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ISSUE 83
March 27, 2014

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China to Release Updated Food Safety Law

An updated version of food safety law will be officially rolled out in China by the end of this year, according to an official with CFDA.

This year will see a strengthened food tracking system and a chief-safety-officer system, according to Chen Chuanyi, deputy chief of food safety regulation department of CFDA.

China launched revision on food safety law last year, gathering suggestions and advice from the public. A draft was submitted to State Council for review last October.

"Now the legal office of State Council has approved the draft, which has been submitted to general affairs office for review," said Mr. Chen, who said the law was expected to be released this year.

The new draft steps up the punishment to illegal food producers and put more legal responsibility on food safety regulator.

Mr. Chen also said that the CFDA will build food tracking system that involves all food companies in China. The authority will start to build a system in this kind that focuses on infant formula, dairy product, meat product and wine, before expanding it nationwide.

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.

Mr. Chen also said that it was very important for big companies to authorize one executive in the management to be responsible for quality. This person needs to check every process of food production from buying raw material to sales. (Source: China Economy Net)

Zhejiang: Most Substandard Food Have Label Problems

Zhejiang Entry-Exit Inspection and Quarantine Bureau reported last week the situation of imported food safety in the province last year, which shows the

substandard rate of all inspected food to be 8% and 1,183 tons of dairy products to be off-grade.

The inspection involves 365 batches of imported food, including candy, chocolate, wine, water product and dairy product. Among all the substandard products, salmons from Norway are found to have pathogenic organisms and French sandwiches are found to contain poppy seed.

The major reasons of the off-grade are the substandard Chinese-language labelling, accounting for 65% of the failed group, and safety and hygiene problems, accounting for 17 % of the total.

The major exporters of disqualified food include European Union(142 batches), Malaysia (66 bathes), America (42 batches), Peru(17batches), Canada (13 batches), Singapore (12 batches). (Source: Zhejiang Online)

China Urges Investigation into Gelatin Products

China's food and drug watchdog on Sunday urged investigation and exposure of illicit gelatin products following media reports about the use of industrial waste in food and drugs.

The China Food and Drug Administration called for all relevant departments to carry out surprise inspections of local gelatin manufacturers and tighten examination of the entire production chain, including raw materials, purchases, production and sales.

On Saturday, media reported that some enterprises had used gelatin made from industrial waste leather to produce food and drug capsules.

Since gel capsules made from toxic chromium-tainted industrial gelatin were exposed in 2012, the administration has highlighted supervision of edible and drug gelatin products through measures such as increased inspection times and standardized production and operations.

In 2014, the administration issued a circular to prevent illicit sales and supervise use of gelatin.

The administration sent work teams to relevant areas for on-site inspection.

Also on Sunday, the administration issued a circular advising consumers to buy cosmetic lenses with medical device registration certificates.

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The circular said that people may report fake product vendors to local food and drug watchdogs, which will handle illegal acts in line with the law. (Source: Global Times)

China Names Foreign Brands on Blacklist of Substandard Imports

China's quarantine authority has listed a number of foreign brands on a blacklist of substandard imported food and cosmetic products rejected in the first quarter of 2014.

In a press briefing March 7, China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) said it rejected "substandard" batches of Revlon lipstick, Maybelline nail polish, Elizabeth Arden skin gel, Johnson & Johnson baby shampoo and Kao shampoo, according to reports of the briefing by state-run news agency Xinhua. AQSIQ said the items



failed inspection because of microbial contamination, discrepancies in the cargo certificate or because the product had exceeded its shelf life.

Quarantine officials also rejected milk and dairy products from Singapore, Germany, Austria, Australia and Poland because the protein content did not reach the national standard, the bacteria was too high, the labels on the product failed or the product had gone beyond its shelf life, according to Xinhua. Other products that made the list: extra virgin olive oil from Italy, whey concentrate from the U.S., honey from New Zealand, oat meal from Britain, tea from India and candy bars from South Korea.

The news follows statements from the AQSIQ a week earlier that it would start releasing a quarterly blacklist of inferior products as a way to improve quality and strengthen supervision, according to a transcript of the briefing on the AQSIQ's website.

In January 2014, quarantine officials seized 474 batches of substandard food and cosmetics imports, including 36 batches of cosmetics, the AQSIQ said in a briefing on Feb. 28. The cosmetics came from 13 countries. The food products fell into 20 categories from 47 countries or regions, and included mostly dairy products, beverages, and packaged crackers or cookies.

All items were destroyed and did not reach stores, the AQSIQ said.

In 2013, quarantine officials seized and destroyed a

total of 2,164 shipments of substandard food and cosmetics weighing a total of 7,800 tons and valued at US\$240 million, the AQSIQ said.

In a separate notice posted on the AQSIQ's website March 5, an article attributed to Xinhua said that quarantine inspections in Shanghai found excessive levels of formaldehyde in brand name clothing imports in 2013.

The Shanghai Quarantine Bureau in 2013 found excessive levels of formaldehyde in 15 batches of baby clothes from H&M, the article said, citing a March 3 bulletin from the Shanghai Quarantine Bureau.

Nineteen batches of infant clothing and baby products from Mothercare also failed inspection at the Shanghai port in 2013 due to formaldehyde levels, lack of color fastness or excessive moisture levels, the article said. (Source: Bloomberg)

China Vows Crackdown on Expired Food

China's food and drug watchdog on Thursday vowed to crack down on illegal sale and disposal of expired food.

The State Food and Drug Administration (SFDA) issued a circular, requiring food and drug authorities at all levels to make sure expired food be withdrawn from market.

The SFDA will target practices such as using expired food as ingredients, falsifying expiration dates, repackaging and recycling expired food.



Food producers and distributors should dispose of expired food in an environmentally friendly way, or have expired food recycled as feed or fertilizers by licensed processors.

The SFDA warned that, malpractice will be recorded in food companies' credit files, and low-credit companies will be subject to frequent inspections.

Violators may have their licences revoked and be added into a "blacklist", the SFDA said.

The Global Times reported earlier that Shanghai's food watchdog was looking into a company suspected of selling expired ingredients that ended up at several bakery chains.

The Shanghai branch of Foodgears Industrial International is under investigation for violating food safety law, said a press officer surnamed Yang with the Shanghai Food and Drug Administration.

Authorities began investigating the company right after China Central Television (CCTV) aired its annual consumer rights' day gala on Saturday.

The program featured an exposé revealing that several problematic manufacturers, including a food processor, Hangzhou Guangqi, sold expired imported dairy and bakery ingredients to several bakery chains, including the popular BreadTalk chain.

Hangzhou Guangqi kept their ingredients "fresh" by altering the expiration dates on their packaging, according to the program. The company also repackaged a foreign brand of flour after screening out the worms that had infested the product.

One of the products Hangzhou Guangqi stored in its warehouse, Oldenburger brand whipped cream, was produced in 2009 and expired about two years ago, according to CCTV's news report.

Hangzhou Guangqi bought some of its food from the Shanghai branch of Foodgears. A sales manager from Foodgears acknowledged that they sold the whipped cream to Hangzhou Guangqi, but said the sale occurred three months before the product expired, according to the report.

However, the manager also offered to sell expired chocolate to an undercover CCTV reporter at a 50-



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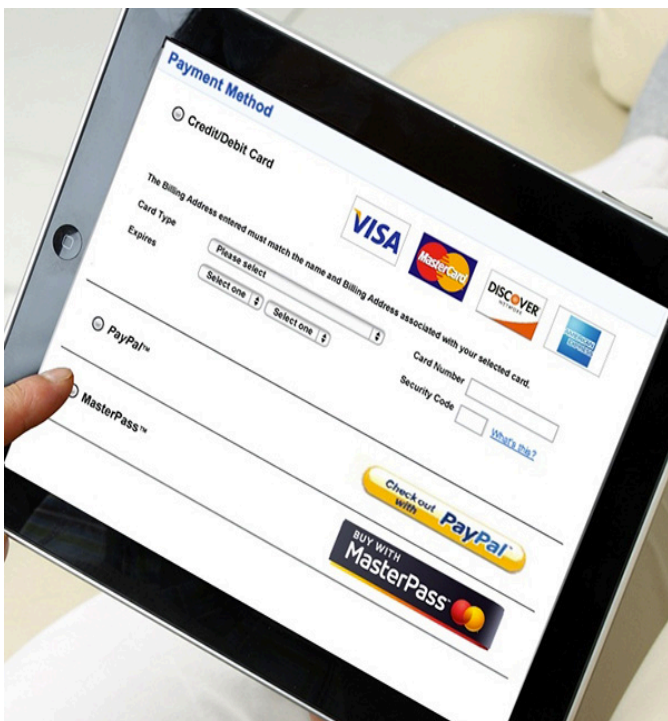
A warehouse worker from Foodgears told the reporter that using the chocolate wouldn't be a problem as long as its customers never found out. The worker also suggested that the practice was common throughout the bakery business.

BreadTalk has pulled all products made with ingredients from Hangzhou Guangqi, according to a company press release. The company said that only its Hangzhou stores bought ingredients from Hangzhou Guangqi. Its Shanghai stores used a different supplier.

A BreadTalk press officer surnamed Luo told the Global Times that they have sent the ingredients sourced from Guangqi to authorities for inspection.

Luo said the bakery chain checked Hangzhou Guangqi's certificates each year and was shocked by the news.

Foodgears' offices in Shanghai and Hong Kong could not be reached for comment by Sunday evening. (Source: Global Times)



MasterCard debuts MasterPass in China

Today MasterCard announced the official launch of MasterPass, its cutting edge digital service in China, enabling Chinese consumers to be the first in Asia to experience a simpler, quicker and more secure way to shop online and overseas, at thousands of MasterPass-accepting online retailers.

China Construction Bank, with the largest cardholder base in the country, will be the first issuer to leverage the MasterPass platform to enable its digital wallet, LongPass.

MasterPass enables consumers to make online payments in a comfortable, fast and safe way as they can conveniently and securely store their MasterCard and other branded credit, debit and prepaid card information, shipping details and more, simplifying the

process of completing a transaction from any connected device including PCs, tablets and smartphones.

MasterPass launched in February 2013, and is currently live in Australia, Canada, Italy, the United States, and the United Kingdom. This launch signifies that China and other leading markets have moved into a new era of payments. As the first strategic partner of MasterPass in China, Duan Chaoliang, General Manager of Credit Card Center, China Construction Bank, said "The economy in China is of huge importance to the global market. With increasing levels of consumption, this new digital service will bring more value to key stakeholders. It is our pleasure to work with MasterCard to launch MasterPass in China, to provide our customers a faster, more secure, and more convenient payment experience. This is a milestone in our collaborative efforts to bring China's payments industry into a new phase."

"According to a recent MasterCard study, Chinese consumers are the most prolific online shoppers in the Asia/Pacific region, with close to 100% of Chinese respondents surveyed having made at least one online purchase in the past three months," said Vicky Bindra, president, Asia/Pacific, Middle East & Africa, MasterCard. "Furthermore, 17.2% of their online shopping spend is at foreign retailers, a trend that is growing year on year. Consumers are increasingly embracing a digital lifestyle and we see great potential for the MasterPass service in China, given the huge customer base that China Construction Bank offers. MasterPass will offer these customers a more simplified and secure shopping experience."

LongPass, by the China Construction Bank, is the first digital wallet in China to use the global MasterPass platform, allowing consumers to purchase goods at any online retailers that accept MasterPass. Once cardholders have registered with LongPass, online shopping is much faster with a simple check-out process which eliminates the need to enter detailed shipping and card information with every purchase, as long as the user is logged onto the LongPass online platform.

Currently over 30,000 merchants around the world accept the option to make online payments with MasterPass. Some MasterPass-enabled merchants include Zuji, Singapore Airlines, J. Crew, Rakuten, Kate Spade, Harvey Norman, JB Hi-Fi, Boots UK, Bass Pro Shops and Beyond the Rack. *(Source: www.finextra.com)*

Organic industry gets Chinese boost

THE \$1.3 billion organic food and wine industry is set to gain a \$100 million-plus lift after the umbrella body won Chinese approval to certify export produce in Australia.

The National Association for Sustainable Agriculture Australia (NASAA) estimates it could add up to \$100 million in extra sales annually for local operators because it will give easier access to the Chinese market, and lead to lower costs for local producers who will get their paperwork signed off in Australia first, after checks by inspectors approved by Chinese authorities.

Ben Copeman, the general manager of the association, said it is the first time a foreign organisation had secured approval to inspect organic products for export to China.

"It's very good from a lowering costs viewpoint, and very good from a market access viewpoint," Mr Copeman said.

He says it will allow Australian organic producers the same access to the highly regulated Chinese organic market as they currently have to the organic markets in the United States, Japan and Europe.

An official agreement was signed in Adelaide on Monday between the association and the Chinese organic certification body Beijing WuYue HuaXia Management and Technique Centre, The Australian Financial Review reports.

CHC chairman Zhou Chen said on Monday at the signing: "It's a big market opportunity for Australian operators."

Mr Copeman said Australia is one of the top three suppliers of organic foods to China, along with the United States and Europe. He estimates up to \$120 million of organic produce is already sold into China from Australian producers.



Food security and the quality and integrity of the supply chain is increasingly a major issue in China, which has been hit by health scares related to infant formula for feeding young babies and toddlers.

Paxton Wines, a wine producer from South Australia's McLaren Vale region, aims to increase its exports into China through the deal.

Ben Paxton, from the family-owned winery, said exports to China make up about 5 per cent of the group's total exports.

He said drinkers expect quality wine, and only then is the organic status a factor in their purchasing decisions. "The quality of the wine is what sells it, being organic is a bonus," he said. (Source: *farmweekly.com.au*)

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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