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CFDA Strengthens Control over Online Food Sales

China's national food and drug regulators recently released a new guidance on punishment towards misconduct of online food sales.

The new guidance includes the rollout of "mystery buyer" system, which refers to spot checks by unnamed inspectors. The sales platforms that are involved in illegal food sales would be fined over 5,000 Yuan.

The new rules also require the food manufactures to present production approval from the authorities when operating businesses.

The online platforms also are ordered to update information of vendors and make sure to review their production quality before allowing them in.

The new guidance emphasizes the roles of online platforms in online food sales, requiring the sites to shoulder bigger responsibilities.

The new guidance also makes it clear that food for special medical use cannot be traded online. (Source: China News Agency)

Cross-Border E-commerce Explosively Grow in Xiamen

Thanks to the new government policy on cross-border e-commerce platforms and relevant customs policies, cross-border e-commerce businesses are experiencing explosive growth in Xiamen.



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According to official data, about 300,000 parcels are traded via Xiamen's cross-border e-commerce industry base in the first half of the year, up by 157 times from last year.

Most of the products involved include infant formula, health food, cosmetics, food and garment.

To promote the local e-commerce development, Xiamen customs are simplifying processes for products to be imported, an effort to improve efficiency. (Source: Shuzheng Kangxun)

Survey: 70% of Consumers Not Satisfied with Health Product Purchases

In a recent seminar held by national industry and commerce regulator in Beijing, China Consumer Association released a report on how satisfied consumers are with their health food purchases.

The report shows that about 70% of consumers are not happy about their health food purchases, and over 60% of them said they did not believe in the advertisement of health food.

The Association said that the survey was conducted online and was based on 12,430 copies of questionnaires.

Officials said that legal measures should be taken to protect consumers' rights in some cases, and the trust issue is due to the pervasive false advertisement in the market.

Among the consumers who said they did not believe in health food's ads, about 40% said they "often come across" fake or substandard health food.

On the other hand, many consumers cannot tell the difference between health food and general food. About 20% of surveyed consumers said they thought "the regulators allow" general food to claim to have health functions. (Source: nbd.com)

New Requirement on Food Ingredient Application Released

The national health authority recently released an

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update on food ingredient review and application, saying that the administrative review on new food ingredient and relevant new products will be transferred to food risk assessment center.

The transfer is said to involve files of 88 new food ingredient and relevant products.

Starting from 2010, the health authority has terminated reviews towards 27 kinds of new food ingredient. (Source: Shuzheng Kangxun)

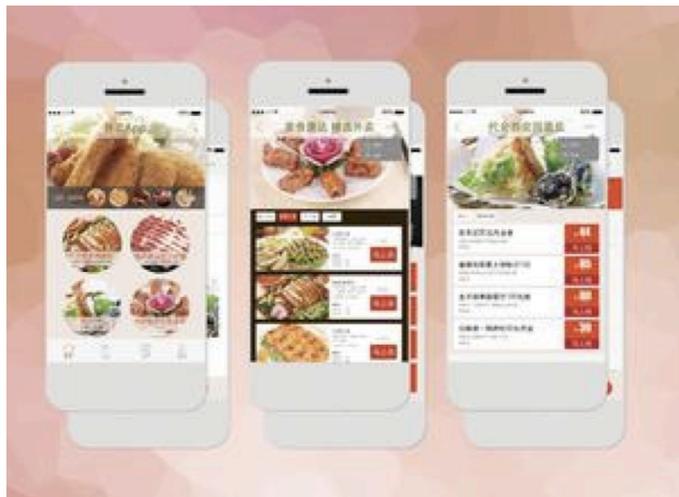
Mobile Apps Can Make Food Safer in China

Over fears of adulterated or unsafe food, many Chinese rely on word-of-mouth to find quality groceries, but officials and technicians say it is time to take a more scientific approach and use big data to address food safety concerns.

A popular trend is ugly vegetables, as many take this as an indication of limited artificial interference.

Guizhou Vice Governor He Li spoke about this, and other trends besides, during a food safety discussion at the Eco Forum Global Annual Conference concluded recently in the provincial capital Guiyang, calling it ill informed and misleading.

“When I was small, peach-shaped cakes were in vogue. We all went mad for the little red decoration on top of the cake,” said the 57-year-old.



“The decoration was full of additives, but this was taken as a sign of industrialization and was quite novel. However, more and more Chinese are trying to avoid additives, even though many are harmless and, quite often, necessary for preservation,” He said.

Big data could be used to ease the public’s concerns, He said.

Guizhou, a pioneer of China’s big data economy, allows consumers to access food inspection data with their cell phones. Previously, consumers had to search the official web sites of food safety watchdogs. Now, all this information is at their fingertips thanks to the ShiAnCe (“test for safe food”) app, which scans bar codes to bring up all the available data on that product. The data includes inspection reports, and reports by the food safety watchdog. User can also submit an inspection request.

“We hope the software will promote food safety,” said Teng Jiakai, deputy director of China Food and

Drug Administration (CFDA). According to him, the CFDA has made public all its inspection reports since 2014, involving millions of products available at shopping malls, supermarkets, convenience stores and small stores.

“Next, we will integrate the inspection data from the food and drug authorities at the local level, and data from agricultural and customs departments and make this available to the public. So, it will also improve the food safety supervising mechanism,” he said.

Food safety is a major concern in China, although official data shows the proportion of food products up to standards rose from 79 percent in 1980s to 96.8 percent last year.

The biggest concerns voiced by shoppers is expired food, bad service and pesticide or veterinary drug residue, according to Qiu Baochang, executive vice president of Beijing Consumers Rights and Interests Protection Law Society. “Ironically, few consumers take producers to court,” said Qiu.

The Food Safety Law stipulates that those found guilty by a court of law will be slapped with a fine several times higher than the selling price. Despite this, however, some Chinese continue to sell shoddy products, to their detriment.

In one case, a dealer of fake ginseng went bankrupt after being ordered to pay compensation of 700,000 yuan (US\$105,000) to a regular customer, according to Qiu.

In the opinion of Teng Jiakai, the public needs to be made more aware.

Apart from the app, Guizhou is also developing a food safety big data platform. Operated by Guizhou Academy of Testing and Analysis under the

A promotional banner for the Supply Side WEST 2016 trade show. The banner features the event name "Supply Side WEST" in a large, stylized font, with "2016 LAS VEGAS" below it. To the right, it says "OCT 4-8" and "THE LARGEST INGREDIENT AND SOLUTIONS TRADESHOW". Further right, it mentions "SPECIAL PRICING FOR APPROVED INTERNATIONAL BUYERS". On the far right, there is a graphic element that says "DETAILS". The background of the banner has a pattern of white hexagons on a dark background.

provincial government, Food Safety Cloud involves more than 20,000 enterprises and hundreds of testing agencies, and has amassed data on 35,551 products since it was set up in 2014.

The plan is for the app to include data from the farm to the dining table, including storage and transportation, according to Zhang Laiwu, chairman of China Society of Soft Science and former deputy minister of science and technology who is involved in the project.

This, however, has its own risks. “When you have a substantial amount of data, security and reliability become major concerns,” he said.

At the forum, dozens of food producers inked an integrity proposal while a national credibility alliance was established by agencies engaged in third-party food safety testing and analysis. (Source: Xinhua)

Chinese Electronics Retailers Join Forces For E-commerce Push

Taobao.com's power is cutting into the revenue of traditional offline retailers in China, so two electronics retailers have decided to join forces to increase their appeal to online shoppers.

Gome's e-commerce website Gome.com.cn and Rt-Mart's e-commerce business Feiniu.com will join forces to sell more online products. The two parties are currently implementing background system docking which will allow the two companies' websites to merge products.

All products on Feiniu.com are expected to be officially available on Gome.com.cn in late July 2016. By then, Gome.com.cn will release more details about the cooperation between the two

parties.

The cooperation of the two parties will be divided into stages. To begin with, they will connect the background ordering system and data of Gome.com.cn and Rt-Mart. Rt-Mart will open and operate a supermarket channel on Gome.com.cn. Meanwhile, Gome.com.cn will launch and operate a 3C and home appliances channel on Feiniu.com. In mid or late July, the system and background connection of the two parties will formally start.



For Gome.com.cn, it is an inevitable strategic direction to further increase online traffic and enlarge scale. The cooperation with Rt-Mart's Feiniu.com represents the company's new move of scale expansion.

Financial terms of the deal were not released. (Source: ChinaTech News)

Province Seeks to Take Lead in Advancing China's Healthcare Industry

Holding the country's big data hub promise, Southwest China's Guizhou Province is stepping up efforts to build a complete big health industrial



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chain shored up by medicine, healthcare, sports and management to attain complementary growth in the big health and big data sectors.



Developing the healthcare industry is one of the biggest tasks and challenges facing China during its economic transformation, Chi Fulin, director of the China (Hainan) Institute for Reform and Development, told the Guizhou Green Expo Big Health, Pharmaceutical Industry Fair on Friday. The country will witness its healthcare sector grow faster than in any other place in the world over the next 10 years.

The changes in the consumption structure and the demand structure of urban and rural areas, as well as the increasingly aging population have triggered the need to promote the growth of the health sector, Chi said.

The fair, which kicked off on Friday in Guiyang, capital of Guizhou Province, attracted about 2,500 companies from both home and abroad.

With the increasingly enhanced foundation of its healthcare industry and the improvement of its infrastructure, Guizhou, surrounded by green forests and rich in natural resources, has advantages- in developing a large health and pharmaceutical industry, according to a report on

the industry's development released by the local government in July.

The area for planting Chinese medical herbs in Guizhou reached 351,300 hectares in 2015, ranking third in the country, and the province's total herb output approached 2.2 million tons, according to the report.

In recent years, the province has also seen increasing growth in sectors such as eco-agriculture and tourism, and the Guizhou government has put great effort into nurturing big health companies and luring major healthcare projects in a bid to create a comprehensive big health industry, experts said.

In 2015, the number of big health enterprises in the province stood at about 170, with 46 firms' output worth 100 million yuan, the Guizhou provincial government's report said. During the same year, 380 health and pharmaceutical projects were under construction in Guizhou, with a combined investment of 43.02 billion yuan.



The value of Guizhou's health and pharmaceutical industry is set to reach 200 billion yuan by the end of 2020 through the setup of an industrial chain shored up by medicine, healthcare, sports and management, according to the government report.



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The province plans to bring in 10 model enterprises that can generate 10 billion yuan in annual revenue by 2020 to help it take the lead in the country's health industry, according to the local government.

The industry has great development potential in Guizhou as the local government has offered support policies such as boosting product research and development, lowering the access threshold and encouraging financial institutions to make more loans to the industry, experts said, noting that the province also rolled out many policies to attract professionals to the local healthcare industry.

With strong government support, China's health and pharmaceutical industry has achieved remarkable growth, but the sector's contribution to the domestic economy is still less than that in some other countries and regions, said Liu Wei, an industry analyst at Shenzhen-based CIC Industry Research Center.

"Although the country's health industry nurtures many companies, it still lacks titans with competitive advantages in the sector," Liu told the Global Times on Monday, noting that China's healthcare industry has a lot of room to develop. (Source: Global Times)



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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