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China to Reform Food and Drug Regulation System

The State Council of China released plans on the reform of national food and drug safety and regulation system on June 5. The country is to implement the production accountability system in which the producer takes the leading responsibility of safety problems.

On the teleconferencing about the reform arrangement, Vice President Wangyang said that local governments should accelerate the reform of local supervision and regulation institutions and their functions, and set up the most stringent regulation system covering the areas of production, circulation and consumption.

According to the arrangement, institutions and their functions will be reshuffled to reduce the links of regulation and optimize the use of resources. The human resource, financing support and other supplies will be allocated to where they are needed to ensure the operation of new regulation institutions.

This local institutional reform of all levels is planned to be completed before the end of this year.

After the reform, the local governments are to be responsible for the overall local food and drug safety. Supervision and regulation institutions should separately take on their own responsibilities and the food safety committees of all levels should play the role of

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.

coordinator and overseer on the work of all the regulation institutions.

The rectifying work on food safety will be started from baby formula industry. The government will launch special operations on main industries and products and impose severe punishment on illegal practices. (Source: China FDA)

TSI Pharmaceuticals Expands with Acquisition of National ProPack

Australian contract manufacturing and packaging company, National ProPack, previously owned by National Chemicals Pty. Ltd., has become a wholly owned part of Australian contract

manufacturing company TSI Pharmaceuticals, part of the global TSI Group. Specific terms of the deal were not disclosed. Both National ProPack and TSI Pharmaceuticals are backed by the TSI Group, a global researcher, developer and manufacturer of ingredients and finished products with offices in Europe, Japan, China, Australia and the U.S.

The acquisition includes ProPack's manufacturing facility in Brisbane providing TSI with expanded capacity to manufacture liquids and creams in topical format for therapeutic and Australian Pesticides and Veterinary Medicines Authority (APVMA) products, as well as industrial applications, in a wide variety of jars, tubes and bottles.

According to Ian Chant, TSI Pharmaceuticals managing director, the acquisition will strengthen TSI Pharmaceuticals product offerings, particularly related to the production of its locally made liquids and creams.

As part of the TSI Group, ProPack will have the opportunity to offer customers the benefits of an expanded operation gaining access to worldwide innovation, economic purchasing and the vertical integration of closely controlled raw material manufacturers.

"This acquisition further fortifies TSI's global supply chain strategy to manufacture in the country that provides our customers with the best quality, delivery performance and value," said Chant.

ProPack owner Robert Bowser said his company was looking forward to providing clients an extended quality product offering made possible by the union of these two organizations.

"TSI is a strong organization which has experience managing product lines similar to ours and will certainly provide opportunities for growth," Bowser said.

TSI Pharmaceuticals (www.tsipharma.com.au), located in Brisbane, Australia, has been operating since 1988. It supplies both TGA standards bulk and packed therapeutic goods to a wide range of customers in Australia and New Zealand. TSI is a premium producer of pharmaceutical, over the counter and supplement grade glucosamine and chondroitin, working in more than eight countries. It became part of the global TSI Group in 2011. The TSI Group operates four cGMP manufacturing facilities, customer service offices worldwide and a 40-acre fully integrated manufacturing, research and quality assurance campus.

National ProPack (www.nationalpropack.com.au) is a contract manufacturing and packaging company

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offering product development, manufacturing, filling, and packaging for the pharmaceutical, veterinary, cosmetic and consumer goods area. National ProPack GMP licensed manufacturing facility adheres to the strictest standards of quality assurance.

For additional information in Australia, contact Ian Chant at ian.chant@tsipharma.com.au or at +61 7 36234547 or +61 4 18781088. In the U.S. contact Larry Kolb, TSI USA at 406.549.9123 or via email at LKolb@TSIinc.com. (Source: Baker Dillon Group)

First Krill Powder Study Benefits Obese Subjects

Researchers from Aker BioMarine have published a new pilot study on krill powder in *Lipids in Health and Disease*. The study, performed at Momentum Pharma Services GmbH, a CRO in Germany, and two academic research sites in Italy, investigated the effects of Superba(TM) Krill powder supplementation in obese subjects.

This new powder product, currently under development by Aker BioMarine Antarctic, provides phospholipid omega-3 fatty acids suitable for tablet applications.



For this particular study, 11 obese men underwent 24 weeks of treatment with Superba(TM) Krill powder. Then researchers assessed blood lipids and endocannabinoids as well as a variety of other parameters. Superba(TM) Krill powder reduced triglyceride levels by 21%. It also positively impacted three different endocannabinoids - a class of lipid signalling molecules that is dysregulated in obese subjects. In fact, one of the endocannabinoids - anandamide - which is elevated in obese subjects, decreased 84% by the end of treatment. Researchers also noted a significant decrease in the waist/hip ratio and visceral fat/skeletal muscle mass.

One of the co-authors, Vincenzo Di Marzo, PhD, commented on the study. "These results confirm previous findings with krill oil, demonstrating a reduction of an overactive endocannabinoid system in obese subjects. Krill oil and krill powder could potentially both be useful in ameliorating metabolic syndrome."

Study coordinator Kjetil Berge, PhD, R&D Director, Aker BioMarine Antarctic, added: "We are excited to publish another clinical study on krill further validating the health benefits of phospholipid bound EPA and DHA."

Matts Johansen, Chief Operating Officer, Aker BioMarine Antarctic confirms: "This study represents an important addition to our overall krill research portfolio and we believe a free-flowing powder version of Superba(TM) will open up new market opportunities."

Development of the powder version of Superba(TM) is ongoing with no commercial launch date set yet.

Aker BioMarine is a krill ingredient company that is primary in its supply. It's proprietary Eco-Harvesting(TM) technology and on-board processing result in the unique composition of Superba(TM) Krill Oil and provides full traceability from sea to shelf. The Marine Stewardship Council (MSC) has granted MSC Certification to Aker's fisheries, an exclusive distinction that no other krill fishery has earned.

As part of an established commitment to substantiating krill's health benefits, Aker continues to sponsor in vitro, in vivo, and human clinical trials with phospholipid EPA & DHA from krill oil, consistently demonstrating a higher uptake of phospholipid omega-3 fatty acids, improved blood lipid profiles, and increased uptake of DHA in brain tissue compared to other omega-3 fatty acid sources. *(Source: Aker BioMarine)*

China's Grocery Market Reaches US\$1 trillion

China, the world's biggest food and grocery market, is now valued at more than US\$1tn and is forecast to be worth US\$1.5tn in 2016, according to latest figures published by IGD.

IGD research also found:

The US grocery market will remain the second largest globally and is predicted to be worth US\$1.1tn in 2016. IGD expects growth to accelerate from a compound annual growth rate (CAGR) of 3.6% between 2010 and 2012, to 4.7% between 2013 and 2016

By 2016, the Indian grocery market will have overtaken Japan to become the world's third largest grocery market, valued at US\$566bn

The gap between Russia and Brazil is fast narrowing. By 2016, the Brazilian and Russian grocery markets are projected to be worth US\$468bn and US\$467bn respectively, with Brazil set to climb to fourth position with a CAGR of 9.1% between 2013 and 2016

All of the BRIC (Brazil, Russia, India, China) nations will be in the top five grocery markets by 2016, worth just over US\$3tn in total

Joanne Denney-Finch, chief executive, IGD, said: "For food and consumer goods companies, the Asia-Pacific and Latin American grocery markets offer long-term growth opportunities, with many businesses already profiting from entering them.

"The Chinese grocery market, in particular, has been growing at a rapid pace for several years. Representing one fifth (20%) of the world's population, China has had a surge in the number of higher-income earners, benefiting from a significant rise in wages. This has resulted in a soaring demand for new products, brands and concepts – all of which have helped fuel its growth.

"International and domestic grocery retailers are expanding quickly in China with diverse formats and entering new regions. This not only creates new supply chain opportunities for manufacturers, but also presents a wealth of choice for Chinese shoppers.

"In Latin America, Brazil is also an attractive growth market for global grocery players. Over the next few years, Brazil will be hosting big sporting events such as the World Cup and Summer Olympic Games, presenting a further boost for its economy and for the performance of retailers and manufacturers operating in the region.

"By 2016, the top 15 global grocery markets will have a total value of US\$6.5tn. The top five - US and BRIC - will increase their share to 65% - compared to 60% in 2012 - with a combined value of US\$4.2tn.

"This offers plenty of scope for food and consumer goods companies seeking international growth and paints a positive picture for the industry globally." *(Source: www.igd.com)*

CFDA Gives Administrative Warning to 32 Enterprises

The China Food and Drug Administration issued administrative warning to 32 health food enterprises for illegal ads on June 7.

According to the monitoring data on a wide range of TV programs and newspapers, over 90% of the health food ads are false, among which 39% are deceitful statements on the therapeutic effect of health food.

To give severe punishment on the illegal health food ads, the CFDA issued warning to 32 representative enterprises for “long-term, widely and largely misleading the consumers”. The CFDA also asked local food and drug regulation departments to intensify check on the warned enterprises. Once they are found to continue with illegal ads, they will be exposed on the media and even suspended operations for rectification. (Source: China FDA)



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Elsevier Signs Strategic Collaboration Agreement with China

New milestone in expanding cooperation with the leading Chinese medical publisher

Elsevier, a world-leading provider of scientific, technical and medical information products and services, today signed a strategic collaboration agreement with People's Medical Publishing House(PMPH), China. The announcement expands on Elsevier's current publishing collaboration with the largest Chinese medical publisher in China.

Elsevier's collaboration with PMPH goes back to the 1990s. Since then PMPH has translated and published hundreds of Elsevier's book titles in health sciences. Under the new agreement, Elsevier and PMPH will deepen and expand their collaboration, not only translating English book titles into Chinese and vice versa, but now also facilitating international collaboration in authoring books and developing information products, as well as enabling distribution of these books and products to health professionals globally.

"It is part of our global strategy to continue to work with Elsevier," said Mr. Chen Xianyi, Chairman and President of PMPH. "With abundant resources from China's top medical universities, research institutions and hospitals, PMPH has great relationships in medical publishing. Our collaboration with Elsevier will improve our practices in digital publishing and diversification, and facilitate our process of transiting from a domestic publishing company to an international publishing group."

"At Elsevier, we are committed to deliver world-class medical content and user-friendly databases to our customers around the world," said Gerrit Bos, Managing Director of Elsevier Health Sciences APAC. "Our strategic collaboration agreement with PMPH is a great step in providing access to top class medical resources for more clinicians, students and experts in medical professions in China."

About People's Medical Publishing House

People's Medical Publishing House Co., Ltd (PMPH) is the leading medical publisher in China. It produces books, journals and e-products including medical textbooks, clinical references, and patient education

books both in western medicine and Traditional Chinese Medicine (TCM). PMPH publishes 3000 new titles and new editions annually and has prestigious local and international author teams.

PMPH is headquartered in Beijing and employs more than 1000 people in and outside China. The company has 10 wholly-owned subsidiaries, including PMPH-USA, the Radegast Lakeview Hotel and Conference Center in Beijing, the PMPH Printing House, and the Beijing International Exhibition Company. (Source: Elsevier)

GLG Life Tech Signs Letter of Intent With China National Cereals, Oils, and Foodstuff Corporation

GLG Life Tech Corporation CA:GLG -5.71% ("GLG" or the "Company"), a vertically-integrated leader in the agricultural and commercial development of high quality stevia, announces the signing of a Letter of Intent ("LOI") with COFCO Nutrition and Health Research Institute Co Ltd. ("COFCO NHRI"), a 100% owned subsidiary of China National Cereals, Oils, and Foodstuff Corporation ("COFCO"), for a strategic collaboration for the Chinese market.

The LOI focuses on the two party's cooperation on the research and development of food and beverage products and on the development, marketing and sale of stevia extracts and formulated products to promote the development of the stevia industry, nutrition, and the healthy food industry in China. Under the LOI terms, COFCO NHRI shall preferentially use the materials, products, and technologies provided by GLG. The parties shall work together to develop the strategies and promotions and industrialization of stevia in the process of developing health food and functional food. The Company expects that additional agreements will result of this framework agreement and the LOI specifically provides for future agreements for major developments that are to occur.

China has one of the largest populations of diabetics globally with approximately 90 million diagnosed, and approximately 200 million people are classified as obese. Both parties are focused on the health and social well-being of the Chinese people in the development of products sweetened with stevia for zero or low calories. In addition, the parties recognize the high agricultural value of stevia to China's farmers, and the continued requirement for China to import sweeteners.

The LOI specifies that COFCO NHRI is responsible for introducing the related co-developed products to COFCO Innovation of Food (Beijing) Co., Ltd and the sales channel of COFCO. NHRI will also be responsible to bring the stevia products of GLG to China Mengniu Dairy Company Limited and to assist in the expansion of the distribution channel of GLG's products.

The LOI also states that investment may occur under the right circumstances, including COFCO NHRI investment in GLG and other forms of investment.

Dr. Luke Zhang, Chairman and CEO of GLG said, "We are very fortunate to have entered into this strategic cooperation with COFCO which is on the Fortune 500 list of global companies and is the largest food company in China. We share a common vision for the need for healthier food and beverages for the China market and stevia is the only scalable all natural zero calorie sweetener that can meet the scale requirements for the China market. We have had a lot of strategic discussions with COFCO Executive over the past several months and we have a good roadmap to begin execution of their ambitious vision to bring healthier food and beverages to the China market. We are truly excited to be the preferred stevia partner

to COFCO and to be recognized as the leading vertically integrated player in the stevia industry."

COFCO HNRI President Xiao Ming Hao stated, "GLG is a company in the global stevia industry which has developed its own intellectual property and vertically integrated supply chain covering from seed to shelf. This time, we will do collaborations using each party's strength; create new mechanisms for our mutual benefit. We plan to increase the health value of stevia from developments of technology, basic application, products and quality safety and to provide more health options for the Chinese diabetic and obese population." (Source: www.globenewswire.com)

Food Supplement Inquiry APP Launched

The iearth—an environmental protection institute launched Sui Shou Cha (literally means to inquiry whenever and wherever), the first query software for food supplement in China. The software, going online during the Children's Day, is intended to help the parents check the supplement list to buy healthier food for their children.

This software records nearly 400 kinds of common food supplements' name, category, value of Acceptable Daily Intake and potential threats in case of long-term and large intake. It sorts out the categories on children's frequently taken snacks, potential threats when taken too much and the food supplements that are unfit for children less than three years old. The parents can download the application and inquiry the food supplements by their names, serial numbers or categories. This will help them understand the ingredients of the daily food and control the intake of supplements.

Research shows that common snacks for children like crisps, milk tea, ice cream, glace fruit, jelly and instant noodles usually contain several kinds of food supplements. For example, a bag of instant noodles can have as more as 25 kinds of supplements.

Fan Juan, the initiator of iearth said that this software was developed for the concern of children's frequent exposure to food supplements. It is expected to help parents understand the lists of ingredients and buy healthier food for their children. (Source: Xinhua News Agency)

Penalties to Rise for Food Safety Violations

The mainland's four-year-old Food Safety Law is set for a major amendment this year that will increase penalties.

The State Food and Drug Administration, which oversees food and drug safety in the non-agricultural sector, had solicited legal experts' opinions on the amendment this month, said law professor Xie Zhiyong, who was at the meeting.

The administration's deputy director, Liu Peizhi, told the meeting that the law needed amendments to cope with demands for redefinition of the responsibilities of government agencies, tougher punishment for food safety violations and rules to close legal loopholes in areas such as food sold online, the minutes of the meeting said.

The law stipulates the role various government agencies should play at different stages of food production, distribution and consumption.

But a central government reshuffle in March, which saw departments in charge of food safety from various

agencies integrated into the new administration means roles need updating.

"The amendment of the Food Safety Law has been made a top priority in the legislative agenda by the State Council Legal Affairs Office ... the amendment will be completed this year," Liu said.

The law was passed in February 2009 after the country's biggest food safety scandal. At least six children died and 300,000 others became ill with kidney problems after drinking milk tainted with melamine. Some 22 dairy manufacturers were involved, with dairy farmers blamed for adding the chemical to raw milk to boost protein readings.

"The top leadership has been dissatisfied that food safety problems were not tackled at all, which is one important motivation for the amendment," said Du Yifang, an associate law professor at Zhejiang University of Technology.

Premier Li Keqiang repeatedly said last month that "the toughest" supervision of food and drug safety had to be set up.

"The administration has never fully addressed the failure of government supervision in the melamine-tainted milk scandal," Xie, from China University of Political Science and Law, said. "The agency for quality control was blamed for failing to inspect the chemical and farmers were sentenced as scapegoats."

The law had not achieved its goal and various food and drug safety scandals had shown that supervision was at fault, Xie said. Those scandals also showed that punishment was either absent or not working.

"The law community basically believes tougher punishment should be imposed and those not held responsible in the original law, such as government officials, should face specific punishment for their roles in food safety violations," Du said.

She said the law stipulated the responsibilities of agencies, but did not mention any punishment for those that failed. The legal community wanted the consequences of such failures to be specified in the amended law, with criminal punishment for serious cases.

Under the law, officials have until now received only administrative punishment, such as suspension from duty, and in many cases they have quietly returned to power. (*Source: South China Morning Post*)

Revlon Animal Tests in China Questioned by PETA

Revlon is in the sights of animal right's group PETA. The organization challenged the makeup giant about their sales in China, where animal tests are required for cosmetic products. Research associate Amanda Nordstrom for PETA's Laboratory Investigations Department participated in the company's 2013 Annual Meeting of Stockholders and voiced concern over the issue, which the animal right's group called a betrayal of trust.

Held at the company's Research Center in Edison, New Jersey, on Thursday, June 6, 2013, the stockholder's meeting had a new quest, as PETA purchased the company's stocks last year, after unsuccessfully trying to make them come clean about their secret overseas animal testing. The stockholder status allowed the group to attend the annual meeting, in order to demand transparency about animal testing activity and put added pressure on the company. Having been forced to drop the makeup company from their list of

companies that do not test their products on animals, PETA decided to head straight into the boardroom and demand answers.

"Your commitment to profit is obvious. Your commitment to consumers who care about cruelty-free products has been revealed as a sham. On behalf of PETA and our more than 3 million members and supporters, I ask Revlon to end sales in China in order to spare animals who continue to be killed in cruel tests. Will Revlon make this commitment?" Nordstrom read out loud at the meeting, according to a press release.

To further drive their cause, PETA has plans to introduce a shareholder's resolution next year, after the group has held the stock for a year. For more info on cosmetic companies that are misleading consumers about their animal testing policies, visit PETA for a full list. *(Source: www.dailyglow.com)*

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

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