



China Health Foods Industry Brief

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Market Overview

China is one of the fastest growing health food markets in the world. With rapid economic growth and continued improvement of its peoples' livelihoods, the demand for health food from China's 1.3 billion people has expanded tremendously over the last 20 years. Although China does not maintain official statistics for health foods, industry professionals estimate that China's consumption of health foods, which totaled \$4.4 billion (RMB30 billion) in 2003, reached \$10 -13 billion (RMB70-90 billion) in 2008, growing at a compound annual growth rate of 18-25% during the period. Given China's current annual per capita consumption of health foods is approximately \$10—which is far below that of many western countries—experts believe that China's health food industry should continue to enjoy annual growth of 20-30% for the foreseeable future. By 2010, China's annual sales of health foods should reach \$15 -19 billion (RMB100-120 billion). Such a fast expanding market should present sales opportunities for overseas suppliers that provide health foods that boost immune systems, fight aging, lower blood pressure and glucose levels, cleanse bowels, promote digestion, reduce weight, promote bone density, etc.

Market Access Issues

- Health foods (a category that includes dietary supplements in China) can be sold in China either as functional foods or general foods. Functional foods may make claims to health benefits on the label, while general foods may not.
- Functional foods have to be registered with the China State Food and Drug Administration (SFDA) before being sold in the Chinese market.
- To date, China has defined 27 functions for health foods. Registered foods can only claim these functions.
- Functional foods have to go through animal and/or human tests before registration. Such tests are performed to verify the safety, functionality, stability, and hygiene of the products.
- Functional foods registered in China must be produced in a GMP-certified facility.
- In compliance with the new "China Food Safety Law"—effective June 1, 2009, relevant regulations governing health foods are currently being revised at the national level. The revised versions are expected to be released in the coming months.

Trade Shows

Natural Products Expo, Asia
August 27-29, 2009, Hong Kong
www.naturalproductsasia.com

China InterHealth Exhibition
Sept. 9-11, 2009, Beijing
www.inter-health.com.cn

Industry Resources and Contacts

China State Food and Drug Administration
www.sfda.gov.cn

China Healthcare Association
www.chc.org.cn

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