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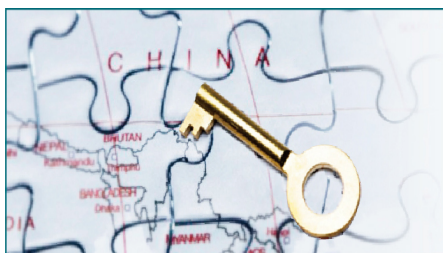


The association is currently planning out the agenda for the 2nd annual “China International Nutrition and Health Industry Summit”, which will be held on November 5 - 6, 2015 at the Marriott Renaissance Hotel in Beijing.

Last year the event welcomed 110 attendees from both government and industry. Topics covered were China’s current regulatory environment for dietary supplements as well as nutritional ingredients, e-commerce/cross border channels, marketing, latest developments in R&D and lots of networking.

CLICK HERE to see a video on last year’s event.

Hope to see you in November. If you’d like to attend, please contact the association at info@uschinahpa.org and as always members of USCHPA will receive a discounted rate. (Source: USCHPA).



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China Nutrition Health Food Industry Held in Beijing

The first China Nutritional Health Food Industry Development Conference was held at the Beijing International Conference Center on the morning of June 16. The conference addressed the current industry development and market demand of China's health food industry.

An industry alliance of China's health food industry was also formed at the conference. The alliance aims to boost the development of companies in the industry and requires them to be more self-disciplined.

Industry people and officials discussed problems and heated issues in the industry during the conference. (Source: China Nutrition and Food Website)

Expert Warning: Green Rice is Not Green Food

With a price that is usually five to six times higher than the average price of rice, the so called bamboo rice can only be found in a number of large supermarket chains in Lanzhou. Some of these supermarkets recently pulled the rice off shelf after some consumers exposed on social media that this kind of "green rice" might have potential food safety problem.

Experts say that though this kind of "green rice" is legal in the market and usually processed by standard ingredients, they are still not green or organic food as promoted. They don't contain many elements that are good for people's health.

"Though this kind of rice are in the color of green, they are still not green food but only food with innovation in processing,"

said Ren Xuan, chief of nutrition association of Linyi.

Experts say that the consumers should be alert of any false advertisement and be very careful when buying rice from the local market. (Source: tech-

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Thousands in China Observe International Yoga Day

Thousands of yoga practitioners and enthusiasts in more than 14 cities across China came together on Sunday to celebrate the International Yoga Day.

In association with local government bodies and several yoga institutes, the international event was celebrated in Beijing, Shanghai, Tianjin, Qingdao, Hong Kong, Macau, Guangzhou, Chengdu, Kunming, Xiamen, Wuxi, Hangzhou, Wenzhou and Changzhou, the Indian embassy here said.

As many as 16 events took place in Beijing alone.



Speaking at the prestigious Peking University,

India's ambassador Ashok K. Kantha recalled the joint yoga-taiji event organised at the Temple of Heaven during Prime Minister Narendra Modi's official visit last month, and the establishment of the first yoga college in China at Kunming city.

More than 500 yoga practitioners participated in a group yoga demonstration at the inaugural ceremony. The event was organised in partnership with Art of Living (China) which also conducted day-long yoga workshops.

Vice president of Peking University Li Yansong said events like International Yoga Day improve cultural exchanges between India and China.

At Geely University, the week-long celebrations started with a group yoga demonstration in which more than 1,300 students took part.

Around 400 yoga practitioners participated in the opening ceremony at Hot Springs Leisure City, which was organised by the China Health Care Association and several yoga institutes along with members of the Indian community. The five-day event here will be attended by more than 700 people between June 21 and 25.

In the Chinese metropolis of Shanghai, around 200 residents got together to perform yoga.

Led by an Indian coach, the people performed various asanas of the ancient Indian exercise format at Jing'an Park in downtown Jing'an district of this global financial hub, the Shanghai Daily reported.

According to the Indian embassy, more than 25,000 yoga practitioners participated in mass events, lectures, screening of movies on yoga, cultural events and photo exhibitions across China.

The events saw participation from local government officials, Indian community members, diplomats, business delegates, Chinese celebrities, media professionals and academicians.

The UN General Assembly declared June 21 as International Yoga Day on December 11 last year.

China was among the 177 countries of the 193-member UN that supported the India-sponsored resolution to declare June 21 as International Yoga Day. (Source: business standard)

China to Further Improve Public Hospital Services

China will push forward reform in more public hospitals amid a broader overhaul of its health care system, according to a guideline issued by the State Council on Sunday.

China launched a pilot medical reform on public hospitals in 17 cities in 2010, and the guideline stipulates the reform should cover all of the country's 6,800 public hospitals by 2017.



The reform is aimed to change public hospitals' reliance on medicine sales to supplement their income. Public hospitals should establish a reasonable drug pricing system and retune recruitment and salary policies, said the guideline.

Health insurance should cover most of the medical expenditure, while out-of-pocket money, the private bills paid by each patient should be lower than 30 percent by 2017.

The wider plan is to establish a modern hospital management system, eliminating drug price-added profits and standardizing referral procedures.

Public hospitals should be operated for the public good, instead of seeking lucrative gains, and the

service should be accessible, equal and efficient for the people, the guideline said.

It also said social medical care should be encouraged through improved policies and strengthened supervision.

The guideline urged reform at the grassroots-level and nurturing more capable doctors.

Authorities will ensure the optimal distribution of medical resources, establish a scientific subsidy mechanism, and regulate the price of drugs and medical services, according to the guidelines.

Full scale reform of the health care system began in 2009. Pilot projects for public hospital reform were a priority, along with a basic medical security system, improvement at grass roots level and equal access to basic public health services.

The State Council issued a circular on May 9, asking its ministries and departments as well as provincial-level authorities to deepen medical reform in 2015.

In the circular, the State Council looked back on the medical services improvement the reform achieved in 2014, and laid out specific tasks and plans for 2015 to address prominent challenges the reform is facing.

The first task is to continue to reform publicly-funded hospitals. In 2015, more publicly-funded hospitals will join the reform.

The reform of the publicly-funded hospitals aims to make their medical services more affordable and their staff more competitive. Also, the reform seeks to control the size of public hospitals so that they don't expand in an irrational manner.

As one important task, publicly-funded hospitals that join the reform are required to sell medicines

at the price they bought them, so they won't be able to overcharge patients and doctors will be much less likely to prescribe excessive medicines.

On the other hand, the publicly-funded hospitals are allowed to readjust the price charged on their medical services, such as doctor consultation, so that the hospitals and their medical staff will be decently paid for their work instead of relying on selling medicines.

Also, public hospitals should adopt a reasonable performance assessment system for their staff, so that medical workers who work more or do a better job will be better paid. When it comes to determining a doctor's payment, the hospitals must not take into account how many medicines, medical products or medical examinations he or she has prescribed.

Another task is to improve the universal health insurance program. The State Council set a goal that in 2015, more than 95 percent of the country's population will enjoy public health insurance. Authorities should increase the insurance's premium for urban children and the unemployed, as well as rural residents. They should develop and introduce commercial health insurance programs so that medical services, especially the treatment of chronic and serious illness, will be more affordable.

In the circular, the State Council also asked authorities to spend more effort on helping the private sector. In 2015, 20 percent of ward beds and medical services in the country should come from privately-funded hospitals, the State Council said. Authorities should come up with more favorable policies as well as conduct better supervision on privately-funded hospitals.

The authorities should allow the market to

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determine the price of most medicines, and should turn to negotiations to bring down the price of certain medicines, such as proprietary medicines, the State Council said in the circular.

It reiterated the need to improve the service's quality and the competence of grassroots healthcare institutions, so that more patients can turn to these institutions for small and common illnesses, and be transferred to large hospitals in time if their conditions worsen. This way, a clearly layered and efficient medical service system will be set up, and the pressure on large hospitals will be relieved. (Source: Xinhua)

China to Allow Patients to Claim Insurance for Private Hospital Visits

China will allow patients to claim medical insurance for visits to private hospitals, its main administrative authority said, marking the latest move from Beijing to ease pressure on the country's over-burdened public healthcare system.



"In order to satisfy everyone's diverse healthcare needs, we are lowering the threshold for private healthcare providers," China's State Council said on its website on Thursday night.

Other planned measures include offering

preferential tax treatment to private hospitals and streamlining the approval process to set up a hospital or clinic, it said.

It will also aim to give equal treatment to medical staff regardless of whether they work in the public or private system and eliminate requirements on the number of beds per hospital.

China announced a five-year roadmap in March outlining a plan to double the number of its general doctors by 2020, trim its public sector and improve technology as it seeks to fix a healthcare system plagued by snarling queues and poor rural services. (Source: Reuters)

Consumer Goods Firms Suffer



A total of 23,377 consumer goods producers in China reported losses in the first four months of this year, up 5.5 percent year-on-year, data from the Ministry of Industry and Information Technology (MIIT) showed Monday.

Loss-making companies accounted for 34.9 percent of the sector, the MIIT said.

The sales revenue of consumer goods companies' main business reached 9.9 trillion yuan (\$1.59 trillion) during the period, up 5.6 percent from a year earlier. (Source: Global Times)



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E-commerce Sites Embark On Promotion Frenzy

China's major online marketplaces such as Tmall and jd.com launched their annual mid-year promotion on Thursday, with increased offering of imported goods being a new highlight, analysts said.

Thursday (June 18) marks the anniversary of the establishment of JD.com Inc, which it usually celebrates with new promotions. But other e-commerce operators have also embraced the occasion, turning it into a mid-year event for the industry.

The companies launched attractive deals to lure consumers on Thursday. For instance, JD offered discounts of as much as 90 percent on some home appliances and its bigger rival Tmall used coupons and different kinds of gifts to attract buyers.

As of 4 pm on Thursday, jd.com had received 1.5 times the orders it received during the same period in the June 18 promotion in 2014, the company said in a post on its official Weibo account. This is the latest data publicly available by press time.

A JD delivery staff surnamed Sun told the Global Times on Thursday that his workload had increased by more than two-thirds during the promotion.

Tmall did not reveal its sales volume on Thursday as of press time.

The mid-year promotions had mainly focused on home appliances in previous years, but as the competition intensifies, other categories of goods, especially those from overseas, have also been included in the promotion, Zhang Xiangli, an analyst at Beijing-based iResearch Consulting Group, told the Global Times.

Demand for overseas goods has been on rise during the past few years. Jd.com started a service on April 15 to sell 150,000 kinds of overseas goods, with some imported and sold by jd.com and some directly delivered by overseas companies.



Other shopping sites like Tmall also provide similar services. In Thursday's promotion, Tmall exempted import duties and delivery fees for consumers who make orders for overseas goods.

The June 18 mid-year promotion and the "Singles' Day" sales carnival on November 11 have become two major promotion events for the e-commerce sector in China. The "Singles' Day" sales event was initiated by Alibaba Group, the parent company of Tmall.

Besides the big players, the two sales carnivals also witnessed active participation from the smaller shopping sites like dangdang.com and gome.com.cn in the past. But with the big firms eating into their market share, these sites have been gradually marginalized.

Currently Tmall is the clear market leader, with 58.6 percent market share in the first quarter in the online business-to-consumer (B2C) sector, followed by jd.com with 22.8 percent and vip.com with 3.8 percent, according to the data from iResearch in May.

"E-commerce sites that target a niche market, such as jumei.com which mainly sells cosmetics, could continue to have a place in the market, but the leading position of Tmall and JD is not very likely to be challenged any time soon," Feng Lin, a senior analyst at Hangzhou-based China e-Business Research Center, told the Global Times Thursday.

Data from iResearch showed that total

transactions of online shopping in the first quarter reached 757.4 billion yuan (\$122 billion), up 45.2 percent year-on-year. Also, e-commerce is becoming a major driver of domestic consumption, with the value of online shopping accounting for 10.7 percent of the country's total retail sales in the period, according to iResearch.

B2C transactions accounted for 49.3 percent of the overall online shopping in the first quarter, up 6 percentage points compared with the same period in 2014, according to iResearch.

Zhang noted that B2C is expected to grow much faster than the consumer-to-consumer (C2C) sector, as people now attach more importance to the quality and brand of the products they buy online.

Besides, Zhang noted that there is still great potential in the country's less developed rural areas, where people don't always have an easy access to the brick-and-mortar stores.



Both Alibaba and JD have stepped up efforts to expand their presence in the rural areas. Alibaba said in a press release e-mailed to the Global Times on Thursday that it will invest 10 billion yuan in the next three to five years to expand its network in the rural areas. (Source: Global Times)

Special Campaign to Regulate Online Shopping Market

China will launch a five-month campaign to regulate the online market and protect the legitimate rights and interests of online consumers and operators.

The campaign, effective from July to November, will target notorious fake and inferior commodities that have been widely complained about by consumers and dealers, as well as dishonest shopping websites, the State Administration for Industry and Commerce (SAIC) announced on Wednesday.

Electronic products, car accessories, clothing and shoes, goods for children and the elderly, agricultural materials and other important commodities will be inspected, the SAIC said.

The market regulator will strictly supervise the rules and standards of E-commerce platforms, make sure sales promotion rules during festivals and holidays are transparent to consumers, online merchants have suitable plans prepared for consumer complaints and market rules such as "return of goods without reason within 7 days since buying"

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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