



CHINA UPDATES

January 24, 2017 – Issue 230

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CFDA Lists Key Companies to Spot Check

The state drug and food regulator recently released a list of key food companies to spot check in 2017, covering 680 companies including health food companies.

The number drops by 53% from last year, with the number of health food companies down by 25%, which indicates that CFDA takes the production of health food seriously.

This year 30 health food companies are included, with 4 new added. Companies like Amway are also included into the list.

Why does the state regulator release the list every year? A spokesman of CFDA said that given the large number of food companies in China, it is not likely to inspect tens of thousands of companies. "We select companies with bigger influence over the public and spot check them batch by batch", said the spokesman. (Source: Shuzheng kangxun)

CFDA: 9264 Cases of Substandard Food Vendors Spotted

CFDA released the list of spot check results last year in a recent press conference. The list indicates that last year the inspectors spotted 9264 cases of substandard food vendors and manufacturers, with confiscations that value at 120 million yuan.

The major problems include overuse of food additives, substandard quality, and products polluted by heavy metal elements etc.

The causes of the problems include pollution of water and soil,



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misuse of fertilizer, absence of scientific system in production and lacking for proper oversight over production process.

The state regulator would release details of the spot check results in time to the public.(Source: China News Agency)

Younger Consumers are Buying Imported Health Products

A recent report released by Tmall International on China's consumption of imported goods says that consumers of imported goods are becoming younger in China with diversified needs for consumption.

Japan, America, South Korea, Germany and Australia become the countries where most goods are imported and welcomed by Chinese consumers. Health food products from America and Australia are most welcomed. German health products are becoming increasingly popular.

Many consumers bought health food for their parents, with the sales of joint health product sold on Tmall International up by 220% last year, and calcium supplement products up by 194%.(Source: Shuzheng Kangxun)

China's E-Commerce Transaction Value to Exceed 38 Trillion Yuan by 2020



China said on Tuesday it aims to expand e-commerce

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transactions to more than 38 trillion yuan (\$5.5 trillion) by 2020, up from 21.8 trillion in 2015.

By 2020, China's online population will pass 1 billion, growing by 7.8 percent a year from 2015, according to a State Council five-year informatization plan.

Information industry revenue is expected to grow by an average of 8.9 percent each year from 2015 to hit 26.2 trillion yuan by 2020.

By then 90 percent of villages in poverty will be covered by internet services, 12 percentage points more than that in 2015.

Online retail sales will more than doubled from 3.9 trillion yuan recorded in 2015 to 10 trillion yuan by 2020. (Source: Xinhua)

Foreign Cosmetic Brands Cut Retail Prices in China Market

High-end cosmetic brands, including Estee Lauder and Amorepacific, have announced price cuts in the Chinese market in the new year in response to lowered consumption tax.

The South Korean beauty company Amorepacific said on Tuesday that the suggested retail prices of 327 items under its four major brands will be slashed by between 3 and 30 percent starting Jan. 15.

Estee Lauder, a US company, also announced it will lower the retail prices of a few make-up and perfume products by 7 to 18 percent starting Thursday.

According to the Ministry of Finance, China has eliminated consumption taxes on ordinary cosmetics and will only levy the tax on high-end products. The tax rate was also lowered to 15 percent.

Chen Min, an industry insider, told Xinhua that, in addition to the tax reduction, the rapid development of cross-border e-commerce and overseas purchasing services have pushed international brands to adjust prices in China.

A research report released by Changjiang Securities said the market contraction in high-end cosmetics as a result of slowed domestic consumption growth has boosted markets for more affordable mass products and forced luxury brands to lower prices. (Source: Xinhua)

Obesity: The Big, Fat Problem With Chinese Cities

With an increasingly urban population, rising disposable incomes and a growing demand for international cuisines, it is no wonder China is home to a high number of fast-food brands.

Of these, KFC planned to open 600 new restaurants across cities in China in 2016. Meanwhile, McDonald’s aims to roll out 1,000 new outlets over five years.

Starbucks, with its frothy, sugary offerings, has acknowledged that China could eventually surpass the United States in terms of market size for the fast-coffee chain, and in October announced plans to double the number of its 2,300 outlets in China by 2021.

All of that, of course, carries physical costs. Swelling waistlines are the most visible symptom. Even the state-run media outlet Global Times found that China now has the largest overweight population in the world – 10.8% of men and 14.9% of women in a nation of 1.4 billion people – bumping the United States to second place, according to a study published in the Lancet Medical Journal.

That’s more than 43 million men and 46 million women classified as overweight. For children and young adults, the numbers are even more dire: the World Food Program indicated that 23% of boys and 14% of girls under 20 are overweight or obese. The Chinese often see themselves as in a race with the US; in this, they win.

Companies with emblems of golden arches and monochrome mermaids are not the sole perpetrators of this circumstance. Active lifestyles have not caught on, and nutritional balance in daily diets is often askew. The ubiquitous barbecued lamb skewer, for example, found in any bustling neighbourhood or night market from Ürümqi to Shenzhen, bundles two-thirds of the calories found in a pack of KFC fries.



Active lifestyles have not caught on, and nutritional balance in daily diets is often askew



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In response to a progressively unhealthy lifestyle festering within its cities, the central government has brandished a plan called Healthy China 2030, with the aim of making China healthy again in the next 13 years.

The plan's blueprints were released in October, including the introduction of health education into the school curriculum and promoting "health as habit", to bump up the populace's life expectancy by four years to 79, and eventually match the health standards of high-income economies like those found in North America and western Europe.

Will the 13-year plan reverse a distressing trend? That's hard to say; the plan is still fresh and details of execution are hazy, but the World Health Organisation has already framed it as a move by the Chinese president, Xi Jinping, to "put health at the centre of the country's entire policy-making machinery". Food and beverage companies have also jumped on the bandwagon, championing "Healthy China 2030" with gusto.

Yum China, which owns KFC, Pizza Hut and Taco Bell franchises in cities across China, has publicly backed the central government's pronouncement. Its vice-president of public affairs said that Yum China has "always been committed to improving the lives and nutrition of people across the country".

But health experts remain cautious. Barry Popkin, who started the China Health and Nutrition Survey in the late 1980s, pointed out that the WHO recently called for regulatory and fiscal reforms to address the causes of China's noncommunicable disease health crisis, which Healthy China 2030 lacks.

"For the past 30 years, the Chinese have been misdirected and focused on physical activity instead of the food system as a way to address obesity," he said. "One of the major shifts in China has been the

massive decline in physical activity and the concurrent increase in the modern retail food sector and consumption of packaged food."

Even as some other nations are implementing targeted fiscal measures such as taxes on sugary beverages, the Chinese are being misled into thinking that Healthy China 2030 will prevent obesity and nutrition-related diseases. Popkin estimated that 60% of consumed calories in China will come from packaged food – a figure that matches America's. What's needed is a different regulatory approach paired with incentives for the population to change their diets.

Considering the massive expansions by fast-food giants across Chinese cities, Popkin's suggestions seem unlikely to materialise.

Chinese New Year is just around the corner. If KFC plays its cards right – as it did last year – the fast-food chain will see a good bump in profits again, with buckets of fried chicken as part of a special promotion zipping into the hands of eager, hungry Chinese diners. (Source: The Guardian)

WCA and Alibaba.com Collaborate on Cross-border E-Commerce Shipments

WCA Ltd, the world's largest logistics network, and Alibaba.com, a leading global wholesale trading platform and the B2B business arm of Alibaba Group today announced they have concluded a co-operation agreement that will see approved WCA member companies Integrated into the Alibaba.com logistics platform for cross-border eCommerce shipments.

WCA will provide its professional support in vetting and approving international logistics providers for high quality and efficient logistics services for the customers of Alibaba.com.



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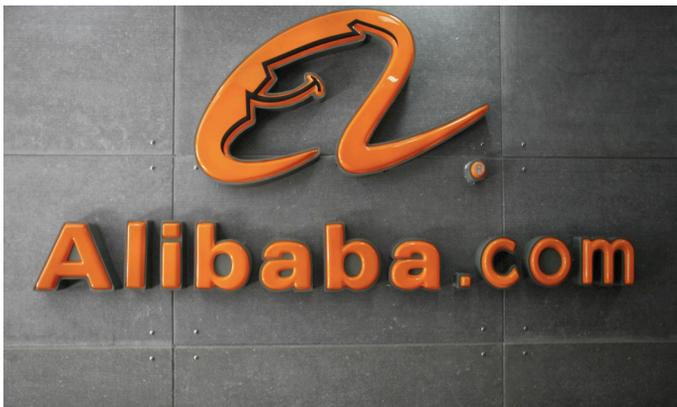
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Approved providers will have full access to compete for logistics orders generated on the Alibaba.com platform.

WCA and Alibaba.com have agreed parameters and standards of service, as well as offering all participants a protection scheme that includes compensation for qualifying transactions.

“The fact that Alibaba.com has recognised the quality, global strength and professionalism of WCA and its members will open up vast new opportunities for business growth for independent freight forwarders”, said Dan March, WCA’s Chief Executive Officer. “Many of our member companies are already heavily involved in many facets of cross-border eCommerce logistics. The strict qualification process for our newly-formed WCA eCommerce network will provide reassurance that the services provided by our members can facilitate merchants on Alibaba.com to accelerate their global trading.”

The collaboration will commence in January 2017, facilitating shipments generated by Alibaba.com’s members to be made to the major export markets of the USA, India and the UK.



Steve Su, Director, Alibaba Logistics said: "We are thrilled to partner with WCA, a global network with well-connected global resources, to provide fast and convenient shipping options for our members. We are committed to offering premium services to global SMEs on our platform who are looking to scale up their business presence through cross-border trading. We are confident partnering with a leading global logistics alliance such as WCA will help us achieve that goal."

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“The world is rapidly changing,” added WCA Chairman, David Yokeum. “And we are working hard to ensure that our members are equipped and able to take advantage of the huge projected growth in global eCommerce shipments. Alibaba.com has shown both determination and innovation in forming this partnership and we fully expect the business to flourish. We are putting both independent forwarders and Alibaba.com traders at the vanguard of change in this exciting and dynamic market.” (Source: Alibaba)



China Dietary Supplement Industry



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