



From Dezan Shira & Associates

China Investment Roadmap: the Food & Beverage Industry

P.04 Key Takeaways from China's Food & Beverage Industry

P.06 Navigating China's Licensing and Certifications for Food & Beverage

P.10 Evaluating China's Food Safety Laws

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Introduction



Alberto Vettoretti Managing Partner Dezan Shira & Associates

A cursory glance at a few key statistics will quickly reveal the size and potential of China's food & beverage industry. In 2011, the Middle Kingdom overtook the U.S. as the world's largest consumer market for food & beverage products. Driven by a string of food scandals, a preference for foreign goods that are perceived to be safer shows no sign of abating, with 71 percent of Chinese people considering food safety a concern in 2015. And the country increasingly has the means to purchase foreign products – average disposable income levels continue to rise at an exponential rate, doubling from RMB 15,000 in 2008 to RMB 31,000 in 2015.

But the vast opportunities and still nascent potential of the Chinese food market should not be viewed without their caveats. Competition is stiff, both from other international companies and growing domestic ones, and the regulatory environment is complicated, often inconsistent, and still very much a work in progress for the several government agencies tasked with managing it. In the last two years alone, there have been numerous new laws introduced with the intention of either simplifying or expanding the legal framework of the industry.

The limited scope of this magazine doesn't allow us to tackle all of these issues. Instead, in this edition of China Briefing, we examine two areas of Chinese food regulations most pertinent for foreign investors today – licensing and certification, and food safety standards. Both have undergone significant change in recent years, altering the way in which foreign companies must engage with the food & beverage industry, and must be thoroughly understood prior to market entry.

As China's food & beverage industry continues to develop and diversify, having a handle on the key market trends and regulatory hurdles will be essential for foreign businesses. We hope that this issue of China Briefing equips your company with some of the tools that it will need to compete in the market.

With kind regards,

Alberto Vettoretti



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Reference

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This Issue's Topic China Investment Roadmap: the Food & Beverage Industry

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- Establishing & Operating a Business in China
 - Opening up a Restaurant/Café in China
 - Going Organic: Investing in China's Growing Health Foods Market
- Exploring Opportunities for Meat Alternatives in China

Online Resources on Emerging Asia

- Corporate Establishment Services
- Investment in ASEAN's Tea Industry Cup Half Full
- Heating Up: a Guide to India's Coffee Industry
- Industry Spotlight: Vietnam's Beverage Market

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Table of Contents

P.04

Key Takeaways from China's Food & Beverage Industry

P.06

Navigating China's Licensing and Certifications for Food & Beverage

P.10

Evaluating China's Food Safety Laws

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