

# CHINA UPDATES

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### **Canadian Health Products are Found Polluted**

The INFOSAN recently reported that a number of Canadian companies recalled their natural health products, as they were potentially polluted by chloromycetin.

Vega One Vanilla Chai and Vega Sport Performance Chocolate by Sequel Naturals Ltd. are included in the recall list.

Canadian authority is investigating into the cause of the pollution. INFOSAN asks the consumers to alert the listed natural products by these Canadian companies.

Vega One Vanilla Chai and Vega Sport Performance Chocolate and other health products of Sequel Naturals Ltd are so far not approved to be imported to China by the Chinese authority.

If any consumer notices that these products are imported to China via illegal channels, one should report the case to the local FDA in time. (Source: CFDA)

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 Partners with Health Authority to Strengthen Regulation on Food Company

CFDA recently released documents to the National Health and Family Planning Committee to step up regulation on food production companies.

The documents require that the food production companies should meet the standard regarding the location and environment of the factory, equipment and facility, hygiene regulation, food ingredient and production process etc.

The companies are asked to launch self-check campaign and take measures to prevent pollution. They are also asked to set up monitoring system and prevent system risk from occurring.

The documents also asks companies to roll out examination system regarding food safety management. (Source: Economy Daily)

## Over 60% of Chinese Consumers Bought Health Food

Chinese authority is going to help change the development of China's health food industry from market-lead to technology-and-capital-lead, said a researcher with state-run China Academy of Social Sciences.

"The impact of brand is growing rapidly, and customers will pay more attention to the brand of what they buy," said Zhang Yongjian, director of food and drug development and monitor center of CASS, in a recent health seminar in Beijing.

Mr. Zhang said that China's nutrition and health industry is at a very healthy development phase. According to a recent survey by CASS, 68.7% of domestic consumers have bought health food in the second half of 2012, while the number in 2013 is 68.8%. "It shows that buying health food has become a very common and lasting consumption behavior."

Liang Chaoyu, Chairman of By-Health, recently said that since the elderly population of this country would account for 17% of the total population by 2020, the health industry is expected to have a great development prospect.

It is said that the dietary supplements industry is growing at an average rate of 131.71% in the past three years globally, while the growth rate of the other health product decreased by 12.3%. In China, the average growth rate of dietary supplements is over 100% in the past few years. (Source: Information Times)

## Most in China who are on Diet are Young

An obesity index is released by China Health Association in a recent national drug fair. The fair also includes a seminar on how to manage body figure and related health problems.

According to a report by World Health Organization, the index shows that the obesity rate of adult in China increases from 25% in 2002 to 38.5% in 2010. The report also shows that the majority group of obesity population is in urban area.



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The report expects that about 50%-57% of Chinese population will be overweight by 2015.

The index by the Association shows that 73.5% of the group who are on diet in China are overweight, while 27% of them have a standard weight. Most in the group who are with a standard body weight but are still on diet are female.

The index says that most people who are on diet claim to be very unhappy with their weight around their waist and in thighs. The post-90s generation, or people who are born after 1990 pay more attention to lose weight in thighs, while the post-80s are unsatisfied with their waist the most.

Young people are the majority group of the on-diet troop in China. 79.4% of the on-diet people in China are those who are under 29 years old. (Source: South Daily)

The local authority indicates a majority of substandard cosmetics sold online are cosmeceuticals. These products claim to be produced by natural ingredient or purely with TCM ingredient.

The local FDA director said that the regulator has never authorized cosmeceutical as an official classification of cosmetics. The official cosmetics regulating system only includes special-use cosmetics and non-special-use cosmetics. “We have to say that cosmeceuticals are in a very awkward situation regarding the regulation system in terms of their status,” said a director with the local FDA bureau.

“So far the government only officially admits special-use cosmetics. Each product will get a certificate number from the national FDA. Customers can then check the info of these products by visiting the official website of CFDA,” said a staff with the CFDA.

## Complaint Cases over Health products See Increasing Illegal Promotion

According to statistics from China Consumer Association, it has received 2,318 complaints over health products in the first half of this year, 521 of which relates to illegal promotion.

The association has in total received 265,572 complaint cases, which sees the number of dairy-related cases double and illegal promotion of health products become increasingly severe. Many health product sellers are having seminars to hook senior consumers and resort to advertisement on TV to promote their substandard health product illegally.

Liu Junhai with the Association told the report that many illegal advertisements promote the products as side-effect-free and are capable of rooting out the disease, or apply with the most-advanced technology. These advertisements are illegal because health product ads cannot promise medical treatment effect to the consumers. Using public space to have health seminar and send out free sample is illegal as well. (Source: China News Net)

## Zhejiang FDA Strengthens Regulation of Cosmeceuticals Sold Online

The FDA of Zhenjiang province released a draft on regulating online sales of health food and cosmetics in its official website recently, gathering opinion to improve related regulation from the public.

According to national regulation, special-use cosmetics are those for dying, deodorization, freckle-removing and sun block etc. These products are not capable of preventing or treating disease, which is fundamentally different with drugs.

“Recent years see an increase in online sales of health products and cosmetics. Quite a number of illegal selling cases in Zhejiang province are via online channel,” said a staff with Zhejiang FDA.

“Many of the illegal cases involve illegal additives, which is very common in health products and cosmetics,” he said.



“We hope that by releasing this guidance, we can better regulate the online sales market. After all, health food and cosmetics are playing a bigger role in people’s daily life,” said the staff. (Source: Daily Morning News)

### **CFDA is to set up Black List System to Better Regulate Food and Drug Safety**

The Chinese authority recently released a regulation draft to set up blacklist managing

system of food and drug, asking county-above food and drug regulators in China to set up this blacklist system for the national database.

The info of those companies or people who are in charge of producing substandard food, drug, medical equipment and cosmetics will be released via the government’s official website for the public surveillance.

The companies blacklisted will be included into the credit file for monitoring. The regulators will spot check these companies and pay special attention to regulate these companies. Their info will be released within fifteen working days after the administrative punishment.

Related data will be released to the public for a period between one and two years. (Source: CFDA)



### **Experts Criticize Jimmy Lin's Collagen Drink**

A biotech firm endorsed by Lin Chih-ying, or Jimmy Lin, a Taiwan actor, singer and race car driver, has been criticized by experts on Monday, including a well-known anti-fraud blogger, for exaggerating the effects of its collagen oral liquid.

The company still has not completed its registration in Shanghai, which means it is still not authorized to sell products in the mainland.

Lin established Ibelieve biotech company, which produces a collagen oral liquid in cooperation with Shanghai Grape King Enterprises Corp, Lin and Ibelieve announced on their Weibo accounts on November 25.

The collagen product went on sale on Ibelieve's online store on tmall.com and its own website love-ibelieve.com on November 22. Shortly after Lin started to promote the collagen oral liquid on his Weibo account, claiming it has an anti-aging function and can revive the skin of users.

But Lin soon came under fire from Fang Zhouzi, an expert in chemical biology and a popular blogger, who wrote several articles on his blog criticizing Lin for making false and exaggerated claims about the collagen product.



The image is a promotional banner for NSF GMP Services. On the left, there is a blue circular logo with the letters 'NSF' in white. To the right of the logo, the text 'GMP Services' is written in blue, and '注册服务' (Registered Service) is written in black below it. The background of the banner is a light green color with a subtle pattern of green leaves. To the right of the logo, there is a white arrow-shaped box containing the text: 'To learn more about NSF cGMP Services, [click here](#) Experts in auditing, consulting, training and testing'. Below this, in Chinese, it says: '欲了解更多服务信息请点击 审核、咨询、培训和测试专家团队'.

Collagen products are made from cheap eatable animal parts, such as fish skin, which is supposed to be the leftover of other animal foods, Fang said.

The price of a set of Ibelieve collage oral liquid (1500 ml in total) on tmall.com is 1,080 yuan (\$177.23). By press time, 481 sets of the collage had been sold since it came to market, according to the online sales record.

Collagen will be decomposed to amino acid and then absorbed by the body, Fang said, noting collagen cannot come into the skin directly and prop up the skin.

The expert also said that the country's health authorities defines collagen products as food rather than health products in China. Health products should apply for the certificates from the very start of registration.(Source: Global Times)

## Taobao Store 'Smuggler' sees Sentence Cut

A woman who ran an online e-commerce store on China's popular ebay style taobao.com was sentenced to 11 years in jail for smuggling South Korean cosmetics into China, has seen her sentence cut by eight years, announced the Beijing Second Intermediate People's Court on Tuesday.

Many members of the public had criticized the original sentence for being too harsh.

Li Xiaohang, who worked as a cosmetics purchaser, was previously charged and sentenced in July 2012 for "smuggling ordinary goods." In addition to her three-year custodial sentence, Li was ordered to pay a 500,000 yuan (\$82,360) fine. Her two accomplices, Shi Haidong and Chu Ziqiao, were sentenced to five and seven years respectively.

The accomplices also saw reduced sentences of just over two years and reduced fines at the appeal, which was ordered by the court due to "unclear facts and insufficient evidence" in May, the People's Daily reported.

The cosmetics, which Li bought from South Korean duty-free stores, were sold in an online store Li ran from 2009. She allegedly brought her cosmetics into the country without a custom's declaration.

The trio had been charged with tax evasion of 1.09 million yuan, but this figure was reduced to 80,000 yuan.

Li was immediately taken into custody from the court. She had previously been bailed as she was taken ill with a blood disorder.

Li Jun, Li's father, said that they would go on appealing until a "fair judgment" could be made for his daughter.

"The court has failed to prove that all of the 80,000 yuan went to my daughter. In fact, the other two agents also benefited," he said.

According to China's Criminal Law, smugglers can face a jail term of up to three years if the amount of tax evaded falls between 50,000 and 150,000 yuan.

"Given that Li faced the heaviest punishment when she did not reach the upper limit, this decision is still too harsh," said Zhang Yan, Li's lawyer, who added that Li deserved probation due to her illness.

Her father added that Li was unaware that it is illegal to sell cosmetic products that were brought in from overseas online, as many other people do the same.

Another online cosmetics vendor, surnamed Wu, said via Sina Weibo that she did not understand why their business was considered as smuggling.

"It's all because the imported goods are so expensive here, and so are the taxes," Wu said.

Chinese customs regulations only allow for a certain amount of goods to be imported tax free in person, however, many online vendors bring goods in this way to avoid customs duties.

There are so far no specific laws to deal with the international purchasing business, said Dong Yizhi, a research fellow with the China e-Business Research Center.

"China is encouraging e-commerce, which includes such businesses. We should guide them with policies and regulations," Dong said. He added that Li's case cannot be seen as a precedent, as the final decision may have been affected by public opinion. (Source: Global Times)

**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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