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## **CFDA: TCM Should Not Be Marginalized**

According to data from the national regulator of food and drug, Traditional Chinese Medicines only account for 36% of drugs that are approved by the state authority in China. Among the 501 newly approved drugs, only 11 of them are TCMs, accounting for 2.19%.

Industry people said that the TCMs are facing the risk of being marginalized per drug approval. Thanks to the Nobel-winning traditional Chinese medicine artemisinin, the process of TCMs getting approved by the authority, the bidding and procurement as well as the R&D of TCMs would be better supported and enhanced.

State authority suggested that to help TCM develop better, the most important thing is to help TCM get modernized: based on modern technology and professional standard, TCM should be produced in a safer and more efficient way. (Source: [ifeng.com](http://ifeng.com))

## **Jilin to Set Up Credit System for Food Companies**

According to the CFDA, the provincial FDA of Jilin province is soon to release a draft on credit management of food production.

The draft aims to enhance the local regulation towards food safety issues and manage the local food production companies by credit system, which will be developed based on the management ability and type of the food the company produces.

The regulators will adjust the record of the company's credit



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based on spot check, daily inspection and illegal records. The result will be included into the company archive for reference of annual inspection.

The first campaign of the credit evaluation will be completed by the end of 2015. (Source: CFDA)

### Shandong FDA to Review Health Food Ad

According to the official website of CFDA, to better carry out the new food safety law and abide by the ad regulation on health food, the provincial FDA of Shandong released four mandates to strengthen regulation on health food ads, including taking back the responsibility to review health food advertisement from city level authorities.

The mandates require the local authorities to release information of the review result timely by this month, and the official stamps for health food advertisement used by city level authorities will be officially abolished soon. (Source: China Quality News Site)

### Chinese Middle Class Now the World's Largest

China's middle class has overtaken the United States to become the world's largest, Credit Suisse said Tuesday in its latest report on global wealth.

Asia will be the scene for the greatest expansion of the world's middle class, it predicted.



The Swiss bank said with 109 million adults "this

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year, the Chinese middle class for the first time outnumbered" that in the United States at 92 million.

While the number of middle class worldwide grew last year at a slower pace than the wealthy, it "will continue to expand in emerging economies overall, with a lion's share of that growth to occur in Asia," Credit Suisse chief executive Tidjane Thiam said in a statement accompanying the bank's annual Global Wealth Report.

"As a result, we will see changing consumption patterns as well as societal changes as, historically, the middle class has acted as an agent of stability and prosperity," he added.

The report said size and wealth of the middle class was a key factor in economic development, and the middle class was often at the heart of political movements and new consumption trends.

The report used a floor for the middle class as having wealth double the annual medium income for their country.

While wealth may still be mostly concentrated in Europe and the United States, Thiam said "the growth of wealth in emerging markets has been most impressive, including a fivefold rise in China since the beginning of the century."

China now accounts for a fifth of the world population, while holding nearly 10 percent of the global wealth.

Overall, the report found that global wealth fell by nearly 5 percent in the year to mid-2015 to \$250 trillion due a strengthening of the US dollar in which income is compared.

However if currency effects are stripped out, wealth continued to expand at the trend rate since the beginning of the century. (Source: yahoo news)

### 4.3 mln Chinese With Severe Mental Disorders



Nearly 4.3 million Chinese are registered with severe mental disorders at the end of 2014, with 96.9 percent in stable condition, China's health authority said Friday.

The male-female gender ratio of people with severe mental disorders is 1.07:1, and 4.67 percent have a family history of illness, Wang Bin, an official with the National Health and Family Planning Commission (NHFPC), said at a press conference Friday.

Most patients, about 83.6 percent, have an education level below middle school and more than half live in poverty, Wang said.

The figures show people with severe mental disorders are vulnerable social groups with serious difficulties.

Wang said severe mental disorders have been included in China's basic health care. About one third of provincial regions have made specific policies to help patients with severe mental disorders.

China now has 1,650 professional mental health institutions, with 228,000 beds, about 1.71 beds per 10,000 people on average. The number of psychiatrists exceeded 20,000, about 1.49 psychiatrists per 100,000 people on average. (Source; Global Times)

### Health Authority Announces Step to Rein in 'Wild' Stem Cell Treatment

China's top health authority issued Friday the nation's first-ever regulation (trial) over the stem cell therapy to clean up the business many denounced as "going wild".

It also cautioned overseas patients about coming to China for such therapies which allegedly can cure a wide range of diseases such as spinal-cord injuries, epilepsy, cerebral palsy, cancer, and autism.

All treatments involving stem cells are experimental except for the hematopoietic stem cell therapy treating a variety of blood diseases including leukemia, said the regulation by the National Health and Family Planning Commission.

"Only eligible hospitals can perform the practice as a clinical trial for research purpose and it must not be charged or advertised. Anyone caught breaking the rules will be punished according to the new regulation," said Zhang Linming, a senior official of the science and technology department of the commission. But he didn't specify the punishment.

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The regulation (trial) stipulates only top level State-owned hospitals, widely known as 3A ones, can be candidates and become eligible after passing special evaluations by health authorities.

A list of the authorized ones will be made public soon and channels for public reporting of violations set up, he added.

Zhang said they were aware of the wide availability of stem cell therapies in the nation.

"We would count on the new regulation (trial) as legal base to clean up the sector," he said.

But he also pointed out that regulation (trial) would also support lawfully conducted clinical trials of stem cell treatments. (Source: China Daily)

### **Amazon's Global Approach Has Helped Entice Local Shoppers**

Doug Gurr shops almost entirely online. During the last Black Friday and Christmas holiday seasons, the president of Amazon China set himself the target of trying to buy everything on the Internet.

Naturally, it had to be purchased through Amazon.com Inc, the largest Web-based retailer in the United States. Gurr nearly succeeded.

In the end, two items proved difficult to find on Amazon—a bottle of Tomasello wine and a hiking jacket. Immediately, he sent his team out to search for the products.

After all, Amazon has built its reputation on being the "everything store" and is seen as the original model for online sales across the world. "That's why I sent the team out to look for the items," Gurr, who was born in the United Kingdom and is married with two children, recalled.



It is this attention to detail that has made him successful. At Amazon China, his biggest achievement since taking over a year ago has been to "refocus the business" as a cross-border e-commerce site as well as helping Chinese brands gain global exposure.

"There are two parts," he said in Beijing. "One is helping customers in China get access to the very best products around the world. The other is helping businesses in China become global brands through Amazon's platforms."

As the Chinese economy enters a slower but more sustainable growth phase, e-commerce will play a crucial role. This in turn will open up opportunities for global companies such as Amazon.

"We see a lot of opportunities in e-commerce, particularly cross-border e-commerce, as the Chinese economy moves from low-cost manufacturing to creating brands," he said. "The new economic trend actually fits our agenda."

Dressed in a plaid shirt and a pair of jeans, Gurr looks like a typical Chinese tech entrepreneur. But away from the office, he is very much the outdoors-type, having competed in 12 triathlons, which involve swim-ming, cycling and running.



Endurance and innovation are part of his makeup, and this came to the fore when he took over Amazon in China. Last November, the company made its first foray into cross-border e-commerce by launching its global store service.

By doing this, Chinese customers were able to buy goods directly from Amazon's online shopping platforms from other countries. Then in August, when the company celebrated its 11th birthday in the market here, Gurr introduced a new concept, "Cross-border 2.0".

The term describes Amazon China's updated cross-border online shopping service, which includes faster delivery, a better experience for customers and a greater selection of overseas products for Internet consumers. Other major e-commerce players have been quick to follow, fueled by growing demand from the country's affluent middle class.

"China will become the largest cross-border business-to-customer, or B2C, market by 2020, with the transaction volume of imported goods purchased online reaching \$245 billion," a report released in June by global consulting firm Accenture and AliResearch, Alibaba Group Holding Ltd's research division, said.

With those sort of numbers, China's leading e-commerce companies Alibaba and JD.com Inc have been quick to roll out cross-border e-commerce services. Smaller Internet firms have also jumped on the bandwagon.

But Gurr is unfazed by the competition. He pointed out that Amazon runs 14 online shopping sites across the world and has the edge in cross-border e-commerce.

"If you are the largest player, if you have scale, people will come to you simply because you are the biggest," he said. "But if you are not the largest, you

have to do something that is different.

"It has to be something that only you can do. The thing we can do that is different is the relationship we have with hundreds of thousands of vendors around the world."

To illustrate the point, he highlighted Amazon's "relationship" with Manhattan Toy Co, a toy manufacturer based in the US.

"We are their biggest customer in the US, but they were not available in China," Gurr said. "Then we worked to bring them here, initially through the Amazon Global Store service. Now through direct imports, Chinese customers can get products faster and cheaper."

Enticing one foreign brand to China might not be a big deal, but attracting 36,000 labels to the country in six months underlines the pull of Amazon, Gurr added. "That is what we can do,"

Since Amazon China launched its cross-border e-commerce service, there are now more than 3 million different overseas products available to shoppers on its site, an increase of 40fold.

While the company declined to reveal revenue figures for its business here, the company did report that orders from Chinese customers hungry for high-quality foreign products topped 5 million during the past nine months.

But then, Amazon China has a solid infrastructure system. Employing 5,000 staff and based in Beijing, the online giant has 13 centers scattered across major cities in the country that deal with quality control issues, shipping and delivery services.

Still, data from iResearch Consulting Group, a market research and consulting firm, showed that the company accounted for just 1.1 percent of China's B2C market in terms of revenue in the first



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quarter of this year. During the same period in 2014, the figure was 2.1 percent.

"I am genuinely not worried because we are not chasing market share," Gurr said. "We haveno problems at all saying the business isn't working ... we will simply move to otherbusinesses. In the areas we genuinely want to play, we will see triple digit growth."

This style of management will be key to the company's success although there will bechallenges ahead. One is the length of time it takes to make a decision here. "Sometimes,you just need to make one and move on," Gurr said.

Indeed, under his management, Amazon China's global sales business has taken off and itwill expand even further after clinching deals to bring more US labels here, such as RebeccaMinkoff handbags and Enfagrow baby products. "This will ensure Chinese customers can buyauthentic overseas products that are delivered to their doors," he said.

Understanding what customers want is crucial in this market, so Gurr is improving hisMandarin. Yet, he does not believe there is a great deal of difference between onlineshoppers here and those in Western countries.

"They care about getting the products they want at fair prices," he said. "They are all lookingfor a good shopping experience. Those things don't really change."

As for the future, Gurr does not see Amazon China becoming a totally localized version of theparent company here.

"I think for our organization, if you launch a purely local version, you can move fast, but youwill throw away your advantages in scale and technology," he said. "It would be a mistake forus to run a completely isolated business in China. (Source: China Daily)

## Alibaba Gears Up For Biggest Shopping Day Of Year



Revving up attention and outlining plans for China's biggest shopping day of the year, on Nov. 11, Alibaba (NYSE:BABA) held a preliminary kick-off ceremony at its Hangzhou headquarters in eastern China on Tuesday.

Last year, on the day Alibaba refers to as its "11.11 Shopping Festival," the company processed more than \$9 billion in sales over its e-commerce platforms, calling it the biggest 24-hour online shopping event in the world. That was up 55% from \$5.8 billion the previous year.

Alibaba said there were representatives from more than 39 countries at the Tuesday event, accounting for more than 100 global brands. Alibaba Executive Chairman Jack Ma, CEO Daniel Zhang and President Michael Evans also attended. Zhang was instrumental in creating the first 11.11 Alibaba sales festival in 2009.

The event is equivalent to the Black Friday and Cyber Monday online shopping days in the U.S. Black Friday is the day after Thanksgiving, followed three days later by Cyber Monday. These are highly promoted by U.S. online retailers such as Amazon.com (NASDAQ:AMZN). But sales on 11.11 exceeded Black Friday and Cyber Monday combined last year.

The Nov. 11 event in China was initially known as "Singles' Day," which encouraged single men and women to buy gifts for their companions. Alibaba

turned that into 11.11. But it's not just Alibaba that benefits. China's JD.com (NASDAQ:JD), which operates a website similar to Amazon's, has also jumped aboard the 11.11 event with special promotions. That's also the case with other China e-commerce companies that include Vipshop Holdings (NYSE:VIPS) and Jumei International (NYSE:JMEI).

The Alibaba event on Tuesday was aimed at increasing awareness of 11.11 globally and encouraging more of the company's business partners to participate more actively. Alibaba also used the gathering to discuss its international strategy.

Evans said Alibaba will expand its physical presence in Europe, the U.S. and Asia. It plans to open offices in Italy, France and Germany in the coming months, he said.

"We are building a solid global foundation for current and future international growth," Evans said, according to a transcript of his talk. "This is a long-term plan which we believe has great potential."

Ma, in his comments said: "There are currently 300 million (members of the) middle class in China, and that number will rise to 500 million in 10 to 15 years. This will be an opportunity for every nation. China's consumption power will rise quickly, and that will not only drive China's economy, but also

the world's economy."

Alibaba stock was down 1%, near 69.50, in afternoon trading on the stock market today. Alibaba stock is down 42% from its peak of 120 in November 2014.

Last month, Ma penned a 2,600-word letter to shareholders, aiming to reassure them the company's foundation is solid. The letter was published along with a new website, entitled Alibaba Defined, designed to help people outside China get a better understanding of the company's business model, strategy, products and services.

(Source: news.investors.com)

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