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Association Wraps Up Successful China Summit

HPA and its sponsors NSF International and TSI Group concluded its 2017 edition of its annual “China International Nutrition and Health Industry Summit” on June 19, 2017 in Shanghai.

The association welcomed 110 attendees to the all day event, which was position the day before HNC expo also in Shanghai.



The event featured 10 expert speakers covering Import / Export Status of Dietary Supplements, Latest Regulations for Finished Dietary Supplements and Nutritional ingredients, Foods for Special Medical Purposes Insights, Cross Border E-Commerce, China’s New Consumers and their Buying Habits, Professional Consumer Issues, Probiotic Trends, Omega-3 trends and a State of



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the Industry Panel Discussion led by Gary Scattergood Editor in Chief from NutraIngredients-Asia. A special thanks goes out to the summit speakers:

Mr. Zhang Zhongpeng Deputy Director China Chamber of Commerce for Import/Export of Medicine & Health Products

Dr. Wendell Wei Director China Gate Consulting

Dr. Shi Hanping Chief Member of TSI Group Scientific Advisory Board

Daniel Yiu International Director Ali-Health (Alibaba)

Gautam Seth Vice President Innovation Practices Nielsen Group

David Ettinger Attorney/Partner Keller & Heckman

David Trosin Business Development Director NSF International

George Paraskevakos Executive Director Global International Probiotics Association

Adam Ismail Executive Director Global Organization for EPA & DHA Omega-3s

Dr. Petter-Arnt Hals Director of R&D Aker BioMarine



The Summit offered the attendees many opportunities to learn, share and network with their industry colleagues.



The association's next event will be the "China International Sports Nutrition Industry Summit" taking place on September 6, 2017 in Shanghai the day before FIBO China, which is China's premiere Sports and Fitness expo.

We look forward to seeing you in Shanghai. If you are interested in learning more about HPA's events in China, please contact us at summit@uschinahpa.org (Source: HPA China)

CFDA Released A List of Health Product Approval

The official website of CFDA recently released a list of delivery information about the approval letter of health food, which was sent out on June 8.

Li Peng, legal director of Shuzheng Kangxun, said that the products that currently gained approval are those that were already approved before the new regulation was carried out. Because the guidance on health food registration for different cities will be released in these two months, so the products that applied for approval based on the new regulation will not gain the registration certificate until the end of this year.

CFDA has prioritized the positioning of health food in the industry's development, which can be observed from recent meetings and documents that gather opinion from the industry people.

Regarding management, gradually migrating

towards filing for records from registration approval will be the trend. (Source: Shuzheng Kangxun)

CFDA: Food Safety Management System Established at Schools

An official with the food management department of CFDA said recently that the food safety management system had been established at schools nationwide. But some schools are not taking enough responsibility of food safety, so the situation of food safety on campus is still severe.

In recent years, CFDA has partnered with education departments to release document to specify requirements towards food safety management on campus, and strengthened inspection on campus cafeterias.

The official also said that in general, the level of food safety management is improving on campus nationwide, but the relevant problems still take place. (Source:Xinhua)

Health Food Self-Discipline Committee Set Up in Suzhou

A self-discipline committee of health food industry association was set up recently in Suzhou of Jiangsu province. Over 30 companies in Suzhou joined the committee and promised to operate based on laws and regulations.

The local health food industry has been an industry which has received an increasing number of complaint reports from consumers in recent years. The Committee aims to improve the operation of the industry and rebuild the image of health food in the local community, which will do good to the local consumers. (Source: Gusu Evening News)

Chinese Consumers Use Social media to Protect Rights



Chinese consumers are increasingly using social media platforms to protect their rights, a report says.

The report, released by China's major micro-blogging platform Sina Weibo, said that more consumers are using the platform to complain about quality problems and bad shopping experiences. It was released on March 14, a day ahead of the World Consumer Rights Day on March 15.

Cao Zenghui, vice president of Sina Weibo, said that this year on the site's exposing platform, complaints of bad quality and bad experiences had been read 1.5 billion times, and consumers had published more than 869,000 posts on the platform.

Liu Daping, vice president of China Quality Promotion magazine, said that social media platforms are often very helpful for consumers to expose problems and safeguard their rights.

After being published on the social media platform and triggering wide discussion, it is easier to draw attention to complaints and get solutions from companies or government departments.

The report said that the most frequently complained sectors in 2016 were the express delivery industry, take-away food deliveries and airlines. Of every 100 comments about the express delivery industry, about 19 were negative, and the



numbers for take-way food delivery and airline complaints were 13 and 11 respectively.

Sina Weibo has around 160,000 accounts for governments departments, 1.2 million for companies and 300 million active individual users. There are also a large number of industry experts who can provide professional advice and support to help consumers claim their rights, which also makes the platform more powerful in helping consumers, Cao said. (Source: China Daily)

GAA Teams Up With JD.com To Provide Certified Fresh Food To Chinese Consumers

The Global Aquaculture Alliance recognized China's largest e-commerce company by revenue, JD.com , at Seafood Expo North America on March 19 for raising awareness of responsible aquaculture and food safety to Chinese consumers through its perishable foods division, JD Fresh Food.

Through its Best Aquaculture Practices (BAP) division, GAA signed a Memorandum of Understanding (MoU) with JD.com to promote sales of farmed seafood products originating from BAP-certified facilities during a special fresh food promotional week on JD.com beginning March 24. BAP is the world's leading third-party aquaculture certification program, with standards encompassing food safety, environmental responsibility, social responsibility, animal health and welfare, and traceability.



“E-commerce is an exciting, new market for global seafood trade, and JD.com is a pioneer in these efforts with their fresh food platform for the China market,” said Steven Hart, Vice President of GAA. “The strength of JD.com, which allows users to purchase fresh or frozen seafood and have it delivered that same day, allows us the unique opportunity to build the BAP brand directly with the Chinese consumer.”

Through its BAP program, GAA is working with JD.com to identify companies that are producing farmed seafood in a responsible, safe manner. By working with JD.com, these companies can access its 226.6 million active customers more directly through a platform that allows them to better brand themselves, tell their story of responsible, safe aquaculture production, and better market the health benefits of seafood consumption.

Representing JD.com at the MoU signing, which took place at GAA's SENA exhibit, was Xiaosong Wang, President of JD Fresh Food.

“As China's largest online retailer, we believe it is our duty and obligation to provide JD's hundreds of millions of customers direct access to the world's freshest and best seafood,” said Mr. Wang, “Through the cooperation with GAA, we will be able to vastly expand our offering in the Chinese market.”(Source: aquaculturealliance.org)

Why Is EBAY Returning to China?

About a decade ago, EBay Inc. made a legendary retreat from the Chinese auction business in the face of growing local competition. It was a defeat so humiliating that it became a business school case study. Since then, however, the Chinese e-commerce market has changed drastically -- and so has EBay. As the company makes its return to the mainland, it may be at the forefront of an important trend in online trade.



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EBay recently announced that it's partnering with Ningbo, a major port and manufacturing hub, to help boost the city's e-commerce with the rest of the world. That's a farsighted move. In 2016, Chinese shoppers made a whopping \$86 billion in online purchases from vendors in other countries. Globally, such trade was just as healthy, adding up to \$300 billion in 2015 and growing at nearly 25 percent a year -- faster than domestic e-commerce. At a time when globalization otherwise seems to be in retreat, companies taking advantage of this kind of trade are looking like the future of retail.



As EBay has figured out, the phenomenon revolves around China. Ningbo's e-commerce pilot zone is one of more than a dozen recently established by the Chinese government. Companies operating in these areas can get several benefits, including expedited imports and tax breaks. More crucially, they can set up bonded warehouses to store imported goods for quick dispatch to customers -- thereby reducing shipping times by as much as 80 percent.

That's much appreciated by Chinese shoppers, who have long sought out foreign alternatives to unsafe local products. In the late 2000s, after repeated scandals over contaminated infant formula, Chinese parents bought up foreign brands in such quantities that they created shortages overseas. (If you've ever encountered tins of baby formula at a duty-free shop, it's thanks to those scandals.) Now e-



commerce is making such products far more accessible: As of 2015, China's legal imported formula market was worth \$2.5 billion annually.

A growing demand for luxury is also contributing to the trend. One recent survey from McKinsey & Co. found that 50 percent of Chinese consumers "now seek the best and most expensive product" when they shop. Last year, those shoppers purchased \$5 billion worth of goods online from South Korea alone, with luxury items such as cosmetics, clothing and accessories topping the list. Although there's local competition in all those categories, foreign brands are still widely perceived to be superior -- and cross-border e-commerce has become the easiest way to buy them.

Outside China, meanwhile, it's bargains -- not luxuries -- that are driving this trade. San Francisco-based Wish.com has built a multibillion-dollar business on the insight that U.S. consumers will buy low-quality products directly from China -- and then wait forever for them to ship -- so long as the stuff is cheap. Wish's hugely popular app offers an endless stream of such goods. In the market for a pair of suede men's oxford shoes? If you don't mind waiting until the spring equinox, they're scrolling by for just \$6.95.

EBay shoppers aren't strangers to this kind of deal. They've long used to the platform to snap up cheap

foreign goods, from squirt guns to chrome-plated muffler silencers. With the Ningbo partnership, EBay is hoping to improve this process by training local workers to help manufacturers meet the demands of overseas customers. It's a big bet that cross-border online commerce will keep growing in the years ahead -- even as international trade stagnates and protectionism rises.

That trend won't benefit everyone, of course. It will surely take a toll on traditional retailers. And brick-and-mortar shops that target bargain-minded customers will probably be especially vulnerable. Wish, for one, has been upfront about its plans to compete with Wal-Mart Stores Inc. For consumers, though, that kind of competition is a good thing. It means international borders are no longer an impediment to shopping -- or to getting a good deal. (Source: Bloomberg)



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 and to offer its global members a wide variety of business services to assist in their China endeavors.



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