



CHINA FOOD & BEVERAGE MARKET

*Sustainable food products
will regenerate the
energy of life...*

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1. INTRODUCTION

China continues to be the world's largest consumer market for food and beverage (F&B) products, surpassing the United States in 2011. This makes the Chinese market increasingly appealing for foreign brands, especially as Chinese consumer behavior shifts. Despite a fragmented distribution infrastructure and growing local competition, opportunities for European SMEs to sell products in China will likely grow further. In the first quarter of 2015, F&B exports from Spain to China increased year-on-year by 48%. In 2014, exports of dairy products (milk powder not included) from France grew by 11%. Growth of imported F&B products is driven by rising disposable incomes, limited arable land, water scarcity issues, urbanization, improving logistics systems, growing concerns for food safety, the depreciation of the euro versus the Chinese yuan, as well as a growing taste for foreign foodstuffs. In particular, opportunities for European SMEs in this sector exist for the following products: wine, dairy, pasta, pasta sauces, tomato products, olive oil, beer, chocolate and high-end confectionery, pre-packaged biscuits and snacks, breakfast cereal, coffee and meats, as well as baby food/infant formula.

Leading import F&B categories in 2014 included dairy products, oil and oil seeds, aquatic products, meat, grain and associated products, sugar, alcohol and other beverages, processed foods and canned foods.

The Chinese F&B market is also increasingly looking at foreign brands as a source of quality and trustworthy products, following a string of food safety scandals over recent years in China. A 2012 Pew survey found that 41% of Chinese people were deeply concerned about food safety, compared to just 12% four years earlier.

*This trend is reflected in the numbers: China Food and Beverage import market is expected to increase more than 15% annually, and its projected valued **by 2018 will be 71 billion USD.***

CHINA FOOD & BEVERAGE

Sector in numbers



Source: EMIS Insights

2. WHAT IS SHAPING THE F&B INDUSTRY IN CHINA

Investments

Foreign investments and Chinese overseas investments also play an important role in shaping up the industry. As development of production hasn't been a priority in recent decades, the Chinese are making it so, investing overseas in order to gain the know-how needed to improve their market. On the other side, foreign companies are investing in order to get their piece of the market, while the opportunity is ripe.

Consolidation

Larger companies are acquisitioning intermediaries and suppliers in order to gain better control of the safety and other regulations, leaving very little space for smaller businesses to thrive.

The Government

Understanding the need for better safety protocols in order to again become recognized as a source of quality products instead of cheap and low-quality ones, the Chinese government is strongly encouraging local companies to invest abroad in order to strengthen their positions internationally, as well as bring the knowledge and technology from abroad back home.

3. OPPORTUNITIES

3.1 Frozen Meat and Sea Food

Market Size & Trends

In 2014, China imported 1.37 million tonnes of pork and pigs; pork accounted for 560,000 tonnes, a year-on-year decrease of 3.4%. Most imported pork is frozen, and the key import countries include the United States, Germany, Spain and Denmark.

From January to July 2014, China imported 183,110 tonnes of chilled beef. Australia was the largest imported of chilled beef to China and saw its exports increase by 32.5% during that time. Uruguay was the second-largest exporter of chilled beef to China, and its exports increased by 33.4% year-on-year. While New Zealand's exports of chilled beef to China increased by 11.7% year-on-year, Canada's dramatically decrease by 18.2%.

Pork, beef and lamb are the three main meats consumed in China, with pork being the most consumed. Although pork is still the most widely produced meat, its share has decreased significantly from 79.8% in 1990 to 63.7% in 2013. The market shares of beef and lamb have increased, as these meats add variety to Chinese consumers' diets. Moreover, because beef and lamb use different feeding methods than pork, they are perceived as safer and more nutritious to Chinese consumers.

Distribution Channels

- Boutique stores
- Restaurants and hotels
- Hypermarkets
- Supermarkets
- Online retailers

Opportunity

China imports large quantities of meat (mainly offal or fifth quarters) that Europeans do not eat. China also imports seafood, which goes mainly into processing facilities and the food services sector. Salmon from Norway and Scotland dominate the market in China, and there are opportunities for EU companies to supply other species and varieties.

Challenge

Quarantine and protocol requirements for frozen meat and seafood exports to China act as hurdles to the market. Therefore, Hong Kong has often been the point of entry for meat and seafood products into the China market via the so-called “grey” channel. Chinese authorities have added measures that clamp down on this illegal importation, and importers are more interested in products that can be exported officially into China’s main ports.

Exporters are encouraged to confirm their products’ eligibility to enter the market before engaging in commercial activities with customers or directly investing in Chinese business opportunities. Exporters can make initial enquiries to agriculture and quarantine authorities in their own countries.



3.2 Chocolate and confectionery products

Market Size & Trends

As China’s GDP and the urbanization increases, consumers are looking to upgrade their living standards. Imported food that offers high quality, health benefits, new tastes, variety and promotions are often welcomed by younger Chinese consumers. Imported chocolate, confectionery, biscuits, snacks, juice, coffee, dry nuts and oats tend to sell well in first- and second-tier cities. According to AQSIQ, in 2014, there were more than 10,000 import snacks, primarily from 140 countries and regions, including the United States, Europe, Korea, Japan and Southeast Asian countries.⁵³

As consumers in China are gradually asking for nutritious, healthy and tasty food, imported snacks have entered the urban dwellers’ life. These snacks are consumed daily.

The main production bases for chocolate and confectionery products are located in Guangdong, Shandong, Fujian, Jiangsu and Zhejiang. In 2013, it was reported that China’s chocolate and confectionery market has seen on-average growth of 10% in the years proceeding.

The per capita consumption of confectionery is 0.8kg in China, which is only one-tenth of the consumption in developed countries. As the income and consumption capability of Chinese consumers increases, there is great potential need in the confectionery and chocolate market in China.

Distribution Channels

Distribution channels for chocolate and confectionary products in China include:

- Supermarket/hypermarket
- Retailer store, convenience store
- E-commerce platforms
- Restaurant, coffee shops, hotels
- Group purchases by companies

Opportunity

The chocolate and high-end confectionery, pre-packaged biscuits and snacks market is growing rapidly as incomes continue to increase. Pre-packaged snack foods and confectionery are popular for social occasions and occupy extensive shelf space in Chinese supermarkets. For example, French chocolate truffles are sought after on Taobao and Jingdong.

Challenge

Japanese and Korean snacks already occupy a significant sector of the packaged snack food market. However, as in most international markets, China's market is dominated by US confectionery products at the upper end and local products at the lower end.

Imported products from both the United States and other Asian countries already have high brand recognition in the market.



3.3 Dairy

Market Size & Trends

According to Ministry of Commerce, China imported 296,321 tonnes of milk in 2014, a year-on-year increase of 55.9%. Milk imported to China is typically ultra-heat treated (UHT) milk, and sales channels have expanded to second- and third-tier cities.⁵⁵ In recent years, Chinese companies have turned to overseas companies to provide OEM services for production of dairy products. Imports are expected to increase further in 2015.

On 1st January 2015, the EU reduced the milk production quota so that EU dairy enterprises could take advantage of opportunities to expand their markets into China. Milk powder/formula may present opportunities for EU enterprises. Chinese infant milk formula enterprises have focused on the EU as an OEM production-based product, therefore presenting opportunities for EU enterprises.

Distribution Channels

Distribution channels for dairy products include:

- Supermarket/hypermarket
- Retailer stores, convenience stores, specific department/floor in department stores (baby store)
- E-commerce platforms

Opportunity

There are 20 million babies born in China every year. The total value of the parenting market in China exceeds EUR 63 billion. With rising family incomes and stronger consumption awareness among parents, along with the food safety concerns, China's baby food market is growing. The food industry has seen an annual growth of about 25% due to baby food purchases, especially powdered milk.

In 2013, the total cumulative output of dairy products in China was 29.6 million tonnes, a year-on-year increase of 5.15%. In 2014, output was 26.5 million tonnes, a year-on-year decrease of 1.7%.⁵⁷ Outputs in Hebei, Inner Mongolia, Heilongjiang and Shandong exceeded 2 million tonnes.

The dairy product consumption of urban residents has remained stable, while the rural market continues to grow slowly each year. However, the per capita consumption of liquid milk is only 18.8kg in China, even among urban residents. This is far lower than consumption levels in Europe, the United States, Japan, India, Brazil and Russia. Low per capita consumption of dairy products indicates that the growth space for dairy products in China is huge. China customs' data shows that the import of milk powder and liquid milk has been growing at a steady pace; sales of powdered milk increased by 49% last year, and liquid milk increased by 92%.

The Chinese dairy products market is expected to grow 80.3% from 2011 to 2016. The subcategories of cheese and baby/infant milk formula are projected to achieve the largest growth rates in retail value from 2011 to 2016, at 152.5% and 132.5%, respectively.

Domestic food safety crises and continuing concern about the domestic dairy industry have created a rapidly increasing demand for high-quality, reliable dairy foods, particularly from overseas markets.

Challenge

Cold-chain distribution networks remain undeveloped across China. Mistrust of local dairy products due to quality concerns has encouraged the use of non-tariff barriers – including rigorous sanitary requirements – in an attempt to protect local production.



3.4 Pasta and Pasta Sauce

Market Size & Trends

Imports of olive oil to China increased from 4,000 tonnes in 2004 to 45,000 tonnes in 2012, with an average year-on-year increase of 10% during this period. In 2013, annual production in China reached 1,700 tonnes. Olive oil imported to China comes mainly from Spain, Greece and Italy. Between 30-50 brands of olive oil can be found in Beijing, Shanghai, Guangdong and other major cities in east China.

It is estimated that China will consume 30 million tonnes of edible oil in 2020, with 900,000 tonnes being olive oil. China has started to promote the use of olive oil and vegetable seed oils instead of other cooking oils due to their perceived health benefits. The International Olive Oil Council (IOOC) expects that China will be the largest consumption country of olive oil in the coming years, thereby presenting opportunities to EU companies.

Distribution Channels

- Supermarkets/hypermarkets
- Retailer stores
- E-commerce platforms
- Grain and oil stores

Opportunity

These are foods that resonate with Chinese consumers from their own cooking styles. Since the European versions have been present in fast food chains for some decades now, Chinese consumers are more familiar with these foods than with other novelty “gourmet” foods, and they are gradually entering Chinese pantry cupboards.

Challenge

Despite their familiarity, the market is still small for these items. This means that even small profit margins require high volume sales.



3.5 Beer

Market Size & Trends

In 2014, China consumed 54 billion litres of beer. Domestic production was approximately 50 billion litres, a year-on-year decrease of 0.96%. China imported over 335 million litres of beer, a year-on-year increase of 85.4%.

The import of beer increased by 426% from 2012 to 2014. It is estimated that during the period 2015-2018, the demand for imported beer will continue to increase.

Distribution Channels

Distribution channels for beer in China include:

- Supermarkets/hypermarkets
- Retailer stores
- E-commerce platforms
- Specific liquor/wine stores
- Restaurants, coffee shops, hotels, bars

Opportunity

China is set to overtake the United States as the world's largest beer market in value by 2017, according to a Euromonitor International report.

The world's second economy is already the largest beer market globally in terms of volume, serving up more than double the pints in 2014 as compared with the United States. China is now heading toward the No. 1 crown in terms of value as well. Last year, the Chinese beer market's value was 79% the size of the United States in fixed USD exchange rate. Euromonitor forecasts that this figure will grow by 45% by 2017, making China the world leader in terms of value sales. According to the report, disposable incomes in China are forecast to grow by double digits from 2013 to 2018, meaning that more people will be able to afford beer, while the legal drinking age population will see more rapid growth than in the United States during this same period,

Opportunities for boutique beers from SME producers are currently available through local distribution to speciality stores and bars in large cities. For the dedicated beer enthusiast, micro-breweries are developing, and opportunities may exist in second-tier cities, although it must be taken into consideration that this requires residency in China.

Light beers are preferred, and some European brewers have developed beers specifically for the Chinese market. Oktoberfest celebrations are popular and offer opportunities to promote boutique beers to Chinese consumers.

Challenge

The Chinese beer market may be the biggest in the world, but even large international brands have found it difficult to survive, as others compete in a continuing search for economies of scale, with production based in China.

Quality control, hygiene and distribution are the major challenges in this market. Due to relative price elasticity (compared with the Chinese wine market and the low price of local beer), competition is high.

3.6 Wine

Market Size & Trends

In 2014, China's production, importation and consumption of wine totalled 1.16 billion litres, 383 million litres and 1.58 billion litres, respectively.

It is estimated that the demand for wine in China will increase by 10% annually in the coming years. Market penetration will spread from coastal areas to inland areas.

Distribution Channels

The sales channel of wine varies from restaurants, bars, supermarkets, speciality stores, group buying and e-commerce platforms.

Opportunity

China will be the largest wine importing country in Asia by 2017.

Wine exporting countries – such as France, Australia, Italy, Spain, the United States, Chile and South Africa – have had a strong presence in China for years. New brands from differing origins are finding ways into Chinese homes each year.

Wine constitutes the largest EU export to China by a large margin. Wine is successfully marketed in China as a healthy alternative to Chinese white spirit (*baijiu*). In China, premium wine is not only a luxury, it is also a way of portraying social status. Red wine is generally preferred, mainly due to its colour but also its proclaimed health benefits. However, women tend to favour white wine. Sparkling wines are particularly popular. Local production need not be seen as a threat since increased production increases the opportunities for consumers to try wine, and local wine is mistrusted at this time due to quality concerns. Market saturation is not yet considered a problem, as there is still significant potential in second- and third-tier cities.

Challenge

Competition is high, and good distributors and outlets are limited. Distributors are reluctant to take on additional labels unless they receive significant market (and financial) support from wineries. The Shanghai Customs District reported imports of 22.39 million litres of wine in January and February 2015, a 23.2% increase compared to the same period in 2014. The average price of wine dropped to EUR 5.50 (CNY 39) per litre, a 22.9% decrease compared to the same period in 2014. Seventy percent of imported wine during this period came from the EU.

Few effective government supervision measures mean that genuine wine sellers are obliged to police the market themselves. For example, one large European wine and spirit producer mounts legal challenges by employing staff exclusively to identify counterfeits.

Very cheap wine (CNY 28-58) and wine for the high-end gift market (CNY 1,500) have a reasonably ready market, but mid-range quality wines (CNY 100-300) are difficult to sell to the Chinese consumer market without relatively expensive wine-tastings and other marketing events.

Branding in the Chinese Market

For many companies intent on launching in China, a key market entry barrier is low brand awareness in the local market. A food and beverage brand may be well known in Europe, but it is very important for the business to position itself suitably for the Chinese market. To become a more recognizable brand, some companies have completely redesigned their corporate identity; for example, the Spanish San Gines logo was amended with the addition of a chef and a translation of the brand name. This was done to ensure that the brand could be read, pronounced and remembered by Chinese consumers. Chinese customers place a strong emphasis on branding. They prefer brands they have heard of and those well-established within the marketplace. Therefore, building brand recognition is very important for food and beverage newcomers in China.

Social Media and Digital Marketing in China

In assisting with building brand value in China and marketing, many companies are increasingly using digital marketing through China's social media platform. China's traditional media landscape is fragmented, with traditional advertisements often reaching only a region or city through regional TV and local papers. Nonetheless, China's social networking scene covers the whole of China. Western social media such as Twitter, Facebook and YouTube are blocked in China, but the local equivalents such as RenRen (similar to Facebook), Weibo (micro-blogging site akin to Twitter), WeChat (a cross between an instant messaging service and Facebook) and Youku (similar to YouTube) are widely used both through the internet and mobile phones/tablet devices. Chinese social media sites are used by most Chinese consumers, enabling baby food and milk powder to be marketed in addition to other food and beverage products, such as potato- and

chocolate-based snack products. Successful marketing campaigns often rely on micro-blogs to spread the word; often a key influence leader will be engaged by companies to post positive reviews on their behalf. A positive word-of-mouth recommendation spread through these media can make or break the launch of a new product. If these tools are utilized. Correctly and effectively, they can be a low-cost alternative to traditional advertising and brand enhancement.



Opportunities by Chinese Regions

China is not a single market but a jigsaw puzzle of overlapping markets separated by geography, culture, cuisine, demographics and dialects. One temptation is to pursue explosive growth by focusing on geographic penetration rather than sustainability. This may produce impressive short-term results, but exporters with limited means may find themselves quickly over-extended and battling untrustworthy local distributors and copycat products. It is best to choose a region that best suits the product and develop the brand slowly but sustainably.

Opportunities in the food and beverage market lie in China's urban centres rather than rural areas:

First-tier Cities: First-tier cities (such as Beijing, Shanghai, Guangzhou, Shenzhen, and increasingly Chongqing and Chengdu) have seen the greatest exposure to imported food and beverages. Multinational retail expansion has intensified competition in the richer coastal areas, but opportunities still remain.

Second- and Third-tier Cities: Incomes are growing rapidly in second- and third-tier cities, creating a new range of opportunities, but distribution and logistics remain underdeveloped outside the largest urban centres, making distribution of imported products to interior cities difficult.

3.7 Promotional strategies

Women have become a specific target group for many retailers, particularly in first- and second-tier cities. This consumer tends to seek out and follow lifestyle and nutritional information accessed through the internet. Meanwhile, traditional media – such as television, newspapers, magazines, public transportation, advertising and direct mail – continue to play a significant role in reaching female consumers.

E-commerce is the primary method of promoting EU imported F&B. Online retailing and search engine optimisation is potentially a fruitful avenue to reach this market segment and promote European products. For example, e-commerce sites Taobao, Jingdong and Yihaodian have become the major retailing distributors in China market.

Media advertising, particularly TV and radio, can be expensive and may not target the intended audience, but local organic growers with foreign connections and foreign boutique producers have found it relatively easy to generate excitement about their products through editorial features in magazines and other free advertising.

Major trade shows, such as FHC and SIAL, provide good opportunities for individual companies to test the interest and potential demand for their products among registrants at the shows, as well as the ability to meet with potential importers and distributors. At the SIAL shows the last couple of years, most European countries organised national pavilions to display their products for exporters.

In addition to advertising, some major companies and even government organisations have promoted and increased the awareness of foreign food and beverage products through festivals and sales promotions – within supermarkets, shopping malls, hotels and food festivals. For example, the Agricultural Trade Office (ATO) of the United States Consulate General in Shanghai co-organised an American Food Festival from August 23rd to September 27th 2012 in Suzhou, Hangzhou and Xincheng. Promotions were held in four 5-star hotels to promote US pork, snow crabs, oysters, yellowfin sole, potatoes, cheese, almonds, raisins and other food ingredients. A celebrity chef was also present in Suzhou and Hangzhou to host cooking demonstrations and seminars with local chefs. In September 2013, British Consulate General Chongqing organised the British Food and Drink Festival with Oléhigh-end supermarkets and Intercontinental Hotel. The Trade Promotion Bureau under MOFCOM has also been working with foreign embassies and trade associations in Beijing to organise food and drink and consumer brand festivals in high-end shopping centres, such as Shin Kong Place and Zhuozhan. Canadian, Italian and British festivals have been planned, and these events provide good opportunities for countries and companies to showcase products to increasingly affluent consumers.

4. POPULAR RETAIL CHANNELS IN CHINA FOR FOOD AND BEVERAGES

Hotel and Restaurant Industry Wholesalers

The high-end hotel and restaurant industry is an important channel for imported foods. Metro, which targets small- and medium-sized restaurants, has the widest selection of imported products of any key international retailer. In 2012, around 10% of its total sales revenue came from imported products. According to Walmart's website in May 2015, the value of its import sales saw a year-on-year increase of 200% from 2014.

Wholesalers and retailers pay close attention to supply chain development, and cold management is a prominent discussion topic. Yihaodian mainly targets packaged foods; in 2014, news reports revealed that cold fresh delivery is a major challenge, and Yihaodian expects higher sales revenues with the recent addition of fresh fruit delivery services launched in Shanghai (still on a trial basis). After the trial, Yihaodian will expand its cold delivery services (transporting fresh foods) to southern and northern China.

Online Shopping

From January to March 2015, China's national online retail sales totalled EUR 110 billion – an increase of 41.3% year-on-year – of which online retail sales of goods, specifically, reached EUR 90 billion, accounting for 8.9% of China's total retail sales of consumer goods. Of China's total online retail sales, e-sales of food increased by 51.0% in 2014. China's growing diversity of distribution channels (including e-sales) removes geographical barriers from the development of China's imported F&B industry. Due to transportation and infrastructure issues, historically, big cities such as Beijing and Shanghai have consumed most of China's imported F&B products. However, this situation is changing: Many middle- and small-sized cities that are a significant distance from the coast are now better connected and providing opportunities for imported food sellers.

Since 2012, e-commerce has become almost a daily routine for individual consumers. China's e-commerce continues to develop rapidly and is predicted to account for 18% of total retail sales in 2018, up from 8% in 2013.

Leading players within the e-commerce market include Taobao, Yihaodian and Tmall. Furthermore, other platforms are being developed, including those specialising in products. For instance, TooFarm sells organic high-quality food.

Hypermarkets

International hypermarkets are major sales venues for imported food products. These international retailers are familiar with imported products and have superior management and organizational skills. Despite this, imports rarely constitute more than 5% of total SKUs, even in high profile stores.

International hypermarket retailers generally have high awareness of imported brands and products, and they recognize the value of introducing new products to the market. However, in the past, hypermarkets in China have favored distributors and dislike working with unfamiliar companies unless offered strong market support, large numbers of products and other incentives.

Specialty Supermarket Stores and Boutiques

Specialty supermarkets and boutiques are designed to attract foreign residents in particular areas. In these stores, the proportion of imported products on shelves is approximately 50-80%.

Some high-end and specialty products first entered the Chinese market through these types of outlets before moving on to larger venues such as hypermarkets. These companies also include import/distribution operations and can assist exporters with issues such as labelling and product registration. The import/distribution teams can source products directly from foreign suppliers.

Supermarkets

Dominated by local players, the supermarket sector is fragmented; companies can be successful in one region and non-existent in another. Beijing Hualian Group Lianhua (BHG), China Resources Vanguard, Park'n'shop and Yonghui are some of China's most well known supermarkets. Imported food is relatively scarce in most local supermarkets. Their consumer base of price-sensitive working-class shoppers are less inclined to try new products than are customers who frequent hypermarkets, upscale speciality supermarkets and boutiques.

Imported products that do well in this sector tend to be standard products already widely available, such as pasta, pasta sauces, dairy products, edible oils, jams and spreads. Most stores are owned by local companies and rely on wholesale markets and local manufacturers or distributors, rarely importing or buying directly from importers.

Convenience Stores

The penetration of imported foods among convenience store chains has tended to be relatively low. However, this is slowly changing, and now it is common to find imported alcoholic beverages – including wine, beer and whisky – on sale in convenience stores. Well-known convenience stores including 7-Eleven, Family Mart and Lawson; these chains have speeded up the opening of new stores to expand their market share in China. Local giant retail groups, such as CR Vanguard and Hualian, have established sales networks through convenience stores. Moreover, large online retailers – JD.com, Tencent, Amazon.cn and Alibaba – have started to use convenience stores as part of their marketing strategy. These stores are becoming increasingly important distribution channels, not only in first-tier cities but also in cities in inland areas.

5. SRI LANKAN EXPORTS FOR CHINA

(USD Thousands)

Product	2016 (USD thousands)			2017(USD thousands)			2018(USD thousands)		
	Sri Lankan export for world	Sri Lankan export for china	Percentage %	Sri Lankan export for world	Sri Lankan export for china	Percentage %	Sri Lankan export for world	Sri Lankan export for china	Percentage %
Tea	663,354	25,143	3.79	795,339	40,318	5.069	720,483	36,923	5.12
Coconut oil	4,602,081	265	0.005	4,738,578	572	0.012	4,960,212	843	0.0169
Desiccated coconut	120,140	43	0.035	94,124	79	0.083	70,310	76	0.108
Liquid coconut milk	44,348	-	-	53,923	4	0.0074	61,358	85	0.138
Coconut water	2,815	-	-	4,503	9	0.199	4,435	2	0.045
Coconut milk powder	28,631	-	-	30,964	2	0.006	37,164	-	-
Coconut cream	9,419	-	-	18,091	-	-	27,528	4	0.014

Edible fish products	69,759	277	0.397	105,691	349	0.330	128,929	1458	1.130
Proceed vegetable and fruit juice	13,488	10	0.074	17,258	-	-	17,928	-	-
Bakery products	21,790	32	0.146	33,191	42	0.126	24,447	176	0.719
Proceed Food	165,821	3413	2.058	92,531	757	0.818	127,112	2540	1.99
Rice and cereals its products	30,264	-	-	32,399	1	0.003	32,744	-	-
Non alcoholic beverages	14,438	1	0.0069	15,564	1	0.006	13,476	-	-
Alcoholic beverages	11,981	16	0.133	15,295	124	0.810	22,659	81	0.357

6. BARRIERS TO ENTRY

Legal and Regulatory Barriers

The Chinese F&B market is compelling due to the market's size, but many opportunities remain difficult for European SMEs to exploit. There are various reasons for this, including high entry barriers related to the legal and regulatory environment, the characteristics of the market and the operating environment for both exports and investments entering China. More recently, China has put new regulations in place regarding certain industries, such as dairy, due to recent food safety scandals in the market.

Since joining the World Trade Organisation (WTO) in 2001, China has reduced tariffs on a wide range of imported products, but sanitary and phytosanitary restrictions (and, to some extent, labelling) continue to limit access to the market. Meanwhile, the new Food Safety Law will take effect in October 2015, requiring stricter monitoring and supervision methods, tougher safety standards, and the recall of substandard products with severe punishments for offenders. Enforcement of regulations is often haphazard, creating confusion for exporters.

New Food Safety Law

The new Food Safety Law regulates:

- Production and trading of food and food additives
- Packing materials, vessels, detergents and disinfectants for food and equipment used in food production
- Food additives and food-related products used by food producers and traders
- Safety management of food, food additives and food-related products
- All imported food products, subject to the national food safety standards in China

Standards & Certifications

There are high market-entry costs when entering China – both in terms of fees involved in mandatory certification and the resources required. Product registration, labelling and product expiry dates are particularly high concerns in this area. To enter the Chinese retail market, food products must receive a hygiene certificate from the local government where the product will be sold. Inconsistencies in the interpretation of regulations among officials at different entry locations and whether they loosely or more severely apply fines/penalties are also problems. Regulations change with some frequency and without warning. Adjusting and accommodating these regulations can be time-consuming and expensive.

Registration of Food & Drink Exporters

Since October 1st 2012, food and beverage exporters to China have been required to register through AQSIQ. Registration can also be achieved through import companies. Both options can be accessed through <http://ire.eciq.cn>. This website includes guidance in both English and Chinese, enabling foreign suppliers to register themselves. It is important to note that Chinese importers' information must be filled out in Chinese before passing the registration process; therefore, companies are advised to work closely with their agents or importers to complete this process. AQSIQ recently formulated and announced the “imported food poor records management implementation details” that are effective as of 1st July 2014.

New Regulations on Exports of Dairy Products to China

AQSIQ also introduced new administrative measures for the inspection, quarantine and supervision of imports and exports of dairy products, which have been in effect since 1st May 2013. Details of these new measures can be found at: www.defra.gov.uk/animal-trade/2013/cin-2013049/.

New Regulations/Requirements for Importing Infant Milk Formula Products to China

Companies exporting baby formula products to Mainland China must register with the authorities before 1st May 2014, according to AQSIQ; registration details are yet to be confirmed.

For more information on the import of dairy products into China, please download the EU SME Centre guideline *Importing Dairy Products into China*, available at <http://www.eusmecentre.org.cn/guideline/importing-dairy-products-china>

Organic Food Certification

Chinese certification systems and foreign organic certification systems have not been mutually recognised. Hence, internationally recognised organic products that have not been certified in China or have been certified only by an overseas organic certifying body cannot be labelled as “organic” or “in-conversion to organic” or any other misleading labelling terms purporting to be organic when marketed in Mainland China.

To ensure the quality of imported organic products and reinforce regulations on organic produce, Chinese authorities have advised that they will verify consignments in accordance with the Regulation on Certification and Accreditation and the Administrative Measures on Organic Product Certification.

Certification costs can vary, as cost is determined by the process of inspection. For example, if a variety of lab tests is required, it will increase the cost of certification. On average, inspection can cost up to EUR 2,870 per product. However, there will be added costs if more tests are required. In addition to this cost, companies wishing to seek organic certification will have to pay travel and accommodation expenses of Chinese inspectors visiting to inspect suitability.

Organic certification needs to be renewed each year. Fees, however, are reduced by nearly one-third during the recertification procedure.

7.1 Market Barriers

Distribution

The F&B market remains somewhat decentralised in China and is characterised by free growth and competition. There are few large distributors that are dedicated to imported food and beverages. The varieties of products are limited, as there are few distributors or importers with more than 1,000 imported food and beverage products.

Most Chinese distributors in this market tend to be primarily interested in wholesaling and do not put a lot of emphasis on brand development. They tend to be conservative in introducing new products. They are chiefly interested in products that are already in the market but are sold through “grey” (unofficial) channels or sub-distributors. Exporters with a limited product range need to simultaneously work both

ends of the supply chain, identifying retailers interested in the product and distributors who can work with the retailers.

Due to growing disposable income and domestic food scandals, the extraordinary growth in online shopping has been a key driver in stimulating the boom of the imported F&B industry. The e-commerce market has expanded dramatically since 2012; this has resulted in the closure of several retail stores due to the increasing preference of consumers purchasing online.

According to Ebrun, an e-commerce news portal in China, companies should be aware of the following when considering e-commerce channels as a distribution channel in China:

- Traditional consumption habits are different from e-consumption habits, especially for snack foods
- Distribution costs are high
- High brand promotion costs are associated with using e-commerce platforms
- There are requirements for warehousing and logistics
- It is easy to create conflicts of interest among distribution channels.

Infrastructure and Logistics

Beijing, Shanghai and Guangzhou are the key entry points to China from Europe. Improvements in the national highway system have greatly eased trucking directly out of Shanghai or Guangzhou compared to just a few years ago. High-speed rail has reduced travel time across the country; for example, in the Yangtze River Delta, trains from Shanghai to Hangzhou (Zhejiang) now take thirty minutes and, to Nanjing (Jiangsu), one hour. The government is continuing to support the rail network with further investment, as increasing high-speed rail is an important distribution network. China’s container ports are the largest in the world, with Shanghai holding the world’s top spot since 2010. In the Guangzhou region, Hong Kong’s and Shenzhen’s container ports are placed at numbers three and four in the world, respectively, and China has three other ports among the world’s ten largest.

Ports in satellite cities offer a growing array of services, including bonded storage with temperature-controlled services, online inventory tracking, and duty-free industrial zones where goods can be repackaged or further processed, with duty paid only on the original import value and only after products leave the zone.

However, further inland logistics services are local, fragmented and inefficient, making it difficult to transport products directly from the coast to cities deeper inland. Importers are not yet confident in cold-chain transportation.

Economies of Scale

China's gross domestic product (GDP) growth has been, on average, 8% per year over the past four years, and GDP per capita reached EUR 89 trillion (CNY 63.6 trillion) in 2014 (7.4% growth).

Organic producers, especially those with a geographical indication (GI) mark, face the challenge of scaling up their production capacity to meet Chinese demand, as well as produce sufficient volume to make a profit. At the same time, the quality of their products and their GI status depend on their small production capacity; that said, China is a large market, and if a product is successful, demand will grow beyond capacity. Given the costs involved and difficulties of entry, it can be a challenge to make a profitable market entry.

Local production can make production and selling at quantity more affordable. Hungarian and Dutch companies have had some success by breeding geese and producing goose liver locally in partnership with Chinese producers. A local company has established an Italian-style meat processing company that employs Italian processes and is marketed as Italian.

Increasing Local Competition

EU products are regarded as high quality and produced to high safety standards, but they are often more costly than their local equivalents. In terms of international competition, the United States remains the largest single exporter of consumer-oriented food to China, and it is the only exporter with a presence in most categories.

Local manufacturers, therefore, tend to push imported products out of the price-driven mass market and into niche markets, where quality and novelty are more important than price. In the past, restaurants and bars were often obliged to import all of their speciality European products; however, they are now able to turn to local producers. For example, Le Fromager de Pékin sells cheese directly to restaurants and hotels, and local producers are making European-style cured meats and other delicacies.

Some companies express concern that increasing local production threatens sales of their imported goods. However, the two can work in tandem – increasing consumer exposure to new products and allowing consumers with more discerning tastes to access better quality original products.

Operational Challenges

Working with Chinese Partners

One of the most common causes of business failure in China is deteriorating partnerships. Therefore, it is important to recognise cultural differences and spend time understanding how your Chinese partner operates. New entrants to China's market frequently become frustrated because they perceive that their Chinese partners are neither frank nor forthcoming. They find that agreements viewed as binding by the EU partner are more flexible or negotiable from the perspective of the Chinese partner.

Formal business meetings and informal social occasions are opportunities to build understanding and trust, as well as to receive advice and secure business deals. Ensuring that a company representative is present at all transactions will reduce misunderstandings and errors. It also offers the opportunity to adapt suitable portion sizes, alter ingredients (for example, reduced sugar content), and design packaging that appeals to Chinese consumers.

7. FOOD LABELING

Since joining the WTO in December 2001, China has introduced or modified hundreds of food and agricultural-related regulations and standards. These have included changes in food laws, labeling requirements, packaging and container requirements, food additive regulations, multiple commodity regulations, commodity-specific regulations and specific procedures. Following are the key regulations that must be met by products imported to China.

To comply with China's food labeling regulations, all imported foods and beverages have to show a white label attached to individual bottles, cans or packets in simplified Chinese, as used in Mainland China. Labels must be approved by the Chinese Inspection and Quarantine Service (CIQS). The regulation requests that products are labeled before shipping, but as this can be difficult to carry out, CIQS allows labeling to take place in bonded warehouses in China.

The following is the minimum requirement of information to be listed:

- Standard name of foodstuffs
- List of ingredients
- Quantitative labeling of ingredients (percentage of ingredients)
- Net weight and configuration
- Name, address and contact information of manufacturer and local agent or distributor
- Production date, use by date in YY/MM/DD format and guidance for storing
- Generic name of the food additives as per the national standard
- Quality grade
- Food production license number
- Code of the product standard
- Special contents if there are any (e.g. irradiated food, genetically modified, nutrition list for baby food or diet food)

Customer Information Quality (CIQ) requirements often change and can be complex to interpret. European exporters are encouraged to reconfirm labeling requirements and other product certification with the Chinese importers (or relevant departments), prior to dispatching goods. Tighter and stricter regulations are being passed across food and beverage categories in response to food safety concerns. Before importing, EU SMEs must register with the Chinese MOFCOM and are well advised to check with the Chinese Certification and Accreditation Administration (CNCA) if products also require producer registration. To clear customs, an EU SME's first shipment of pre-packaged goods will need to:

- Acquire a CIQ certificate of import food labeling verification for the product's Chinese label
- Meet declaration requirements at customs
- Acquire a CIQ sanitary certificate

The following documentation is required:

- Documentation providing permission to manufacture and sell in the country or region of origin
- Documentation to support the label verification application, which includes the following items:

First time-importers, in addition to regular label verification application materials, are also required to submit:

- The original label sample along with a Chinese translation
- The Chinese label sample of pre-packaged food and beverage
- The business license copy of importers, distributors or agents that are listed in tags.

IPR Protection Issues

Counterfeiting is prevalent in many markets in China. In the food and beverage sector, well-known international brand names experience more problems than do smaller importers, although vigilance is always necessary. Recent serious cases of wine adulteration and counterfeiting have highlighted the issue across the broader wine sector.⁴⁶ The sheer amount of European ‘liquor’ in China’s market alone raises concerns regarding where it originates.

For further guidance on IPR-related issues, the **China IPR SME Helpdesk** can provide you with free-of-charge, confidential, business-focused IPR advice.

Bureaucracy

In systems that have a transparent set of well-understood procedures, it is relatively easy to place a product on the market. However, in China, personal relationships with importers, distributors, agents, officials and clients are important to help overcome unexpected hurdles. This is due to the legal system, which is developing but remains inconsistently applied. Hence, enforceability of contracts varies widely but is generally weak.

Business in China relies heavily on personal contacts and influence (*guanxi*). Therefore, no investment will be more important to European SMEs’ success than the network of relationships they establish in China.

8. CHINA IMPORT TREND

Cereal imports

Code	Product label	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018
1003	Barley	1,573,838	2,859,418	1,141,938	1,816,274	1,690,391
1006	Rice	1,228,944	1,470,951	1,586,120	1,828,133	1,599,660
1007	Grain sorghum	1,637,699	2,970,957	1,428,165	1,026,160	857,695
1005	Maize or corn	729,031	1,107,629	637,732	602,249	787,195
1001	Wheat and meslin	962,472	886,307	801,026	1,031,376	780,899
1004	Oats	37,846	50,129	64,920	94,609	67,532
1008	Buckwheat, millet, canary seed and other cereals (excluding wheat and meslin, rye, barley, . . .	5,060	2,596	1,181	2,074	9,690
1002	Rye	0	2	7	1	14

Coffee mate tea imports

Code	Product label	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018
0901	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes . . .	187,465	228,817	493,770	262,246	301,562
0902	Tea, whether or not flavoured	92,073	105,594	111,498	149,130	177,824
0904	Pepper of the genus Piper; dried or crushed or ground fruits of the genus Capsicum or of the . . .	52,545	52,309	50,083	37,126	137,873
0910	Ginger, saffron, turmeric "curcuma", thyme, bay leaves, curry and other spices (excluding pepper . . .	6,035	4,980	7,952	19,425	9,684
0905	Vanilla	585	656	841	1,313	2,365
0906	Cinnamon and cinnamon-tree flowers	925	1,724	1,537	1,379	1,621
0909	Seeds of anis, badian, fennel, coriander, cumin or caraway; juniper berries	567	414	561	744	539
0908	Nutmeg, mace and cardamoms	834	359	307	313	400
0903	Mate	585	864	346	524	336
0907	Cloves, whole fruit, cloves and stems	683	1,759	0	46	116

Edible fruit and nuts; peel of citrus fruit or melon

Code	Product label	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018
0810	Fresh strawberries, raspberries, blackberries, back, white or red currants, gooseberries and . . .	1,746,423	2,001,576	1,873,868	1,909,118	2,486,068
0809	Apricots, cherries, peaches incl. nectarines, plums and sloes, fresh	582,939	777,824	920,036	899,696	1,479,498
0802	Other nuts, fresh or dried, whether or not shelled or peeled (excluding coconuts, Brazil nuts . . .	437,084	577,617	527,514	721,462	932,756

0803	Bananas, incl. plantains, fresh or dried	812,675	775,054	585,607	579,514	896,812
0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried	255,392	409,702	364,392	425,918	695,061
0806	Grapes, fresh or dried	641,158	637,203	684,936	633,738	639,149
0805	Citrus fruit, fresh or dried	230,034	267,352	354,850	552,173	633,749
0801	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled	151,270	180,723	163,350	247,436	327,341
0811	Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not . . .	111,891	140,429	143,010	153,040	245,389
0813	Dried apricots, prunes, apples, peaches, pears, papaws "papayas", tamarinds and other edible . . .	70,665	43,895	74,707	108,091	150,054
0808	Apples, pears and quinces, fresh	56,608	160,917	136,525	127,970	130,056
0807	Melons, incl. watermelons, and papaws (papayas), fresh	41,659	38,785	33,535	32,876	45,305
0812	Fruit and nuts, provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur . . .	2,144	2,923	1,718	2,107	17,375
0814	Peel of citrus fruit or melons, incl. watermelons, fresh, frozen, dried or provisionally preserved . . .	4,662	3,137	919	2,078	1,758

Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere

Code	Product label	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018
0402	Milk and cream, concentrated or containing added sugar or other sweetening matter	4,459,716	1,529,109	1,514,880	2,214,422	2,477,119
0401	Milk and cream, not concentrated nor containing added sugar or other sweetening matter	408,554	485,106	639,722	879,393	912,599
0405	Butter, incl. dehydrated butter and ghee, and other fats and oils derived from milk; dairy . . .	378,011	265,483	303,152	499,465	696,758
0404	Whey, whether or not concentrated or containing added sugar or other sweetening matter; products . . .	788,776	524,251	452,056	666,119	633,321
0406	Cheese and curd	342,401	348,085	419,326	497,519	513,190
0410	Turtles' eggs, birds' nests and other edible products of animal origin, n.e.s.	17,226	48,600	72,656	154,684	237,614
0409	Natural honey	58,627	74,826	72,772	91,409	70,129
0403	Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and . . .	36,536	27,922	42,161	66,830	60,717
0407	Birds' eggs, in shell, fresh, preserved or cooked	771	37	0	15	15
0408	Birds' eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in . . .	22	12	1	99	0

Meat and edible meat offal

Code	Product label	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018
0202	Meat of bovine animals, frozen	1,269,061	2,271,576	2,458,815	2,991,620	4,663,063
0203	Meat of swine, fresh, chilled or frozen	1,049,846	1,449,687	3,190,419	2,220,679	2,073,936

0206	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, . . .	1,481,798	1,328,785	2,534,990	2,197,923	1,622,296
0204	Meat of sheep or goats, fresh, chilled or frozen	1,133,012	729,999	573,885	878,356	1,309,067
0207	Meat and edible offal of fowls of the species Gallus domestics, ducks, geese, turkeys and . . .	878,298	930,184	1,285,051	1,031,705	1,140,113
0201	Meat of bovine animals, fresh or chilled	20,923	49,789	57,122	73,508	136,561
0205	Meat of horses, asses, mules or hinnies, fresh, chilled or frozen	2,319	3,612	12,268	48,953	57,057
0209	Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled, . . .	3,944	31,468	143,033	35,465	8,194
0210	Meat and edible offal, salted, in brine, dried or smoked; edible flours and meals of meat or . . .	4,116	3,196	3,786	5,992	6,173
0208	Meat and edible offal of rabbits, hares, pigeons and other animals, fresh, chilled or frozen . . .	1,015	2,214	3,211	2,351	2,339

Products of the milling industry; malt; starches; insulin; wheat gluten

Code	Product label	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018
1108	Starches; inulin	873,839	842,584	789,808	835,247	995,620
1101	Wheat or meslin flour	16,071	15,204	14,773	50,750	75,603
1102	Cereal flours (excluding wheat or meslin)	26,212	28,242	29,230	32,740	40,539
1104	Cereal grains otherwise worked, e.g. hulled, rolled, flaked, pearled, sliced or kibbled; germ . . .	4,033	10,360	8,472	8,741	28,169
1106	Flour, meal and powder of peas, beans, lentils and other dried leguminous vegetables of heading . . .	11,912	27,090	27,885	23,606	17,734
1105	Flour, meal, powder, flakes, granules and pellets of potatoes	22,614	22,263	17,537	13,353	11,822
1107	Malt, whether or not roasted	7,451	3,816	3,032	3,284	6,618
1109	Wheat gluten, whether or not dried	1,655	1,992	1,396	2,083	2,515
1103	Cereal groats, meal and pellets	135	528	144	681	1,957

Preparations of cereals, flour, starch or milk; pastrycooks' products

Code	Product label	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018
1901	Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing . . .	2,109,698	2,891,810	3,459,555	4,474,438	5,385,840
1905	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion . . .	498,994	678,520	757,860	774,402	813,946
1902	Pasta, whether or not cooked or stuffed with meat or other substances or otherwise prepared, . . .	104,571	129,099	172,305	238,380	248,194
1904	Prepared foods obtained by the swelling or roasting of cereals or cereal products, e.g. corn . . .	93,488	131,954	163,633	193,495	209,034
1903	Tapioca and substitutes therefor prepared from starch, in the form of flakes, grains, pearls, . . .	7,707	6,626	5,706	5,104	8,144

Fish and crustaceans, mollusks and other aquatic invertebrates

Code	Product label	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018
0303	Frozen fish (excluding fish fillets and other fish meat of heading 0304)	3,601,022	3,077,489	3,237,720	3,717,015	4,554,887
0306	Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine, . . .	1,664,162	1,857,580	2,123,924	2,512,719	4,374,488
0307	Molluscs, fit for human consumption, even smoked, whether in shell or not, live, fresh, chilled, . . .	799,559	826,081	912,215	1,035,323	1,250,087
0302	Fish, fresh or chilled (excluding fish fillets and other fish meat of heading 0304)	280,340	336,351	368,892	403,818	731,244
0304	Fish fillets and other fish meat, whether or not minced, fresh, chilled or frozen	134,843	132,127	153,350	229,151	440,682
0301	Live fish	75,690	66,075	75,209	83,208	128,215
0305	Fish, fit for human consumption, dried, salted or in brine; smoked fish, fit for human consumption, . . .	14,289	19,021	26,117	64,156	73,625
0308	Aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, . . .	13,445	13,285	20,209	25,387	52,512

Edible vegetables and certain roots and tubers

Code	Product label	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018
0714	Roots and tubers of manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar . . .	2,113,301	2,120,119	1,395,500	1,450,277	1,132,135
0713	Dried leguminous vegetables, shelled, whether or not skinned or split	427,094	458,483	422,406	506,575	765,976
0709	Other vegetables, fresh or chilled (excluding potatoes, tomatoes, alliaceous vegetables, edible . . .	1,538	2,985	1,813	7,913	85,755
0710	Vegetables, uncooked or cooked by steaming or boiling in water, frozen	22,343	27,739	27,089	34,127	37,074
0712	Dried vegetables, whole, cut, sliced, broken or in powder, but not further prepared	11,507	8,091	9,540	11,774	12,387
0711	Vegetables provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water . . .	2,726	2,934	3,407	3,546	2,855
0703	Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled	29	403	4,292	1,109	1,340
0706	Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh . . .	57	58	100	382	327
0707	Cucumbers and gherkins, fresh or chilled	0	46	2	1	25
0704	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled	2	2	8	18	10
0705	Lettuce "Lactuca sativa" and chicory "Cichorium spp.", fresh or chilled	1,333	21	59	12	9
0701	Potatoes, fresh or chilled	1	2	19	11	7
0702	Tomatoes, fresh or chilled	0	0	0	0	0

0708	Leguminous vegetables, shelled or unshelled, fresh or chilled	0	0	0	0	0
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Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal

Code	Product label	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018
1201	Soya beans, whether or not broken	40,261,720	34,790,413	33,981,149	39,638,143	38,077,974
1205	Rape or colza seeds, whether or not broken	2,802,356	2,043,752	1,490,453	2,164,165	2,225,856
1207	Other oil seeds and oleaginous fruits, whether or not broken (excluding edible nuts, olives, . . .	1,207,373	1,166,081	1,020,528	865,309	1,137,293
1214	Swedes, mangolds, fodder roots, hay, alfalfa, clover, sainfoin, forage kale, lupines, vetches . . .	384,722	528,308	531,007	524,627	533,750
1209	Seeds, fruits and spores, for sowing (excluding leguminous vegetables and sweetcorn, coffee, . . .	308,302	345,658	283,030	409,977	466,845
1212	Locust beans, seaweeds and other algae, sugar beet and sugar cane, fresh, chilled, frozen or . . .	424,239	302,698	289,595	383,290	404,072
1204	Linseed, whether or not broken	179,404	204,800	206,409	151,163	179,644
1211	Plants and parts of plants, incl. seeds and fruits, of a kind used primarily in perfumery, . . .	215,308	139,314	104,750	103,117	125,390
1202	Groundnuts, whether or not shelled or broken (excluding roasted or otherwise cooked)	28,965	118,628	315,313	181,645	115,884
1210	Hop cones, fresh or dried, whether or not ground, powdered or in the form of pellets; lupulin	31,929	20,602	31,074	35,693	48,931
1206	Sunflower seeds, whether or not broken	35,757	38,932	33,421	47,364	47,546
1213	Cereal straw and husks, unprepared, whether or not chopped, ground, pressed or in the form . . .	7,587	13,143	8,420	9,606	7,945
1208	Flours and meals of oil seeds or oleaginous fruits (excluding mustard)	98	370	228	131	425
1203	Copra	0	1	18	8	11

Beverages, spirits and vinegar

Code	Product label	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018
2204	Wine of fresh grapes, incl. fortified wines; grape must, partly fermented and of an actual . . .	1,518,528	2,038,563	2,364,537	2,797,589	2,855,247
2208	Undenatured ethyl alcohol of an alcoholic strength of < 80%; spirits, liqueurs and other spirituous . . .	913,757	849,934	890,935	1,155,177	1,431,111
2203	Beer made from malt	407,029	575,119	665,671	750,404	904,370
2202	Waters, incl. mineral waters and aerated waters, containing added sugar or other sweetening . . .	222,714	353,485	352,791	445,357	567,116
2207	Undenatured ethyl alcohol of an alcoholic strength of >= 80%; ethyl alcohol and other spirits, . . .	20,182	360,557	408,260	14,148	517,656
2201	Waters, incl. natural or artificial mineral waters and aerated waters, not containing added . . .	46,372	60,466	69,172	83,940	97,013

2206	Cider, perry, mead and other fermented beverages and mixtures of fermented beverages and non-alcoholic . . .	17,419	30,630	23,992	29,847	44,461
2209	Vinegar, fermented vinegar and substitutes for vinegar obtained from acetic acid	9,513	10,981	9,926	8,731	10,735
2205	Vermouth and other wine of fresh grapes, flavoured with plants or aromatic substances	3,810	2,720	1,220	3,214	6,183

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