

# CHINA UPDATES

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#### **China's Organic Food Bases Develop Well**

since 2003, the Ministry of Environmental Protection has been promoting construction of organic food base, which is a major task for the establishment of the country's ecological agriculture.

To date, 176 bases nationwide have passed tests of the Ministry. The local farmers welcome the production base construction, as it helps them improve earnings while achieve environmental protection.

Tianwang town of Jiangsu province have been alleviated from poverty thanks to the more-than-decade development of organic agriculture. The species of what the local farmers plant grow from 20 to over 120.

The base construction caters to the farmers' need of "more revenue, less sickness", and improved the local economic situation and employment rate nationwide. (Source: China Food Journal)

#### **Health Products Are Complained The Most**

Beijing Consumer Association released a report last week on complaints gathered in the first half this year. Complaints over health product top the ranking of all complaints.

False advertisement and difficulty in compensation and refund are listed as the biggest problem among health product related problems.

From January to June this year, the Beijing consumer association



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received 13,981 cases of report, helping to reclaim over 14 million yuan for consumers.

Among the cases, 754 cases are food related, including 264 on daily food, 69 on health product, 56 on water and beverage, 23 on wine and 7 on infant formula. (Source:Xinhua)

## China Strengthen the Credit System of **Health Product Industry**

China Health Care Association is to improve and strengthen the establishment of credit system in the industry, accelerating the drafting of market rules of health products.

Zhang Fenglou, chairman of The Association, said that by the end of 2015, China will have over 10 companies with the sales revenue of over 10 billion yuan.

Wen Zaixing, chief of market order department of Ministry of Commerce, said that the Ministry will promote the application of credit system and win support from financial institutions.

Huang Jianhua, deputy chief of consumer rights protection of SAIC, said he hoped the Association will keep monitoring the development of credible brands and products, fairly punish and award related brands, and protect consumer rights. (Source: China News)

### China's 330 Mln E-Buyers Good Base For **Industry 4.0**

China's large population of online shoppers, about 330 million, has created a good foundation for developing industry 4.0, said Gao Hongbing, vice president of e-commerce giant Alibaba, in an exclusive interview with Xinhua on Sunday.

Gao said e-shoppers will help fuel development of Internet Plus, which will restructure China's industry as a global manufacturer, after the country unveiled a national "Internet Plus" action plan on Saturday.

The plan aims to integrate the Internet with traditional industries, and fuel economic growth



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"The application of the Internet will give rise to the restructuring and upgrading of more traditional industries," Gao said.

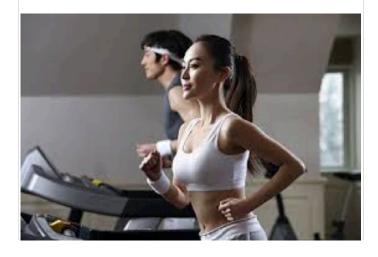
"A large e-buyer population is China's opportunity for industry 4.0," he said, referring toGermany's Industrie 4.0 - the result of collaboration between the German government, research institutions and businesses focusing on the development of fullyautomated "smart" factories.

Guo Kaitian, vice president of Internet giant Tencent, said Internet Plus makes leapfrog development possible in China's underdeveloped countryside, as well as in central and western regions with relatively poor infrastructure. "Internet Plus can directly link supply with demand, and it is an inclusive model of growth."

The Saturday action plan maps development targets and supportive measures for key sectors, which the government hopes can establish new industrial modes, including mass entrepreneurship innovation, manufacturing, agriculture, energy, finance, public services, logistics, ecommerce, traffic, biology and artificial intelligence.

The Internet Plus concept was first presented by Premier Li Kegiang in March this year when delivering the government work report. (Source: Xinhua)

# Gyms Cash In On China's 'Fitness Fever' As Women Pursue That Healthy Glow



Last month, Shanghai office lady Zhu Ling posted a photo on WeChat of herself in a yellow sports bra, flaunting firm, flat abs and shapely, muscular arms.

The picture quickly gained more than 40 "thumbs ups" from friends, with some praising her "model-like" figure.

Zhu says positive feedback from her friends motivates her to stick to her daily exercise routine using an aerobics workout video by South Korean fitness guru Jung Da-yeon.

"Almost every girl in my office does aerobics with Jung," Zhu, 28, said. "We do it at least four days a week in our meeting room during lunch break. It's simple, effective and easy to do at home or in the office."

Jung, 49, a housewife with two kids, lost 20kg in three months by following a strict diet and exercise plan. She shot to fame in South Korea, Japan and China after publishing her diet books and workout videos.

Jung has millions of Chinese fans. It is estimated that links to her aerobics videos on Youkou and Tudou – the country's two leading video-sharing platforms – have exceeded 700 million.

"A nice figure has become a fundamental need for more and more Chinese women in big cities," said Lian Dao, founder of Shanghai-based fitness website Yesshou.com.

"It's not hard to feel the 'fitness fever' by counting how many of your friends have shared their gym pictures on WeChat lately. So we think it's the right time to introduce Jung's fitness concepts to China in a more complete manner."

Yesshou.com entered a joint venture with Jung in March to develop an online booking app and run women-only gym chains in China so members can learn Jung's aerobics routines from professional coaches rather than just from videos.

The gyms – the first of which will open in Shanghai this month – will offer fitness classes, light meals, Korean-style spa services and even a coffee area.

"Most women find it a drudgery doing exercises in gyms. But we hope to create a joyful, relaxing atmosphere, and to encourage our members to share their experience together," Lian said.

Also trying to cash in on the booming fitness market is Wang Tianhua, owner of the newly opened CrossFit Slash gym in Sanlitun, Beijing.

The gym, which opened last month, drew nearly 700 members in just four weeks, more than half of them women. Members pay 1,600 yuan (HK\$2,000) a month for unlimited entries or 1,400 yuan for 12 classes.

"China's gym market has reached the point where consumers are willing to pay good prices for good services. But you must ensure what you're offering is really good," Wang said, adding that he broke even in the first month of operating the gym.

CrossFit Slash departs from exercises taught in traditional gyms, its owner said. Members practise crossfit, a high-intensity interval workout programme from the United States, which adopts elements from various sports including weightlifting, skiing, rowing and gymnastics.

People are encouraged to practise in small groups using equipment such as dumbbells, pull-up bars and jump ropes.

One of the gym's members is Yang Yang, who works at a bridal store. She takes morning classes at the gym with a friend three times a week.

"I follow a number of celebrities on Weibo, and you know what? Their number of fans often increases after they post a gym picture," Yang said.

"It's not only because they look prettier and healthier with regular exercise, but it also reflects that these celebrities are people with perseverance and good self-discipline. I hope I can also do a good job in this aspect." (Source: scmp)

#### Fitness Time Bomb Ticking for Chinese Children



Youngsters in China are eating more and exercising less, and that's leaving them open to the risk of chronic illnesses, such as heart disease, high blood pressure and obesity, as Yang Wanli reports.

In June, as the end of the spring semester approached, the parents of hundreds of students at Tianjin Mofan Primary School were busy choosing the classes their children would take during a sixweek summer camp.

Classes focusing on the arts, sports, English and written Chinese were among the favorites because most parents believe their children need to learn cast-iron skills early on if they are to gain an advantage in adult life.

One parent stood apart from the others, though. Yue Lin, whose son is a third-grader at the school, wasn't interested in the classes. Instead he was more concerned about the boy's health problem obesity. The 1.3-meter-tall boy weighs 60 kilograms, and a recent health check indicated that he also has high blood pressure. "I was shocked. It's hard to believe a 10-year-old boy can have high blood pressure, which is usually found among middle-aged and older people," the 40-year-old Yue said.

The root of the problem may be partly societal. Before recent amendments to the national family planning policy, most people from Yue's generation were limited to one child, and as a result the "little emperors and empresses" become focal points for the affections of the entire family, which often leads to overindulgence.

"More kids are getting fat nowadays, and a lot of them don't get enough exercise. I understand how people can overfeed their kids through misplaced kindness, but I find it very hard to accept that my son has high blood pressure," Yue said.

Yue's son is not unique. An increasing number of Chinese children are facing the threat of chronic diseases. When the Beijing Health Bureau conducted a survey into the health of the capital's adolescent population, age 6 to 18, last year, the results were alarming: One in 10 had high blood pressure, and 10 percent were classified as obese, more than twice the rate in 2000.

Moreover, in the northern port city of Tianjin a







report released by the Women and Children's Health Center last year found that eight in 10 children younger than 6 had high blood pressure, and nearly 10 percent of the 50,000 children in the city's 654 kindergartens had excessive levels of fats in their blood.

"It's alarming. Chronic diseases are threatening more people, not only in the elderly group, but also children," Liu Shugong, director of the center's Children's Health Guide Department, said.

Compared with healthy children, those who are obese will be five times more likely to have high blood pressure, and about half of them will carry the condition into adult life.

"In the past, chronic diseases received little public attention and were not really seen as life-threatening. But now, they are eroding the health of the younger generation, and that will pose a big problem when those kids get older," Liu said.

Chronic illnesses, including heart disease, stroke, cancers, chronic respiratory diseases and diabetes, are now the leading causes of global mortality. The number of Chinese affected by these "noncommunicable" diseases has climbed to 260 million, and they now account for 85 percent of all deaths in the country every year, according to statistics published by the World Bank.

"The cost to the country of providing medicine and treatment nearly tripled from 2000 to 2009, and chronic diseases were the main cause," said Mao Zhengzhong, deputy director of the China Health Economics Association, who added that nearly 60,000 Chinese people have at least one risk factor related to chronic diseases.

The problem is exacerbated by the fact that the Chinese population is aging. The World Bank estimates that the number of Chinese age 65 or

older will hit 240 million by 2030, double the figure in 2010, which will result in the economic burden caused by chronic diseases rising by 40 percent.

However, an aging society is just one cause, and other factors, such as lifestyle, also play important roles. In 2012, the average daily salt intake in China was 10.5 grams per person, nearly double the 6 grams recommended by the World Health Organization.

"Research showed that 8.5 million deaths could be avoided in 23 low-and middle-income countries in 10 years if the daily average salt intake declined by 15 percent," Mao said. "If concerted action were taken, the future effects would be very positive."

On July 1, the National Health and Family Planning Commission published a report that showed the proportion of overweight adults has risen by 32 percent, while the number of obese adults has risen by 67 percent, compared with 2002. The condition of children between ages 6 and 17 was even more alarming, with the number of overweight children doubling, and the child-obesity rate tripling.

According to Mao, this "invisible epidemic" is an under-appreciated cause of poverty and hampers economic development. The burden is growing, and factors such as smoking, excessive use of alcohol, unhealthy diets and low levels of physical activity are becoming increasingly important.

According to the report, 81.3 percent of Chinese children had levels of exercise that were classed as low or insufficient in 2012. At the same time, 9.3 percent of the population age 18 and older admitted to indulging in heavy, episodic drinking or unhealthy use of alcohol.

Compared with 2002, the consumption of cooking oil and animal foodstuffs, mainly fatty pork, has risen substantially, and accounts for nearly 33



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欲了解更多服务信息<mark>请点击</mark> 审核、咨询、培训和测试专家团队 percent of the average person's overall daily intake, far higher than the recommended 25 percent, the report said.

The commission is currently drafting a national prevention and treatment guideline to tackle the threat posed by chronic diseases, according to an official who spoke at a National Conference on Chronic Diseases Control and Prevention in June. Details of the guideline, which will set several targets to be achieved between 2016 and 2025, will be released before the end of the year. (Source: China Daily)

# China Watchdogs to Tack Down Smuggled 'Zombie Meat'

China will launch a campaign to track down the international origins of smuggled frozen meat as the country intensifies its campaign against the illegal trade after reports last month of smuggled "zombie meat" many years beyond its expiry date.

Police and customs agents will work together to trace the smuggling routes from production to shop front in a bid to protect Chinese consumers and prevent the spread of disease, the country's food watchdog said in a statement on Sunday.

China is the world's top meat consumer, and industry insiders estimate that hundreds of thousands of tonnes of beef are smuggled into the country to fill a shortfall that is unmet by domestic production or approved imports.

"We will put all our strength into tracking the source and sale points of smuggled frozen meat, including those people orchestrating the process from behind the scene," the China Food and Drug Administration (CFDA) said.

The illegal trade caused a furor in June when authorities said they had seized 100,000 tonnes of smuggled frozen meat worth around 3 billion yuan (\$483 million), some of which the official

Xinhua news agency reported was as much as 40 years old.

Customs officials and police denied there had been any recent busts involving meat that old, but said chicken claws dating back to 1967 had been seized in 2013. The CFDA statement said meat around 4-5 years old had been seized this year. (Source: Reuters)

## McDonald's, KFC Look to Get Faster in China by Adding Digital Pay Option

McDonald's Corp. and Yum Brands Inc. are looking to add digital options in China that will make their fast-food sales even faster and win back business after a rough year in the critical Chinese market. McDonald's will start testing mobile ordering and mobile payment in China under a pilot program in the current third quarter. The aim is to speed payment and meet consumer demands. "Given Chinese consumers being so digital—we are now preparing," a spokeswoman said.



Yum said its KFC business teamed up with technology giant Alibaba Group Holding Ltd.in late June to launch mobile-payment services for 700 of its 4,500-plus stores in China. Customers can pay for their in-store orders of fried chicken in a few seconds by scanning bar codes generated by Alibaba's mobile-payment application Alipay.

Industry consultants say that across the board, Western companies need to experiment more to connect online and in-store business in a market of 885 million mobile users, who employ smartphone apps to book all sorts of real-life services—from hailing taxis to ordering personal chefs to their homes.

Wal-Mart Stores Inc. began using Alipay in some stores in China in May. The industry consultants say mobile payment simplifies the checkout process and reduces the chance a shopper will abandon a purchase.

In recent weeks, McDonald's has also opened digital "Create Your Taste" kiosks at two outlets in Shanghai. At one of the kiosks, 18-year-old Jia Yu tried out building her own burger, choosing from 24different ingredients on a touch screen. "People always want to try something new, so I just gave it a shot," said Ms. Jia.

Demand for the burgers, which start out at 42 yuan, or around \$6.80, has beaten the company's expectations, with purchases of the customizable burgers reaching levels five times higher than McDonald's estimated, the spokeswoman said.

The company didn't disclose its estimate.

Attracting more diners and swifter sales is key for both Yum and McDonald's, after Chinese media reports last summer connected the companies with a restaurant supplier that allegedly sold them expired meat. The companies dropped the supplier, but sales suffered and haven't fully recovered.

McDonald's sales at stores open more than a year in China declined 4.8% in the first quarter, said Kevin Ozan, McDonald's chief financial officer, in an April earnings call. The fast-food retailer doesn't disclose total for sales at its China outlets.

Yum said in April that its China sales, which account for roughly half of Yum's revenue, fell 9% to \$1.26 billion in its fiscal first quarter that ended in March, down from a year earlier. Those results came after declines in the third and fourth quarters of Yum's previous fiscal year. (Source: WSJ)

China Updates is published weekly by the U.S. – China Health Products Association, a non-profit organization dedicated to the promotion of dietary supplements and nutritional ingredients. The association's major focus is the continued development of China's overall natural health product industry as well as offer business services to its global members.

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