

# CHINA'S

# 中国对外贸易

# FOREIGN TRADE

The Export-Import Bank of China:  
Want to Be the Best in A Better World ?

## SPECIAL REPORT

### Currency Bill: Has the War Started?

Fong Ho Keng, ►  
founder and CEO  
of the FHK Group  
of companies



国内邮发代号: 80-799  
国际邮发代号: SM1581  
国内刊号: CN11-1020/F  
国际刊号: ISSN0009-4498

ISSN 0009-4498



# NOV. 2011



By Jeff Crowther

**“How is it that China can have so many dangerous products such as recycled oil, exploding watermelons, melamine laced baby formula etc. and at the same time have such an underdeveloped dietary supplement and natural health product industry?”**

## Living in China: Hold the Oil Please



**A**fter residing in Beijing for over 6 years, many of my friends and colleagues in the U.S. have said, “Wow, it must be amazing living in China”. Over the years I have to say, my experiences have been amazing. The one thing that keeps life interesting is that each and everyday I learn or experience something new. Today it might be a new word or expression in Chinese, the next day I might see a group of senior citizens dancing to disco music in my community and when I really want to experience local Beijing style, I head into Beijing’s hutong neighborhoods. The hutongs not only offer a wide variety of cultural experiences, but also offer lessons in history. All the above are things I would never have experienced living back in the U.S. With this daily sensory stimulation, it makes life interesting, rewarding and sometimes challenging.

The challenging part comes is trying to stay healthy while living in a country known for its food safety issues. Recently there has been a lot of news reports highlighting the use of recycled cooking oil in restaurants as well as repackaged for retail sale. This recycled oil is known as “Digou You” (地沟油) or literally translated as “manhole cover oil”. The practice of recycling oil has been going on for some time. However, new stricter food safety measures imposed by the Chinese government have slowly been working to clean up China’s food industry. This past month a government investigation arrested 32 people from 14 different provinces re-

sponsible for producing over 100 tons of recycled oil.

I was watching CCTV news a couple of days ago and they stated that 99 percent of the small restaurants around China are using this recycled oil, which is of great concern to me since I live here and occasionally frequent small restaurants. Recycled oil contains a great number of carcinogens that have been linked to a variety of health issues including liver cancer.

China wrestles with a variety of food safety issues on a daily basis. Surveillance by local and state level authorities is not always effective at stopping would be opportunists looking to make profits at the expense of people’s safety and health. China’s efforts to safeguard the food supply is a work in progress and is most likely going to take a number of years before all new regulations are fully enforced. Food safety is a global issue, which every government struggles with. However, China is a large country both in size and population and with new regulations in place it takes time for these changes to occur. To the government’s credit, I’m surprised there aren’t actually more food safety issues. With over 1.3 billion mouths to feed, safeguarding the food in China is truly a monumental task.

As I thought more deeply about this issue of food safety and the widespread problems with consumer safety, I came to realize something that made no sense to me. How is it that China can have so many dangerous products such as recycled oil, exploding water-

melons, melamine laced baby formula etc. and at the same time have such an underdeveloped dietary supplement and natural health product industry? After hearing the news of the recycled oil, I thought this will certainly hurt business for many small restaurants. But to my surprise, all the little restaurants in my neighborhood were doing business as usual. After talking with my Chinese friends, family, neighbors and a few taxi drivers, it seems local people are accustomed to hearing stories like this and for the most part ignore them.

Food safety issues combined with today's environmental challenges to our health, one would think China would be an excellent country to market health products such as dietary supplements. Although the need for dietary supplements is clearly evident, a couple of things stand in the way of its progress. First, the government has a very strict regulatory system for dietary supplements, which costs large sums of money and time as well as involves animal and human testing in order to receive product registrations. In this way, the government treats these products like pharmaceutical drugs. Dietary supplements have been sold in the U.S. and other parts of the world for almost 100 years and they consistently maintain a very high level of quality and safety. There have been many studies done in the U.S. to show how important dietary supplements are in providing consumers with products that increase overall health as well as save the U.S. government billions of dollars in medical expenses. For example, an October 2007 report in the U.S. peer-reviewed publication *Nutrition Journal* concluded that the health of people who used dietary supplements was better than non-dietary supplement users. Furthermore, the Lewin Group, a U.S. healthcare and human services research group, reported that dietary supplements were responsible for saving the U.S. government US\$ 20 billion in medical expenses. It is well known that people that take dietary supplements have healthier lifestyles, which results in fewer illnesses. People that purchase dietary supplements are investing in their health and tend to make smarter decisions about their health. They make better decisions about what they eat,

get proper rest, drink adequate amounts of water, exercise on a regular basis and read the latest information on health. All these habits lead to a healthier life.

The other issue that keeps China's dietary supplement industry from developing further is the lack of information and products available in the market. Because the industry is underdeveloped, there is a shortage of information available as well as a lack of products available. The U.S. market has approximately 60,000 different dietary supplement products, more than 10,000 health food stores that sell dietary supplements and an abundance of articles, websites, books and videos that consumers use to learn the latest about dietary supplements and health. China's dietary supplement market has a long way to go before consumers have similar access like in America. Below is a comparison to illustrate my point. The picture on the above is a super market in the U.S. the picture on the below is a super market in China.



US Supermarket



China Supermarket

It is easy to see the large discrepancy in the amount of products on the shelves. The U.S. super market has at least six times more products in the

same amount of space. In addition to super markets, the U.S. has three major health food store chains GNC, Vitamin Shoppe and Vitamin World. Combined together these three chain stores have over 6,000 stores across America. Making access to health products easy and convenient.

Oddly enough, China produces and supplies over 70 percent of the world's dietary supplement ingredients, which are exported and used by the U.S. and other countries to produce finished dietary supplement products. However, in order for these products to re-enter China, companies are faced with a regulatory system that forces many companies to turn away from the China market.

In the end, who loses out from the above situation? Unfortunately, it is "we" the consumers in China that lose. As mentioned above, China is a large amazing country and has been my home for the last six years. I'm very optimistic about China's future on many fronts. However, I hope the government can realize sooner than later that dietary supplements and other natural healthy products should be more freely available and play a vital role in public health. Together with proper diet and exercise, daily consumption of dietary supplements represents an important part of an overall plan of keeping healthy and fit. Dietary supplements are even more important in China due to the many issues that pose challenges to our health such as pollution, tainted food, high levels of oil and sodium in the diet etc. Moreover, diabetes and cardiovascular disease are both growing health issues in China. Dietary supplements and a healthy lifestyle are the first steps against combating these diseases. In most cases diabetes and cardiovascular disease can be avoided and are actually the result of poor lifestyle habits. I look forward to the day when I can walk down the street in China and like in the U.S. stop in my local health food store to purchase high quality dietary supplements to assist my goals of obtaining optimum health. ☺

(Author: Executive Director of U.S.-China Health Products Association)