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Jiangxi Residents Spent More on Health Food Purchases

According to recent data released by National Statistics Bureau, residents in Jiangxi province spent 6,134 yuan per capita in the first half this year, up by 7.2% year on year.

Among the daily consumption expenditure, medical health expenditure was up by 22.8% as one of the fast-growing expenditure fields.

Urban residents spent 425 yuan on medical health on average, up by 22.8% year on year. The per capita expenditure on health products was up by 55.2%, and that on medical services was up by 31.6%.

The expenditures on products and services purchased online by urban residents was up by 41% in the first half of this year. (Source: Shuzheng Kangxun)

CFDA to Strengthen Control Over Online Food Apps

The state food and drug regulator recently released a guidance on punishing illegal online food sales.

The regulators emphasized that "family kitchens" and the alike should apply for food sales permission before operating.

It is said that prospects of startups whose business covers family kitchen would be caught by difficulties due to this new policy.

The family kitchen businesses usually target on high-end consumers compared with the regular food delivery businesses.

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(Source: China Economic Net)

CFDA: Why Include Health Food into Special Food Management

Zhang Jinjing, deputy chief of the third department of food safety inspection department under CFDA, explained recently on a seminar about why the regulators included health food into special food in management.

Health food can be defined as a kind of product that is between general food and drug, said Mr. Zhang. The illegal sales of fish oil, which was exposed in 2014, showed that selling health products in the way of selling general food violates food management regulation of this country.

Another key point in the disputes is whether it is ok to manage the catalog in a standard way instead of filing to the authority. Companies can double check catalog by themselves. However, so far the international society lacks for a good way to assess the functions of food ingredient, especially ingredient extracted from plants.

Mr. Zhang also said that the regulators were drafting a management rule on food labels. Regulations on health food naming have been included into registration rules, and those rules only refer to labels and instruction books.

The catalog of health food must be very clear, and there should be no problems that require further discussion by experts. (Source: Shuzheng Kangxun)

Study Urges Overhaul in Chinese Health Care

China needs to take critical steps to overhaul its health-care sector as soaring health expenditures will be difficult to sustain in a slowing economy, according to a World Bank report released Friday.

The two-year study conducted by the World Bank Group, the World Health Organization and three Chinese ministries found that without an overhaul, health expenditures in China would grow at 9.4% a year between 2015 to 2020, while gross domestic

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product is projected to grow at an annual pace of about 6.5%. Health costs, which represented 5.6% of GDP in 2015, would take up more than 9% of GDP in 2035.

China is facing many of the challenges of prosperous societies, with an aging population and a rise in chronic diseases, increasing the urgency for an overhaul, World Bank President Jim Yong Kim said Thursday, ahead of the study's release.

“With higher incomes and greater awareness, Chinese citizens are rightly demanding better health care and are increasingly seeking that care in expensive hospitals because of a weak primary health-care system,” said Dr. Kim, a physician.

The report comes as China is trying to implement policies in a health-care overhaul kicked off in 2009. China has spent about 3 trillion yuan (\$449 billion) to extend health care to all citizens and says 95% of the country's population of more than 1.3 billion now have health insurance.

But in practice, many are left without reliable access to health care. For example, the national insurance covers people only in the places they are registered, so many of China's millions of migrant workers often can't use the benefits, as they aren't allowed to register in the cities where they work.

Meanwhile, new challenges have cropped up such as a rapidly aging society and an increasing burden

of non-communicable diseases such as cancer and cardiovascular illnesses. Almost half—49%—of Chinese men are daily smokers, and the prevalence of overweight adults nearly tripled from 1991 to 2009. Factors such as pollution also play a role in the rise of chronic diseases in China.

“Our report makes a strong case for a new model that would both improve quality and save the economy up to 3% of GDP,” Dr. Kim said.

The report recommended putting quality, patient-centered care at the center of the system, emphasizing primary care as the main point of contact for patients for most health issues and to free up public hospitals for more complicated treatments.

Many in China go directly to a hospital when falling ill. That is partly because people trust hospitals more for even minor health ailments and partly because of a lack of an extensive network of primary-care clinics.

The report also recommended empowering patients and engaging them in decision making, increasing the pay of the health workers, and changing incentives to reward providers for good patient outcomes instead of the number of medical procedures performed or drugs sold.

Other recommendations include allowing private health providers to compete on a level playing field with the public ones, which get financial support from the government, and prioritizing public investments according to health needs.

Beijing has a goal of containing the increase in health-care costs to below 10% per year by 2017, with drug pricing as the No.1 target. The government recently launched a campaign to investigate drug-pricing practices and has introduced a national negotiation mechanism to

drastically reduce the prices of patented drugs.

The biggest obstacle to implementing people-centered health care is the government, said John Cai, director of the Center for Health Care Management and Policy at China Europe International Business School in Shanghai. “The government often confuses its roles with the market’s role in the health reform. And if the government still puts their own interest ahead of the people’s, the reform will not work,” Mr. Cai said.

China’s public hospitals often rely on sales of drugs and medical procedures to cover their costs. A recent scandal involving improper storage and distribution of vaccines also shed light on a system that allows profit incentives in vaccine distribution, making it prone to corruption and other issues. (Source: WSJ)

2 Million Couples Apply To Have 2nd Baby: Health Bureau



About 2 million Chinese couples had applied to have a second child by the end of 2015, China's family planning authority said on Thursday.

"It is generally in line with what we expected," Zhai Zhenwu, chairman of the standing council of the

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China Population Association under the National Health and Family Planning Commission (NHFPC), told the Global Times.

According to Zhai, the total number of couples who apply to have a second child is expected to reach around 5 million over the next few years. He noted that the new two-child policy will help address the country's unbalanced sex ratio at birth.

National authorities have estimated that 2 million more infants will be born each year as a result of the relaxed family planning policy, and 80 percent of them will be born in cities, according to the Xinhua News Agency.

However, Huang Wenzheng, an expert on demographics, told the Global Times that the figure is far below what authorities have projected.

Huang noted that National Bureau of Statistics data shows that the country's newborn population dropped by 320,000 from 2014 to 16.55 million in 2015, instead of rising as family planning authorities expected.

China's top legislature eased the one-child policy at the end of 2013 by allowing couples to have a second child if one of the parents is an only child.

New legislation enacted at the end of 2015 completely abandoned the decades-old one-child policy, allowing all Chinese couples to have a second child.

According to a bulletin released by the NHFPC on Thursday, 89.2 percent of China's migrant workers has access to free family planning services.

The government spent 11.2 billion yuan (\$1.7 billion) on supporting rural households' exercise of family planning last year - 1.46 billion yuan more

than that in 2014 - and helped over 9 million individuals, the commission said. (Source: Global Times)

Bank for Breast Milk Serves Up Good Health

Breast milk provides the best nutrition for infants and helps fight disease, according to doctors.

More than 100 women have donated spare breast milk to the bank at Children's Hospital of Shanghai, according to Wang Yizhong, a gastroenterologist at the hospital.

Parents of premature babies, or babies with very low birth weight or with disorder of the digestive tract - as well as those that undergo surgery or show intolerance to infant formula - can apply through their doctors if the mother fails to produce sufficient milk.

Gong Xiaohui, deputy director of the hospital's neonatal department, said breast milk is irreplaceable as it contains elements that boost immunity in infants.

"However, only about 20 percent of women who have a premature birth are ready for lactation," Gong said.

The European Society for Paediatric Gastroenterology Hepatology and Nutrition said in 2013 that donated human milk is the best substitute for premature babies whose mothers cannot breast-feed.

The society said it has been proved that human milk effectively promotes intestinal maturation and development of those infants and significantly reduces the occurrence of digestive diseases, as well as cardiovascular diseases later in life.

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Donors must pass a health examination, including a blood screening, to ensure they are disease-free.

Breast milk will be stored in the freezers for a maximum of six months and will be discarded if not used.

There are more than 10 such banks in the country, but most are experiencing financial difficulties. The milk is provided free, but a large amount of money is poured into operations, maintenance and testing.

"We're calling on charity groups to help us with funding after the initial capital provided by the government runs out after two years," said Zhang Ting, director of gastroenterology at the Shanghai hospital. (Source: China Daily)

Chinese E-Commerce Manufacturers Surge, But Fear Increased Competition



Chinese e-commerce outlets keen to make inroads abroad prefer to sell on Amazon than homegrown platforms, a new survey of more than 900 Chinese e-commerce sellers has found.

Of the major sellers, 62 percent said they sell on Amazon, compared to 45 percent on Wish, and 40 percent on AliExpress, a division of Alibaba. Ebay, Lazada, and JD.com all accounted for smaller

portions of the pie.

The survey, conducted by Payoneer, a b2b online payments company, found that of the respondents who preferred Amazon, they felt the retailer to be trustworthy and favored its emphasis on quality products and simple and fair rules.

The respondents, which included manufacturers in both China and Hong Kong, found that the leading categories for sellers include electronics and accessories, followed by clothes and then home goods.

Despite China's economy showing sustained signs of weakness, its e-commerce industry continues to surge. According to China's National Bureau of Statistics, Chinese retail websites sold nearly \$590 billion worth of goods last year, an increase of 33% from the year before. Meanwhile, eMarketer predicts China will account for 40 percent of the world's retail e-commerce sales this year, an increase from 35 percent.

New technological advancements are lowering barriers among manufacturers in China which now have the opportunity to compete with brands in markets around the world.

"The 'brand' matters less," Scott Galit, CEO of Payoneer told CNBC. "Now the consumer is just shopping for what they want: the description, the review, not the brand."

Payoneer works with sellers on e-commerce platforms to facilitate the payment process for manufacturers.

Sellers, who until several years ago could barely reach buyers across their own country, can now utilize marketplaces to reach buyers across continents. Even small-scale sellers can distribute their goods to large number of buyers, leveling the



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playing field for operators.

"Instead of going through a brand or intermediary, they're able to leverage this marketplace as a new intermediary," Galit said "A very powerful way to get into marketplaces around the world that otherwise would have been possible."

While opportunities have increased, close to half of the respondents cited an increasing number of fellow Chinese sellers as the biggest challenge to selling online.

This competition could be what's driving more sellers to use multiple marketplaces. "There's very much a growing opportunity and adding additional marketplaces is helping growth," Galit added, noting the more marketplaces a manufacturer sold on, the larger their volume tended to be.

But China could just be setting the stage for a global e-commerce movement. "We think we're very early days for e-commerce in places around the world," Galit said, who works with partners building brands in Africa and Latin America. "Everyone's seen what Amazon and Alibaba has done by offering a massive offering and now marketplaces around the world are looking to replicate that." (Source: CNBC)



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