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CFDA Adjust Registration Regulation of Imported Drug

According to latest guidance by the State Council on reforming review system of drug and medical equipment, CFDA decided to adjust relevant regulations towards registration management of imported drug.

Drugs which are tested in China could apply for registration based on local drug registration laws and regulations. For those drugs, which already apply for registration by data from international drug testing center before this guidance was released, could still be granted with approval to import, as long as the application is up to the standard of drug registration.

Since the day when the guidance was released, Items in the new guidance, including those that conflict with the former one, will take effect immediately. (Source: CFDA)

China's Medical Security System Improved: White Paper

China has been vigorously improving its national medical security system, and the country has preliminarily realized basic health care for every citizen, according to a white paper released Friday.

The white paper, "Development of China's Public Health as an Essential Element of Human Rights," was issued by the State Council Information Office, introducing facts about the development of public health.

Basic medical insurance covers all urban and rural residents, it said. By the end of 2016, basic medical insurance had more than



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1.3 billion recipients nationwide with coverage of above 95 percent.

Support for basic medical insurance schemes and its sustainability have been increasing, it said.

The income and expenditure of the basic medical insurance fund for working urban residents in 2016 were 1,027.4 billion yuan (154.7 billion U.S. dollars) and 828.7 billion yuan respectively, with an annual increase of 15.7 percent and 15.6 percent on average since 2012, the document said.

China has seen improvement in basic medical insurance benefits, forms of reimbursements from basic medical insurance, serious illness insurance for urban and rural residents, and medical assistance mechanisms, it said.

In 2016, China appropriated 15.5 billion yuan in medical assistance subsidies (excluding illness emergency assistance subsidies), 92 percent of which went to central and western regions, and poverty-stricken areas, it said.

Medical security for the rural poverty-stricken population has also been improved, the white paper said, adding that the rural poverty-stricken population is now fully covered by both basic medical insurance and serious illness insurance for urban and

rural residents.

By May 2017, China had given treatment to over 2.6 million poor people and the country has adopted preferential policies favoring the rural poor with respect to reimbursement from serious illness insurance, it said.(Source: Xinhua)

State Council Inspects Health Food Fraud in Henan

The State Council recently sent out an inspection team to check false advertisement and health food fraud in Henan province. Regulators from nine departments in Zhengzhou met with the inspectors who gave guidance on the relevant work at the meeting.

The inspectors gave positive review towards the efforts put by the local regulators on cracking down illegal conducts related to health food fraud and false advertisement.

The local regulators of Henan province have seized over 9000 illegal health food so far this year, and punished vendors who claimed that their health product can cure disease and fined them with over 770,000 yuan. The local media regulators also started to monitor relevant ads around the clock. (Source: henan.gov.cn)

E-Commerce Revenues Soar in 2017

Thanks to the "real" economy, sales revenues for e-commerce in China reached 320 million yuan (\$49 million) between January and August, surging 34.3 percent over the same period last year, which a recent study suggests could be a very positive trend.

The study, conducted by the China Council for the Promotion of International Trade Academy, found a

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U-curve growth of e-retailing sales in China - in 2014, sales growth was nearly 50 percent. The figure dropped to 33.3 percent in 2015, and then 25.6 percent in 2016. Not until the first eight months this year did the growth catch up, reaching 34.3 percent.

"The phenomenon not only resulted from the innovation-driven development of e-retailers themselves, but more importantly it can be attributed to the influence of the real economy, in that physical stores accelerated the discovery process of e-retailers and promoted online and offline integration," said Zhao Ping, director of the international trade research department at CCPIT Academy.



Lu Ming, vice dean of CCPIT Academy, said "with China's rapid social economic development under supply-side reform, the relationship between real economy and e-commerce has completed the transformation from exclusive and confronting, to cooperative and integrating."

The 2017 Government Work Report instructed that all types of businesses should play to their own strengths to promote the benign development of online and offline stores. The guideline on e-commerce in the 13th Five-Year Plan also pointed out that fair competition between real economy and e-commerce should be promoted, and the

strengths of both parties should benefit each other.

Fu Yuehong, president of Beijing Capital Retailing Group, the parent company of Yansha shopping mall, said "e-commerce is boosting the development of physical stores. We can take advantage of e-platforms to make promotions and have online interactions with customers. We have also set up e-memberships in our stores, which is a very useful marketing strategy."

"Nowadays, online and offline stores are more complementary, all striving to offer better shopping experiences for the consumer. The ideal status of an internet economy should be an integration of real economy and e-commerce, looking for win-win cooperation," said Wang Xiaoli, EKA director of global food and beverage giant Nestle.

However, online and offline businesses still face inevitable problems, including unfair competition. Ren Xingzhou, former head of the market economy research institute under the State Council's Development Research Center, said tax evasion happens with some e-retailers, who are free of supervision from local industrial and commercial authorities.

"To build a fair environment for both online and offline business, the government should reinforce its tax supervision system, setting up a unified criterion," Ren said. "Whether an online or offline business, every store should have its own tax identification number. In this way, every transaction can be traced and no merchant can be exempt from paying taxes." (Source: China Daily)

Seven-Star Award Puts Food Safety, Public Health in the Limelight

The 6th China Seven-Star Award was unveiled on June 30 in Beijing as the 2017 National Food Safety Publicity Week kicked off.

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The award honored 22 enterprises in the field of food production, catering and food retail. The award categories included food safety, management and quality control and practice. The top award, Star of Excellence, went to McDonald's (China) Co Ltd.

One of the most authoritative food safety recognition programs in China, the Seven-Star Award is put on by the Seven Star Convention Alliance, which is founded by Ecolab, a US company that provides cleaning and disinfection services for the catering industry, and China Business News. The Chinese Institute of Food Science and Technology and the China Chain Store and Franchise Association also backed the alliance.

The Seven Star Alliance aims to maximize corporate social responsibility and improve standards within the food industry. Representatives from the government, industry associations and enterprises attended the ceremony and shared and exchanged best practices in food safety.

"With the rapid evolution of the industry, food safety management has become a complicated cause that requires the concerted effort of the government, companies, industry associations and

consumers," said Yan Jiangying, the director general of the Information and Publicity Department of the China Food and Drug Administration. "Only through social governance can we ensure food safety and build public confidence."

The concept of Internet+ food safety was also discussed at the event. Internet+ development not only creates new business models, such as fresh food, e-commerce and online food ordering, it also places new more stringent requirements on food companies who need to proactively introduce innovative technologies to ensure food safety and meet consumers' pursuit of a healthy lifestyle.

Tim Wang, the executive vice president and president of Greater China for Ecolab Inc, said during the event that the supply-side reform of China's food industry has just started.

"It explains why we have 'Supply-side Innovation for Health' as the theme of this year. We have seen many of our award-winning and alliance members plan and carry out their own supply-side reform successfully," he said. (Source: Global Times)

The advertisement features a muscular man in a grey tank top running on the left. In the center are three GNC supplement bottles: a red bottle of 100% Whey Protein, a black bottle of AMP+ Supplement, and a black bottle of 100% Whey Protein Isolate. To the right of the bottles is the slogan "Beat The Limitation" in white and red text, with the Chinese characters "挑战极限" (Challenge Limits) above it. On the far right is the GNC logo with the tagline "LIVE WELL" and the text "官方唯一指定运动营养产品" (Officially designated sports nutrition product). At the bottom right is the logo for the "2016 上海国际半程马拉松赛" (2016 Shanghai International Half Marathon).

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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