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CFDA Released Blacklist of Facial Mask

The state food and drug regulator recently released a blacklist of 19 batches of substandard facial masks, which include glucocorticoids, an element that is banned by the national regulator.

Some of the masks are sold online for nearly 20 yuan, higher than the average price of other facial mask brands sold in supermarket. The blacklist covers production companies in Shanghai, Zhejiang province and Guangdong province. 11 batches of them are from Baiyun district of Guangzhou.

The regulator has ordered production suspension of related companies, and recalled the problematic products off the shelf. The local police departments are involved in dealing with illegal vendors and production companies. (Source: Zhejiang Online)

Infant Formula Should be Better Regulated

In early September, CFDA released a draft on the registration managing method of infant formula, which opens to public opinion.

The draft has two major points that should be highlighted: first, one company can only produce one product if it registers only one product formula. Products target at the same age group should bear obvious difference. One single company should not register more than 15 product formulas.

Secondly, the instruction note and product label should be better regulated. The name of product should not contain any statement that indicate health function including improving immunity or protect intestinal canal.



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The label cannot print with recommendation by industry association or test institutions. (Source: dahe.cn)

Jilin Boost Health Food Industry

The local food and drug regulator of Jilin province released a guidance draft on strengthening development of health food industry, which aims at providing better food safety for the local consumers.

The draft requires better understanding of the development situation of local health food industry and management. Illegal conducts should be strictly cracked down. The local regulators should come up with innovative way to manage the local health food industry and promote the industry upgrading.

The draft also says that the administrative system should be reform and shorten the administrative process and enhance the entry efficiency of health food. The companies should focus on strengthening their core competitiveness, which can be boosted by the administrative support of local authority. (Source: China Food Technology)

Lanzhou FDA Launched Campaign on Health Food

The local food and drug regulator of Lanzhou launched a special campaign on the local health food market recently. The three-month campaign targets at illegal promotion and problem in quality management of health food company.

Companies which are spotted with illegal conducts will be put into a blacklist, which later will be released to the public.

The campaign will cover the production, sales and promotion of health food. Public report on illegal vendors and producers are welcomed. (Source: Gansu Daily)

Alibaba Lowers Q2 Estimates Due to Weak Consumer Spending in China

Alibaba Group said on Tuesday it expected second-

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quarter gross merchandise volume (GMV) to be lower than its initial estimates due to weaker consumer spending in China.

The company's shares reversed course and slipped as much as 3.1 per cent to US\$61.91 in late afternoon trading. They had earlier gained as much as 4.5 per cent.

Alibaba said it now expects GMV to be lower in mid-single digits on a percentage basis from its earlier estimates.

The company was "still in early innings in terms of mobile monetisation," said Jane Penner, head of investor relations, at Citi's Global Tech Conference on Tuesday.

Gross merchandise volume is the total value of transactions made on Alibaba's platforms and is one of the most closely watched metrics for e-commerce companies.

The company also said it expects growth in its AliExpress business to slow to low double digits for the quarter ending September due to weakening currencies in markets such as Russia and Brazil.

The AliExpress business is a global online marketplace for shoppers to buy directly from China. A majority of Alibaba's international commerce retail business revenue is generated by AliExpress.



Worries on margins, slower growth in China and a sell-off in tech ADRs have taken a bite out of Alibaba's shares, which now trade firmly below the IPO price of US\$68.

Up to Friday's close, the company's shares had fallen about 39 per cent this year. (Source: SCMP)

Why So Gloomy? In Sun-Deprived China, Only 5% Have Healthy Levels of Vitamin D

Earlier this week, I found out I have a Vitamin D deficiency. A resident of Beijing, I only recently tried to figure out what was going on after symptoms of fatigue and mild depression led me to the doctor, who ordered a series of blood tests. He told me I was among a number of expats who become Vitamin D deficient after moving here. We deduced that the lack of sunshine from the pollution cover and the fact that I stay inside more often because of air quality issues led to my deficiency.

Luckily, the fix is easy: my doctor prescribed a large dose of daily Vitamin D supplements. But it made me wonder how, after only a year and a half of living in China, Beijing's poor air quality has already affected my health.

As it turns out, I'm not the only one, when it comes

to a Vitamin D deficiency. A recent study conducted by seven Chinese hospitals across five cities found that more than half of the Chinese population suffers from the same problem. The study measured vitamin levels in more than 2,000 volunteers and found that only about 5% of participants had healthy levels of Vitamin D, which is crucial for strong bones and a healthy immune system. That's compared to about 67% of the U.S. population whose Vitamin D levels are deemed sufficient, according to a 2011 Centers for Disease Control and Prevention report.



The Chinese study, which was published in the February issue of Wolters-Kluwer journal *Medicine*, found that women and participants aged 18 to 39 years had a higher rate of deficiency. Researchers attributed the youth population risk to young adults being "under pressure from school or work," leading them to spend more time indoors. In contrast, researchers wrote, "elderly Chinese individuals are mindful of their health and often exercise outdoors," increasing their exposure to sunshine.

The results are somewhat surprising, because traditional populations at risk for Vitamin D deficiencies include young children, pregnant women and the elderly. Males in Beijing aged 49 to

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59, for example, had significantly lower levels. “Although the cause of this reduction is not well understood, it might be attributed to smog level or professional pressures reducing these participants’ exposure to sunshine,” researchers wrote.



To ensure a geographical mix, researchers measured Vitamin D levels of participants from Dalian, Beijing, Hangzhou, Guangzhou and Urumqi . Beijing ranked worst, with nearly 74% of the population having a deficiency, while Dalian and Guangzhou ranked best. Researchers attributed these two cities’ better results to their proximity to the coast, meaning residents eat more fish, which are good sources of Vitamin D.

While the study didn’t give an explanation for Beijing’s poor results, other studies have suggested that air pollution may be a factor. Polluted air blocks sunshine to some degree, causing fewer rays to reach the ground. This means that even when people go outside to soak in the sun, they may not be receiving maximum amounts of Vitamin D.

While I have the option to get out, most of China’s population does not. Get ready for a run up on

Vitamin D supplements and fish prices. (Source: WSJ)

Hospital’s Struggles Show Challenges for China Health-Care Reform

When family-medicine doctor Edward Wu started seeing patients at a new hospital in this southern Chinese city, he began by asking them basic questions about their symptoms and medical history.

But his patients responded angrily, demanding intravenous drips for their common colds or brain scans for headaches. They tried to barge into his office while he was with other patients.

The newly built Hong Kong University-Shenzhen Hospital, one of dozens piloting reforms across the country, is a key part of China’s health-care system overhaul. Its mission—to treat patients based on their symptoms and stamp out corruption—marks a radical departure from how Chinese hospitals typically operate, and one that many patients aren’t warming to.

At the state-of-the-art facility—opened in 2012 by Hong Kong University and the Shenzhen government and managed by the university—many patients felt cheated when they were discharged quickly without a fistful of medication. Some were suspicious about the hospital’s policies, such as a ban on money-filled red envelopes that Chinese patients commonly give to doctors for better or more immediate care.

In its first year, the hospital, which Shenzhen spent 4 billion yuan (about \$624 million) building, hemorrhaged money even though it was being fully subsidized by the Chinese government, administrators said. The new-patient satisfaction

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office was flooded with complaints, said Raymond Wong, one of the hospital's deputy chief executives.

“We were badmouthed when we started,” said Dr. Wong.



Now, three years into the experiment, the effort may be paying off. Patient numbers have been climbing steadily. In 2014, the hospital operated in the black, including some subsidies, for the first time, said Grace Tang, the hospital's chief executive. The major challenge now is to keep the hospital solvent once the government subsidies stop at the end of year five, she said.

Bit by bit, Dr. Wu said, his patients have come to understand the hospital's perspective. “If patients know that you care, they're more likely to accept your advice,” said Dr. Wu, who worked in Australia for 40 years before practicing in China.

Fixing the public hospital system is critical to the success of Chinese health-care reform but also arguably the most difficult prong to implement, officials say.

The Hong Kong University-Shenzhen Hospital is perhaps China's most dramatic experiment. Its administrators, recruited from the university just

across the border in Hong Kong, built it to international standards that diverge in key ways from most government hospitals in China.

It is “an incubator for people who are going to take part in health-care reform,” Dr. Tang said.

Foreign investors are taking note. Health-care spending in China is estimated to grow to \$1 trillion in 2020 from \$357 billion in 2011, according to the consultancy McKinsey & Co. The Chinese government has signaled some support for foreign investment, announcing a pilot program last summer in cities including Beijing and Shanghai that allows foreign companies to fully own hospitals rather than having to go through joint ventures with domestic companies.

If the HKU-Shenzhen Hospital succeeds in improving patient care while achieving financial solvency, “this will have ramifications through the whole country,” says Bee Lan Tan, president and group CEO of Columbia China, an arm of Seattle-based Columbia Pacific Management Inc.

Medical care in China depends heavily on hospitals rather than community clinics and primary-care doctors. The facilities are underfunded and overburdened. Doctor pay is low, leading many physicians to bolster their salaries through kickbacks for prescribing medicines and ordering extra diagnostic tests.

The HKU-Shenzhen Hospital has retooled most aspects of the typical care experience in China, including establishing a family-medicine unit to triage and manage patients, a bundled payment system that compensates doctors for spending time with patients, and a team-based treatment approach.

Zuo Shi, a liver and gall bladder surgeon, says he moved nearly 800 miles to work at HKU-Shenzhen



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because of its top-notch facilities, its university affiliation and a desire to try something new. Training is better, and while he makes about as much money as he did at his previous hospital, he can concentrate on his patients rather than politics, he said.

Nan Shan Hospital, one of the city’s busiest public hospitals, is just 6 miles from HKU-Shenzhen and runs much differently. It handles 6,000 patients a day — compared with about 4,000 at HKU-Shenzhen—most of whom spend hours waiting to register, pay, and see a doctor. A prominent feature at Nan Shan and other big hospitals is the infusion room, where rows of hooks for intravenous bags hang from the ceiling. Receiving medicine intravenously is a common practice in typical Chinese government hospitals but is reserved for more severely ill patients in most Western medical facilities.

A representative for Nan Shan said the hospital has implemented improvements in recent years, including an electronic appointment and medical test results system.

At HKU-Shenzhen, patients first go to the family medicine unit, a high-ceilinged space with shining tiled floors, where they see Dr. Wu or one of his colleagues in a quiet office.

The hospital has also implemented a new fee structure. Rather than paying a very low fee to see a doctor plus separate fees for subsequent tests or drugs, patients at HKU-Shenzhen are charged a 130 yuan—about \$16—initial package fee. Included in that price are a primary-care doctor consultation and a number of routine medicines and tests, if they are needed.

The relatively high fee—a typical hospital visit in China starts at about 14 yuan for a doctor consultation—turns off some patients, said Dr. Tang. But in the end, she said, once all the additional costs add up, the average of 328 yuan at HKU-Shenzhen is often cheaper than other public hospitals.



Zhao Junxuan, an architect, came to HKU-Shenzhen hospital recently with an inflammation of the gall bladder after staying at a public hospital for a week.

Mr. Zhao first spent a day getting a work-up without medication to make sure he received an accurate diagnosis. Then he had a procedure using an endoscope and X-ray to remove a gallstone, which the previous hospital had missed. Mr. Zhao said he was satisfied with his care. “I don’t understand medical terms but my body is feeling pretty good,” he said.

The hospital’s facilities don’t impress all patients. Chang Hongri, 48, was admitted recently for a second time—primarily because it is less crowded than another hospital he prefers.

The doctor prescribed him a “common” painkiller, said Mr. Chang, a policeman. “They didn’t give me anything good,” he said. (Source: WSJ)

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