U.S. – China HPA Health Products Association 美中健康产品协会

CHINA UPDATES

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INSIDE THIS ISSUE

CFDA: Better Crack Down on Illegal Health Food Conducts

The 2017 China health food industry conference was recently held in Beijing under the guidance of CFDA.

Sun Xianze, the deputy chief of CFDA, said at the conference that efforts to crack down on illegal conducts related to health food should be strengthened.

Mr. Sun said that CFDA should improve inspection and registration of health food, and take measures including enhancing the inspection system, improving the management team, and launching special campaigns.

In 2016, the general standard rate of spot checks on health food was 98%, which s up by 1.6% from 2015 and 4.2% from 2014. Health food safety in general is developing in a sound way.

At the same time, as noted by Mr. Sun, the management of health food is still facing a lot of challenges and fail to meet public expectations. The problems include sales and operations by companies without obtaining official approval, false advertisement and illegal marketing campaigns, and substandard logo on health food.

Mr. Sun said that to improve the inspection works, special attention should be paid to stores, both online and offline, for false advertisement. Those that are found to be operating illegally should be punished severely. (Source: China Medical Journal)

China to Improve Integration of Health and Elderly Care

China is looking to improve the integration of health care and

elderly care services by encouraging more cooperation mechanisms for health care and elderly care institutions, an official said Friday.

Wang Haidong, an official at the National Health and Family Planning Commission, made the remarks at a press briefing on a guideline on elderly care services, which was published by the State Council in early June.

China aims to have over 80 percent of its medical institutions set up green channels for the elderly to enjoy more convenient medical services in 2017, while more than 50 percent of the elderly care institutions will be able to provide various medical services for their customers, Wang said.

Elderly patients will be a priority for family doctor services, who are expected to offer the elderly basic medical and customized health care services. The goal stands that by the end of 2017, 60 percent of China's elderly will have their contractual family doctors.

The Ministry of Civil Affairs (MCA) will push forward public finance to provide subsidies for all elderly with financial difficulties or disabilities, said Meng Zhiqiang, an official from the MCA.

Issues such as elderly care facilities, senior education services, and health management for the elderly were also discussed and overviewed at the press briefing. (Source: Xinhua)

Meeting on Special Food Registration Held in Beijing

The international cooperation department and food of special use registration department under CFDA co-held a conference recently in Beijing to promote and introduce the registration management policy of China's food of special use.

To better inspect food of special use, CFDA specifically set up a department to manage food of special use, drafting a series of policies to standardize registration management of special food. The measures have drawn attention from in and outside

the country.

The meeting aims to introduce relevant policies to embassies and foreign companies in China.

Officials introduce the progress of registration management of special food, challenges in the industry, and work principles of regulations.

CFDA officials said that the agency would improve exchanges with international agencies and companies, and would build an exchange platform to facilitate the communication. (Source: CFDA)

China Reports Progress in Health Care Reform

China expanded the number of cities piloting health care reform to 200 in 2016, according to a new report.

More than 2,300 public hospitals nationwide participated in health care reform last year, according to a report issued by the health care reform leading group under the State Council on Tuesday.

The report states that 92.6% of prefectural cities have adjusted the price of medical services, and drug expenses as a percentage of outpatient and hospitalization fees have dropped compared to 2015.

Currently, 1.34 billion Chinese people are enrolled in various public medical insurance systems, accounting for up to 98.8% of the population.

In addition, the country has more than 440,000 non-public medical institutions and nearly 20,000 licensed doctors practicing at multiple sites, says the report. (Source: Xinhua)

The Accelerating Disruption of China's Economy

The June 16 announcement that Amazon was buying Whole Foods was the e-commerce shot across the bow that everyone has anticipated for years. Still, the $13.7 billion deal came as a huge shock in the United States; it represented the next stage of the digital disruption that has upended all of retail. But it didn't in China, where this revolution is well underway. Our work there shows that there are many relevant lessons that others need to learn—and learn fast.

In late 2012, two of China's most successful entrepreneurs made a very public bet on the country's retail future. In front of a TV audience, Wang Jianlin, the real-estate maven who built his fortune in shopping malls, wagered Jack Ma, president of ascendant e-commerce giant Alibaba, that online shopping would never replace physical stores. Putting up 100 million RMB (about $16 million at the time) of his own cash, Wang bet that in 10 years online consumption would still account for less than half of all retail.

Five years out, it seems the good money is still on Wang. Yes, China's big three digital titans—Baidu, Alibaba and Tencent (BAT for short)—have eroded brick-and-mortar market share. Protected behind the Great Firewall from outside competition, these tech disruptors— Alibaba and Tencent focus primarily on e-commerce, while Baidu dominates search—have rocketed over the last decade from obscurity to dominance. They now rank among China's top 5 most valuable brands, with a collective brand value approaching $200 billion.

Yet, online sales in China still account for just 15% of all retail, a significant bump from 2012 but hardly a sea change. Despite doomsday warnings, retail in China is not dying. Shoppers continue to demand physical stores—to touch and feel, socialize, ask questions, and have an experience that can't be replicated online. Is it time for retailers and real estate players to breathe a sigh of relief?

No, it turns out—and for reasons that few insiders see coming.

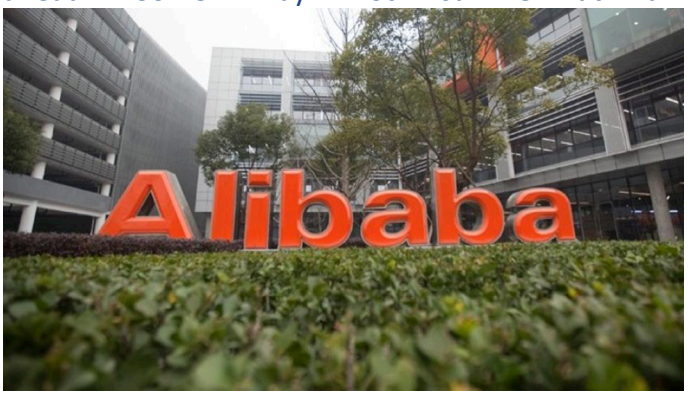
The true threat to retail in China may not be online shopping. It's the increasing likelihood that the country's e-commerce giants will turn their attention to doing bricks-and-mortar—better.

Armed with capital reserves, government protections and growing troves of consumer data , Alibaba and Tencent have both the means and the motive to redefine traditional in-store shopping. And when they do, existing players in the retail ecosystem—from big box retailers to malls, real estate agencies and developers—may face unprecedented disruption.

This was the primary conclusion from extended

interviews Egon Zehnder conducted with leading retail real estate executives and industry insiders over the past four months. Our takeaway: the impact of the online-to-offline (or "O2O") revolution is being highly underestimated and stands to take legacy retailers almost completely by surprise.

To overcome this blinkered thinking, retailers and developers must immediately change gears—strategically, but also, critically, from a talent perspective. Urgently needed are managers and executives with a strong digital skill set—an understanding of the scope and scale of transformation that's sorely lacking among today's retail giants. Without these key people, traditional players will find it challenging to thrive in the years ahead. Some may not survive at all.



Starting in 2016, Alibaba's Jack Ma advocated the concept of "New Retail"—in his words, "the integration of online, offline, logistics and data across a single value chain." Considering that Alibaba already accounts for more than one-tenth of China's total retail sales (including 75% of online sales), with revenues surging at an astounding 50% annual clip, the implications of this overture are hard to overstate.

Already, the company is moving fast: In little over a year , Alibaba has gone from opening its first physical store to acquiring a major department store chain, Intime Retail, for $2.6 billion. Yet this is just the beginning.

In February, Alibaba announced a strategic alliance with Bailian Group, the state-owned supermarket, mall and department store chain, which boasts massive amounts of underused retail space in Shanghai and on the eastern seaboard. The new partners will share offline retail branches, merchandising capability, logistics and technology. They are already designing new retail outlets together and developing retail technologies incorporating big data and artificial intelligence.

Executed properly, Alibaba's "New Retail" vision promises not just to remake shopping inside the country, but to leapfrog China ahead of the U.S. and Europe in terms of retail innovation. China is already at the vanguard when it comes to blurring lines between social media, search and e-commerce, with social platforms like Tencent integrating seamless payment and shopping functions, all inside one walled garden.

If Alibaba turns its attention to real estate—and is able to gain access to prime assets and design its own unique physical shopping experience using a data-centered approach—traditional developers will be displaced. As it and Tencent harness their own algorithms to identify the perfect blend of stores for their target demographic, commercial real estate agencies could quickly find themselves marginalized. With online players applying big data and machine learning to make in-store experiences more personalized and more convenient, legacy retailers may quickly hemorrhage shoppers. (Source: Fortune)

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HPA Health Products Association SUMMIT Series

时间：2017年9月6日 9:00 - 17:30
Time: September 6, 2017 9:00 - 17:30
地点：上海富豪环球东亚酒店 中国上海市徐汇区衡山路516号，邮编200030
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