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Aging Asian Population Challenges & Opportunities

With an increasingly aging population expected throughout Asia over the next 100 years, a new report released Monday suggested that this will bring a wealth of future opportunities as well as some significant challenges.

The Deloitte Voice of Asia report suggested that the shifting demography in the Asian nations within this century towards a significantly larger percentage of aged citizens will see more people aged over 65 in Asia by the year 2042 than in the whole of Europe and North America combined.

Such a significant increase will be "challenging" to some nations, according to author of the report Chris Richardson, director of Deloitte Access Economics who told Xinhua on Monday that for China in particular, despite positive government actions, such as



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the introduction of the two-child policy in 2015, the markets continue to play a role in the shifting demography.

"When housing costs a fortune -- as it does in some key parts of China, but not all - then other things equal, that keeps the birth rate on a tight leash," Richardson said.

However, with the challenges comes great opportunity for China, particularly with its burgeoning groups of middle-class millennials. The report said that the generations of Chinese born after 1990 are a "force to be reckoned with" who will continue to drive consumption.

"It will be impossible to truly understand China's growing consumer spending without appreciating its confident young consumers, whose audacity of spending has provided a floor to growth against the backdrop of economic moderation," the report said.

Health care, a major new focus point for the emerging middle-class in China, extends to the ageing demographic as well, and as former Australian Trade Minister Craig Emerson told Xinhua recently that this provides for opportunities for further partnership between China and the rest of the world.

"There is a real emphasis on services (in China), but an area I think has enormous untapped potential is in health, and aged care. As China's middle class continues to grow, and as the Chinese population continues to age, which it inevitably will, there will be interest in very high quality health and aged care services," Emerson said.

This sentiment was shared by another former minister Andrew Robb, who said that the increasingly prosperous Chinese citizens are "demanding" more and more infrastructure in order to address the needs of a wealthy, yet ever-aging population.

"These sorts of issues are large scale issues. The infrastructure is required to deal with the ageing population, the medical facilities now are being demanded by the middle class in China, the educational standards are required," Robb said.



"All of these things are needed now that China is re-emerging into a major global economy, these are all expectations that their population has now as China moves into a more normal role in the global economy."

The report also highlighted the recent push by China to emerge as a world-leader in the field of artificial intelligence (AI) and robotics, saying that this would serve as a bigger "game changer" for China than it will be for other countries around the world.

"The rise of robots and AI will have its biggest impact by replacing jobs involving repetitive tasks rather than those involving personal interaction. This poses a particular challenge for China, whose great advances in recent decades have been relatively more focussed in areas such as manufacturing rather than service sectors," the report said.

"Other things equal, that says the rise of machines looms larger as a game changer for China than it does for many other nations."

With the report stating that the billion-strong workforce in China "is far and away the greatest workforce the world has ever seen", the shift towards an ageing economy is one, which will remain in the crosshairs of those, tasked with ensuring China's prosperity well into the future. (Source: Xinhua News)

Hainan Issued the First Health Food Record Registration Certificate

The provincial regulator of food and drug of Hainan recently issued the first certificate of health food record registration certificate in the province.

This act is in accordance with the latest national food safety law and the regulation of health food registration and records management. The provincial regulator issued a guidance on registration and records management in time so that the applicants have a better idea of the application process.

Applicants in Hainan province now are able to apply online. The entire recording process can be completed online. (Source: Hainan Daily)

Yiwu Cracks Down on Health Food Ads Fraud

Recently the local regulator of Yiwu launched a special campaign to crack down on false advertisement of health food in the local market.

According to a recent survey by China's Consumer Rights Association, 21.9% of China's elderly consumers are having health food, while 70% of these consumers buy products themselves. However, over 60% of these consumers mostly pay little attention to the ingredients in the health food.

The regulators emphasized that the ad issuers should shoulder more responsibilities of the ad they issue. Special attention should be paid when reviewing the ads of health food.

The local market regulator would strengthen punishment towards those ad issuers and vendors who violate the relevant regulations. (Source: Jinhua Xinwen)

China Becomes World's Second Largest Medicine Consumer

China has become the second largest consumer of medicine in the world, as well as the world's biggest exporter of bulk pharmaceuticals, an official at China Food and Drug Administration (CFDA) said Wednesday.

According to Wu Zhen, deputy director of CFDA, the main business income of China's 5,000 pharmaceutical companies has reached 2.5 trillion yuan (370 billion U.S. dollars).

Up to 50 of the companies are certified in Europe or the United States, and their export volume surpassed 13.5 billion U.S. dollars, Wu said.

Wu said the CFDA's efforts to speed up the process of new drug approval and clear the backlog of applications have paid off. (Source: Xinhua)

China Grants More Access to US GM Food

China has granted more access for the US-developed genetically modified (GM) crops into the domestic market, a move to carry out the commitment to expand agricultural trade with the US and also to meet domestic demand, experts noted.



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A month after the Ministry of Agriculture (MOA) approved the imports of 16 kinds of GM products including soybean and maize developed by US agriculture companies, the authorities gave a go-ahead to two more types of products on July 16, according to the MOA's website.

Those products are developed by major US agrochemical and agriculture biotechnology companies including Monsanto, Dow AgroSciences LLC and German company Bayer CropScience.

The most recently approved products included the one developed by Swiss biotechnology company Syngenta AG, which was purchased by State-owned China National Chemical Corp in June.

"Imports of more US agricultural products will help narrow China's trade surplus with the US, which is also a part of the US-China Economic Cooperation 100-Day Plan," Li Guoxiang, a research fellow at the Rural Development Institute under the Chinese Academy of Social Sciences, told the Global Times on Sunday.

Domestic supply of some products such as soybean and maize in China can meet the market demand for now, and an increase in the imports of such products is likely to put pressure on domestic supply in the short run and trigger a supply glut, Li noted.

"For example, the output of domestically grown soybean has not reached its maximum capacity of 20 million tons, and imported agricultural products are usually cheaper than domestic ones," he said.

China produces around 13 million tons of soybean, all of which go to the food sector to make soymilk, tofu and other products, Reuters reported in June. In 2016, US soybean exports totaled \$23 billion, with \$14.2 billion represented by Chinese demand, US-based non-governmental organization Farm Bureau said in a report published in April.

However, some experts hold the view that the output of agricultural products could not meet the growing demand for products including meat, eggs, poultry and milk as well as for fodder. "Besides, the US has developed advanced farming systems and new technologies to help their products become more competitive in price," Xi Wang, a doctor of plant molecule biology at the Chinese Academy of Sciences, told the Global Times on Sunday.

The genetically modified organism (GMO) technology lowers the cost and increases productivity, which is expected to become a major advanced breeding technology, Xi noted.

Still, there are growing concerns about the safety of GM products not only in China but also in the EU and the US.

The EU applies some of the most rigorous standards in the world when assessing the safety of plants containing multiple genetic modifications, according to the website of the European Food Safety Authority.

And the EU Parliament voted to oppose new GMO authorizations in October 2016, which represented the wish for a GMO-free agriculture for EU citizens, said local organic food and farming advocate IFOAM EU.

Americans also hold different views toward the GM products, CBS News reported in December 2016, citing a latest survey by the Pew Research Center. Nearly four out of 10 respondents said GM foods are worse for health than other foods, while almost half said there is no difference.

In China, GM food safety has been a subject of broad public debate since 2013, when GM food opponent and former China Central Television host Cui Yongyuan had an online spat with Fang Zhouzi, a science writer and advocate of GM food. Many



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citizens sided with Cui, questioning the safety of GM foods.

Also in last December, Northeast China's Heilongjiang Province, a major agricultural production base, passed regulation to ban GM crops. It was the first regulation of this kind in China. "We hold a cautious attitude toward the GM products," Li said, noting that the imports of GM products have to follow strict administrative steps and the use of the GMO technology in domestic agricultural production is prohibited. (Source: Global Times)

Beautiful Policy Stimulates Big Cosmetic Firms

Major foreign cosmetic companies are basking in the sweet smell of success after a move to cut red tape on imported beauty products in Shanghai.

The decision to prune the customs procedure from three months to one week in the China (Shanghai) Pilot Free Trade Zone has been hailed as key breakthrough for overseas makeup and perfume businesses registered in the FTZ.

New regulations started in March and will run for a trial period until Dec 21, 2018. If it proves successful, it will be extended.

"Related departments can provide the filing certificate within five working days now," according to authorities at Shanghai FTZ.

L'Oreal China was one of the first multinational cosmetics companies to benefit from the policy change.

The French group plans to launch a new Lancome cleansing mask later this year to coincide with the new regulations.

"For cosmetic products, three months is a long time in terms of fashion," said Yu Xiao, director of the registration and claim affairs at the scientific and regulatory affairs department at L'Oreal China.

The blue-chip brand reported sales of 7.04 billion

euros (\$7.9 billion) in the first quarter of this year, according to the company's website, with the Asia Pacific region, which includes China, posting 1.5 billion euros.

"Companies will be more competitive because of the new policy and consumers will be more in tune with international trends," Yu said.

Figures released showed that cosmetics brought into the Shanghai FTZ make up 30.4 percent of the total volume of imported beauty products for the whole country.

Leading global players such as L'Oreal, Estee Lauder and Amore Pacific consider the market here vital to their worldwide operations.

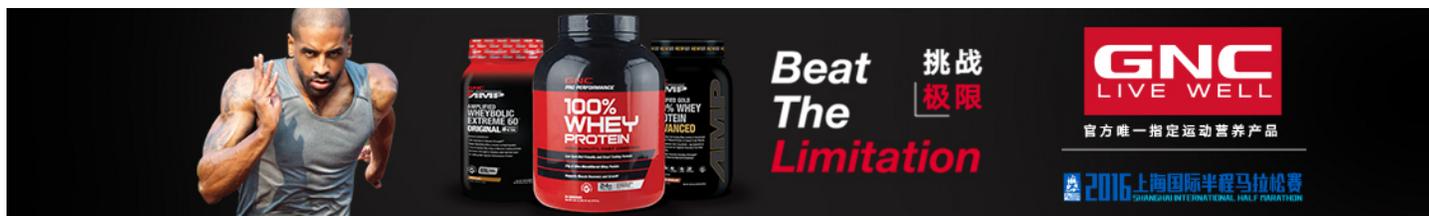


"The new policy will benefit the color cosmetic products the most as they are frequently updated with new editions," Yu said.

"There are always special editions for Christmas and New Year. With this policy, we can catch the right time to roll out our products here," she added.

Since the trade zone was launched nearly four years ago, a total of 73 multinational companies have set up their regional headquarters there.

More than 8,300 foreign firms have registered within the Shanghai FTZ while import and export volumes increased by 5.8 percent last year. (Source: China Daily)



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 and to offer its global members a wide variety of business services to assist in their China endeavors.



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