



# FOOD FISHERIES AGRICULTURE

NEWS FROM THE FOOD TEAM IN TRADE COUNCIL CHINA - JANUARY 2016



China: News from the Food Team - Export Figures - News Flash

## The Food Team Trade Council China



### BEIJING

Poul Jacob Erikstrup  
Minister Counsellor  
Team Leader  
E-mail: pjerik@um.dk  
Phone: +86-10-8532 9987

Tilde Hellsten  
Growth Counsellor  
E-mail: tilhel@um.dk  
Phone: +86-176-0089 1525

Shan He (Grace)  
Senior Trade Officer  
E-mail: shanhe@um.dk  
Phone: +86-10-8532 9915

Morten Kruse  
Financial Advisor  
E-mail: morkru@um.dk  
Phone: +86-10-8532 9992

Yanan Feng (Alma)  
Trade Officer  
E-mail: yanfen@um.dk  
Phone: +86-10-8632 9995

Jun Xiang (Amanda)  
Trade Officer  
E-mail: junxia@um.dk  
Phone: +86-10-8532 9962

Ellen Slot Svensson  
Commercial Intern  
E-mail: ellsve@um.dk  
Phone: +86-10-8532 9926

### CHONGQING

Daniela Zheng  
Commercial Officer  
E-mail: danzhe@um.dk  
Phone: +86-23-6372 5161

Maja Hoegh Jensen  
Commercial Intern  
E-mail: mahoje@um.dk  
Phone: +86-187-2321 8047

### SHANGHAI

Nicole Wang  
Commercial Officer  
E-mail: tiawan@um.dk

Lulu Li  
Senior Innovation Officer  
E-mail: lululi@um.dk  
Phone: +86-6085 2009

Shelby Zhang  
Investment Manager  
E-mail: yuezha@um.dk  
Phone: +86-136-3661 7692

### GUANGZHOU

Jianru Cen (Jane)  
Senior Commercial Officer  
E-mail: jancen@um.dk  
Phone +86-20-2879 7320

Rune Cortnum Andersen  
Commercial Intern  
E-mail: runand@um.dk

### TAIPEI

Suping Hsu  
Commercial Officer  
E-mail: suphsu@um.dk  
Phone: +886-2-2718 2101 ext. 19



# TABLE OF CONTENTS

## NEWS FROM THE FOOD TEAM

Chinese agriculture - Room for bilateral cooperation.....	4
Food market access to China.....	6
Increased consumer economy in China.....	7

## EXPORT FIGURES

Danish agriculture and food export to China.....	9
Chinese food inflation.....	10

## EXPORT FIGURES

Poultry.....	11
Consumption.....	12
Outlook.....	13
Food Safety.....	14
Technology.....	14
E-commerce.....	15



## EDITED BY

Poul Jacob Erikstrup  
Minister Counsellor  
Food, Agriculture and Fisheries

Ellen Slot Svensson  
Commercial Intern  
Food, Agriculture and Fisheries

# CHINESE AGRICULTURE – ROOM FOR BILATERAL COOPERATION



Poul Jacob Erikstrup  
Minister Counsellor  
Beijing

Recently, Ambassador Carsten Damgaard had a meeting in the Ministry of Agriculture being represented by General Director for International relations, Mr. Wang Ying. The topic of the meeting was the bilateral relations in the Agricultural sector. The agenda points was focused on ongoing and upcoming projects such as The Pig Model Farm and The Strategic Sector Co-operation (SSC).

In his welcome speech, Mr. Wang focused on a number of statements which was given by the Minister of Agriculture back in 2011 when he came back from a visit to Denmark. He remarked that the Danish Agriculture was based on relatively small family farms at average 50 ha. (compared to farm sizes in USA and Australia). He also remarked that the Danish farmers had a high degree of competences for farming and they used a lot of high technology equipment despite the small size of the farms. He also made remarks to the organisation of the processing industry for food, which was mainly owned by farmer cooperatives. Mr. Wang added that in China, food is in general considered a "simple" low tech product,

where Denmark to a higher degree see food as an "industrialized" high tech product.

The Chinese Ministry of Agriculture will like to learn more about the Danish model for developing the structure from small farm based agriculture to family farm based farming. This model is expected to be suitable for a big part of the Chinese agriculture, where the policy for the coming years will focus on efficiency, productivity and sustainability. It will also focus on an increased use of technology and increased focus for environmental protection of the farm land, water resources and nature land. Mr. Wang also mentioned the Danish utilization of biomass as a good example to explore further in our ways of cooperation.

The Pig Model Farm project was initiated in a political agreement back in 2012 and have developed in different phases since then. In the autumn of 2015 it has been decided to work more intensively to formulate one or more projects, which will combine Danish and Chinese technologies and know-how within pig farming suitable for Chinese conditions. The Chinese side has expressed their wish to be able to reach minimum Danish production capacities in the project in China, which shall be designed as a



*continued...*

showcase for other pig producers in China. The project will be designed to fulfil Danish and Chinese legislative requirements for establishing and running a pig farm. The Chinese side are also quite impressed with the Danish Pig Breeding programme and would like to see the system as part of the project. From the Danish side we are focused on making it possible to make a "full project" integration to Danish standards including Danish technologies and breeding animals. The Danish side would also like to add Danish management to the project to make it possible to deliver production results according to comparable results in Denmark.

The Strategic Sector Cooperation (SSC) was launched by the Danish Minister for Environment and Food, Eva Kjer Hansen during her visit to China in November 2015. Since then, there has been discussions with the Ministry of Agriculture and Chinese Academy of Agricultural Science (CAAS) regarding which topics could be relevant for further cooperation. The Chinese partners have presented a number of ideas for cooperation. The ideas are: Cooperation on Pig Breeding system; Comparison the standards of Denmark and China on Good Farming Practices in crop and husbandry sector; Control of Farms; Livestock breeding gas (Ammonia and Greenhouse Gas, VOC,

etc) emission and its technical control; Agroecology and sustainable development; Disposal technology and policy on livestock waste (manure and urine) and dead animals; Learning experience of Danish agricultural development, and relative agricultural trade and investment policies to promote Sino-Danish agricultural trade.

This is a number of good ideas, which cannot all be included in the SSC project. There is however a big potential for Danish companies and organisations to establish contacts for knowledge sharing and proposals of using new technologies. The Food Team will be working together with companies and organisations, to make it possible to increased business in this areas in the coming year. Any project suggestions are welcome and we will be looking for extended cooperations with our Chinese partners in the coming year.



# FOOD MARKET ACCESS TO CHINA



Grace He  
Senior Trade Officer  
Beijing

Certain product categories are subject to market access restrictions and require protocols and procedures to be in place at the national level between the country of origin and the People's Republic of China (PRC).

Product categories requiring protocols and/or sanitary certificates to be in place include:

- Meat and meat based products
- Livestock
- Dairy products
- Fruits
- Vegetables
- Fish products
- Hides and Skins

Other products such as wine, olive oil etc. do not require protocols to be in place but conformity with general requirements established by the Chinese Government is required for the export process.

These protocols are negotiated between the relevant authorities within the country of origin and AQSIQ who will evaluate technical material to access the animal health status of the exporting country. This comprises of risk analysis does include evaluating the laws and regulation, the veterinary health service structure, quality management control system, detection and monitoring of animal epidemics.

Following the satisfactory conclusion of in-situ evaluations the Chinese authorities will initiate high level talks to cover the content of the protocol between the two countries, and also to discuss the format of sanitary and phytosanitary certificates.

The country must have a Sanitary Certificate avail-

able. These certificates will be agreed and implemented after a protocol has been signed and can take up to 6 months to be finalised.

## Establishment Level

At the establishment level, a registration with the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) is required for all producers wishing to export to China with additional registration required for other product categories: The exporter must have completed the Foodstuff Exporter Registration.

The importer must complete the Foodstuff Importer Registration. The registration process is similar to that of exporters, however this must be filled in in Chinese. The importer is often a local Chinese partner, or a trade company, however European Producers can act as exporters and importers by establishing a Wholly Foreign Owned Enterprise (WFOE) in China.

Other products may require additional registration with the AQSIQ and Certification and Accreditation Administration of the People's Republic of China (CNCA) of production plants of exporters i.e. for dairy and meat producers. This registration process can include on-site visits from Chinese officials and bilateral cooperation between the relevant authorities within your products' country of origin and with CNCA.

## Labelling Requirements

The labelling requirements for products can be one of the stumbling blocks for companies exporting to China and those wishing to enter the market should ensure that they are in full compliance with all labelling requirements to avoid issues for customs clearance procedures. Food labelling is covered by sev-

eral National Standards (国标) with certain products being subject to different labelling requirements such as with alcohol in general and also with wine. Pre-packaged foods - GB 7718-2011 general rules for labelling of pre-packaged foods national food safety standards is applicable to the almost all agri-food products imported into China and provides details on both the content and format of labels.

The provisions of GB 7718-2011 general rules for labelling of pre-packaged foods national food safety standards contain many of the definitions of the content to be included on alcoholic beverage labels whilst separate standards govern the use of additives and their categorisation and naming for labelling purposes. A high degree of familiarity with these and other standards is required for all exporters wishing to enter the market.



# INCREASED CONSUMER ECONOMY IN CHINA

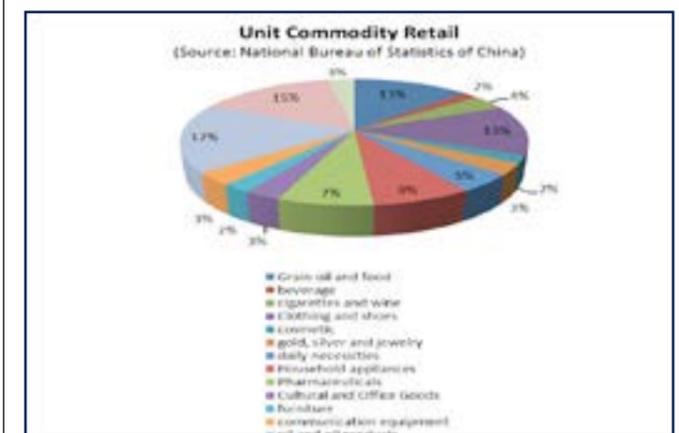


Jane Cen  
Senior Commercial  
Officer, Guangzhou

The China 12th and 13th Five-Year Plan have emphasized that the government will establish long term mechanisms in expanding the domestic demand as well as stably promote the Chinese economy with consumption-driven and export-oriented initiatives. In 2020, the well-off society will finally be built and the consumption rate will be distinctly higher with the help of the society structure adjustment.

Currently, the Chinese economy is undergoing a remarkable transformation from an export-oriented mode into a consumption-driven one. Also in China 13th Five-Year Plan, the GDP in 2020 is expected to double compared to the one in 2010. This plan also assigns a priority to increasing domestic consumption, improving social infrastructure and created opening to the outside world in an all-around way.

Therefore it is the right time for many companies to invest and develop in China. Meanwhile, the plan stresses on the practice of food security strategies and social food security management system, which is an obvious sign of the expanding food consump-



*continued...*

tion market.

In 2015, the total sales volume of consumer goods reached 30093.1 billion CNY, which is an increase of 10.7 % compared to 2014.

Classified by the consumption type, in December 2015, the food and beverage revenue reached 3231 billion CNY, with a year-on-year increase of 11.7 %; commodity retailing, 26862.1 billion CNY, with an increase of 10.6 % compared to 2014. The online turnover of 2015 was 3877.3 billion CNY, which was 33.3 % higher than that of 2014, among which the physical commodities sales volume accounts for 3242.4 billion CNY, an increase of 31.6 % compared to 2014.

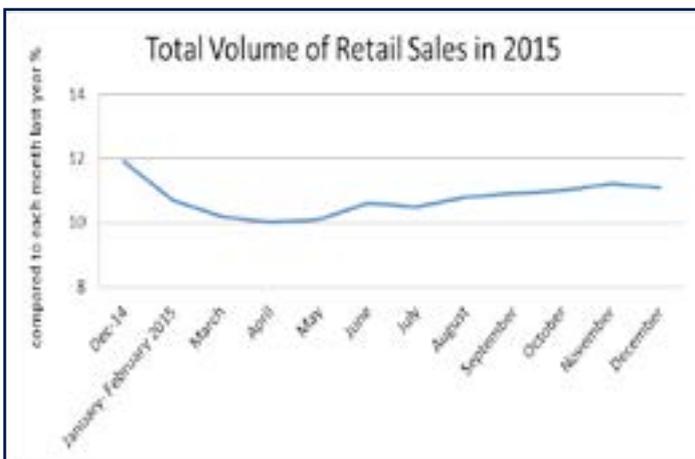
We can also see from the given statistics of 2015 that the grain, oil and food reached 1355.3 billion CNY, which is 15.1 % higher than 2014, and beverage account for 196.1 billion CNY, with a year-on-year increase of 15.3 % compared to 2014. The below chart is a brief reference of the percentage of each unit commodity.

Meanwhile from the set-up of more Free Trade Zones in which places the imported products are all duty-

free, we can see that China encourages and is aiming to boost its consumer market step by step. In all, it is estimated by scholars and newspaper that in the next decade, China will continue to welcome a large number of imported products and services into its booming market.

The food team in the Trade Council China will launch an event called 'Denmark Food Portal in China' in April 2016, with the aim of becoming the 'Danish Food One Stop Shop' for Chinese key retailer chains and importers within food sector. We are looking forward to your active participations. Please refer to linkage for detailed project description:

<http://kina.um.dk/en/the-trade-council/our-industry-teams-in-china/food/>



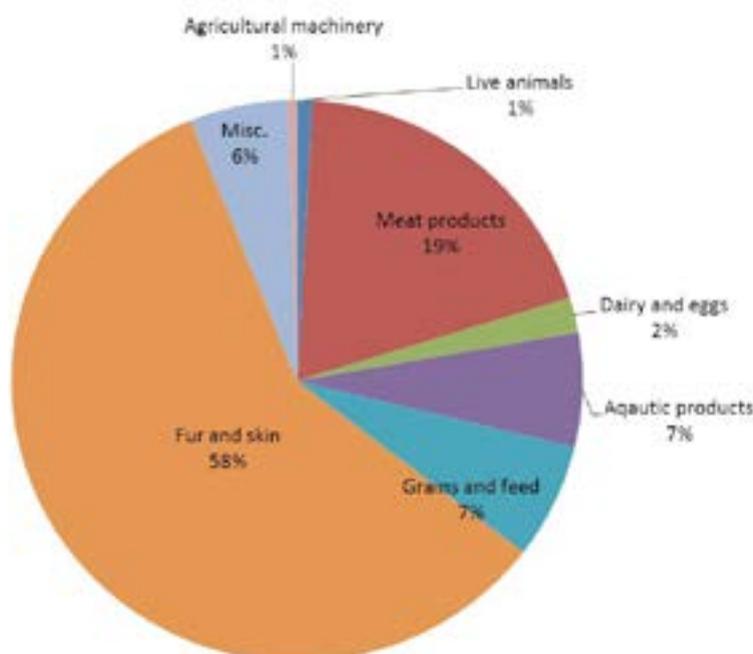
# DANISH AGRICULTURE AND FOOD EXPORT TO CHINA

The Danish export of food and agricultural products to China reached 12.32 billion DKK from November 2014 till October 2015, which is an increase of 8 % compared to the same period in 2013-2014. From November 2013 till October 2014 the export of food and agricultural products to China was 11.36 billion DKK.

The total Danish export of goods from November 2014 till October 2015 amounted to 24.89 billion DKK. This is a decrease of 31.48 % compared to the same period in 2013. The food and agricultural export accounted for 49.52 % of the total export of goods from Denmark to China.

As seen in the pie diagram below the major exports are fur and skin and meat products.

Food and agriculture export to China  
(percentage of total 12.32 billion DKK):



## A closer look at the numbers

Looking at the last year, the meat products has increased 16 % according to the last period this year. The largest constant increase can be found within frozen pork.

There has been a large decrease of 47 % within the export of machinery in the last period. The largest increase is found within dairy machines and machinery for cleaning and sorting.

## Export figures

All numbers in 1000 DKK. Total export to China (incl. Hong Kong and Macao)

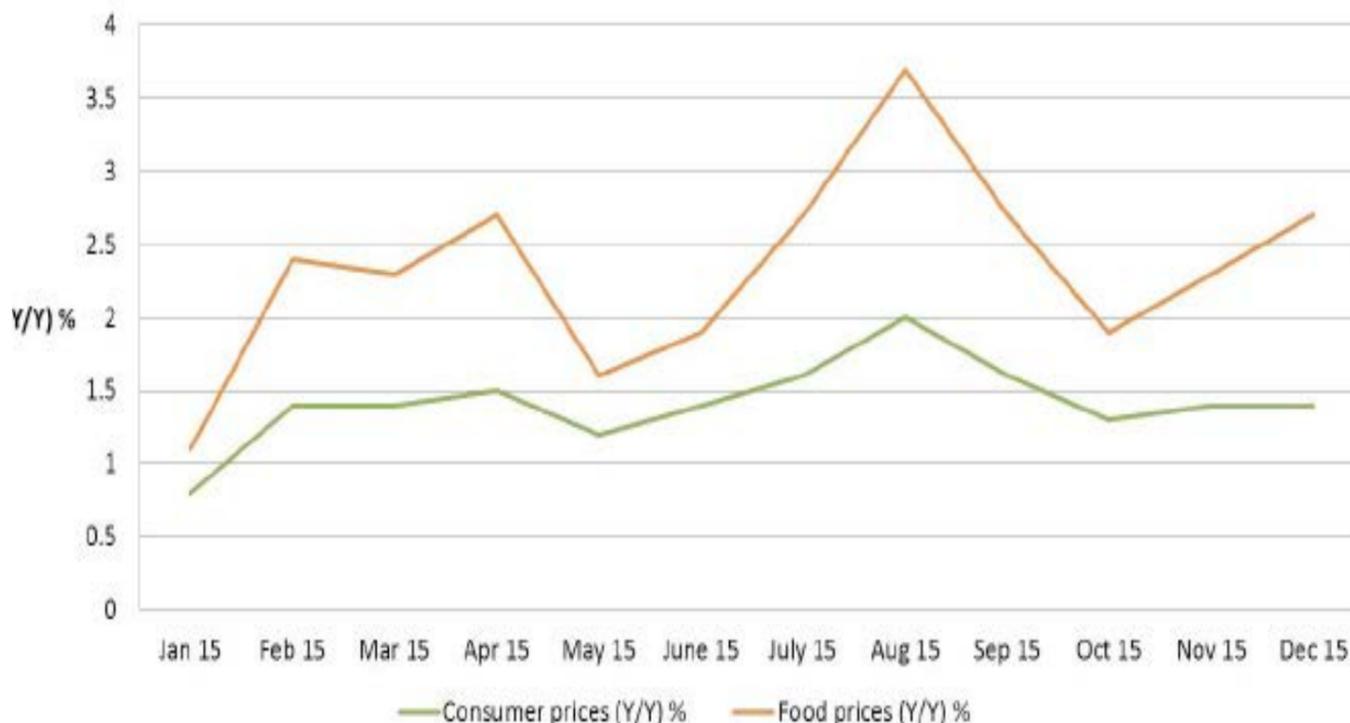
Goods	November 2014 - October 2015	November 2013 - October 2014	Change
Fur and skin	7,203,634	6,617,093	9%
Meat products	2,383,841	2,061,029	16%
Aquatic products	809,048	814,853	-1%
Grains and feed	820,341	517,753	58%
Dairy and eggs	247,959	298,749	-17%
Live animals	107,528	157,581	-32%
Agricultural machinery	62,114	116,161	-47%
Misc.	688,327	784,231	-12%
<b>Total</b>	<b>12,322,792</b>	<b>11,367,450</b>	<b>8%</b>

Source: Statistics Denmark

# CHINESE FOOD INFLATION

Food inflation has increased from 2.3 % in November 2015 to 2.7 % in December 2015. The consumer price was 1.4 % in November as well as in December 2015.

**Consumer Price Index (CPI) & Food Price Index development**  
Januar 2015 - December 2015 (Source: China National Bureau of Statistics)



# POULTRY

## CHINA'S OPTIONS TO TACKLE STOCK SHORTAGES CAUSED BY BIRD FLU IN EUROPE

Source: Food Navigator Asis, 18-01-2016

**Trade bans following recent bird flu outbreaks in France will not just affect China's white bird breeding stock imports over the coming months, but also the global market structure.**

In a report on avian influenza's impact on key markets, Rabobank examines two likely scenarios to emerge in the coming months.

The Dutch agricultural bank believes that either China will soon partially lift the ban on American or Dutch poultry imports, so it can begin importing breeding stock in the first-half of this year; or that China will wait until the outbreaks have been fully cleared before permitting imports.

The impact under the first scenario will be limited, but the second will greatly impact China's white bird industry and the key exporting countries in the rest of the world, Rabobank suggests.

China has now banned all poultry imports from America, France, Britain and the Netherlands, as well as live birds shipments from Brazil.

According to Rabobank, there will be winners and losers in both scenarios. Domestic vertically integrated players will particularly benefit from the potential shortage to turn around and increase market share, the bank's report concluded.

To read the full article, click here: [http://www.foodnavigator-asia.com/Policy/China-s-options-to-tackle-stock-shortages-caused-by-bird-flu-in-Europe/?utm\\_source=newsletter\\_daily&utm\\_medium=email&utm\\_campaign=19-Jan-2016&c=KT%2BNn6knEIKW7eCeHBo8eIxP3dpWxj09&p2=](http://www.foodnavigator-asia.com/Policy/China-s-options-to-tackle-stock-shortages-caused-by-bird-flu-in-Europe/?utm_source=newsletter_daily&utm_medium=email&utm_campaign=19-Jan-2016&c=KT%2BNn6knEIKW7eCeHBo8eIxP3dpWxj09&p2=)



# POULTRY

## BIRD FLU VIRUS CLAIMS CHINESE WOMAN'S LIFE

Source: Global Meat News, 07-01-2016

**A woman from the southern Chinese city of Shenzhen has died after she became infected with the deadly H5N6 bird flu strain, Hong Kong's Health Department has said.**

The 26-year-old woman was admitted to a hospital in Shenzhen but died several days later. The Hong Kong Health Department made the announcement on Wednesday 6 January, but said the woman had died during the previous week.

Hong Kong has not placed any restrictions on imports of Chinese poultry, but the woman's death has put Hong Kong – which shares its border with Shenzhen – on a high health alert. Millions of people from China are expected to pass through Shenzhen into Hong Kong in the run-up to the Chinese New Year in early February, and chicken is a popular festive meal during the holiday.

### Security tightened

Disease detection and preventative measures, including thermal imaging systems used to measure surface temperature on someone's face, have been installed at border checkpoints between Shenzhen and Hong Kong, and the airport.

A 40-year-old woman from Guangdong – around 130km from Shenzhen – has also been infected with the highly pathogenic H5N6 bird flu strain, the Chinese government-run Xinhua News Agency has said.

Vietnam has also recently raised the bird flu alarm after two strains of avian influenza were detected in Chinese citizens in the south-east of the country.

To read the full article, click here: <http://www.globalmeatnews.com/Industry-Markets/Bird-flu-virus-claims-Chinese-woman-s-life>

## CONSUMPTION

### STARBUCKS UNVEILS BENEFITS PLANS, E-COMMERCE STRATEGY AND INCREASED STORE COUNT

Source: Food Navigator Asia, 18-01-2016

Howard Schultz has said the Chinese market is shaping the future of Starbucks after the opening of its 2,000th store in the country.

Speaking in Chengdu, the global coffee chain's chief executive also announced several new initiatives for employees and e-commerce, along with plans for Starbucks to to operate 3,400 stores by 2019.

"As Starbucks' second largest and fastest-growing market globally, China represents the most important and exciting opportunity ahead of us," said Schultz.

Starting this month, full-time Starbucks baristas and shift supervisors in company-owned stores across China will receive a monthly housing allowance subsidy that is expected, on average, to cover half their monthly housing expenditures.

"Families play a tremendous role in the life and career choices for our partners in China and it's important that we include their families in the conversation of who we are as a company and the investments we're making toward supporting our partners' future," said said Belinda Wong, president of Starbucks China.

Last month, the company opened a flagship store on Alibaba's Tmall, China's largest open business-to-consumer and social gifting platform, to send the chain's products digitally as gifts. It now has more than 300,000 registered fans and has become the number one performing brand on Tmall's F&B category within its first month.

To read the full article, click here: [http://www.foodnavigator-asia.com/Policy/Are-China-s-food-woes-caused-by-its-wretched-environment/?utm\\_source=newsletter\\_daily&utm\\_medium=email&utm\\_campaign=19-Jan-2016&c=KT%2BNn6knEIKC87q3w1bilDSO688aWkKj&p2=](http://www.foodnavigator-asia.com/Policy/Are-China-s-food-woes-caused-by-its-wretched-environment/?utm_source=newsletter_daily&utm_medium=email&utm_campaign=19-Jan-2016&c=KT%2BNn6knEIKC87q3w1bilDSO688aWkKj&p2=)

## CONSUMPTION

### CHINA'S CHOCOLATE BRANDS FACE IMAGE CRISIS AMID INTERNATIONAL ONSLAUGHT, SAYS ANALYST

Source: Food Navigator Asia, 12-01-2016

Chinese consumers are turning their backs on domestic chocolate brands they associate with questionable food safety in favor of a growing number of international brands, says China's market research company, Daxue Consulting.

The research firm says that new chocolate consumers in China are tending to buy international brands, which has left some domestic confectionery firms struggling to turn a profit and deterring Chinese business from moving into the growing country's growing chocolate segment.

#### Continuous growth for the chocolate market

Industrial chocolate bars were largely dominating the market in China before 2000, Andre said. However, "since the arrival of European businesses, hand-crafted chocolate makers have paved the way for a new form of consumption with fine fresh chocolate," he said. "China is now a market with great innovation for flavor, packaging, and consumption model."

Andre said the Chinese chocolate market generated \$3.2bn sales in 2014, and it's expected to expand up to \$4.4bn sales by 2020, "meaning an increase of more than 60%," he said.

Mintel research manager Laurel Gu said the market growth was mainly drawn back by the rising chocolate retail market price. "The average price chocolates get sold in China is observed to be much higher than the other countries, which poses the main obstacle to increase consumption in a wider population, especially among the low earners," Gu said.

To read the full article, click here: [http://www.foodnavigator-asia.com/Business/China-s-chocolate-brands-find-it-hard-to-enter-the-market/?utm\\_source=newsletter\\_daily&utm\\_medium=email&utm\\_campaign=14-Jan-2016&c=KT%2BNn6knEII3vJtpM6AffIKDObwh%2FuEF&p2=](http://www.foodnavigator-asia.com/Business/China-s-chocolate-brands-find-it-hard-to-enter-the-market/?utm_source=newsletter_daily&utm_medium=email&utm_campaign=14-Jan-2016&c=KT%2BNn6knEII3vJtpM6AffIKDObwh%2FuEF&p2=)

## OUTLOOK

### OPPORTUNITIES IN CHINA DRIVING STRONG OUTLOOK FOR SUPPLEMENTS IN 2016, ANALYST SAYS

Source: Food Navigator Asia, 21-12-2015

Market analyst Steve Hanson expects continued growth and investment in the dietary supplement and health food spaces in 2016, with opportunities in China leading the way.

Hanson said dietary supplement ingredient and finished product companies continue to be hot acquisition targets, and long term structural factors in the economy favor this trend.

"From my perspective as I look at the health and wellness industry things have never been better. Trying to be healthy has gone from where it used to be a niche idea that concerned 10% or 20% of the population to now where it has become mainstream. People talk about their health more and they share it on social media more. Consumers are adopting healthy foods more and they're changing their lifestyles," Hanson told NutraIngredients-USA.

"More so than anything people are looking for something that is unique, and that doesn't always mean something that is proprietary. They are looking for some amount of brand awareness, some marketing clout," he said.

#### China opportunity

Network marketing companies focused on selling nutritional supplements, such as Herbalife and Usana, have found a way to sidestep the difficulties inherent in trying to compete for shelf space by working through their network of distributors local sales offices. This model also helps ameliorate the distribution nightmares inherent in traffic-choked Chinese urban areas.

Hanson said for mid-level companies who are not participating in the network marketing game there

is another way.

"China's overall economic growth has slowed somewhat but in comparison to other markets it is still very dramatic. The biggest platform is in cross-border sales, where they will buy supplements online and ship them. A recent statistic from China Daily put the value of the Internet medicines sales at \$1.1 trillion last year (supplements are regulated as a subset of medicines in China). That's incredible," Hanson said. According to information from China Daily much of this activity is carried on on sites such as Tmall and Taobao, platforms of Alibaba Group Holding Ltd.

To read the full article, click here: <http://www.foodnavigator-asia.com/Markets/Opportunities-in-China-driving-strong-outlook-for-supplements-in-2016-analyst-says>



## FOOD SAFETY

### CHINA SETS OUT TO STREAMLINE CO-OPERATION BETWEEN FOOD-SAFETY AGENCIES

Source: Food Quality News, 04-01-2016

**China has announced new procedures which China has announced new procedures which its hopes will ease co-operation and reduce confusion between the multitude of agencies in the country responsible for food safety.**

Issues such as ambiguous case transfer protocols and undefined responsibilities of the various agencies involved in an investigation have in the past hampered China's effort to combat food safety crimes, according to Xinhua.

The state news agency said the new procedures are now outlined in a document that has been jointly issued by China Food and Drug Administration, the Ministry of Public Security, the Supreme People's Court and the Supreme People's Procuratorate, as well as the executive office of the food safety commission under the State Council, China's Cabinet.

To read the full article, click here: <http://www.foodqualitynews.com/Regulation-and-safety/China-sets-out-to-streamline-co-operation-between-food-safety-agencies>



## TECHNOLOGY

### GPS APP BOOSTS ARLA SALES IN CHINA

Source: Dairy Reporter, 13-01-2016

**Arla is using GPS technology to improve sales in China – and the company says it's already reaping the rewards.**

There can be many thousands of miles between the head office and stores around the country, which means keeping in touch with sales representatives in remote areas can be – at best – tricky.

For Arla in China, this was a constant challenge until last summer, when it started to track store visits via GPS and upload field sales data via mobile phones.

Head of Arla Asia, senior vice president Jesper Colding told DairyReporter, "It's a very simple tool that just allows you to buy a smartphone, track your salespeople; they report on that GPS location, so you know the call took place on that GPS location.

"Then you have the opportunity to upload up to five pictures per call, so you can really see what's going on in that particular store. You can have training together with a regular sales meeting and be up and running, it's very simple to use."

#### Productivity going up

"Our sales productivity has gone up, efficiency and effectiveness is going up per call, so we've seen a significant improvement. We don't track it in all our stores, so it's really a sample. Many of our stores are covered through wholesalers and distributors where we don't have our own sales force."

To read the full article, click here: [http://www.dairyreporter.com/Manufacturers/GPS-app-boosts-Arla-sales-in-China/?utm\\_source=newsletter\\_daily&utm\\_medium=email&utm\\_campaign=13-Jan-2016&c=KT%2BNn6knEILnuJoe32UffOTaRvuwC38%2B&p2=](http://www.dairyreporter.com/Manufacturers/GPS-app-boosts-Arla-sales-in-China/?utm_source=newsletter_daily&utm_medium=email&utm_campaign=13-Jan-2016&c=KT%2BNn6knEILnuJoe32UffOTaRvuwC38%2B&p2=)

## E-COMMERCE

### PACKAGED GOODS MANUFACTURERS MUST PERFECT ONLINE STRATEGY

Source: Food Navigator Asia, 18-01-2016

**China's consumer packaged goods companies will be forced to face a number of dramatic shifts in business over the coming years, a global management consultancy has warned.**

In a report on the Chinese market, McKinsey & Company states that as overall growth of China's economy has slowed to below 7% after years of double-digit expansion, physical retail channels will lose share.

By contrast, online platforms are positioned for explosive gains, with projected annual growth of 21% from 2014 to 2019. To this end, McKinsey is advising consumer packaged goods (CPG) companies to adjust to the "new normal" of share loss while shifting their channel dynamics.

Yet this new new emphasis on e-commerce will require agility and "new capabilities" from China's CPG companies by partnering with retailers who are themselves expanding their footprints and targeting new segments, McKinsey says.



To read the full article, click here: [http://www.foodnavigator-asia.com/Policy/Are-China-s-food-woes-caused-by-its-wretched-environment/?utm\\_source=newsletter\\_daily&utm\\_medium=email&utm\\_campaign=19-Jan-2016&c=KT%2BNn6knEIKC87q3w1bilDSO688aWkKj&p2=](http://www.foodnavigator-asia.com/Policy/Are-China-s-food-woes-caused-by-its-wretched-environment/?utm_source=newsletter_daily&utm_medium=email&utm_campaign=19-Jan-2016&c=KT%2BNn6knEIKC87q3w1bilDSO688aWkKj&p2=)



**MINISTRY OF FOREIGN AFFAIRS OF DENMARK**  
THE TRADE COUNCIL



For more information please contact:

Poul Jacob Erikstrup  
Minister Counsellor  
Food, Agriculture and Fisheries  
E-mail: [pjerik@um.dk](mailto:pjerik@um.dk)  
Phone: +86 10 8532 9987

Ellen Slot Svensson  
Commercial Intern  
Food, Agriculture and Fisheries  
E-mail: [ellsve@um.dk](mailto:ellsve@um.dk)  
Phone: +86 10 8532 9926

Denmark in China  
[kina.um.dk](http://kina.um.dk)



Embassy of Denmark, China  
San Li Tun, 1 Dong Wu Jie  
100600, Beijing

