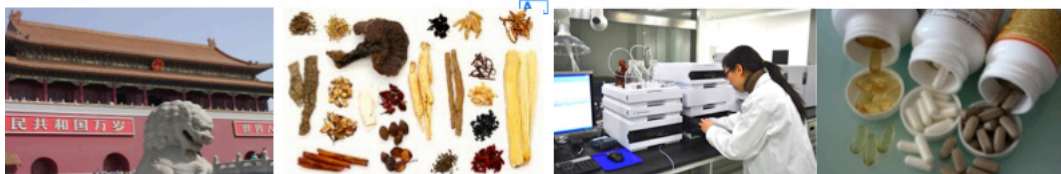


# CHINA UPDATES

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## **State Regulator Steps up Regulation over Food Expiration**

CFDA said yesterday that it would step up in cracking down upon illegal food production and expire food selling, while putting those illegal production companies into a black list.

The authority recently released an announcement to local food regulators to strengthen regulations over food expiration, and clear up those which already expired.

The state regulator also emphasized that no individual or production company was allowed to process over expired food or recycle any of them. The production date is not allowed to be changed after production in the food package.

Food production companies should conduct bio-safety disposal towards expired food, together with the food package. Qualified institutions can recycle the expired food and process them into fertilizer or fodder. (Source: People.com.cn)

## **State Authority to Strengthen Regulation over Rural Food Market**

Food safety in rural market has been waiting to be better regulated. Food safety issues including counterfeit production and expired food hit the rural areas in China very bad in the past few years.

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To address the related problems, CFDA recently said it would take four measures to crack down on counterfeit and poor-quality food production.

First, the local regulators are asked to strengthen controls over rural market, especially the key markets and areas, to spot problems in time; Secondly, the illegal food production companies should be rooted out in time, with a focus on wholesale food market; Thirdly, to consolidate the result of previous special regulating programs and institutionalize the legal performance; fourthly, to motivate the grassroots regulators to strengthen the regulation network and guide the consumers away from buying counterfeit production. (Source: Economic Information Journal)

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## CCTV Criticism Causes Firms' Shares to Slump

After China Central Television (CCTV) slammed some companies for poor quality products or cheating consumers on a report that aired March 15, World Consumer Rights Day, several of the listed companies criticized saw share price drops or suspended their shares trading Monday.

The share price of Japan's leading camera maker Nikon Corp dropped 1.65 percent Monday and closed at 1,730 yen (\$16.70) in Tokyo Stock Exchange.

Nikon was criticized by the CCTV report for a recurring problem in which black dots appeared on pictures caused by dust falling onto the CMOS sensors of its D600 model, a high-pixel, single-lens reflex camera that Nikon launched in 2012 and priced at about 13,000 yuan (\$2,100).

Nikon announced on its Sina Weibo account Monday again that the company took the CCTV report seriously and that it provides free checks and cleaning services to D600 users, as well as replacement of the shutter or the whole camera if the black dots problem cannot be solved.

Nikon has also begun taking the D600 off shelves Saturday, according to its Weibo announcement.

Compared with Nikon, domestic enterprises suffered a greater impact from CCTV's report.

Beijing-based Gohigh Data Networks Technology Co and its "reported" parent company Datang Telecom Technology Co have applied for suspension of share trading Monday for fear of slumping share prices due to the negative report.

CCTV reported that Gohigh makes profits from installing applications on smartphones before they are sold and some applications collect users' personal information without informing the users and cannot be deleted.

Gohigh denied the report in a statement released on the website of the Shenzhen Stock Exchange Sunday, which said the company did not promote malware or steal users' private information and that their pre-installed apps can be removed by users.

Datang Telecom refuted the market rumor Monday that it is the parent company of Gohigh, claiming that

they are both subsidiaries of a shareholder named Datang Telecom Technology & Industry Group.

Shenzhen-listed Haima Automobile Group Co Ltd also suspended its share trading Monday after being reported as forging low fuel consumption data in vehicle tests.

Zhejiang Conba Pharmaceutical Co, which was reported by media as being the parent company of Zhejiang Kangnuobang Health Food Co, announced Monday that Conba has never invested in or cooperated with Kangnuobang.

CCTV report said that several food companies in South China's Guangdong Province, East China's Shandong and Zhejiang provinces, such as Kangnuobang, labeled cod-liver oil as fish oil for infants and children despite knowing that cod-liver oil is not intended for infants and children.



Liu Jie, the mother of a three-year-old boy, watches CCTV's consumer program each March 15 and is concerned the most about food safety issues, she told the Global Times Sunday, noting she will never buy products from the enterprises exposed by the annual program.

Conba has suspended share trading since November 25, 2013 due to an upcoming major announcement.

Some companies in the same or similar industries as those in the program also appeared to be negatively impacted.

Shenzhen-listed health food maker By-health Co Ltd, which was not even mentioned in the report, also announced Sunday that it does not label its cod-liver oil as a regular product.

Another health food maker Joincare Pharmaceutical Industry Group Co, also not mentioned in the program, saw a 0.55 percent share price drop Monday, closing at 5.43 yuan.

After CCTV reported some smaller domestic producers, including Fujian Sanming Food Additives Co Ltd and Hunan Jinlong Gelatin Co Ltd, make gelatin with polluted raw materials, Qinghai Gelatin Co Ltd and Baotou Dongbao Bio-Tech Co Ltd, two leading gelatin manufacturers, saw 10.08 percent and 10.04 percent share price increases respectively Monday.



Hongbo Co Ltd, a listed stationery producer, announced Monday that it did not produce any unsafe products reported by CCTV and Hongbo's share price increased 3.04 percent Monday. (Source: Global Times)

## Over 10,000 Prosecuted over Food Safety

Some 10,100 people have been prosecuted for production and sale of substandard and poisonous food between 2011 and 2013, China's Supreme People's Procuratorate (SPP) said here on Friday.

According to data from the SPP, prosecutors also approved the arrest of some 7,000 people linked to manufacture and marketing of food products.

Speaking at a press conference in Beijing, Nie Jianhua, SPP vice director in charge of public prosecution, said illegal workshops, factories and markets were the major sources of problematic food.

Suspects were mainly self-employed business people, farmers or unemployed, he added.

Prosecutors also revealed at the press conference details of five criminal offences concerning food safety which, according to the SPP, were of "instructive" importance.

In one such case, a suspect named Liu Liguang sold 100 million yuan's worth of "gutter oil" made from kitchen waste between December 2007 and July 2011. Some 9 million yuan's worth of such unsafe oil entered the cooking oil market.

"Gutter oil" literally refers to recycled oil dredged from gutters behind restaurants as well as inedible animal oil. The oil, which contains carcinogenic substances, is dangerous if consumed.

Liu was given a life sentence in 2013.

In another case, Sai Yue and Han Chengwu, director and vice director of the Chongming county bureau of quality and technical supervision, were



sentenced to six and two years and a half in prison for dereliction of duty and taking bribes after a food company in Chongming was found to have produced poisonous cooking oil.

Official dereliction and graft played a major role in food safety cases, said Guan Fujin, another vice director.

He said 531 officials had been investigated in 2013 over their involvement in cases concerning harmful medical and food products. (Source: Global Times)

## **New Zealand PM to Offer Food Safety Assurances in China**

New Zealand Prime Minister John Key said Monday that he will visit China this month to assure Chinese leaders and the public that New Zealand food products are safe after last year's global botulism scare.

Key, who will depart on March 17, said he was scheduled to meet with President Xi Jinping and Premier Li Keqiang to discuss increasing agriculture and food safety cooperation, financial sector cooperation and enhancing bilateral trade, economic and political relationship.

"My visit provides an opportunity to brief China's leaders on the outcomes of the government inquiry into the Whey Protein Concentrate Contamination Incident," Key said in a statement.

"I will be able to report to China's political leadership, and assure Chinese consumers, that the inquiry delivered a strong endorsement of the New Zealand food safety system."

New Zealand and China were on track to achieving the shared goal of doubling two-way trade to 20 billion NZ dollars (16.7 billion U.S. dollars) by 2015, he said.

Last year, two-way trade totaled 18.2 billion NZ dollars (15.2 billion U.S. dollars), up 25 percent on the previous year.

The New Zealand government announced last month that it had set up a working group to improve dairy product traceability in the wake of Fonterra's global recall last August of whey protein concentrate



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mistakenly suspected of containing a botulism-causing bacterium.

The government inquiry into the incident recommended improving the dairy sector's ability to trace products and ingredients.

Key said he would also visit Hong Kong where he will hold high level meetings, undertake activities relating to his role as minister of tourism, before attending the third Nuclear Security Summit in The Hague.

The summit on March 24-25 would focus on improving the security of nuclear materials and reducing the global threat from nuclear terrorism.

"Preventing nuclear terrorism is a global challenge which all countries must address together. New Zealand's long-standing concerns about nuclear issues are well known and we will continue to play our part in this effort," said Key. (Source: cntv.com)

## Chinese Task Force to Target Counterfeit Food and Drugs

A task force with tougher powers to investigate cases of tainted food and counterfeit drugs is to be set up on the mainland.

Its staff will include food and drug inspectors, as well as the police, according to Beijing News.

Hua Jingfeng, an official at the Ministry of Public Security, told a food safety forum that the organization

would be set up soon and be called the Food and Drug Crimes Investigation Bureau, the newspaper reported.

The organization would be based in Beijing with branches set up around the country, according to the report.

Hua said the increasing number of crimes involving food and drugs were time-consuming to investigate and needed specialist knowledge.

Most police officers did not have the training to deal with such large and complex cases, Hua said.



It is not clear if the bureau will come under the control of the national food and drug administration, the police or a new body. Teams specialized in food and drug safety crimes were set up in provinces like Hebei and Liaoning as experiments.

Hu Yinglian, associate at the National School of Administration, said many people breaking food- and drug-safety rules were only given administrative fines because inspectors did not have the same powers as police to press criminal charges.

He said setting up the bureau would act as a deterrent to offenders in the future.

According to statistics released by the central government on Friday, the mainland launched investigations into more than 43,000 food- and drug- related cases last year, with more than 60,000 suspects detained.

A food- and drug-safety inspector in Guangdong province, who asked not to be named, told the Sunday Morning Post he had heard the bureau was to be set up and he wanted to join.

"An inspector is just an ordinary public servant, but sometimes we have to encounter criminals carrying knives or firearms.

"If we know there is a risk we will ask for police protection, but most of the time we enter a small workshop without knowing what's inside."

He said he hoped investigators in the task force would be able to carry firearms in the future.

Li Jijia, a resident of Beijing's Haidian district, said that she hoped the new task force would reduce food- and drug- related crimes. However, she also worried that it was just an excuse for existing law enforcement departments to claim more money and resources.

"China has the world's largest number of public servants and law enforcers, while its food was the least safe and environment the most polluted," she said. *(Source: South China Morning Post)*

**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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