



# CHINA UPDATES

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## Sanya Cracks Down on Illegal Health Food

To better regulate local health food market, and step up efforts to crack down illegal sales, production and promotion of relevant products, based on the guidance issued by CFDA on cracking down illegal conducts in health food market, and the provincial mandate, the local market regulator of Sanya will launch a four-month special campaign targeting the health food market.

The first phase will mainly focus on spotting illegal conducts, based on reports by local consumers, and cooperating with public security authorities.

The second phase will focus on making summaries based on previous experience, trying to figure out the weak spot in the market supervision and improve relevant controls.

The campaign should be conducted by cooperating with industry and commerce department as well as public security department. Illegal cases should be addressed in time.

The information of illegal vendors and manufacturers should be exposed to the public by media. (Source: sanyaup.gov)

## The Sixth U.S.-China Health Summit Opened in Xi'an

On September 2, The Sixth U.S.-China Health Summit has opened in Xian, an old city in China. With China National Health and Family Planning Commission (NHFPC) and U.S. Department of Health and Human Services (DHHS) as its endorsers, the Summit was sponsored by several medical institutes, including Chinese Academy of Medical Sciences, Peking Union Medical

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College, School of Public Policy and Management of Tsinghua University and Harvard T.H. Chan School of Public Health, organized by U.S.-China Health Summit and the First Affiliated Hospital of Xi'an Jiaotong University and supported by Universal Medical Financial & Technical Advisory Services Company Limited ("Universal Medical" or the "Company")

The theme of the Summit was "Health for All Through Innovation" attracting over 1,600 experts from academia, research and politics areas to share their experience and discuss solutions of such fields as public health, healthcare reform, hospital management, urban health management, strokes and so on.

Professor Liu Yuanli, host of this summit and founder of U.S.-China Health Summit said that, the cooperation between U.S.-China ministries of health has played an important role and one of the achievements in bilateral people-to-people connections and high-level exchanges highlighted by the U.S.-China Health Summit. Both countries are expected to have a broader and deeper communication in the future.

Universal Medical builds a platform of stroke prevention and treatment to bridge the two sides

"China- U.S. Stroke Prevention and Control", the 5th sub-forum of the 8 sub-forums was supported by Universal Medical. The Company invited many renowned stroke experts both at home and abroad to discuss stroke prevention and control system, tele-medicine, digitalization construction and so on. Mr. Bruce Ovbiagele, Chairman of World Stroke Congress and Mr. Wang Jinhuan, the director of Administration and Guidance Committee of China Stroke Center were specially invited to co-host the forum. Mr. Wang Longde, Academician of CAE and deputy director of Stroke Screening and Prevention Project Committee, National Health and Family Planning Commission, PRC, Dr. David Alexander from UCLA Medical Center and other reputed medical experts also attended the forum

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Stroke prevention is the main topic of the previous summits, also the focus of the summit discussions. China, a populous country, with death caused by chronic non-communicable diseases already accounting for 85% of the national total deaths and relevant disease burden accounting for 70% of the total disease burden. Universal Medical launched a project to promote the stroke project as early as 2011 and has established cooperative relationships with nearly a hundred regional hospitals and four benchmark hospitals.

Response to national policy, Universal Medical actively promotes the concept of the "Healthy China"

In recent years, Chinese has paid increasing attention to their health condition, and the Chinese government has upgraded the people's health problem to a national strategic target. The government plans to develop health industry with the concept of National Health, which is to provide quality, comprehensive, systematic, affordable health services based on people's satisfaction with the public health service and affordability as the starting point, so as to promote national health. (Source: ACNnewswire)

## Guizhou 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 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, said Chi Fulin, director of the China (Hainan) Institute for Reform and Development. 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. At the opening ceremony, the companies signed deals for 38 health and pharmaceutical projects worth some 20.59 billion yuan (\$3.08 billion).

## E-commerce Boosts Farmers' Lives in Old Revolutionary Base Areas

Premier Li Keqiang once said that we'll be able to bring the Chinese economy up to a new level with the tail wind generated by the Internet Plus strategy. Now a county in old revolutionary base areas in Southwest China's Sichuan province has tasted the sweetness of Internet Plus, as farmers' lives are greatly improved by e-commerce.

Hanyuan County in Ya'an City, Sichuan, was recognized as an old revolutionary base area in 2010 by Sichuan provincial government. Most revolutionary base areas are scattered among mountainous areas with inconvenient transportation, lagging behind in economic and social development over the past decades.

Located along an altitude between 550 meters and 4,021 meters, the county enjoys 1,475.8 hours of sunlight and 741.8 millimeters of rainfall per year on average. The unique geographic and sunlight resources contribute to many premium agricultural products, such as cherry, apple and Sichuan pepper.

As nearly 90 percent of Hanyuan's population engages in agriculture, the county government has decided to take agriculture development as their key work. The county now has cherry bases, apple bases, Sichuan pepper bases and other vegetable bases, covering 44,000 hectares.

The one fatal disadvantage of relying on agricultural products is that farmers will lose big when there are few distribution channels and agricultural products go rotten in the field.

Previously, farmers had no other way but to wait for wholesalers to come and purchase their goods or go to a nearby market to sell. As e-commerce booms in China, local people and government see opportunities.

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Wang Shibing, who worked in Tianjin, went back to his hometown in Hanyuan in 2013. He set up a cooperative, purchasing fruits from farmers and selling them online. Farmers in the cooperative are required not to use potentially harmful pesticides. All cherries are shipped by air the same day they are picked. Every single fruit is larger in diameter than a one yuan coin.

This past spring, he sold 15 tons of cherries online and 10 tons offline in 20 days. Fifty farmers in the cooperative with him earn 20% more on average, year-on-year. All cherries in their orchards are sold.

According to farmer Jiang Li, her cherries sell at 80 yuan (about \$12) per kilogram online, while they only sell for 50 yuan per kilogram wholesale.

The Hanyuan branch of China Post also helps farmers sell cherries. It purchases cherries from 50 farmers in the cooperative.

"We test the sweetness of cherries and purchase them if they are up to standard," said Yang Yinquan, vice director of the Hanyuan branch of China Post.

To deliver fresh cherries to customers, the branch sets up purchase sites in the main producing areas, employs workers to do the picking, testing, sorting out and packaging work. The fruit can be delivered to customers in Sichuan within 24 hours and to customers outside Sichuan in 48 hours.

The Hanyuan branch helped farmers sell 60 tons of cherries in 40 days of the peak season this year.

According to Hanyuan county's commerce bureau, the government has introduced four e-commerce companies to sell cherries. Many cooperatives and farmers with large-scale orchards have entered e-commerce platforms. Hundreds of farmers sell cherries on their WeChat friends' circle.

In 2015, the per capita disposable income of rural residents in Hanyuan reached 9,357 yuan, up 10.2 percent, year-on-year.

President Xi Jinping and Premier Li Keqiang have stressed poverty relief for old revolutionary base areas several times, encouraging the regions to make the best of what they have.

Hanyuan's county government has witnessed e-commerce's role in improving farmers' lives in recent years and decided to do more.



According to a report on e-commerce development in Hanyuan, the government plans to train farmers and cadres to raise their awareness of e-commerce, step up construction on broadband communication facilities, improve transportation and cold-chain logistics, and build a comprehensive platform to draw individual farmers into an alliance, enjoying a scale effect from e-commerce. (Source: China Daily)

## US-banned Beverage Makes Mayhem in China

Four Loko, a hyper-intoxicating caffeinated alcoholic beverage that the US Food and Drug Administration (FDA) called a public health concern in 2010 and

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which was subsequently banned in several states, is now available on China's online shopping platforms.

Four women in their 20s in Nanjing, East China's Jiangsu Province, who passed out in a karaoke lounge after trying the drink did not realize that they had been robbed until the police arrived, Yangtze Evening Post reported Wednesday.



Their escapade is only the latest headline-making experiment with shishenjiu, Four Loko's infamous Chinese nickname, which roughly translates to "rape liquor."

Phusion Projects, the manufacturer of Four Loko, received a warning letter from the FDA in 2010 that called their products a "public health concern" that would not be permitted to stay on the market without substantial modification, according to CNN.

In its letter, the FDA said peer-reviewed studies suggest the consumption of beverages containing caffeine and alcohol is associated with risky behavior that may lead to hazardous and life-threatening situations.

Phusion later agreed to lower the level of caffeine in the beverage, The Atlantic reported in 2014.

"I had it in undergrad, and it was, like, \$2 a can," a

US citizen from the state of Georgia told the Global Times on Monday, noting that Four Loko is now illegal in the state.

A customer service employee at the Four Loko flagship store on tmall.com, an online shopping platform owned by the Alibaba Group, told the Global Times on Monday, "The level of caffeine is lower in the drink due to China's food safety standards, though the high remains the same because we put in stimulants like guarana and taurine."

When asked if it is safe to drink Four Loko, the employee said, "It is the drinker who should be liable for the consequences, not the product."

However, a customer service representative with the self-proclaimed official website of Four Loko in China told the Global Times that their products contain no guarana or taurine and the amount of caffeine in the beverage has been reduced.

The products are evaluated under US food safety standards rather than under those of the China Food and Drug Administration, said the staffer, adding that "the products are all imported from the US."

A staff member at the China National Center for Food Safety Risk Assessment confirmed on Monday that the center has not conducted an examination of Four Loko's content.

Two different stores on Taobao, another major Chinese online shopping platform owned by Alibaba, have sold a combined total of more than 15,000 cans of Four Loko as of press time on Monday.

Employees of the two stores - one of which is based in Shanghai and the other in Shenzhen, Guangdong Province - denied that there was any caffeine or



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stimulants in the beverage, saying it is just "fruit-flavored beer with 12 percent alcohol [by volume]."

Prices for Four Loko on Taobao and tmall.com vary from 33 yuan (\$5) to 100 yuan per can, though searches for the beverage on both sites returned no results later on Monday. (Source: Global Times)



## Supply Side West: China Ingredient and Supplement Regulatory Seminar

China's health product industry has been under going some dramatic regulatory changes over the last year. These legislative movements have affected and will continue to shape the way industry conducts business in China. These new regulations have been hard to swallow for many companies especially global players already in the market and/or looking to get in. China's Food Safety Law was implemented on October 1, 2015. However, China's FDA is still rolling out regulations that affect supplements.

With that in mind, U.S.-China Health Products Association is organizing a free seminar with its sponsoring partners NSF International and TSI Group to bring the latest updates and clarity to one of the world's most challenging markets. The association and seminar sponsors have accumulated decades of "on the ground" experience, which they'll be sharing during the seminar.

## CHINA INGREDIENT & SUPPLEMENT INDUSTRY

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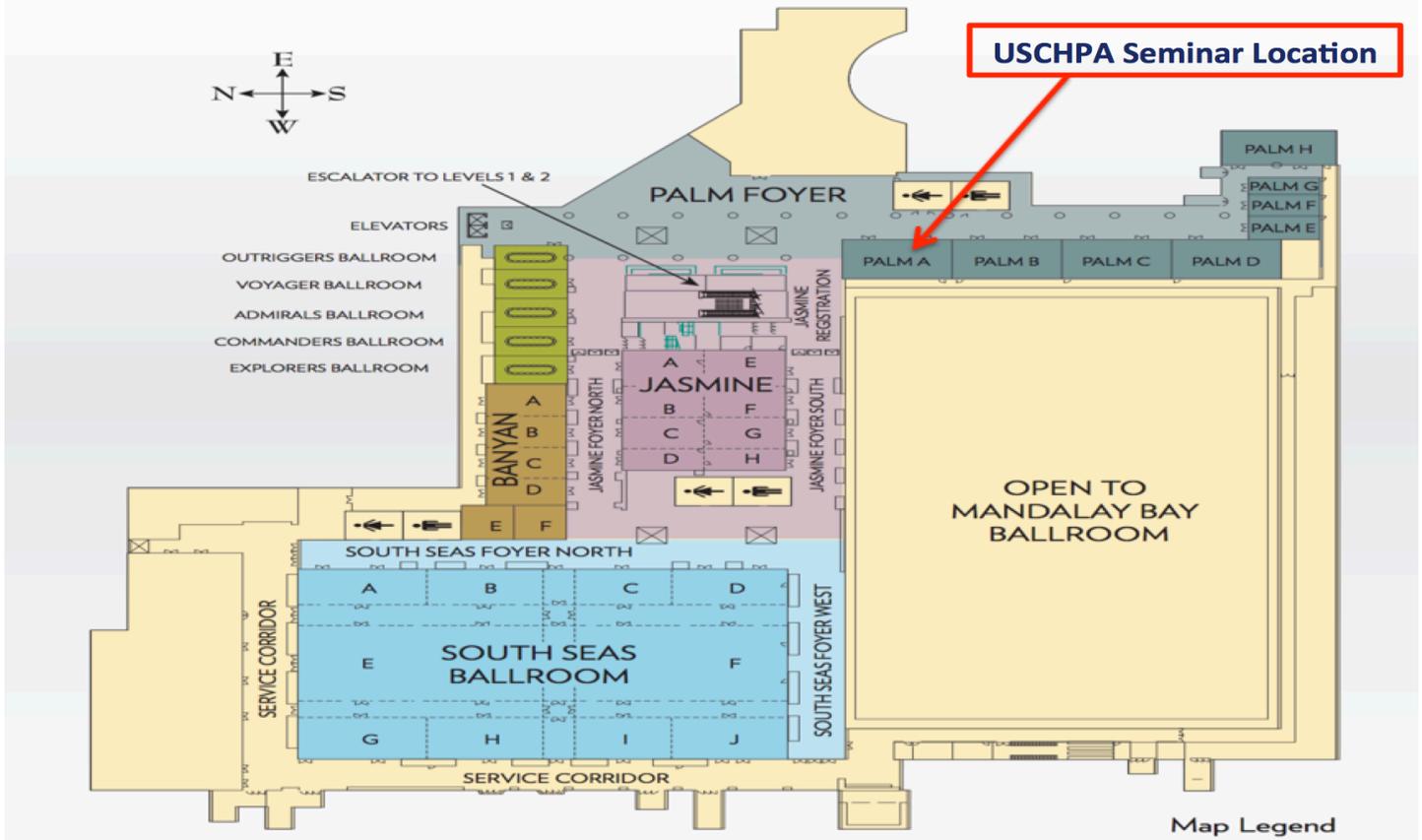
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*China Updates is published weekly by the U.S. – China Health Products Association, a non-profit organization dedicated to the promotion of dietary supplements and nutritional ingredients. The association’s major focus is the continued development of China’s overall natural health product industry as well as offer business services to its global members.*

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