



CHINA UPDATES

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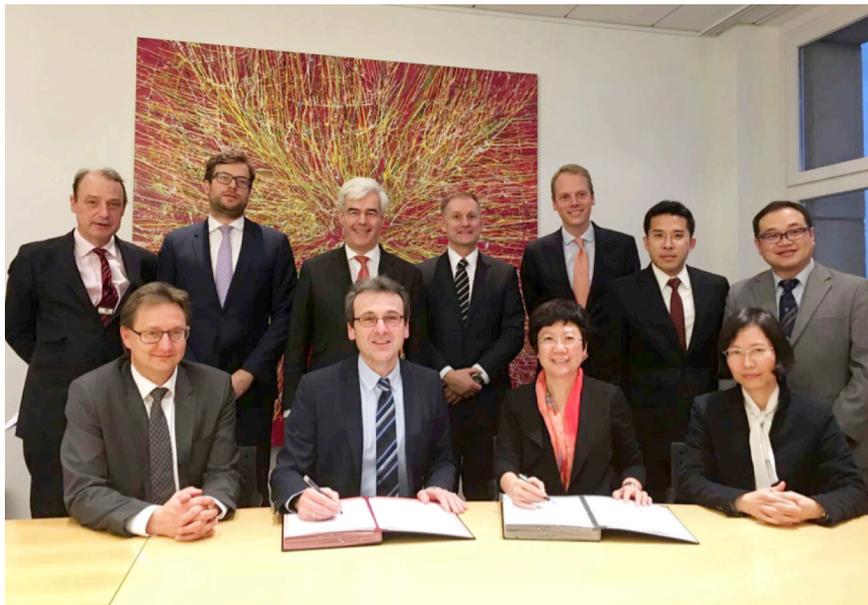
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Association Member Sirio Pharma Acquires Ayanda

Sirio Pharma Co., Ltd (Sirio) today announces that Sirio has already completed acquisitions of Ayanda GmbH & Co. KG (Ayanda), a well-known softgel manufacturer in Europe. Ayanda has become a wholly-owned company of Sirio.

Founded in 1992, Ayanda is one of the Top-5 softgel manufacturers in Europe. With excellent production management system, cutting-edge product development capability, and specialized in complex formulations manufacturing, Ayanda has a good reputation and market share in the European dietary supplements industry.

Ayanda's good reputation and production capacity in Europe will help Sirio to establish a global development and production service



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system. At the same time, Ayanda will also benefit from the multi-dosage form production capacity of Sirio, creating more values for customers in the European market. Sirio and Ayanda will work together to integrate our collective production, service and products. Together we complement each other's advantages, and create much better values for customers.

We look forward to Sirio and Ayanda will provide high quality and innovative products to global customers more efficiently. (Source: Sิริopharm)

Qinghai Checks on Food Safety as CNY Nearby

As the New Year festival is around the corner, illegal cases involving food safety issues also tend to happen more often than usual. The provincial food and drug regulator of Qinghai province is to launch a special campaign to check on local food market till February 15 from now on.

Special attention will be paid to best-selling food during festival periods, and food products that are complained by the local consumers the most. Food processing, sales channel and health food are going to be specifically checked by the regulators.

Illegal companies will be held responsible and punished severely if spotted.

Key products that will be highlighted in the campaign include wine, meat product, dairy product and candies. (Source: Qinghai Daily)

China's Medtronic Fine May Signal Health-Care-Cost Crackdown

The Chinese government's punishment of a medical-equipment supplier for price-fixing could be the opening to wider scrutiny of health-care costs.

The National Development and Reform Commission this week fined Medtronic PLC 118.5 million yuan (\$17 million) for refusing to let dealers and distributors discount prices for the company's insulin pumps, pacemakers and other medical devices. It

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said this raised costs to patients.

This was the first time the commission had fined a medical-device maker, according to the state broadcaster CCTV. The news was widely covered in official media—usually a sign of a major investigative push.

Medtronic is just the “tip of the iceberg,” according to the China Economic Herald, the commission's official publication, which reports that 100 pharmaceutical and medical-device companies are under the microscope.

A spokesman for Dublin-based Medtronic said the company accepted the decision and would pay the fine.

“We are absolutely committed to ensuring that we are in full compliance with local laws and regulations,” he added.

In April more than 40 commission officials raided Medtronic's China headquarters in Shanghai, according to Chinese media reports, which said the company sought to impede the investigation by deleting emails and refusing to answer questions. The Medtronic spokesman didn't dispute those accounts.

CCTV said Medtronic enforced price-fixing by firing any dealers selling items for less than the price it set.

China is looking to restrain health-care costs as economic growth slows. Some medical devices are much costlier in mainland China than in neighboring markets such as Hong Kong and Taiwan, said Professor Zhou Zijun from Peking University's School of Public Health, adding that Beijing closely monitors prices elsewhere for evidence that the ones at home are inflated. (Source: WSJ)

New China Data Show Online Shopping Boom Offset by Empty Malls

While China's online shopping giant Alibaba Group Holding Ltd. racked up \$18 billion of sales over a single day last month, a broader picture of retail conditions isn't as rosy when it includes brick-and-mortar shops.

Foot traffic to malls and restaurants declined in November amid a surge in online shopping activity, according to data from Baidu Inc., operator of the nation's dominant search engine, and No. 2 e-commerce platform JD.com Inc. Consumer confidence and box office receipts edged down, while car sales got a lift from tax breaks.



China's increasingly wealthy consumers are developing more sophisticated tastes for pricier Japanese diapers, Brazilian nuts or German kitchenware, usually via online platforms like Alibaba's shopping colossus Taobao.com or JD's

Amazon-like site. Beyond that frenzy, official data due for release Tuesday may show offline conditions were more subdued.

Retail sales probably rose to a 10.2 percent year-on-year pace in November, according to a Bloomberg survey of economists as of late Friday. The prior month's 10 percent gain was among the weakest readings in the past decade, National Bureau of Statistics data show.

"China's two-speed scenario is having a major impact on the country's retail industry," Jason Yu, general manager for China at consumer research firm Kantar Worldpanel, wrote in a recent report. "This massive explosion of online sales growth is being fueled by increasing diversification in the categories purchased online, as well as huge gains in imported products and consumers taking advantage of promotions." (Source: Bloomberg)

"Alligator Pears" are China's Newest Superfruit

Even outside of hipster enclaves like Brooklyn and San Francisco—whose denizens brunch on pricey iterations of avocado toast—it's a great time to be in the avocado game. Around the world, the fruit is seeing high demand and higher prices, leading to an overall increase in global investment. Avocado theft—indicating a growing black market—is on the rise, and the fruit even has its own emoji. (It took the lowly taco an actual petition to get that far.) But for all their popularity, avocados are only starting to gain ground in a potentially huge market: China.

"Avocado is usually framed as a high-end product [here]," says Yi Chen, a former business development manager in Shenzhen, who acquired a taste for the fruit while studying abroad in California. "When you buy it, you are buying the feeling of luxury."

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China's avocado consumption has long been dominated by first-tier cities like Beijing and Guangzhou, which have substantial populations of Western expats. It's only recently that Chinese nationals have started to catch up. While still learning about the taste, preparation options, and health benefits of avocados—colloquially known as “alligator pears”—an increasing number of Chinese consumers are now adding the fruit to their diets. Thanks largely to increased demand by the country's growing middle class, avocado imports to China jumped 375% between 2014 and 2015 according to Produce Report, a Chinese-based trade publication specializing in food and agricultural products.

“They're looking at Western trends,” says Brian Gomez, vice president of avocado supplier Greenfruit Avocados. “[Chinese consumers] like to see what's cool, what Americans and Europeans are doing.”

Americans and Europeans may be adorning their toast, salads, and sandwiches with the trendy superfruit, but they're also fighting an obesity epidemic that has spurred broad interest in healthier foods like avocado. In China, health is similarly top of mind. Forty-five percent of Chinese respondents to a 2014 Nielsen survey considered themselves overweight; 47% were willing to pay a premium for “all-natural” foods.



“Chinese people are very concerned about their health,” says Mabel Zhuang, founder of Produce Report, which covers Chinese produce trends. Zhuang says the increased demand for avocados are a natural consequence.

Avocados aren't linked to traditional Chinese cuisine, so getting them in front of consumers has been a gradual process. Western-style eateries—organic salad bars, juice and smoothie bars, Mexican-style restaurants—often have avocado products on their menus, but recently locals in cities like Beijing, Shanghai, and Shenzhen have also begun to purchase the fruit from upscale supermarkets, and online. The cost has fluctuated over the past two years, hovering around 15 yuan (\$2.26) per avocado, on average, according to Shanghai Daily. That price point is on par with a little over one pound of chicken breast, or 1.5 liters of domestic beer.

But price isn't the only hurdle: Specialty fruits supermarket Pagoda saw avocado sales soar after it started giving out recipes, preparation instructions, and free samples.

“Average sales were around 0.7 pieces” per day across all locations, says Frank Hong, Pagoda's director of overseas procurement. “After this experiment, we found out sales could end up being 10 [avocados] per day.” The company, which has 1,400 locations in China and started its avocado-education initiatives three years ago, now sells an average of 35 avocados per day per location.

All this demand has put a strain on avocado exporters—imports of Mexican avocados to China have been growing by 200% a year, and both Peru and Chile have starting exporting to China. Organizations in South Africa, New Zealand, and the United States are also considering exporting avocados to China.



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Efforts to grow the fruit locally, which have struggled in the past, may get renewed focus in light of the higher demand. Thibaud Andre, a senior consultant at Daxue Consulting, a market research and management consulting firm with a focus on the Chinese market, says that “there’s a willingness [by the government] to develop local production in specific sectors,” adding that the government can pass policies to help Chinese growers.

“Local production will be a little bit cheaper,” he says. “It will more easily get access to distribution channels.” That could open avocado consumption up to even smaller markets.

For now, the fruit remains a special treat for the health-conscious, one Chen of Shenzhen likens to a wearable fitness-tracker. “I don’t have to have a Jawbone app to remind me that I didn’t walk enough today,” he says. “Who would like to have it comes down to who really cares about their health.”(Source: Qz.com)

UK - China High Level People to People Dialogue on Health

Jeremy Hunt, the UK Secretary of State for Health, was in Shanghai earlier this month attending the UK-China High Level People to People Dialogue (P2P). This followed a visit to Beijing, where he co-hosted the UK-China Health Dialogue with Cui Li, Vice Minister of National Health and Family Planning Commission.

The UK and China have a broad and strong relationship on health, covering a wide range of issues, from national health policy reform, including primary care, elderly care and health financing, to global issues such as antimicrobial resistance.

There were two main memoranda signed on December 6 on health policy which takes forward their collaboration:

The renewal of the MoU between the Department of Health of the UK and the National Health and Family Planning Commission of the People's Republic of China focused on health cooperation in

the context of ageing populations, emerging infectious disease and the growing burden of non-communicable diseases.

MoU on UK-China Antimicrobial Resistance Research and Innovation Collaboration between the UK's Department of Health and China's Ministry of Science and Technology. The Chinese Government will provide matching funding to the UK Government's commitment to respectively support researchers of the two countries to carry out joint research and innovation projects.

In Shanghai, he witnessed the signing of 11 agreements on healthcare between UK and Chinese companies, with a total value exceeding 250 million pounds (\$312 million).

He also opened the Integrated Care Demonstrator where 30 UK healthcare companies were present to discuss British innovation and technologies with Chinese counterparts, and explore investment and partnership opportunities. The delegation is the largest ever UK healthcare mission to China led by the Department for International Trade and also visited Hangzhou, Shenzhen, Guangzhou and Hong Kong.

The UK is internationally renowned for delivering excellent healthcare, with the world's largest integrated healthcare system, the NHS, providing high-quality services for nearly 70 years. British health and care organizations are keen to partner with China to deliver health reforms and high quality care to the people of China.

Memoranda of Understanding (MoUs) signed include a joint venture contract between IHG and Dalian Wanda Group to operate the Qingdao Wanda IHG International Hospital. BUPA also announced it will open two clinics in Guangdong Province in 2017 as part of the company's expansion into the Chinese market.

The UK-China High Level People to People Dialogue is one of the UK's three major Ministerial dialogues with China, along with the Economic and Financial Dialogue and Strategic Dialogue. It covers eight

policy strands: education, science, health, tourism, sport, culture and creative industries, youth, regional cooperation, bringing together key themes of creativity, social equity and women's equality.

The P2P is chaired by Secretary of State for Health, Jeremy Hunt, on the UK side and Vice Premier Liu Yandong on the Chinese side. The UK official delegation in 2016 includes Secretary of State for Education and Minister for Women and Equalities, Justine Greening; Secretary of State for Culture, Media and Sport, Karen Bradley; Northern Ireland First Minister, Arlene Foster; Northern Ireland deputy First Minister, Martin McGuinness; and the Department for Business, Energy & Industrial Strategy's Chief Scientific Advisor, Professor John Loughhead.

The Department for International Trade is a department for the whole of the UK. They have overall responsibility for promoting UK trade across the world and attracting foreign investment to the UK, under the leadership of the Secretary of State, Liam Fox. (Source: Global Times)



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