



# CHINA UPDATES

November 29, 2016 – Issue 222

## INSIDE THIS ISSUE

### **Domestic Health Food Crashed During Singles' Day**

### **CFDA Maps New Regulation on Infant Formula Registration**

### **Filling in the Gaps of Pediatric Care a Pressing Priority**

### **China's Diabetes Problem: From 1% to 10% in 36 Years**

### **China's "Double 11" Online Shopping Day Reverberates Beyond Borders**



## **Domestic Health Food Crashed During Singles' Day**

According to data released by Tmall on the day of Singles Day, among the top-ten best-selling health food online stores, only three of them are domestic brands. The rest are all foreign health food brands.

The best-sellers include the local brands like By-Health. Move-Free becomes the brand whose sales volume increased the most this year during Singles' Day.

Wang Dahong, founder of Shuzhengkangxun, said that the cross-border e-commerce has introduced a mirror to local consumers, giving them a chance to know more about the foreign brands. This enables foreign brands like Swisse a well-embraced health brand in China.

Chemist Ware house became the first vendor that grossed over 80 million yuan during Singles' Day. Other brands like Purtain's Pride also scored good performance.

Data showed that trade volume of foreign health products was up by 1133% year-on-year at Tmall International during the mid-year sales earlier this year. (Source: China Medical Journal)

## **CFDA Maps New Regulation on Infant Formula Registration**

The state regulator of food and drug said recently that it is drafting a new regulation on registration requirement of infant formula and principles on daily inspection for registrations.

Details for registration of this kind would be offered in the new regulation.



Are you seeking a reliable partner to help you navigate and successfully enter the China dietary supplement market?

**TSI** has the **expertise** to help.

Contact your TSI representative today to learn more.



[www.tsichina.com](http://www.tsichina.com)  
[www.tsiinc.com](http://www.tsiinc.com)

The new regulation covers detailed general requirement towards application materials, as well as specific requirement on registration for formula change and other situations.

Regarding the product name, the new regulation says that the product names should be consisted of the name of the product, and general name of the genre.

Each product can only have one specific product name, which should be spelled out by standard Chinese characters.

Imported infant formula products can wear English names on the package, but it should be a corresponding one with the Chinese name.

The standard of food ingredient and additives of imported food should be up to the national standard.

The new regulation aims to improve the registration of infant formula ingredient. (Source: Xinhua)

### Filling in the Gaps of Pediatric Care a Pressing Priority

Grace Guo dreads the risk of her 4-year-old daughter falling ill.

“It means my whole family has to fight a battle in the hospital,” said Guo. “We had to wait hours to see a doctor for just a few minutes when she once came down with a high fever. I had to go from one counter to the next — registering here, paying there. My parents, who came with us, had to take turns holding my sick daughter because all the seats in the waiting area were filled.”

Her husband, meanwhile, was cruising the streets and parking lots trying to find a place to park the family car.

China’s new policy allowing couples to have a second child is placing pressure on an already over-stretched system of pedi-atric care.

The 2015 China Health Statistics Year-book reports 112,800 pediatricians, or 3.9 percent of all doctors in the country. With 226 million children in China, that

**So little.  So much.**

Powerful Phospholipid EPA & DHA

Excellent User Experience

Smaller Dose, Easy Digestion

 **AkerBioMarine™**  
Antarctic

 **SUPERBA®** KRILL

[www.superbakrill.com](http://www.superbakrill.com)

means about one pediatrician for every 2,000 children, below the levels found in developed countries.

Many medical students tend to shy away from pediatrics because of heavy work-loads, the difficulties of diagnosing babies and small children, and pressure they face from overwrought parents.

According to one report, China had only 92 children’s hospitals in 2014, or 0.4 per-cent of all hospitals, and more than 70 percent of them were in larger cities.

Guo was disappointed once she and her daughter finally did get to see a doctor.

“I really don’t think the doctors examine the children as carefully as they should because they feel pressure of long waiting queues,” she said.

Health authorities are trying to tackle the problem. In 2007, the School of Medicine at Shanghai Jiao Tong University re-estab-lished its pediatric department and started to admit pediatric majors into its clinical medicine school in 2012.

The Shanghai Children’s Medical Center Affiliated to Jiao Tong School of Medicine is considered an outstanding model of hospi-tal services, education and research.

The pediatric department teaches more than 100

students a year. It is also tied into the Ottawa-Shanghai Joint School of Medicine, a Sino-Canadian venture set up in 2014. It currently enrolls about 60 students. It's also the first training center for doctors after Shanghai began fully implementing a system requiring all doctors to receive standardized training. The center recruits about 30 pediatricians every year. It has trained 207 local pediatricians to date.

In 2013, a clinical medical college providing both academic degree education and continuous medical education for students after graduation was set up.

In 2014, the Shanghai government established the National Children's Medical Center, led by Jiao Tong University and the Shanghai Children's Medical Center. It linked pediatric hospitals and departments across China for treatment, research, education, preventative medicine and children's diseases that are difficult to cure.

It's not only a hospital for children in critical condition, but also a center for training doctors, monitoring major children's diseases and conducting research and clinical application. (Source: Shanghai Daily)

### China's Diabetes Problem: From 1% to 10% in 36 Years

About 10% of Chinese adults live with diabetes, and nearly half of all adults are pre-diabetic, a condition in which blood glucose levels are higher than normal, according to the World Health Organization.

That compares with a diabetes prevalence that was less than 1% in 1980. China's rapid economic development and urbanization in the past three decades have created wealth and new lifestyles, including a growing love for fast food and sugary drinks. All of that has led to obesity and many health issues.

China spends \$50 billion treating diabetes and related diseases every year, which is about 13% of the total national health-care expenditures. However, 80% of the diabetes cost is spent on treating its complications, according to a report released ahead of the World Diabetes Day on Monday by industry organization R&D-based Pharmaceutical Association Committee, or RDPAC, which represents major international drug companies in China.

Diabetes is a noncurable, chronic condition that can be managed with insulin injections and glucose-lowering drugs. However, China's problem is that most patients don't know they are diabetic. Only 35% of the Chinese diabetics are receiving treatment for their condition, compared with 63% in the U.S. and 50% in Japan, says the report.

Type 2 diabetes, which is often linked to obesity and lifestyle factors such as lack of exercise, make up 90% of cases in China, with Type 1, or juvenile, diabetes, a distant second, consistent with patterns elsewhere.



"Many patients out there with diabetes are not aware of it; these patients usually get diagnosed when they have their first microinfarction," or small stroke, said Dr. Maarten Hendriks, medical vice president of German drug maker Boehringer

**SIRIO**  
SIRIO PHARMA CO., LTD.

**VeggieSoft™** **Make your brand stand out**



[www.siriopharm.com](http://www.siriopharm.com)

Ingelheim's Greater China region. "That's not a good signal." He also pointed out that it is the treatment of serious complications such as stroke that has driven up the cost.

The delayed diagnosis and treatment have resulted in 1.3 million diabetes-related deaths in 2015, according to the International Diabetes Federation.

The RDPAC report cites research based on diabetes cost in a Chinese province it didn't identify. It shows that 84% of the cost for treating the disease is spent on hospitalization and surgery while only 6.7% is for insulin.

"When you are diagnosed, you don't go home with one drug, you go home with nine drugs, to treat your heart, to prevent future microinfarction, to treat your blood pressure, to treat your kidney, to treat your vascular system and to reduce your blood glucose, that's how serious the disease can be," said Dr. Hendriks.

Despite the huge expenses, less than 13% of all diabetics in China have their blood glucose controlled. Half of the patients stopped the use of insulin within three months and only one third of them stick to the treatment after a year, said Luo Tianhong, head of medical affairs of Sanofi China.

Diabetes is costly for families as well. For Chinese families with diabetic patients, 24% of the

household expenditure is used on treating the disease, as many innovative drugs are paid out of pocket.

China's diabetic population is expected to grow from the current 110 million to 150 million by 2040 unless the country takes urgent action to reduce lifestyle-related risk factors such as unhealthy diet and lack of physical activity, the WHO says. (Source: WSJ)

## China's "Double 11" Online Shopping Day Reverberates Beyond Borders

China's largest online shopping day that falls on Nov. 11 has evolved into one with global impact, providing foreign companies with an alternative to access the enormous Chinese market and consumers outside China with quality products at lower prices.

In Japan, many local businesses including Yahoo Japan, Family Mart and Softbank have started to put on sale on Nov. 11 to coincide with the Chinese "Double 11" event, during which millions of Chinese shoppers spend large sums online for home appliances, clothing, luxury goods, among others.

Leading Thai skincare brand Snail White and SPA chain operator Thann opened their flagship stores on Tmall, one of Alibaba's business-to-consumer online platforms.

Li Jin, manager of Snail White's Tmall store, said the brand participated in last year's "Double 11" promotion activities and recorded a sales performance far exceeding traditional store sales.

"We have chosen 36 products this year for the Nov. 11 promotion this year and expect even better results than last year," he said.

In Australia, local dealers are increasingly recognizing the vast business potential from the annual Chinese online shopping frenzy.

Beef suppliers, dairy producers and wool manufacturers are rushing to set up online stores targeting Chinese customers.

Prime Fresh, a Sydney-based supplier of beef cuts, said its sales surged at least 50 percent in recent weeks thanks to promotion activities for Nov. 11, also known as the Singles' Day in China.



**GMP Services**  
注册服务

To learn more about NSF cGMP Services, [click here](#)  
Experts in auditing, consulting, training and testing

欲了解更多服务信息请点击  
审核、咨询、培训和测试专家团队





Paul Greenberg, CEO of Australia's National Online Retailers Association, told Xinhua that compared with large-scale retail promotions in Western countries, China's Singles' Day features a new sales mode (online rather than in brick-and-mortar store), better logistics and payment solutions. "All these are unique contributions to the global business by China's e-commerce sector," he said.

British chain supermarket operator Waitrose, in partnership with a Chinese marketing and logistics company, started exporting to China in April, selling through the Royal Mail shop on Tmall, said The Guardian.

"Singles Day is a big occasion for consumers and businesses in China and has the potential to give the products we offer more exposure and provide another opportunity to test demand for our brand," Nigel Roberts, a Waitrose manager, was quoted as saying.

On the consumer side, the massive promotions by Chinese e-commerce operators at around Nov. 11 have also offered overseas shoppers strong incentives to spend.

Chicago resident Matthew Eisenberg told Xinhua that he has never missed "Double 11" since he knew about it.

Still paying his student loan, the data analyst lives frugally and Chinese online shopping sites help make his life much more comfortable.

Items he often buys online include Chinese digital products and Vietnamese coffee beans. Compared with similar products selling in the United States,

they are of good quality with lower prices, he said.

Apart from the price factor, Chinese online shops appeal to overseas consumers because of their detail-oriented services and payment policies.

"When you are browsing the page of a shirt, the system will alert you that the Chinese size is different from the Brazilian one and you could communicate directly with a shop assistant," said Philippe Lima, a 31-year-old software engineer in Rio de Janeiro.

"My personal experience also shows the payment system is very secure," he told Xinhua.

La Nacion, a prestigious Argentine newspaper, has just reported that 80 percent of the packages delivered by the Argentine Postal Service are from China, an indicator of booming e-commerce between the two countries.

Jorge Castro, director of the Institute of Strategic Planning in Buenos Aires, noted that the Nov. 11 shopping day are attracting a growing number of Argentine customers. (Source: Global Times)



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.

**If you have comments, suggestions or would like to advertise, please contact us at:**

**[news@uschinahpa.org](mailto:news@uschinahpa.org)**

**If you are not already subscribed to “China Updates”, [SIGN UP TODAY](#)**

