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Seminar on Legal System of Food Safety Held in Beijing

China's state food and drug regulator organized an innovation seminar on the legal system of food safety, with attendees from Tsinghua University, Renmin University and China Legal Academy.

The seminar focuses on the major issues in the food safety field, talking about how to learn from the developed countries, including America, European Union and Australia, to set up legal system that can better regulate this industry.

Experts suggested that the information of related companies should be released to the public, and spot check should be institutionalized with the result being released to the press. The illegal companies should be put into the blacklist and their information should get exposed via media.

A third-party professional organization should be encouraged to get involved in the regulation, said the experts.

The state regulator gave positive comments on the suggestions in the seminar. (Source: China Food Journal)

Nanchang Cancelled the Filing System of Health Food Sales

As result of the administrative system reform launched by the local government, Nanchang's FDA regulators decided to cancel the filing system of health food sales.

Currently, the health food vendors need to submit materials for



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filing in the local FDA before selling their products. The local authority requests the filing form from the vendors.

The local regulator said the cancellation aims to lift burden from the local companies, but it does not mean the regulation system will be loosened or the regulation standard will get lowered. The regulators will strengthen the regulation on local health food and conduct measures based on local situation. (Source: Jiangxi Daily)

National TCM Bureau: TCM Effective in Treating AIDS

In the 1990s, due to the substandard regulation and collection of blood donation, thousands of residents in Henan province got infected with ADIS.

With the guidance of National TCM bureau, the local regulators in Henan province included the AIDS treatment by TCM into the province-wide health system, making it a key part in the province's health agenda. 4,586 ADIS patients in the province are treated by this method so far since the project was launched, covering six cities and 22 counties.

The TCM treatment turns out to be effective in curing ADIS. In the past eight years, the death ratio of the AIDS patients in the TCM team is 3.24/100 person/year, compared to the 3.91/100 person/year in other groups.

So far, thanks to the support by the state government, 19 cities nationwide have been covered with TCM treatment towards AIDS, and 26,276 patients are treated by TCM by this September. (Source: CNR)

Heinz to Step Up Investment in Infant Products

Global food company H J Heinz Co will step up investment and add more products to boost its presence in China's fast-growing market for infant food, a top company official said.

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"Heinz will expand its presence by boosting investment in China and introducing more products in the years ahead as the Chinese market for high-quality and safe baby food continues to grow," said Bernardo Hees, chief executive officer of Heinz.

Hees' remarks came after the US-based company opened a large manufacturing facility for baby cereals, which have already become Heinz's best sellers in terms of market share in China, in Sanshui district of Foshan, Guangdong province, on Tuesday.

The 80,000-square-meter facility is Heinz's largest infant cereal manufacturing base in the world, and will increase the company's daily output in China by almost 40 percent, according to the company.

Heinz currently operates seven factories in China and the number will increase in the near future as the market expands rapidly, Hees said.

"Chinese parents are more willing to spend on baby food. It has laid a solid foundation for us to expand production capacity in China," said Hees, adding the company will also add more products to the Chinese market.

According to Hees, Heinz has clocked double-digit growth across all its businesses since it first entered China by setting up a baby food and

nutrition supplement manufacturing factory in 1984 in Guangzhou, the capital of Guangdong province.



"With the new facilities, we are able to sustain a leadership in the food industry by deepening our commitment to the Chinese market, where a growing number of parents have developed higher demand for safe and quality baby food," Hees said.

The Chinese market contributes about 5 percent to the global business of Heinz, which relies mainly on sauces and condiments and cereal products for growth in China, according to Hees.

He said the new base in Foshan will ensure quality and safety of Heinz cereals in the Chinese market, where consumers are highly sensitive to safety of infant products after a 2008 scandal involving melamine-contaminated baby milk powder. At least six babies died and thousands more fell ill due to the tainted milk powder, according to official sources.

As one of the leading global baby food producers, Heinz recalled four batches of infant food in eastern China in August after it had been found to contain lead in excess of the allowable limit, according to the company.

Food safety regulators in Zhejiang province said they had found "excessive amounts of lead" in the company's AD Calcium Hi-Protein Cereal.

In response, the company issued a regional recall of baby cereal after a comprehensive internal

investigation revealed that an isolated batch of defatted soy bean powder from a supplier in China demonstrated variable lead content.

Along with the launch of the new facility, Heinz has also set up a quality and testing laboratory in Foshan, the company said.

With China relaxing its one-child policy earlier and allowing couples to have a second offspring if either parent was an only child, the baby food market is expected to see rapid growth in the years ahead, said Chen Shanyou, director of the Guangdong Dairy Industry Association.

"Domestic and overseas baby food producers should increase safety standards to ensure the supply of high quality food for babies," Chen said. (Source: China Economic Net)

US FDA Chief Going to China for Drugs Review

The head of the US Food and Drug Administration (FDA) is going to China this week to complete agreements on inspection and regulatory reviews for drugs with seventh-largest provider of pharmaceuticals to the United States.

Dr Margaret Hamburg, who is scheduled to arrive in Beijing on Monday, will also attend the ninth International Summit of Heads of Medicines Regulatory Agencies meeting, which starts Wednesday. The three-day meeting is an important forum for the chief executives of major medicine regulatory agencies from around the world.

"I think we are in a productive place to share information and we have rapidly expanded our offices in China," she told China Daily in a preview of her trip to the mainland. "We have also trained over 1,000 inspectors in China to ensure drugs and food coming from China meets the highest of standards."

China is also responsible for many of the active pharmaceutical ingredients (APIs) that make prescription and over-the-counter drugs work. It's an area that Hamburg believes will be ripe for

targeted negotiations.

"CFDA (China Food and Drug Administration) has been working with us on API," she said. "One of the issues that have come up is that API has been regulated as a chemical and not as a drug in China. There may be changes in that regulatory arrangement. We think that API is a critical component for which the CFDA should play a more active role."



Earlier this year, Christopher Hickey, director of the FDA's China office, told a Congressional hearing that improvements are needed in the production of drug ingredients in China to alleviate safety risks. The FDA China office was opened in 2008 after safety problems arose with Chinese products including a counterfeit active ingredient for the blood thinner heparin.

Hickey said there have been instances where inspectors were impeded. "We now have the authority to put those firms on alert," he said.

Hamburg also believes that the Chinese now realize the importance of having a strong regulatory agency. In 2013 the CFDA was elevated back to a ministerial-level agency after a series of scandals.

"It takes time to build an agency with a knowledgeable staff. Remember the FDA here is over 100 years old," Hamburg said.

Earlier this month the FDA said it would increase the size of its office in China, adding more

inspectors to check food exports to the US under an agreement reached last year between the agency and China. The expanded FDA office will total 26 US employees and seven Chinese staff members.

Hamburg said the FDA will add seven food and 10 drug inspectors to its China-based staff. (Source: China Daily)

China to Introduce Regulations Supervising Online Sale of Cosmetics

Online shopping has become a way of life for millions of urban residents here in China.

Li Chengdong, an e-commerce strategy analyst, says the online cosmetics trade, in particular, has undergone rapid development in recent years.

"The total value of the cosmetics trade in China is estimated to be up to 300 billion Yuan. The price of cosmetics sold online is often cheaper compared with those sold at brick-and-mortar shops."

Along with the booming online trade of cosmetics, the sector has been receiving an increasing number of complaints lodged by shoppers.

"The cosmetic product I once bought online was different from its counterpart sold at brick-and-mortar stores. Now, I am disheartened and will not buy those things online."

"Claims about products advertised by online cosmetics retailers often are not true. They should not post untrue advertisements to promote their goods."

The issue of quality and irregular advertisement concerning cosmetics sold online prompted the China Food and Drug Administration to publish a draft regulation on Nov. 15th.

The regulation demands online cosmetic sellers to provide adequate lab and evaluation data for the advertised effects of their products.

Moreover, online shopping website operators are required to compensate consumers if the operators

can't provide the identity and contact information of the cosmetic seller to the consumer once complaints occur.

The draft regulation is subject to public opinion until the end of this month.



China has over 630 million Internet users.

The e-commerce market is estimated to grow at annual rate of 25 percent to reach nearly \$720 billion US dollars in 2017.(Source: CRI)

US Official Seeks More Cooperation on Food, Drug Safety

China and the US should further cooperate on food safety, animal feed and medical products, said Margaret Hamburg, commissioner of the US Food and Drug Administration (FDA), in a talk on Monday to Peking University students.

Sweeping economic and technological changes have revolutionized international trade over the last several decades, creating a truly global marketplace for goods and services. Accounting for 20 to 25 percent of all US consumer spending, products regulated by the FDA is a substantial component of this global economy, she said.

Food and medical products, and their ingredients and components products that directly and profoundly affect the health and welfare of the U.S. public are increasingly sourced abroad.

According to Hamburg, as U.S. consumers continue to demand global products, the FDA's ability to ensure the safety and quality of these imported products will depend on its execution of a myriad of global engagement strategies.

In 2008, for example, the United States imported more than \$5 billion in food products from China (approximately 6 percent, in dollar value, of total U.S. food imports that year); almost \$700 million of pharmaceutical products; and more than \$3 billion of medical devices.

"Today we recognize that to successfully protect U.S. public health, we must think, act, and engage globally. Our interests must be broader than simply those within our own borders," she said.

In 2008, the Administration opened a China office, which according to Hamburg was a critical milestone in the new era of US China cooperation on the safety of food, animal feed, and medical products.

In December 2007, Chinese State Food and Drug Administration (SFDA), and FDA formalized their cooperation, when the United States and China signed two precedent-setting memoranda of agreement to enhance the safety of food, drugs, medical devices, and animal feed traded between the two countries.

Under these legally binding agreements, the United States and China have agreed to notify one another as soon as they discover a circumstance, such as a product recall, that could endanger public health. In addition, Chinese regulators will require registration of products exported to the United States and work



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toward a system to certify that these products meet FDA standards before they are exported.

These agreements are currently the only binding agreements the FDA has with another regulator.



The Commissioner said that the agreement provided an important framework for the FDA's China Office to enhance technical cooperation and information flow with the SFDA.

She said that the two countries' cooperation is also reflected in the education and scientific research area.

In November 2008, Peking University, in cooperation with the FDA, started a graduate program in pharmaceutical engineering management.

"This model program trains future leaders in China's pharmaceutical industry, while accelerating modernization of the industry itself," she said.

The commissioner expressed her wish for further cooperation with Chinese pharmaceutical regulators and researchers to ensure a safer supply of food and drugs for the two countries. (Source: China Daily)

China Skin Care Market Driven by Male Beauty Products

China's skin care market is expected to continue development over the next decade with the men's

beauty care product market driving growth. Men have a growing awareness of grooming products available to them, are suffering from increased stress of living in the city, and are more aware of the environmental impact of the cities' pollution to their skin are so looking to beauty products to maintain their appearance. From 2009 and 2014, the men's facial products market grew at a compound annual growth rate of 20.1%, which is twice as fast as the growth shown by the female beauty product market. China is the world's largest market for men's skincare currently totalling US\$974.b million, forecast to reach \$1.2 billion by the end of this year and \$2.5 billion by 2019.

Skin care brands see the greatest market potential in the men's sector of the market: the women's skincare market was valued at more than thirty times higher than the men's market in 2013 totalling \$107.6 billion, but it is only growing at a CAGR of 4.8%, whilst the men's skin care market grows at a CAGR of 9.4%. The most popular products amongst men are shampoo, facial cleansers and lotions but often the primary customers purchasing men's' skin care products are women, with men trusting wives and girlfriends to select the correct product for them.



Asian consumers are primarily interested in whitening creams to lighten their skin colour, moisturising lotions that help their skin to respond

to the cold dry winters and the hot humid summers, and natural products that protect their skin from the high levels of pollution in the industrialising cities. Consumer demands reflect local factors that impact the market and this has led to a rise in activity amongst confident Chinese and Korean brands that are able to rival the cosmetic multinational corporations who incur high operational costs and take a long time to bring their products to the Asian market. Local brands have a good understanding of Chinese consumers and their demands and incorporate more traditional Asian ingredients in their products.

Foreign brands have responded by developing product lines designed specifically for the Asian market: Estee Lauder introduced the product brand Osiao in 2012 using ingredients derived from

Chinese plants including ginseng; L'Oreal, which has had a large research facility in Shanghai since 2005, is using local scientists to develop products that incorporate Chinese herbs. It has also expanded in the Chinese market with the 2004 acquisition of Yue-Sai and with last year's \$840 million purchase of face-mask company Magic Holdings.

Biotech, natural and organic products are likely to be the main trend in Chinese skin care products over the next few years as consumers react to environmental conditions and increasing awareness and knowledge of local and international brands. The men's wear market will continue to be the driving force, with companies exploiting an area of still relatively untapped potential. (Source: companies and markets)

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 as well as offer business services to its global members.

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