



Issue 14

June 13, 2012

THIS ISSUE

U.S. Government Webinar

SFDA Opens MicroBlog

NPC Expo Shanghai

SFDA Claims Adjustment

Dietary Supplement Analysis

China's Dirty Soil

China Updates is a service provided by U.S.-China Health Products Association. The Newsletters will be issued as relevant material becomes available. China Updates will provide news on regulatory environment, new legislation, association activities and any information related to the natural health products industry in China.

U.S. Government Hosts Dietary Supplement Webinar

China's dietary supplement industry continues to grow in step with the population's expanding consumer base. Global manufacturers of dietary supplements have become increasingly committed to having a "China strategy". However, regulations and cultural understandings present a formidable hurdle to market entry.

On June 12th from 7:00 – 8:20pm EST, the U.S. Department of Commerce hosted a webinar entitled "Selling Dietary Supplements to China. USCHPA's executive director Jeff Crowther was joined by Monica Feldman, Global Head of Consumer Health Research, Euromonitor International; Kellie Holloway, Program Manager, China Business Information Center, U.S. Dept of Commerce and Sarah Fox-Shin, Commercial Officer, U.S. Commercial Service, U.S. Consulate, Shanghai to present valuable information on Market size and potential, trends, regulations and market entry considerations. The event drew 45 attendees from leading dietary supplement companies.

Regulations were of key interest and generated the most questions among attendees. USCHPA is working on regulatory reform with the U.S. Department of Commerce and sees industry participation as the crucial ingredient to get things moving. The association strongly encourages those companies already working in China as well as those considering entry to join the association. Membership will help to consolidate industry opinion, which in turn helps the U.S. government hone in on key regulatory concerns. Membership also offers a variety of business related benefits to help companies succeed in the market such as partner search, IP protection, product registrations, customs clearance, warehousing, consulting, etc. For more information on membership, send us an email: info@uschinahpa.org. (Source: USCHPA)

SFDA Opens its Official Weibo Account on Sina.com

BEIJING -- China will launch a campaign to check health food producers over food safety concerns, the State Food and Drug Administration (SFDA) said on its website.

SFDA, China's food and drug watchdog, opened its official account "China Food and drug supervision (中国药监)" on Sina Weibo, China's equivalent of Twitter. SFDA said, this move aimed at introducing its rules and regulations, releasing quality and safety warnings of drug, health food, cosmetics, medical appliance, and catering, and addressing public concerns over food and drug safety. SFDA also said it welcomed the communication and attention from other microbloggers.

The website for the SFDA Sina account is <http://weibo.com/u/1335661387>. (Source: SFDA)

2012 Natural and Nutraceutical Products in China To Be Opened in Shanghai

The 2012 Natural and Nutraceutical Products in China (NPC 2012) is to be held in Shanghai from June 26 to June 28. The NPC show is part of the overall CPhI show managed by British UBM, which not only features NPC, but also Natural and Food ingredients, functional foods, organic foods and products, pharmaceuticals and health care devices. NPC portion of the expo focuses mainly on finished natural health products including dietary supplements. For global players, this is the one stop shop to show your finished products and ingredients as well as visit suppliers and source ingredients.

USCHPA's Jeff Crowther has been invited by UBM to speak at NPC on June 27th from 10:30 – 11:30am. He will introduce the U.S. dietary supplement industry to Chinese attendees interested in expanding their business in the U.S.

Crowther will also be speaking on June 28th from 1:00 – 1:30pm at NSF's training session for Chinese manufacturers. This presentation will take place at Wyndham Bund East Shanghai Hotel. For more information on this event contact: Laura Liu at lliu@nsf.org.

USCHPA will also have a booth at NPC highlighting its services and members to attendees. If you are attending, please drop the booth located in Hall N5-D23. The expos website is www.npcexpo.com (Source: USCHPA).

SFDA Asks for Comments on Adjusting Functional Claims

SFDA, China's food and drug watchdog, is reviewing comments on its plans to adjust functional range of health food claims after months of receiving feedback from experts as well as public opinions. The deadline for this round of commenting is June 20th, 2012.

Early in August 2011, Plans on adjusting functional range of health food was drafted according to Food Safety Law and its implementing rules, to strengthen supervision of health food, regulate function claims, and strict entry threshold.

As specified in the Draft, four functions of health food products are supposed to be cancelled, namely, improvements in growth and development, auxiliary protection of radiation hazards, lowering of blood pressure, and improvements in skin oil. In addition, four functions involving gastrointestinal tract will be integrated into one, and three functions involving the improvements in facial skin metabolism will be integrated into one. Twenty-seven functions of health food products are expected to become eighteen functions after the adjustment.

Here are the proposed final 18 Claims are as follows:

1. Improve immune system (AT)	11. Help in lowering blood glucose (HAT)
2. Improve Sleep (HAT)	12. Anti-oxidation (HAT)
3. Relieve physical fatigue (HAT)	13. Improve nutritional anemia (HAT)
4. Enhance oxygen deficient endurance (AT)	14. Help in memory improvement (HAT)
5. Improve gastrointestinal tract	15. Promote lead excretion (HAT)
6. Increase bone density (AT)	16. Clear the throat (HAT)
7. Protect liver against chemical damage (AT)	17. Promote lactation (HAT)
8. Relieve eye fatigue (HT)	18. Help in lowering blood lipid (HAT)
9. Improve facial skin metabolism	
10. Weight loss (HAT)	

Note:

HT = Human

Testing AT = Animal Testing

HAT = Human and Animal Testing

(Source: SFDA)

Shuzheng Consulting: Analysis of Major Dietary Supplement Product in China

Recently, China health Care Association announced its analysis of major dietary supplement products (hereinafter referred to as Analysis) in China. The Analysis covers 20 companies in the dietary supplement industry. They are: By-health, Tong Ren Tang Health Pharmaceutical (President), Mackinley, NBTY, Biorio(China) Health Products (Treely), Guangdong Longli (B&H U.S.A), K-Lex、 Dongguan Vilnius Celebrex、 Shenzhen Vitlity, D&L (HPSON), GNC, Jiao Tong University Only (Natural element), Sinochem Qingdao (Natural Factors), MEHECO, RichLife, Nutryfarm, Nepbaby, Shandong Baihe, Weihai Qinghua Ziguang, Guangdong Sirio.

The product distribution among the companies

In the 20 companies analyzed, fish oil is the most popular product. All 20 companies have a fish oil product. Second to fish oil was calcium. Among these companies, only China TsingTao doesn't produce a calcium product. Analysis also shows that protein powder, grape seed extract, vitamin C and fish oil products are produced by 18 of the companies surveyed. For further details, see table 1 below.

The distribution of product categories

From the analysis, the companies' products are concentrated in 40 categories. By-health, for example has almost 90% of its products in 40 categories. Other companies like Biorio(China), Vitality, RichLife and Vilnius Celebrex, have over 70% of their products in these 40 categories. The figure for Tong Ren Tang however is only 26.6%, due to its wide variety of product and its focus on Traditional Chinese Medicine health products.

Table 1.

<u>rank</u>	Product	<u>nu</u> <u>mb</u> <u>er</u>	Rank	Product	<u>nu</u> <u>mb</u> <u>er</u>
1	Fish oil	20	8	Wheat-germ oil (c)	11
2	Calcium product	19	8	Cod-liver oil	11
3	Protein <u>powder</u> (whey protein, soy protein)	18	8	I-carnitine (p, c)	11
3	Grape extract (p, c)	18	9	DHA	10
3	Vitamin C	18	9	Ginseng (c, p, tea, sc, slice)	10
4	Garlic extract (sc, p)	16	9	Soy <u>isoflavones</u> (p, sc)	10
4	Vitamin B- <u>complex</u> (mineral included) p	16	10	Phospholipid	9
4	Minerals (Chromium, <u>magnesium</u> , zinc, selenium and their complex)	16	11	Various amino <u>acid</u> (p, c)	8

4	Spirulina	16	11	番茄红素 Lycopene	8
5	β -Carotene sc	15	11	<u>kudzu root</u> (p, c, sc)	8
5	<u>Epiphysin</u> (p, sc)	15	11	Fruit and vegetable Concentrate p	8
5	Vitamin B	15	11	Shark cartilage(p, c)	8
6	Vitamin E	14	11	Folium <u>ginkgo</u> (tea, sc, p)	8
6	Folic acid (including iron folic acid) p	14	12	<u>lycopene</u> (sc)	7
7	Propolis	12	12	Roral jelly	7
7	<u>Collagen</u> (fish protein) oral liquid	12	12	Dietary <u>fiber</u> (p)	7
7	<u>Lecithin</u> (sc, p, powder)	12	13	Tea extract (tea, c)	6
7	Cider <u>vinegar</u> (p, c)	12	13	Chitin (powder, p, sc)	6
8	Aloe(c, drink)	11	13	Glossy <u>ganoderma</u> (tea, c, spores,	6
8	Bovine <u>colostrum</u> (powder, p)	11	13	Lamb <u>placenta</u> (p, sc)	6

Note: c for capsule, p for pill, sc for soft capsule

"Number" above refers to how many of the 20 companies carry that product

(Source: CHCA - Shuzheng Consulting)

China's Dirty Soil Problem

Nowhere is the global push to restore degraded land likely to be more important, complex and expensive than in China, where vast swaths of the soil are contaminated by arsenic and heavy metals from mines and factories. Scientists told the Guardian that this is likely to prove a bigger long-term problem than air and water pollution, with potentially dire consequences for food production and human health.

Zhou Jianmin, director of the China Soil Association, estimated that one-tenth of China's farmland was affected. "The country, the government and the public should realise how serious the soil pollution is," he said. "More areas are being affected, the degree of contamination is intensifying and the range of toxins is increasing." Other estimates of soil pollution range as high as 40%, but an official risk assessment is unlikely to

be made public for several years. The government has spent six years on a soil survey involving 30,000 people, but the academics leading the project said they have been forbidden from releasing preliminary findings.

Chen Tongbin of the Chinese Academy of Sciences said the worst contamination was in Yunnan, Sichuan, Hunan, Anhui and Guizhou, but there were also parts of Beijing where the soil is tainted.

Unlike in Europe where persistent organic pollutants are the main concern, Chen said China's worst soil contamination is from arsenic, which is released during the mining of copper, gold and other minerals. Roughly 70% of the world's arsenic is found in China – and it is increasingly coming to the surface with horrendous consequences.

"When pollution spills cause massive die-offs of fish, the media usually blames cadmium, but that's wrong. Arsenic is responsible. This is the most dangerous chemical," he said. The country's 280,000 mines are most responsible, according to Chen.

But the land – and food chain – are also threatened by lead and heavy metals from factories and overuse of pesticides and fertilizers by farmers. The risks are only slowly becoming well known. The Economic Information Daily reported this week that pollution ruins almost 12bn kilograms of food production each year, causing economic losses of 20 billion Yuan.

Chen estimated that "no more than 20% of China's soil is seriously polluted", but he warned that the problem was likely to grow because 80% of the pollutants in the air and water ended up in the earth.

"The biggest environmental challenge that China faces today is water pollution, but there are efforts underway to control that. In the future, the focus must be on soil pollution because that is much harder to deal with. Soil remediation is an immense and growing challenge."

Calls for a clean-up of the land are slowly gaining prominence. Huang Hongxiang, a researcher from the Institute of Agricultural Resources and Regional Planning, warned earlier this year that China needed to widen its focus from production volumes.

"If we don't improve the quality of farmland, but only depend on increasing investment and improving technology, then – regardless of whatever super rice, super wheat and other super quality crops we come up with – it will be difficult to guarantee the sustainable development of our nation's agriculture."

(Source: The Guardian - <http://www.guardian.co.uk/environment/2012/jun/12/china-soil-pollution-bonn-challenge>)

If you have China related news that you would like to share with the association for publication in its newsletter please contact us at:

news@uschinahpa.org

Copyright © 2012 U.S.-China Health Products Association. All rights reserved.