

# CHINA UPDATES

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### **Pharmavite Joins US-China HPA**

Pharmavite makers of the Nature Made Brand is the latest company to join the association's growing membership base. Pharmavite's membership comes at an appropriate time as China's Food and Drug Administration is currently releasing many new draft regulations regarding China's overall food safety.

On November 28, 2013, the association submitted a report to China's State Council commenting on recent draft regulations including suggestions on creating a more open and transparent system for dietary supplements based on notification.

Pharmavite and the rest of the association members played a vital role in participating in the creation of this very import document.

About Pharmavite: For more than 40 years, Pharmavite LLC has earned and maintained the trust of healthcare professionals, consumers, and retailers by manufacturing high-quality vitamins, minerals and other dietary supplements under our Nature Made® brand. Based in Northridge, California, Pharmavite LLC operates as a subsidiary of Otsuka Pharmaceutical Co., Ltd. For more information, please visit <http://www.pharmavite.com>.

China Updates is a service provided by U.S.-China Health Products Association. The Newsletters are issued approximately three times a month. China Updates provides news on regulatory environment, new legislation, association activities and any information related to China's natural health products industry.

## CFDA New Regulations for Infant Formula

The CFDA recently released new regulation to monitor infant formula milk powder company so as to step up control over milk powder quality.

The 6-chapter regulation specifies the monitoring methods to production companies, monitoring and checking procedures and requirement. It also has specific lines to regulate quality management system in company, R&D capability, ingredient procurement, production procedure control, production formula filing, and substandard production recall as well as customer complaints.

Companies are asked to set up safety management institution with full-time and professional safety control staffs. The company needs to have professional R&D institutions and staffs to upgrade its products and follow the safety issue of the current products.

Companies are also asked to build their own milk source with professional staffs, equipment and institutions to control the quality. A third party of quality checking agency needs to be introduced to the company to make sure the accuracy of the quality checking result.

The state authority said that all necessary adjustments by related companies needed to be fulfilled by the end of next May. (Source: People.com.cn)

## Du Yiwei Gained another Health Product Approval

According to an announcement released early this week, Sanbaotang Biotech Co.Ltd, a fully-owned branch company of Du Yiwei Co. Ltd, a prominent domestic health company, gained a new health product approval from the authority to its latest capsule product of deer tire ganoderma extract.

The approval is the third one that the company got so far for its capsule product. The company aims at expanding in the health industry and expects the new capsule, which was just granted approval, will be the new growth engine for the company and help the company keep the core competitiveness in the health industry. (Source: China Security Journal)

## China-Foreign Health Food Gathering is Held

The first China-Foreign health food information exchange meeting is to kick off this Thursday in China's southern Guangzhou, according to the Service Committee of China Health Care Association.

It is the first Sino-foreign meeting of this kind but the eighth of China-Japan information exchanges gathering.

Thanks to the booming demand of Chinese consumers to health products and the rapid growth of the country's economy, the market scale of health product in this country has reached 400 billion yuan by the end of 2012. Many international ingredient and product companies are lining up to tap into China's market.

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The Service Committee has been launching more than ten information exchange gatherings in this kind to facilitate communication among domestic companies and its counterparts in United States, Europe, Australia and the neighboring Korea, Japan and Taiwan.

The Service Committee is also to hold the second “marketing seminar of the grand health product”, which aims to come up with better solutions to expand the health food market.

In the past decade, all kinds of food that are said to contain collagen are coming to China’s market and are well embraced here. Many companies exaggerate the medical effect of the related products, which draws concerns from academics and media.

To better promote collagen product and correct consumers’ understanding towards these products, the Service Committee gathered a collection of research materials from the globe, and will release during the seminar of collagen technology. (Source: Technology Daily)

## CFDA Clarified on Organic Food Accreditation

The CFDA released a new regulation on accrediting organic products, aiming to promote the product quality, protect consumer’s right and regulate the accrediting system to a better shape.

According to the report of China National Radio, the regulation emphasizes that the processed products

should contain over 95% of organic ingredient so as to be granted with an organic logo. The accrediting institution should not grant organic logo to products that do not meet standard in organic content.

Regarding accreditation certificate and logo, the regulation said the authority should withdraw the accreditation within seven days if the accredited product encounters any of the following issues: the product use any ingredient that is polluted or officially prohibited by the state authority; the applicant of the product did not submit genuine material or lied on the product information; the agent of the accredited product misuse the accreditation logo in fields that the product is not accredited yet.

The regulation also clarifies that products that are not accredited yet cannot wear organic logo in its packages, even when they are produced in the processing factories that produce products which have already been accredited, as it may mislead the consumers.

However, organic food does not equal with healthy food, as the term “organic” targets at the production process instead of the product’s nature, said Li Duo, a nutrition expert with World Health Organization.

Mr. Li said that organic food and health food were two separate concepts. Organic food refers to food that are planted without adding fertilizer and pesticide, while its nutrition content has no difference with those that are planted in the usual way. (Source: CNR.cn)



## New TCM Extraction Regulation Released

CFDA released a draft on TCM extraction regulation, saying that the local authority should stop approving agent that involves in TCM extraction processing since the document releases.

To those agents that are already granted approval in processing TCM extraction, the local authorities are asked to strengthen regulation and monitor these agents.



The draft indicates that from January 1st, 2016, companies that are not eligible to extract TCM should be suspended from producing related products, even if they were granted with processing approvals.

“For small companies, the draft means suspension, but for big companies, it may be a good opportunity for acquisition and merge,” said an industry expert.

A director of TCM extraction company said that the new regulation means that all the TCM companies need to build their own processing lines to extract ingredient. Those companies which already have original processing lines for ingredient extraction will not be affected much.

Having new TCM extraction processing line means the production cost will be increased. Experts expect a new processing floor will cost at least 5 million yuan for the company, with 3million as extra costs for the equipment procurement and 3 million yuan more for processing standardization.(Source: National Business Daily)

## China's Easing of One-Child Limit Sparks a Rally in Kid-Related Shares

It will take at least nine months for the cooing, crying, bouncing results to appear, but the easing of China's one-child policy has already created a frenzy of anticipation among households, businesses and the stock market for the expected baby boomlet.

Shares of baby-formula producers and even piano makers jumped Monday when markets opened for

the first time after news of the policy change came out late Friday. Tutoring companies' shares rose on the assumption that urban families would expect their second children to produce the same academic excellence they demand from their first.

Chinese investors have already coined a phrase to describe these companies: "second-child concept stocks." Meanwhile, the shares of one maker of contraceptives fell.

The changes are generating the most excitement for urban couples with one child who are young enough to have another.

The government said last week after the third plenum policy meetings in Beijing that it would allow married couples to have two children if at least one spouse is an only child. The change is designed to boost China's birthrate to counter an alarming fall in young, working-age men and women and to offset China's aging population. Millions of couples in China meet the criteria to have a second child.



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The investor exuberance over pianos didn't make sense to Dai Wenzhi, owner of the Dragon's Dream instrument shop in the southern city of Dongguan. "Each child doesn't need its own piano, and we already have wealthy clients who buy multiple pianos for their multiple homes," he said.

But he predicted that sales would rise for smaller instruments, like violins or theguzheng, a Chinese string instrument. But some companies that have been beneficiaries of the one-child policy couldn't get any love. Shares of Humanwell Healthcare (Group) Co. , a producer of condoms and oral contraceptives, tumbled when trading started but recouped earlier losses to close 0.8% lower in Shanghai. Humanwell couldn't be reached for comment.

The one-child policy has been in place since 1980, but China's leadership has been facing pressure for many years from the public and demographers, who have long argued for overhauls as China's population has aged. Couples in urban areas are fined for having a second child, while the policy is enforced less strictly in rural areas.



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Of China's 1.3 billion people, 79 million women are of childbearing age (23 to 42), and of those, 48% could benefit from changing the one-child policy, according to a Bank of America Merrill Lynch analysis of census data. If one-quarter of those women had second children, it would mean 9.5 million extra babies over the next five years.

Shanghai United Hospital is considering adding fertility-assistance courses and counseling about risks for older parents to its prenatal classes for middle-aged women, according to Emery Brautigan, a regional manager of the hospital, which is owned by the United Family Healthcare private hospital network.

On Chinese microblogging site Weibo, writers joked that conversations grew quiet Friday night after the news broke. "Young people have gone to bed early now second babies are allowed," one person posted.

Six-year-old Tian Jinrong of Beijing doesn't like the idea of a new sibling on her turf. One of China's so-called Little Emperors, Jinrong likes that her status as an only child makes her the center of attention. When her father, Tian Ye, even mentioned the possibility of a baby brother or sister, "She cried," he said.

Mr. Tian said it was unlikely that he would have another child, even though his 32-year-old wife qualifies, having been an only child. "Our daughter just doesn't want another one," Mr. Tian said. "Most parents only want another child to teach a lesson to their current Little Emperors, but we don't really see that being an issue." (Source: WSJ)

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

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