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USCHPA Attends China FDA Conference

December 12-13, 2016 (Beijing), The Association's executive director Jeff Crowther and regulatory manager Summer Guo attended, "China Special Food International Conference", which was hosted by China FDA and organized by China Nutrition and Health Food Association.

During the conference China FDA's Director Liu Hongyu outlined all the current and upcoming regulations during a 2-hour presentation. For more on this event, CLICK HERE.

By-Health Released Report on Social Responsibility

The Chinese health brand By-Health recently released a report on company's social responsibilities, which summarized the company's measures and achievement from 2013 to 2015 in the fields of consumer services, quality control, R&D, environmental protection and promotion of sustainable development.

"We care about consumer's experience and are committed to solving problems for consumers," said Liang Yunchao, chairman of By-Health. "Based on this, we explore new values of consumers."

By-Health is currently upgrading it strategy by marketing product to marketing value, and provides more sub-brands to meet consumers' diversified needs. (Source: Shuzheng Kangxun)

State Council Cancels Nutritionist Qualification

The State Council recently cancels a slate of professional qualification licensing including the qualification of nutritionist.

The current nutritionist qualification is still valid for the licensing holders.

Another 113 qualifications, which cover various industries, are also called off at the same time. The new changes aim to lower cost for talents, further ignite social and market vitality, and promote entrepreneurship.

The call-off means that nutritionists don't need a piece of paper to serve in the industry, and no compulsory exams or training are needed in the future. (Source: qookan.com)

Identifying Needs, Allocating Care for the Elderly

Amid a rapidly expanding elderly population, Shanghai authorities are working flat out to build a comprehensive healthcare system to serve the senior population.

In China, sons and daughters are growing older themselves and often find it hard to care for elderly parents. And many households with two wage earners can't provide the round-the-clock care that their senior family members require.

The number of permanent residents aged 60 or older reached 4.36 million at the end of 2015 and is expected to climb to 5.3 million by 2020. Seniors are forecast to account for 36 percent of the city's permanent resident population by that year, up from 30.2 percent by the end of last year, according to the Shanghai Civil Affairs Bureau.

The number of people aged between 60 and 80 has risen sharply in recent years, said Yin Zhigang, director of the Shanghai Research Center on Aging.

The sharp increase is because of the baby boom that began in the 1950s," said Yin. "Shanghai was the first city in China to enter 'the aging society,' and it has a wealth of accumulated experience on how to address services for the elderly. It's an issue both the government and public at large recognize as a priority."

It helps that Shanghai is a relatively "healthy" place to live. Less than 10 percent of those 60 years or older suffer from physical disabilities, which is lower than the national average, Yin said.

Chen Yuebin, director of the senior work department at the Shanghai Civil Affairs Bureau, said the concept of "active aging" is a watchword.

"Seniors in Shanghai live longer and enjoy better health," he said. "We don't want them regarded as a burden to society. We encourage them to think positively and remain energetic."

Shanghai plans to increase the number of senior care beds to about 160,000 by 2020 from 126,000 last year. People suffering from dementia or physical disabilities will be given priority and specialized care, according to the city's current Five-Year Plan.

Construction of senior care facilities is being accelerated.

Plans this year call for the opening of 50 smaller, community-based care centers, after the success of 22 such facilities opened earlier.

These centers typically have 10 to 49 beds and can get through the planning and construction process more quickly than large senior care facilities, Civil Affairs Bureau officials said.

Unlike long-stay residential facilities, the aim of these centers is to support senior citizens, especially those living alone, with a range of medical and social services they can tap if required. The centers also can provide short-term respite care for seniors who develop illnesses and don't have 24-hour care provided at home.

The emphasis is on continuum of care, providing a full range of services that allow the elderly to remain in their communities even as aging creates new sets of problems.

Training of senior care workers will be beefed up, and incentives like extra subsidies will be provided to attract people to a career that has largely been shunned in the past.

The number of senior care workers in the city is forecast to reach 98,000 by 2020, with more than 30 percent holding national-level care certificates.

Senior care homes with more than 150 beds are being encouraged to expand in-house basic healthcare services to forestall trips to hospitals.

The city's blueprint gives seniors who live alone or who have no children priority under a new needs assessment system.

"The system seeks to ensure an equitable and efficient allocation of care resources," said Li Chengwei, an official with the Xuhui District Civil Affairs Bureau.

The government plans to enhance financial support for the construction and operation of senior care facilities, and to encourage various social services groups to participate in the operation and management of those facilities.

Shanghai will also build up to three medical centers specializing in care for the aged in the next five years, and hospitals are being encouraged to develop or expand gerontology departments.

As of the end of last year, Shanghai had registered 699 senior care homes with 126,000 beds, 442 day-care service centers for seniors and 634 community meal centers for the elderly, according to the Civil Affairs Bureau. (Source: Shanghai Daily)

Starbucks Coffee with QR Code in China

WeChat lets users text friends, post selfies and pay a gas bill with a smartphone. From Thursday, the blockbuster Chinese app, known as Weixin Pay in China, has also been used to buy a Java Chip Frappuccino.

Starbucks Corp said on Thursday it will accept the payments system at about 2,500 of its cafes across

China, enabling customers to complete purchases with a scan of their phone. The agreement with Tencent Holdings Ltd means the Seattle-based chain joins foreign retailers, including KFC, Disney and Uniqlo, in embracing the cashless mobile payments ubiquitous in China.

About 200 million consumers use Weixin Pay and Alipay, the system owned by Alibaba Group Holding Ltd's financial affiliate, at physical stores because of the ease and speed at which consumers can make purchases. Some overseas retailers have balked at digitized transactions because of costs involved in changing payment systems and concern that data collected could breach customer privacy.

"Accepting mobile payment would unlock massive value for Starbucks," said Shaun Rein, managing director of China Market Research Group, in an interview. "Since they couldn't move customers through the line faster, they were losing 5 to 10 percent of business."

Starbucks China didn't immediately respond to emailed questions on its decision to adopt Weixin Pay. Its cafe competitor Costa Coffee began accepting mobile payments more than a year ago, around the same time as fast food chains McDonald's and KFC.

The announcement on Thursday is a relief for consumers like Tong Wei. The 32-year-old insurance executive said he was dismayed at the line snaking in front of a Starbucks outlet last week in central Shanghai's Lujiazui business district.

"The lines are always very long at Starbucks because people take so long to pay," he said. "If there was another option nearby, I wouldn't come here anymore."

It was a common complaint in China, where mobile payment is a big deal.

Four out of 10 consumers use mobile phones to pay at physical retail stores and restaurants, according to research firm Emarketer, which forecasts that the proportion will soon rise to half.

Many consumers in China, especially those under 30, don't bring anything but their phones when they go out to lunch or shopping.

"It's a reality you can't ignore," said Chris Reitermann, chief executive officer of Ogilvy & Mather China. "Mobile payment is so big and so influential that you cannot not be part of it. I'm very sure that there's no retailer in six months in China that can afford not to accept it (mobile payment)— it's just too big."

With Starbucks having capitulated, fashion chain H&M of Hennes & Mauritz AB, which has more than 300 stores across the Chinese mainland, leads the pack of hold-outs, which also includes furniture store Ikea and Nestle SA's coffee-machine maker Nespresso.

H&M China spokeswoman Stella Zhou said that the company is "looking into the mobile payment systems, but our focus now is improving our own online platform." Ikea China's external public relations spokeswoman Vivienne Jia said that it is in the process of conducting trials of mobile payments in its mainland stores. Nespresso China declined to comment.

Cost and control are the main concerns keeping foreign consumer companies in China from accepting mobile payments, analysts and retailers said. For foreign chains, accepting Chinese mobile payment services usually involves an expensive upgrade to a point-of-sales system that can accommodate Weixin Pay and Alipay while also being compatible with their international systems.

"It's actually a huge dilemma for foreign companies what system they can use," said Ben Wong, a spokesman for Bindo, a point-of-sales system software that is compatible locally and internationally. "Native Chinese systems are incompatible with international systems, but if they keep the systems separate, there's too much loss of retail data."

New Zealand-based premium coffee chain Fuel Espresso took six months and about 50,000 yuan ($7,300) to accommodate Alipay in its Shanghai store, said store manager Jovi Chan.

Besides having to convince his New Zealand and Hong-Kong-based management of the necessity of accepting mobile payments in China, the store also had to convert to Bindo's software, install better Wi-Fi and open a Chinese mainland corporate account, among other measures, said Chan.

"It's a long-term investment," he said. "I felt that if we don't go in this direction now, there'll be a big problem in the future."

For giants like Starbucks, which is opening stores in China at the pace of more than one a day, the concern was over safeguarding the data of its customer base, said China Market Research Group's Rein.

"A lot of chains are concerned about too much user-data controlled by Alibaba," he said. "It's their customers, but now all the data goes to the mobile payment providers. There are concerns about confidentiality."

Starbucks had tried to popularize its own mobile payment system. In July, it launched pre-loaded Starbucks gift cards for members to pay via mobile devices.

Ant Financial, which owns Alipay, said that it signs data protection agreements with every merchant.

"All the rights to customer data are in the hands of the merchants, and each merchant's data is strictly separated," Ant Financial said in an email. (Source: Bloomberg)

Ping An Adds 10,000 China Clinics to Its Health Care Business

Ping An Insurance Group, the world's second-largest insurer by value, is adding a network of medical clinics in mainland China to its range of services, part of a strategy to create a one-stop financial supermarket to serve a customer's every need from car insurance to banking and securities.

Ping An has signed 10,000 clinics to its Wanjia Clinics platform since July to serve the 110 million users of its Ping An Doctor health portal, said Lee Yuansiong, executive director of the Shenzhen-based company.

"Our model is like a 7-Eleven for financial services," Lee said in an interview with the South China Morning Post in Hong Kong. "Every client now buys two of our financial products on average. We're aiming to grow that number."

China's current network of 200,000 private clinics could more than double to half a million over the next decade amid a government overhaul of the nation's overburdened public hospital system.

The world's most populous nation is also rapidly greying, with the number of people older than 60 expected to surge from 209.2 million in 2015 to 492.5 million by the end of 2050, according to the United Nation's World Population Prospects report. Chinese citizens are already spending 4 trillion yuan (US$590 billion) every year on healthcare, according to government data. That's likely to more than double over the next decade to 10 trillion yuan, according to Lee. (Source: SCMP)

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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