthesized and screened for tyrosinase inhibitory activity as well as for antioxidant efficacy. Its efficacy has been tested in vitro, in vivo and ex vivo. A clinical study with Asian subjects showed that 0.5% SymWhite 377 is a more effective solution for brighter skin than 1.0 % kojic acid.

“We wanted to create a product that incorporates various advantages,” explains Dr. Gabriele Vielhaber, Senior Vice President Global Business Unit Cosmetic Ingredients at Symrise. “SymWhite 377 combines innovation with product safety and market insights. That is why we are really pleased that the SFDA has approved our active component in China. Our customers that are active on the Asian market can now develop effective products that fulfill the wish for an even and radiant skin and that give care and protection at the same time.” *(Source: Symrise)*

## Chinese Firm to Sell NBTY Products

Nutritional-supplement maker NBTY Inc has formed an alliance with Qin Shan Tang to be the exclusive distributor on the Chinese mainland of the US company's Radiance supplement targeted at consumers in late middle age.

Xia Junbo, managing director of subsidiary NBTY China, said his company, which specializes in health care products for the elderly, can use the partnership to help develop the market for supplements and vitamins for older Chinese.

The agreement is a way to bring advanced health-care research and products made to international standards to China while giving elderly consumers more choices, Xia said.

NBTY, based in Ronkonkoma, New York, produces and sells a variety of vitamins and nutritional supplements worldwide, under its own Nature's Bounty brand and as a third-party manufacturer for other brands.

The company established a representative office in Beijing in 2005 and began selling its products in China two years later.

Qin Shan Tang is selling four forms of NBTY's Radiance, with different enzyme formulations: nitric oxide composite tablets, coenzyme Q10 soft capsules, nattokinase capsules and glucosamine chondroitin capsules.

According to the companies, the products contain natural ingredients specially formulated for elderly Chinese.

Demand for health care products including supplements is expected to increase along with China's higher incomes and living standards.

According to the China Health Care Association, 644 kinds of nutritional supplements have been exported to China over the past 15 years, with 63 percent coming from the US.

"China has one of the fastest-growing obesity and diabetes rates in the world, yet I see a trivial demand for any healthy beverages or food," said Barry Popkin, an economist and nutrition epidemiologist who heads the Interdisciplinary Center for Obesity at the University of North Carolina at Chapel Hill.

"American nutritional products are trustworthy in their nutritional contents and will not have any contamination. This is a big issue in China and I suspect they have great potential. The problem is Chinese demand. The population is not educated as to what are healthy foods and beverages and focus more on misleading advertisements than true ways to improve their health," Popkin said.

US-based Amway Corp, a direct-selling company that uses multilevel marketing to distribute vitamins, cosmetics and other consumer goods, is one of the biggest foreign players in the Chinese market. It has seen tremendous growth in its businesses.

Sales in China, Amway's biggest market, reached 27.1 billion yuan (\$4.34 billion) in 2012, compared with 26.7 billion yuan the previous year.

In 2012, the introduction of the Amway eSpring water-filtration system in China became the company's biggest product launch ever. First-year sales are projected to exceed \$500 million, the company said in a statement.

Su Ye, who is pursuing a master's degree in art at the University of Florida, said that every time she returns home to China, her family and friends ask her to bring health supplements. Fish oil, grape-seed extract and vitamins are top requests, she said.

"They just love American nutritional products, thinking those made-in-US products are of better quality with a lower price," Su said. "It would be great if more US nutritional supplement companies could directly sell in China, at roughly the same price as in the US." (*Source: China Daily*)

**If you have China related news that you would like to share with the association for publication in its newsletter please contact us at:**

**[news@uschinahpa.org](mailto:news@uschinahpa.org)**

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