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## **Video: China’s Current Regulatory Environment for Supplements**

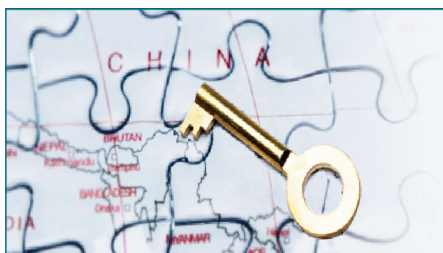


*Anaheim, CA* - USCHPA’s Jeff Crowther was interviewed by Rachel Adams Managing Editor from Natural Products Insider during Expo West at the Anaheim Convention Center March 6, 2015.

Rachel asked about the current situation with China’s regulations for dietary supplements. [CLICK HERE](#) to see the video. (Source: Natural Products Insider)

## **Harbin Adds New State-Level Organic Food Base**

According to the environmental protection bureau of



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Heilongjiang Province, nine companies just received the qualification approval of state-level organic food production base. Among them, two are from Harbin.

The quality and number of Heilongjiang's organic food top in the country. Harbin so far has three organic food bases. (Source: Organic Agriculture)

### **Xi'an: Selling Health Products on Seminar Banned**

The local regulator in Xi'an recently launched a five-month special campaign to clean the health product market, which targets at illegal sales and production of health food.

The campaign will start from key products, companies and areas. It will be based on information provided by whistle-blowers. The campaign aims to have all health food production companies in the city set up credit archive and operate with approved production certificate.

The underground workshop will be the target of the crackdown. Companies which produce health products that contain too much heavy metal and bacterial will be suspended from operation. Any company that sells health product on seminar or meeting will be punished by the regulators.

All the production companies are asked to show the "quality safety responsibility letter" and the alert of "how to choose the right health food" in a noticeable place of the company. (Source: Xi'an Daily)

### **Baijiu Market Should be Better Regulated**

A delegate of China's annual legislative gathering suggested that the local market of Baijiu, China's distilled liquor, should be managed by detailed regulation.

Luo Zuliang, chairman of Dahu Holdings, said that currently, a large number of substandard workshops in China are causing disorder at the local market. Most of these workshops are operating without an official approval and producing baijiu without any regulation limitation.

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Industry data show that there are over 9000 baijiu production companies in China, among which only 1228 are with a certain scale. Many are operating as an underground or family workshop.



Mr. Luo suggested that the drafting of the approval regulation on baijiu production should be accelerated by CFDA, which has been conducted and researched for over one year. Illegal production companies and workshops should be shut down and regulations on sales of production should be strengthened. (Source: China Food Net)

### **Jilin Regulator Highlighted Food Regulation**

The provincial food and drug regulator in Jilin province mapped out the key work tasks in 2015.

Illegal food additive is the target of the regulators this year.

The regulation on food additive's production will be strengthened. Any illegal adding of ingredient or over use of food additive will be punished severely.

The regulation on label is also highlighted by the authority. The production companies are requested to put the label in a standard way and make sure that all the information stated on the label is correct.

Information of illegal conduct will be released to the public timely to enhance the credibility of the authority. (Source: CFDA)

### Video to Monitor Food Safety

Shanghai will expand a pilot program to monitor key food producers through video surveillance, after a major scandal devastated fast-food giants including McDonald's and Yum Brands as well as consumer confidence in food safety.

Starting this year, the city will ask "high-risk" food manufacturing companies or organizations to install more surveillance cameras in their key departments, such as those producing or processing meat, infant products, dairy, school canteens and large-scale food delivery services, according to the Shanghai Food and Drug Administration.

The measure comes after Shanghai Husi Food, owned by the Chinese arm of US food giant OSI Group, was found to have supplied expired meat to fast-food companies in Shanghai and restaurants as far away as Beijing and the provinces of Liaoning, Henan, Sichuan and Shandong.

"Because there is a gap between the limited number of supervising officers and the mountain of tasks, we are trying to come up with new measures," Gu Zhenhua, deputy director of the administration, said on Thursday.

Since April, the city has helped install video surveillance at four formula producers and at all



fast-food companies with a daily delivery capability of 300,000 portions at their warehouses and workshops where feeding, cooking or cleaning are undertaken.

"The companies are willing to enhance their management levels and are supportive of the measure," Gu said. "It's not only for the sake of food safety, but also for security and anti-theft purposes."

Li Shuguang, a public health professor at Fudan University, said that video surveillance can help prevent incidents similar to the Husi scandal.

"It is better than sitting and taking no action, though it is very hard to eradicate similar illegal behavior simply because of such a measure," he said.

The Husi incident shows that the authority cannot blindly believe that large companies will properly monitor themselves, he added.

"Video surveillance of food producers exists in other countries as well," he said. "But it is strong legal awareness and heavy penalties that make these companies self-disciplined. In developed countries, the consequences of violating the law are very harsh. It's a huge disgrace."

Following the Husi incident, the city's authorities vowed to increase food producers' awareness of the law.

Other measures include encouraging food companies to set up independent quality control officers to curb malpractice in workshops and building a blacklist to push companies to enhance their management level. (Source: China Daily)

China Drug Approval Backlog Jumped by a Third Last Year

China had more than 18,500 drugs waiting for approval at the end of 2014, up by a third from a year before, the official Center for Drug Evaluation said on Friday, reflecting industry concern that it is getting harder to get medicines approved in the China market.

Drug company executives say China has toughened the approval process, with companies forced to go through six to eight-year wait times in the world's second biggest pharmaceutical market, where spending is set to hit as much as \$185 billion by 2018, according to IMS Health.

China's fast-growing healthcare market is a magnet for drug makers, medical device firms and hospital operators, with a broader healthcare bill set to hit \$1 trillion by 2020. However, the sector is riddled with issues from rampant bribery to huge divides between urban and rural care.

China's drug trial center received 8,868 drug applications in 2014, up from 7,610 the year before, according to the annual report Center for Drug Evaluation, overseen by the country's food and drug regulator, and released on Friday.

The organization said it had increased the number of reviews it completed last year, but it was outflanked by an increase in new drugs to review. "This has further increased the backlog of pending tasks," it said.

China's healthcare sector has been en vogue of late with investors and dealmakers. Deals in the sector doubled to \$18.5 billion last year, Thomson Reuters data showed, with the speed of growth accelerating even further at the start of this year. (Source: Reuters)

### Mobile Health Rolls Out for Moms in Villages

Free health messages are being provided through mobile phones for about 500,000 mothers and mothers-to-be in rural areas of Middle and West China.

The "Mom-baby Messenger" project, sponsored by medical products company Johnson & Johnson, is rolling out in 63 towns in seven provinces, including Hebei, Gansu and Henan. The service is also available in Beijing and will be expanded nationwide.

Promoted by the National Center for Women and Children's Health, the project aims to expand medical services to women in villages and encourage them to better utilize medical resources provided in local clinics.

By sending a text message of a baby's birth date or the expected date of confinement, subscribers will receive personalized health information for both mother and baby.

"The information covers reminders for regular health checks, healthy diets and the baby's physical and mental development. It will also teach new mothers how to communicate with their babies in an appropriate way," said Jin Xi, deputy director of the center.



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According to the Fourth National Health Service Survey by the China CDC in 2008, pregnant women in rural areas who went through less than five health checks accounted for 43.9 percent of the total. Only half of the babies aged under 1 year had received more than three health checks.

According to the United Nations Millennium Goals Report in 2014, the maternal mortality ratio dropped by 45 percent between 1990 and 2013, from 380 to 210 deaths per 100,000 live births globally.

That is still far short of the MDG target to reduce the maternal mortality ratio by three quarters by 2015, said Shantha Bloemen, Chief of Communications and Partnership at United Nations Children's Fund China. (Source: China Daily)

### **Premier Li Calls on Retailers to Put More Focus on Product Quality**

Retailers, both online or off-line, need to pay more attention to their products in order to protect consumers, Chinese Premier Li Keqiang said on Sunday.

During a press conference following the closure of the annual session of the National People's

Congress, Premier Li Keqiang highlighted the key role of e-commerce in boosting the Chinese economy, and urged brick-and-mortar as well as online stores to be honest.

The remarks came on World Consumer Rights Day, which fell on Sunday and is known as "3/15" in China, a time when domestic supervisory authorities and media outlets put more focus on consumers' complaints and the exposure of companies that have alleged quality issues.

The State Administration for Industry and Commerce (SAIC), China's top quality watchdog, said on its website Thursday that a WeChat consumer complaint account would be opened during the live broadcast of China Central Television's annual gala for World Consumer Rights Day to accept consumer complaints which would be handled by local authorities in a timely manner. WeChat is a popular social networking mobile app in China.

Food safety is the most important issue among Chinese Web users, according to a chart jointly issued on Sunday by Internet search engine giant Baidu Inc and China Association for Quality Promotion.

The result was echoed by a report by Weibo, a Chinese Twitter-like social networking platform, that claimed food safety suffered the most complaints in 2014, which accounts for 45 percent of critical posts on Weibo.

Increased attention has been paid to food safety by Chinese consumers since the eruption of the Chinese milk melamine scandal in 2008, and this is a good thing that can continuously strengthen regulations in the sector, Ma Wenfeng, a senior analyst at Beijing Orient Agribusiness Consultant, told the Global Times Sunday.

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In 2014, Chinese authorities imposed stricter supervision and examination of food, resulting in 98.5 percent of the total inspected samples meeting the country's standards over the year, the Xinhua News Agency reported in February.

With further government control on production as well as distribution, domestically produced food and beverage are expected to become safer, said Ma.

In order to enhance the authorities' ability to address potential food safety scandals, the State Council released a guidance for the national food safety regulation for this year on Saturday ahead of the World Consumer Rights Day, calling for a list of food safety problems and more regulations for the sector.

Ma also noted that the emergence of social media contributes to government's food safety supervision and regulation.

According to Weibo's report, there were a total of 869,591 consumer complaints via Weibo in 2014, up 62 percent year-on-year.



E-commerce or online shopping, which lack sufficient and clear regulation, is another issue that attracted Web users' attention, according to the chart showed on Baidu's website.

The SAIC said in a report on Thursday that it handled 77,800 consumer disputes with online shopping, up 356.6 percent year-on-year, involving 31.65 million yuan (\$5.06 million) in total. The administration helped consumers reclaim 15.17 million yuan.

SAIC Minister Zhang Mao said during the two sessions on March 9 although the online counterfeit crackdown has made some progress, problems still remain, and he proposed the launch of laws for e-commerce as soon as possible.

SAIC has already issued measures against infringements on consumer rights in January, effective on Sunday, requiring online merchants to refund the purchase price to buyers with no questions asked within seven days after receiving the returned goods, otherwise they would be fined up to 500,000 yuan for deliberate delay or refusal to refund.

Zhao Zhanling, an IT legal expert with the Beijing-based Internet Society of China, told the Global Times Sunday that regulations and severe punishments are needed but law enforcement is also key.

"The recently released punishments by SAIC lack detailed rules, likely resulting in difficulties in enforcement," said Zhao.

Joint efforts are needed from government agencies, merchants, and e-commerce platforms as well as consumers to ensure an effective online fake goods crackdown, he noted.

WeChat issued a package of regulations on Sunday to rule out illegal practices such as selling counterfeit products via its platform, according to a Weibo post.

Meanwhile, Zhang Jianfeng, president of Alibaba's customer-to-customer bazaar [taobao.com](http://taobao.com), said in an internal e-mail obtained by the Global Times Sunday that it will roll out new measures against problematic goods to "force dishonest merchants into bankruptcy."

On an annual gala report aired on Sunday evening, China Central Television (CCTV) slammed some companies and industries for poor quality products or cheating consumers as it customarily does on World Consumer Rights Day.

Car dealerships of Dongfeng Nissan, Shanghai Volkswagen and Mercedes-Benz were reported to have exaggerated or even made up vehicles' mechanic problems in order to overcharge car owners for repairing or changing auto parts.

Some chemical enterprises in East China's Shandong Province falsified 93-octane gasoline by adding additives to lower-price 90-octane gasoline, resulting in damage to vehicles and heavier air pollution, according to the report.

Evoque SUV, a bestseller of premium car maker Land Rover, was accused of problems with its transmission, according to customers' complaints.

Hackers can steal all kinds of personal information on their smartphones, including photos and e-mail passwords, through free Wi-Fi that these smartphones are connected to.

Telecom carriers China Mobile and China Tietong were alleged to have allowed mass spam calls made from machines.

CCTV reported that Chinese residents' ID cards and information were sold online and that many banks allowed people to open up accounts with ID cards belonging to others. (Source: Global Times)

### **Regulator: Name, Shame E-Commerce Fraudsters**

The key to tackling fake goods sold online is to establish a system that will record those who break

the rules, said a top commercial regulator in Beijing on Monday.

Zhang Mao, head of the State Administration for Industry and Commerce, told reporters during the ongoing two sessions that it is important to "name and shame" those who sell counterfeit products online.

"If they sell fake goods, their behavior will be recorded in a credit system, which will affect their business, whether it means applying for a license or getting a bank loan," he said.

He did not give details on the timing of setting up such a system, but said that selling fake goods online has become "a major challenge" to an orderly market.

Zhang's comments came in response to a question regarding the sales of fake goods on the e-commerce platforms of Alibaba Group Holding Ltd. Alibaba and the SAIC engaged in an unusual public dispute in January over a quality-check report, which said that less than 40 percent of the goods tested that were sold on Taobao, one of Alibaba's online shopping sites, were authentic.

Zhang said that China's e-commerce boom was a new challenge for regulators. "Issues such as ... fake goods and the difficulty in getting refunds for purchases have become the top complaints of online shoppers," he said.

Although the government and e-commerce sites have made a lot of effort, fake goods will not go away easily. Zhang said his administration will do more by pushing the drafting of China's e-commerce law.



"Innovation is necessary when it comes to supervising and monitoring the online market," he said, adding that big data technology can be used to analyze the online behavior of companies and to see if they follow the rules.

Wang Xiaoxing, an analyst with Analysys International, a Beijing-based Internet consultancy, said that fighting fake goods online requires further cooperation between the government and e-commerce companies.

"Government organizations may not have a deep understanding of how online marketplaces work. Setting up a mechanism to encourage e-commerce companies to share their information and expertise with the government is key," he said.

According to the SAIC, e-commerce transactions accounted for about 10 percent of retail sales last year, passing that mark for the first time. The market is growing at 30 percent to 40 percent annually, it said.(Source: China Daily)

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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