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Imported Nutrition Supplement Tap into Chinese Market

Thanks to the popularity of trans-border e-commerce in China, an increasing number of foreign health products are exploring the Chinese markets.

Many Chinese health products sold in the market have been questioned by Chinese consumers regarding their quality and legitimacy. The underdevelopment provides more opportunities for imported nutrition supplement.

Data show that the average expenditure by Chinese consumers on health products only account for 0.07% of their total spending, while the number in western countries is 25%. It means that the market potential in China for health food market is huge.

During the Singles Day sales on Tmall.com, the overseas nutrition brand Natures' Bounty reached a sales value of over tens of millions yuan, up from 260% last year, a record number for the company in China.

A local consumer in Shanghai, surnamed Wang, said that her parents had a high demand for health products. However, it is very hard for them to identify the quality products from all kinds of local brands. “I now simply choose to buy the foreign brands when I am on business trip overseas, because I believe the quality of foreign health products.”

“Big brands like Nature's Bounty have been tested by the markets around the globe for years,” said Ms. Wang. “This kind



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of brand is more reliable than local brands.” (Source: CB.com.cn)

Guangzhou to Build “National Food Safe City”

Local food and drug regulators of Guangzhou city said in a recent government work report that the authority is to build Guangzhou into a national food safe city next year.

The report also pointed out that the general standard rate of food assessment of Guangzhou in recent years is over 95%, and the general standard rate of drugs is over 97%.

However, the numbers of illegal food and drug cases have been up in the past few years. In 2015, the number of investigated food and drug reached 3976. 75 illegal workshops were cracked down so far this year. No major food and drug scandals or emergency happened in the past twelve months.

The report also said that 3117 primary and middle schools in Guangzhou are covered with safety monitor system. (Source: Information Times)

Jilin FDA Promotes Health Food Industry

The provincial FDA regulator of Jilin province held a seminar recently to promote special resources-based health food industry in the province.

Health industry experts attended the seminar and discussed how to make good use of the province’s advantage in producing TCMs and upgrade the traditional technologies of companies to produce health product.

The seminar also talked about the importance of applying more advanced technology in producing health products, and developing nutrition supplement.

Local regulators also said in the seminar that the government would improve efficiency for health food companies to go through administrative reviews.

The health food companies would also be able to go

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through a green channel when applying for a certain official certificates or other administrative procedures.

The officials also emphasized the importance of strengthening credit system and self-regulation of companies. The government would set up a provincial health food industry association. (Source: China Food Net)

Policymakers Drop Legal Ban on Surrogacy

A proposed legal ban on the use of surrogate mothers has been scrapped after lawmakers raised objections over the effectiveness of such a move, it was announced on Sunday.

Officials had initially included the ban in a draft amendment to the nation's Law on Population and Family Planning. Yet after a routine review, the Standing Committee of the National People's Congress, the top legislature, removed the provision before approving the final draft on Sunday.

Other amendments in the approved draft include allowing couples to have two children and extending maternity leave for mothers who abide by the law. The revised law comes into effect on Friday.

"Some members of the standing committee argued that surrogacy cannot be totally forbidden," Zhang

Chunsheng, head of legal affairs for the National Health and Family Planning Commission, said at a news conference on Sunday to explain why the proposed ban had been dropped. Even with a law in place, "rich people would still be able to go abroad to countries where surrogacy is allowed", he said.

The commission already has regulations forbidding the use of surrogate mothers. However, it called for the ban to be written into law to enhance enforcement in tackling those who still offer such services.

Despite the regulations issued in 2001 by the Ministry of Health, now part of the commission, the practice has survived underground in many parts of China.

In April, the government launched a campaign to crack down on medical clinics that provide surrogacy services, but little progress was made due to a lack of legislation and enforcement at the grassroots level, the commission said.

Zhang said those who offer surrogacy services can make huge profits and that a ban would have ensured "the healthy operation of the healthcare sector".

Wang Mingwen, a law professor at Xichang College in Sichuan province, was quoted by Guangming Daily as saying that surrogacy is in demand in China due to rising infertility rates. He said he was against an outright ban and instead urged authorities to introduce detailed rules for assisted reproduction.

However, Li Huijuan, a lawyer with Zhonglun W & D Law Firm in Beijing, said, "Removing the ban (from the final draft) could give room for the practice, and cases of surrogacy may increase sharply." Allowing unregulated surrogacy to continue is detrimental to the protection of women's rights, she said. (Source: China Daily)

Bottled Health!



It is 11:55 pm on December 11 and Zhang Dan, 29, is sitting at her computer, eyes glued to the screen. Every 10 seconds, she refreshes the page, patiently waiting for the stroke of midnight when "Double 12," a Chinese retail holiday, similar to Cyber Monday in the US, where Chinese companies on taobao.com and jd.com offer huge discounts online, will begin. There are several items in her online shopping cart, but, unlike Cyber Monday shoppers in the US, Zhang isn't buying clothes, electronics or even cosmetics; her cart is full of health products.

"I think after 25, women should begin taking health

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products to help maintain good health, and men should start no later than 30," said Zhang.



The clock struck midnight and Zhang quickly clicked "pay all." She purchased three big bottles of collagen liquid, two bottles of chlorophyll liquid, one pot of propolis and several bottles of vitamin pills from a shop selling imported Australian health products. She also bought enzymes and barley tea from another shop that sells imported Japanese health products.

According to a December 8 market report jointly released by taobao.com, the largest shopping website in China, and CBNDData, the data analysis arm of China Business Network, the younger generation of Chinese are spending more money on health products.

The report, which is based on taobao.com's shopping figures from 2011 to 2014, found that China's young people start to buy health products at 22 and that over 60 percent of the health products sold during the period were purchased by people aged between 22 and 50. Female buyers account for some of the youngest shoppers and spend more money than men.

Shi Jie, a Beijing-based nutritionist, told Metropolitan that one of the most common consultations she has is with people asking about

health products. She gets these kinds of consultations every day and the average age of the people who come to her is getting younger and younger.

She attributes this phenomenon to the young people in urban areas, especially those in large cities like Beijing and Shanghai, who increasingly like to buy health products.

"They face more pressure from life and work, and their unhealthy living habits make them feel ill," Shi said.

According to a report published by Forbes magazine on July 19, the top five favorite health products in China are protein powder, calcium supplements, laxatives, vitamin E and weight loss products. The information came from the latest national audit of China's health sector by IMS Health, an international company that focuses on data analysis in the health industry.

China's health product industry grew by an average of 10 to 15 percent annually between 2010 to 2014 and the total sales volume has rocketed from 260 billion yuan (\$40.14 billion) to 400 billion yuan in the last five years, according to the China Health Care Association's website.

Xia Xiaoci, a 20-year-old university student studying in Australia, runs a WeChat online store where she sells mainly Australian health products she buys from the local pharmacy and supermarket. In 2014, she mailed over 3,000 parcels to China from Australia, and over 90 percent of them contained health products.

"My customers are all my peers, and the oldest is just 35," said Xia.

She started her business when she went to Australia to attend university two years ago. She began by



selling health products among her WeChat friends, young people aged between 18 to 23. At first, she mainly sold health products for women, like grape seed pills and cranberry capsules, but now her shop sells almost every kind of health product one can find in Australia like liver-protecting tablets, vitamin pills, and weight loss products.

"I did not expect my business would be so good, after all, my customers are so young. I even thought about asking my parents to introduce the products to their friends, but soon I found it was not necessary," said Xia.

"My stored products were soon sold out and from then until now the number of my customers has risen from about 20 to over 400, and every month I have to drive a car to several nearby towns to buy all the things on my customers' lists, which surprised me."

Xia said she is planning to open an online shop on taobao.com and hire one or two classmates to help her with the increasingly large demand for Australian health products in China.

According to a report on China's online shopping released by US-based market research and analysis company, Nielsen, in October, high-income and well-educated young people aged between 26 and 35 are more like to shop on foreign websites, and their favorite goods are clothes, cosmetics, and health products.

Wang Fan, 32, is one of them. He buys protein powder and vitamin pills directly from the US on Amazon. For him, only imported health products are safe. "China is having heavy pollution in the air, water, and soil now, and I am afraid that the products are also polluted," said Wang. "Not to mention not good for your health, they may cause diseases."

As a result, Wang insists on buying health products from overseas, especially from the US.

However, people overseas may not be as crazy about buying health products as the Chinese. According to the website of the American Association for Cancer Research, the most favored health product in the US is vitamin C, and 17 percent of Americans take it daily. Vitamin E follows, with about 16 percent of Americans taking it daily, and the third is allicin, which is taken by 8.7 percent of the population.

Shi said compared with Chinese, the reason Westerners take health products is much more simple. "It's just a dietary supplement," said Shi. "The Western diet is different from what we have in China, and they often lack vegetable and fruits, so they take pills to supply the vitamins and other necessary elements."

In China, many young people living in urban places turn to health products to get a stronger body, higher immunity, smoother skin, and more hair, said Shi. "With all the bad living habits such as sleeping late, irregular eating, sedentariness and less physical exercise, it will be hard for them to achieve their goal."

Zhang said the effects of the health products are "quite vague."

"I usually refuse those with chemical elements, and only buy those one hundred percent natural health products," said Zhang. "I think that is safer, and I have found my skin a little bit smoother than years ago."

Wang also cannot give any specific or obvious effects of the health products he uses but maintains that he thinks taking health supplements is useful.

"I have not been fallen ill for years, not even



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catching a minor cold," said Wang. "Maybe remaining healthy and not falling ill are the effects of the health products."

Shi said there's no health product that offers immediate results, and they are not medicine, so people should not rely on health products to cure certain diseases. When they find something wrong with their health, such as sleeplessness and serious hair loss, they should go to the hospital to consult a doctor instead of blindly taking health products.

She said the nutrition elements in daily foods such as fish, eggs, dairy products, meat, vegetables and fruits are enough to supply the human body's demand for nutrition, especially for young people who have an active metabolism, so it is not very good for young people to start taking health products too early.

"Young people should go to a professional nutritionist or doctor for a customized nutrition plan," said Shi. "Some health products may harm people's health, for example, too much protein may harm the kidney, and an overdose of vitamins can cause poisoning."

Shi also stressed the importance of a balanced diet. "How can a pill be richer in nutrition than a meal made of natural foods, which contain thousands of kinds of nutrition elements?" she asked. (Source: Global Times)

Tianjin to Set up HACCP System among Local Health Food Companies

Tianjin market regulator is to promote HACCP system among a certain health food companies, after launching the credit management system in the local health industry last year.

The credit system has helped to address problems in supervision by the local regulators.

The new HACCP system is to be tested among a handful of leading health companies in Tianjin. It aims to foster management experience before expanding the system to cover other companies in

Tianjin. (Source: China Food Tech net)

China's Online Retail Volume to Top Other Countries: Commerce Minister

China's online retail volume is expected to outperform the rest of the world by reaching four trillion yuan (\$618 billion) this year, Commerce Minister Gao Hucheng said Sunday.

China has attained key targets outlined by the 12th Five-Year Plan by the end of 2015 to become a genuine giant trader, Gao said at a national meeting on commerce work.



China is now home to over 80,000 trade markets and total retail sales of consumer goods would reach 30 trillion yuan this year with consumption contributing to about 60 percent of total GDP growth, Gao said.

In the past five years, China's exports of goods grew at an annual average of 6.5 percent, with its share in the global market rising from 10.4 percent in 2010 to about 13.2 percent in 2015, faring much better than major global economies. Service trade grew over 13.6 percent each year, marking the world's second largest service trader.

China's actual use of foreign capital during the 2010-2015 period is expected to reach \$620 billion with the tertiary sector taking over 60 percent of total foreign capital. Outbound direct investment grew at 14.2 percent annually.

China is expected to receive foreign direct investment worth \$135 billion both in financial and non-financial sectors in 2015, according to Gao.

The Belt and Road Initiative is the highlight of the year, with trade volume with related countries amounting for about one quarter of the total, investment in over 50 overseas trade cooperation zones and contracting over 3,000 construction projects.

China will continue to improve market environment and tap consumption potential while developing complementary cross-border industrial and value chain with countries along the Belt and Road Initiative in the next five years, according to Gao.(Source: Xinhua)

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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