



CHINA UPDATES

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Wuhan Cracks Down on Illegal Food Sales

The local FDA regulator of Wuhan recently launched a special campaign to inspect food vendors in the neighborhood of primary and secondary schools, kindergartens and other educational institutions.

Based on the guidance of Hubei provincial FDA authority, a special inspection team was set up to spot check restaurants and food distributors to review the inspection result of district regulators.

Food vendors close to campuses would be individually inspected. All vendors would be asked to show their registration information. Education authorities teamed up with the food safety regulators to enhance efforts to inspect grocery stores inside the campuses.

The campaign has covered over 6200 vendors, with 12 vendors having their operation approval revoked.

Education inspectors also launched events to educate students about food safety issues and are warned of the danger to have substandard food, which are mostly sold at low price to attract students. (Source: China Quality News)

Luoyang Strengthens Inspection over Online Food Platform

The local FDA authority of Luoyang recently sat down to talk with the major food delivery platforms and launched special campaign to enhance regulation on the online food delivery platforms.

The campaign will last for about two months and will combine online inspection with on-spot inspection.



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An information file will be set up to show the status quo of the vendors on the platforms based on the inspections. (Source: Dahewang)

China Launches First Internet Court in E-Commerce Hub

China's first court specializing in handling Internet-related cases opened Friday in the e-commerce hub of Hangzhou to cater to the increasing number of online disputes.

The Hangzhou Internet Court in Hangzhou, capital of Zhejiang Province, handles cases such as online trade disputes and copyright lawsuits.

The cases handled by the court will be tried online.

On Thursday, the Hangzhou municipal legislature appointed the president, vice presidents and judges of the court.

Hangzhou is home to many Internet companies, including e-commerce giant Alibaba.

The latest report from the China Internet Network Information Center showed that China had about 751 million netizens and 724 million mobile Internet users as of the end of June.

As Chinese people increasingly turn to online shopping and payment, the Internet court provides a judicial guarantee for maintaining cyber security, resolving online disputes and promoting the integration of the Internet with society and the economy. (Source: Xinhua)

UN, Alibaba Cooperate to Improve China's Rural E-Commerce Infrastructure

The United Nations announced Monday that it will join hands with Chinese e-commerce giant Alibaba to increase spending on China's rural e-commerce infrastructure.

A total of 200 million U.S. dollars will be allocated by the UN for construction of rural e-commerce infrastructure in China's Ningxia Hui Autonomous Region, Sichuan and Shaanxi provinces, said Lakshmi



Puri, UN Assistant Secretary-General and deputy executive director of UN Women.

Rural Taobao provides a very good platform for women in Chinese villages to start their own businesses and make a living by selling products online, Puri said at the 2017 Global Conference on Women and Entrepreneurship which opened in Hangzhou on Monday.

Rural Taobao is an ambitious effort by Alibaba to turn China's hundreds of millions of rural residents into online shoppers and sellers. It also underscores the potential of e-commerce to fuel economic activity and eliminate poverty in the country's poorer, largely agrarian regions.

So far, more than 30,000 "Taobao villages" have been set up in China and 45 percent of the online business owners are women. (Source: Xinhua)

Healthcare Platform Will Help Source Medicines for Patients

Alibaba Group Holding Ltd plans to set up an online healthcare platform to help patients source medicines.

The e-commerce giant announced this week that it would roll out a service under Ali Health to solve the problem of finding prescription drugs for numerous ailments.

"This non-profit platform, known as the Global Drug Seeking Union, aims to help patients from China to find rare medicines through transparent and reliable channels," said Liang Sujuan, manager of the project.

"This will be the first information project of its kind in the world."

The decision will help Alibaba take another tentative step into the healthcare sector, Liang pointed out.

Plans are underway for the online platform to work with welfare organizations, medical institutions, such as hospitals and healthcare clinics, pharmaceutical companies, internet information applications and the media.

"Information asymmetry has long existed in the healthcare sector here," said Xie Fangmin, CEO of Jianke.com, an e-commerce pharmaceutical retailer.

"For instance, there are many drugs that can only be obtained in first-tier cities, such as Beijing and Shanghai."

Patients in China can find it difficult to source certain drugs depending on where they live in the country. In addition, drugs for rare diseases are usually limited.

"But this will be different from online retailers," Liang said. "The Global Drug Seeking Union will provide information about medicines over the counter and prescription drugs, including where you can get them, how much they cost and dosage instructions."

Ali Health also expects to provide information for domestic and multinational pharmaceutical companies.

"There might be times when raloxifene tablets

(taken to reduce the amount of calcium lost from bones) are sold out in China," Liang said.

"So, we would inform Merck & Co, which produces the drug overseas, and they would be able to accelerate production."

Sinopharm Online, the Guangzhou Pharmaceutical Group and Bai Shop Pharmacy have shown interest in joining the project.

Last year, Ali Health set up a healthcare platform with Sinopharm Online.

This internet business was launched by the China National Pharmaceutical Group, the largest Chinese medical and healthcare company, in 2015.

Sinopharm Online has just finished its A-round of financing after receiving 120 million yuan (\$17.7 million) capital from Yunfeng Capital and Shenglang Investment earlier this month.

"Although CNPG is the largest medicine retailer in China with about 50 percent market share, and Tmall Medicine (owned by Alibaba) is the largest e-commerce platform, we cannot meet the demand for certain medicines," said Liang.

Related institutions, including the National Health and Family Planning Commission, has just issued guidelines to help coordinate emergency production and imports of certain drugs. (Source: China Daily)

Innovation Key to Healthy Growth of Cosmetics Industry

cosmetics industry should be driven more by innovation instead of marketing tricks and advertising, industry experts and market watchers said today to call for healthy development of the sector.

Wang Zhuo, founder Paideia Capital and Shanghai



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Jahwa's ex-chief executive, said, "Drawing from the experience of cosmetics industry development in western countries, smaller and medium-sized firms have a greater potential to overthrow well-established giants."

Successful products would be coming from companies that manage to combine sharp consumer insights with critical thinking, as well as a stable management team that complement each other, he noted.



China cosmetics industry still has double-digit growth and more innovative products from small and medium sized companies would be better positioned to become the killer product in the next age, said Ge Wenyao, head of Shanghai International Fashion Federation and Shanghai Jahwa's former Chairman.

But China has yet to find a successful cosmetic product that truly relies on the intrinsic product value rather than marketing stunts, Wang added, noting that popular consumer products would be shifting from high-fashion to high-tech offerings, with digital technologies enabled consumers with better knowledge and access to products they desire.

Miao Yaoyang, general manager of Shanghai Pehchaolin Daily Chemical Co, also said that Chinese brands should leverage the underlying culture value and combine with core R&D capability to truly establish a competitive advantage.

"Most Chinese firms still need to improve their research and development capability and innovative mechanism to drive future growth," Wang said. (Source: Shanghai Daily)

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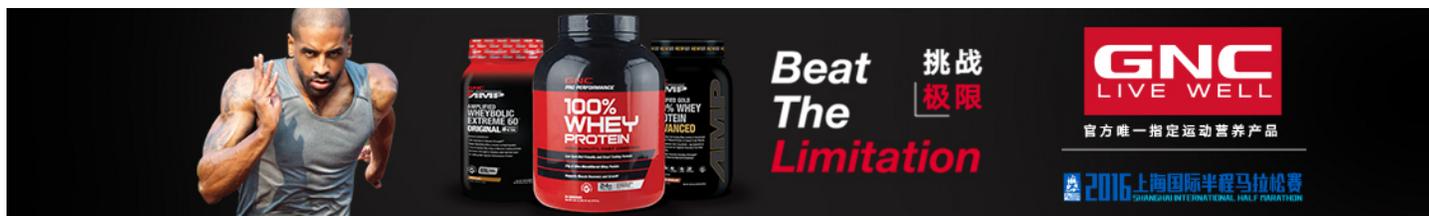
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