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Venue Provider to Illegal Health Food Would Get Fined

According to local food and drug regulators in Lanzhou, venues and event organizers related to false advertisement and sales fraud of health food, especially those cause serious damage to senior citizens, would be punished severely in the future.

Major hotels and other venues, which are capable of holding meetings, are required to talk to the regulators for this purpose in recent weeks.

In the meetings, regulators asked the local hotel managers and venue owners to obey the food safety law and not cooperate with illegal health food vendors. At the same time, they are also required to sign on a commitment letter to promise to retrain from providing opportunities to illegal health food vendors.

The local consumers are also encouraged to report on illegal cases once spotted by calling the hotline of relevant regulators. (Source: China Food Tech)

China Encourages Combination of Healthcare, Eldercare Services

China will encourage more hospitals to provide eldercare services and more nursing homes to offer medical care, according to an official document on Friday.

The Ministry of Civil Affairs and the National Health and Family Planning Commission jointly issued the circular on the approval procedure for setting up institutions that have both healthcare and eldercare services.

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Applications from medical institutions that offer accommodation and care services for senior citizens will be granted preferential conditions in the approval procedure, it said.

Similar policies will also be available for applications from rest homes to establish senile disease hospitals, rehabilitation centers, traditional Chinese medicine services or terminal care institutions, the document said.

The circular called on relevant authorities to remove unnecessary barriers in the approval process, adding that collaboration between the two kinds of services will also be encouraged. (Source: Xinhua)

Military Institution Scandal Highlights Shady Putianese Private Clinics

Amid an investigation into a military hospital that allegedly subcontracted its cancer care to a private medical center, which fatally gave substandard treatment to a young man than it reportedly promised, the farmers-turned-entrepreneurs behind the center have been thrust into the spotlight.



To many Chinese people, Dongzhuang, under the Fujian Province city of Putian, is just an obscure village. However, a 2006 report from the Shanghai-based magazine Oriental Outlook has revealed that at least 80 percent of China's private hospitals were founded by Putianese, with total assets of 36 billion yuan (\$5.5 billion).

Over the years, although many media reports have

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revealed how rich the locals are, how ubiquitous their doctors are and the shadiness of their practices - for example, they reportedly sent anonymous threatening letters to journalists and claimed they would bomb their offices - Putianese-owned hospitals, which specialize in venereal diseases, have grown bigger and bigger.

Due to a lack of water and land, the coastal village used to be an extremely poor place where residents did not even need to pay taxes. However, Chen Deliang, the village's doctor, created the business model of Putianese-owned hospitals in early 1980s and changed the lives of Dongzhuang's locals.

After gaining fame and money through curing skin diseases like scabies, Chen began to collect apprentices and his secret formula for skin medicines helped Dongzhuang villagers get rich. In the 1990s, they expanded their business into venereal diseases after observing that few State-owned hospitals were willing to treat such diseases at that time.

A report from Shanxi Province-based newspaper City Life in 1999 revealed that there were then at least 400 venereal disease clinics in the provincial capital Taiyuan. And Putianese doctors were exposed as having diagnosed healthy people with venereal diseases, selling fake medicines and

defrauding patients.

A reporter from the Southern Weekly, who wrote a story about Putianese doctors in 1999, told the Oriental Outlook in 2006 that the Ministry of Health released a statement slamming Putianese farmers-turned-doctors for cooperating with State-owned hospitals and institutes of dermatology and venereology to defraud money and entrap patients, which seriously damaged the reputation of State-owned medical organs.

Despite the media reports and government criticism, Putianese doctors did not run away from the hospitals; instead, they have expanded their business all over the country and gradually become a powerful force in China's private medical world.

According to a report from Beijing Youth Daily on Wednesday, after accumulating capital by posting advertisements on telegraph poles since the 1980s, many Putianese doctors began to work with some public hospitals' departments to conquer the market and establish their private hospitals.

Zhan Guotuan, Zhan Yupeng and Lin Zongjin are three of Chen's right-hand men. Zhan Guotuan established an investment company in Shanghai which owns at least 18 private hospitals. He also registered an international hospital management group in Singapore and posed as a foreign investor on many occasions.

Zhan Yupeng established a company in Singapore and allegedly became a Singapore citizen. He reportedly owns at least 14 private hospitals in China.

Along with the booming development of Putianese hospitals, many people began to worry if these doctors have worked their way into public hospitals, even military hospitals. Lin Guoliang, supervisor of the Putian (China) Health Industry Chamber of Commerce, admitted that they have invested in

several leading military hospitals across the country.

The Beijing Youth Daily report also found that Putianese hospitals have been involved in several legal disputes in recent years.

According to China Judgements Online, almost all Putianese hospitals have been sentenced to pay compensation to patients at some point, while some have been ordered to pay compensation to celebrities for using their image in advertisements without their permission.

In July 2014, popular Chinese actress Liu Yan sued Putianese-owned Shanghai Wanzhong Hospital for using her photo to publicize its plastic surgery services. Liu said that the advertisement would mislead consumers into believing that she was the hospital's brand spokesperson and a local court finally forced the hospital to compensate her with over 50,000 yuan.

Some Putianese hospitals have also been fined for publishing medical advertisements that breach China's regulations on medical promotion. (Source: Global Times)

CFDA: Many Substandard Food Sold Online



Recently, CFDA released a blacklist of substandard

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food, which involves six batches of products. The involved companies are based in several provinces including Shandong, Guangdong, Fujian and Hebei provinces.

About 50% of the substandard food products are sold online, including major e-commerce platforms like Tmall and Taobao. Also, the national regulator released a separate spot-check list of health food companies.

The substandard rates are the highest among the bakery food, according to the list. The regulator spot-checked edible oil, wine, bakery, grain and nut products. Six batches of 678 batches spot-checked are found problematic.

Six cases of drugs and two cases of health food are found to engage in false advertisement, exaggerating the effects of their products, which will lead to serious damages to drug safety of the public.

The recent spot check campaign is widely read as a step-up in cracking down on false advertisement in the local market. (Source: Guangzhou Daily)

US-China Health Seminar Focuses on Patient Care Cooperation



Former Vice-Minister of Health Huang Jiefu was among the high-profile speakers at an event hosted in Beijing on April 29 by the U.S. Embassy, China Hospital Association and the U.S.-China Healthcare Cooperation Program to promote improving patient care in China.

The theme of the event was "Improving Patient Care Through Innovation and Collaboration," reflecting the organizers' hope for developing mutual benefit through cooperation.

"With healthcare undergoing reform and living standards rising, China is putting more emphasis on improving the quality of healthcare service for patients. The States has a great deal of experience providing patient-centered service, and U.S. companies are keen to work together with China to help achieve the country's healthcare goals," said Scott Mulhauser, chief of staff to U.S. Ambassador to China Max Baucus.

The event focused on patient-centered discussion and highlighting areas for potential cooperation in hospital management, tech innovation and physician best practices. Huang Jiefu, president of China Hospital Association, said the industry needed to focus on outcomes for patients.

"Developing a sustainable, value-based healthcare system that guarantees high-quality and effective medical treatment is an important cornerstone of the ongoing reforms," he said. "This will require the healthcare system to organically combine the industry's development with the concept of patient first."

As China advances the reform of its healthcare system, improving the quality of healthcare becomes an increasingly important issue. Driven by an ageing population with increasing income and

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improved medical insurance coverage, Chinese patients are driving demand for better healthcare services, organizers said.

A number of exchange programs including hospital leader trainings, physician observation programs and symposiums are being carried out between U.S. and China via platforms such as the U.S.-China Healthcare Cooperation Program.

"As China increasingly incentivizes innovation and seeks to move up the value chain, U.S. enterprises and healthcare providers are expecting more opportunities to work with local partners in delivering high-quality products and services, and help satisfy the various needs of Chinese people," said Zhou Jun, executive director of the program.

The event this year attracted 100 attendees, and included presentations by panelists including renowned hospital leaders, physicians, and company executives from both countries. (Source: Women of China)

Global Retailers Seek Expansion in Mainland's Online Market



Metro, Germany's retail giant, announced on Thursday plans to further develop its business

models and accelerate the transition to digital in the Chinese mainland market, a sign that international traditional retailers remain determined to compete in the nation's fierce e-commerce sector.

Chinese domestic companies like Alibaba Group Holding have indeed taken a large amount of market share in the e-commerce sector, Jeroen de Groot, president of Metro China, said at the company's 20th anniversary in China on Thursday in Shanghai.

But he said Metro China is improving its online platforms to provide products at reasonable prices and good services in the Chinese market. Metro China has 82 stores in 57 cities in the nation and over 4.3 million registered members.

In September 2015, Metro China expanded its channels by opening an online flagship on Alibaba's Tmall Global platform.

To further tap the great potential of the Chinese consumer market, the company is developing its business-to-consumer (B2C) business.

"Metro Group has always welcomed individual customers," Cao Yong, head of corporate communications of Metro Jinjiang Cash & Carry Co, told the Global Times on Thursday, noting that the company will do more to attract individual customers.

Metro China is not the only international traditional retailer seeking change in the Chinese market.

Wal-Mart Stores Inc said in July 2015 that it had acquired full ownership of yhd.com, a Shanghai-based online supermarket. Wal-Mart hopes to leverage yhd.com's "local experience" to combine with its own global sourcing and supply chain to better develop in China, said Wal-Mart in a statement released on its website on July 23, 2015.



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Wal-Mart was not available for comment on its further plans in the expanding Chinese e-commerce market as of press time.

French retailer Carrefour China Inc created its Chinese e-commerce site in 2015. In December 2015, the company also launched a mobile shopping app in China, aiming to explore the online-to-offline business.

"These international traditional retailers have no choice but to expand into the e-commerce market, as the online retail business is growing so fast in China," Jing Linbo, director of the Chinese Evaluation Center for Humanities and Social Sciences at the Chinese Academy of Social Sciences, told the Global Times on Thursday.

Online retail consumption increased 33.3 percent year-on-year to 3.88 trillion yuan (\$598.35 billion) in 2015, according to data released by the National Bureau of Statistics (NBS) in January. Total retail sales rose 10.7 percent to 30 trillion yuan in 2015, the NBS data showed.

"The key point is whether a traditional retailer has a profitable business mode that's different from that of competitors," said Jing.

For instance, some online platforms focus on selling fresh food, which can attract a certain group of customers, noted Jing.

It's also important to have professionals working for the online business as the offline modes are totally different from online modes, Jing said.

China's online market is expected to reach 10 trillion yuan by 2020, driven by B2C and mobile commerce, Bain & Co said in a report released in November 2015.

"There is still great space for the development of e-commerce businesses in China," said Jing, noting that physical stores can leverage their advantages to provide better customer service. "For example, customers can enjoy their experience in physical stores. For retailers, it's also important to keep innovating and developing new products to meet customers' needs." (Source: Global Times)

The advertisement features a muscular man in a grey tank top on the left. In the center are three GNC product containers: a red tub of '100% WHEY PROTEIN', a black tub of 'WHEY ISOLATE', and a black tub of 'WHEY TESTER'. To the right of the products is the slogan 'Beat The Limitation' in white and red text, with the Chinese characters '挑战 极限' (Challenge Limit) above it. On the far right is the GNC logo with the tagline 'LIVE WELL' and the text '官方唯一指定运动营养产品' (Officially designated sports nutrition product). At the bottom right, there is a logo for the '2016 上海国际半程马拉松赛' (2016 Shanghai International Half Marathon Race) with the English text 'SHANGHAI INTERNATIONAL HALF MARATHON'.

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