

# CHINA UPDATES



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### **Beijing Asked Local Companies to Suspend Production in Face of Pollution**

Food and drink companies in Beijing are asked for production suspension by the local authority in the past few weeks, as pollution climbed up to new highs.

Over 111 factories in Beijing are ordered to suspend from production in face of the deteriorating pollution, including big-brand companies like Sanyuan Dairy, Huadu Chicken, Tongrentang Drug, Lulu Beverage and Beijing Daoxiangcun Food Co.Ltd.

Though most companies in the suspension list are in the construction industry, companies of food, drinks and drugs are also asked to suspend from production in efforts to decrease emission from factories so as to ease the pollution.

Besides suspending production, the government also asks a certain companies to reduce emission during smoggy days. Beijing Yanjing Beer is also among the listed 75 companies. (Source: Beijing Youth Daily)

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.

## China Released New Draft on Food Safety

The National Health and Family Planning Committee recently released a number of drafts concerning food safety standards, which are open to gather public opinion by April, 20<sup>th</sup>.

The draft covers 14 items include that on radiated food, packaged drinking water, health food, bean products, dried sea-cucumber, jelly, chewing gum, edible mushrooms, gluten, puffed food, edible animal fat, edible fat and oil products, edible oilseeds and aginomoto.

Among the covered items, the one that earns the most attention in domestic media is the updated standard on package drinking water. Local media reported that the revision on two Standards concerning drinking water is conducted by Zhejiang Health Monitor Institution, China Beverage Industry Association and Health Monitor Institution of Zhou Shan, a city in Zhejiang Province.

The standard update targets on the inadequate regulation on domestic drinking water market. The update standardizes the classification of all the packaged drinking water except the natural mineral water. Most of the related terms are desperate for an official definition.

Regarding the kind of drinking water which is basically purified water with food additive, the new draft no longer allows this kind of water to be named as “drinking mineral water” in efforts to erase misunderstanding among consumers who might think this kind of water contains minerals that can serve as nutrition supplements. (Source: USCHPA)

## Chinese Authority to Roll out National Black-list System on Food and Drug

CFDA announced recently that a black-list system on food and drug will be rolled out in the first half of this year.

The state authority suggested this system late last year and opened for public comments which closed last month. On the other hand, many local food and drug regulators in different cities nationwide have already implemented blacklist system to address the local problem of food and drug, which is expected to be a hot topic during the upcoming “two sessions”.

Though the CFDA has implemented black-list regulation on drug, there is still no similar regulation concerning food, said an official with the law department of CFDA.

The draft said detailed information on manufacturers who "have seriously violated laws and regulations concerning food, drugs, medical appliances and cosmetics management and received administrative penalties" will be made public through government's official websites.

Food producers who have used raw materials, additives and related products that cannot meet food safety



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standards, or added drugs into food, among other serious cases, will be ordered to stop production, have their licenses revoked and be blacklisted, according to the regulation.

Food and drug regulators are also asked to increase spot checks on the blacklisted products and toughen supervision, the draft says, saying those blacklisted will be "severely punished" if they ever break laws and regulations again.

The draft, published at the official site of State Council Legislative Affairs Office, was open to public comments until January 10, 2014.

People familiar with the issue said among all the gathered comments on the draft, many suggested to make the punishment severe to those who are doing illicit trade.



"We are currently summarizing the comments and will try to implement it in the first half of this year," said an official with CFDA. ( Source: China Consumer Journal)

### BCG Reports on the Potential of China's Health Product Market

A recent report released by Boston Consulting Group shows that Chinese consumers are increasingly aware of the importance of health, which benefits the growth of health product market in China.

The report by BCG estimates that the market value of health product in China will exceed 400 billion yuan by 2020.

BCG conducted a survey among 2600 middle-class and affluent consumers who age between 18 to 65 years old on their consumption habit. The survey result shows that the ranking of expenditure on health product among all items soars to the second place when last time, it only ranked below ten.

The Chinese consumers are found to be specifically interested in buying all kinds of products that can ease symptoms of uneasiness, boost energy and strengthen immunity. (Source: Xinhua News Agency)



### Chinese Authority Says the Country's Vaccine is up to the International Standard

Li Guoqin, chief of the drug and food department of CFDA, said that China has built a comprehensive package of quality control system on vaccine, which covers R&D, production, sales and application.

The system aims to promote the quality of made-in-China vaccine, said Mr. Li.

China so far has 40 vaccine production companies which are capable of producing 60 vaccines to prevent

34 kinds of contagious diseases. The country's Ministry of Finance is responsible to inoculate 14 kinds of vaccines to the public.

The state regulator requires all axenic drugs, including vaccines, to meet the latest standard of Good Manufacturing Practices (GMP) on drugs. The new standard follows the international principles of WHO and EU countries. (Source: Xinhua News Agency)

## China Pollution Grounds Hundreds of Flights, Prompts Severe Health Warning

Hundreds of flights were delayed or cancelled on Friday in China's commercial hub of Shanghai as record levels of air pollution shrouded the city in smog, prompting authorities to issue the highest level of health warning.

The incident is especially embarrassing at a time when China seeks to build Shanghai into a global business hub on par with the likes of London, New York and Hong Kong by 2020.



On Friday afternoon, the Shanghai government issued its severest health warning as the city's pollution index ranged between 23 times and 31 times the levels recommended by international health officials.

In the first such advice since a new health warning system was launched in April, authorities urged residents to stay indoors and asked factories to either cut or halt production.

"I don't think it's fit for people to live in this kind of environment," said Shanghai resident Fan Jianjun, 34, who wore a face mask as he walked through the opaque air in the Lujiazui financial district.

"But I have no choice. I still need to work. I can only take preventive measures but I have no idea whether they work."

An aircraft is barely visible through thick smog on the tarmac of Hongqiao airport in Shanghai as severe pollution blankets the city on Friday.

Air quality in cities is of increasing concern to China's stability-obsessed leaders, anxious to douse potential unrest as more affluent citizens turn against a growth-at-all-costs economic model that has polluted much of the country's air, water and soil.

The government has announced many plans to fight pollution over the years but has made little apparent progress.

Most of the flights leaving Shanghai's Pudong International Airport have been delayed, according to the airport's website. Pudong was the world's third busiest cargo airport in 2011, data from the Airports Council International shows.



Hazardous air pollution forced schools to shut or suspend outdoor activities in at least two cities in eastern China on Thursday. Some schools in Shanghai cancelled outdoor activities on Friday, as well.

The unusually noxious haze was caused by several factors, including industrial pollution and auto emissions



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trapped by cold, windless weather, said Xu Bin, an associate professor at Shanghai's Tongji University.

By 2 a.m. ET Friday, the level of PM2.5 particulate matter, or tiny particles in the air that are the most hazardous to health, reached a "severely polluted" 466, according to the Shanghai government's monitoring website.

A similar measure by the U.S. Consulate in Shanghai showed a reading of 503, a level described as being beyond the index on its website.

Levels above 300 are considered hazardous, while the World Health Organization recommends a daily level of no more than 20.

Li Yan, a climate and energy expert at Greenpeace East Asia, said the case could bring exposure to polluted cities outside of Beijing, putting pressure on provincial officials to prioritize the problem. She said: "People ... who live in Beijing are suffering from the polluted air, but we have the attention of both domestic and international media. Shijiazhuang's environmental problems are far more serious, and this case could bring Shijiazhuang the attention it has deserved for a long time." (Source: NBC)

## **China revokes 68 drug business licenses**

China's food and drug safety watchdog said on Tuesday it has revoked licenses of 68 drug businesses in a crackdown on illegal drug-related production and operations since last July.

The China Food and Drug Administration (CFDA) said nearly 500 cases involving illegal or criminal practices were handed over to police authorities during the crackdown.

The administration has ordered some 1,000 drug producers and dealers to suspend business and has withdrawn over 250 GMP (Good Manufacturing Practices) and GSP (Good Supply Practices) certificates.

In July last year, the CFDA launched a half-year crackdown on illegal drug-related production and operations, especially targeted at violations in the traditional Chinese medicine (TCM) market and online drug sales.

The administration also aimed to establish more regulations and mechanisms during the campaign to intensify management and better control drug safety risks. (Source: Xinhua)

## 59% of Chinese Consumers Shop Through Smartphones

More than half of Chinese users, or 59.4% percent shop online through their smartphones, according to the MasterCard Online Shopping Survey. The survey, which serves as a benchmark that measures consumers' propensity to shop online, was conducted across 25 markets between November and December 2013. The report for the Asia/ Pacific region included interviews with 7010 respondents from 14 markets who were asked questions about their online shopping habits.

Two-thirds of Asia/Pacific consumers go online to shop, with nearly 100% of respondents from China indicating that they have made at least one online purchase in the past three months. The ubiquity of internet-enabled mobile phones has many savvy shoppers in China (59.4%), Thailand (51.2%), Korea (47.6%), India (47.1%) and Indonesia (46.7%) shopping via their smartphones.

Across the 14 Asia/Pacific markets, convenience (46.8%), the ability to shop on the go (41.3%) and the growing availability of apps that make it easier to shop (40.8%) emerged as the most compelling reasons for driving smartphone shopping.

Clothing and fashion accessories (26.0%) topped the list of items purchased through smartphones, followed by apps (22.4%) and music (18.8%). New mobile technologies are also gaining traction among consumers in the region, with mobile banking apps having the highest awareness-familiarity levels at 48.7%, followed by in-game-app shopping (35.7%) and in-social-networking-app shopping (34.9%). (Source: redlinechina.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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