

# Food packaging and safety in China

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## **1. Food Packaging in China**

Food packaging is defined as services from food production enterprises entrusted the contractor for food packaging for the design and production of packaging containers or dressing - The series of activities. Packaging services supporting the national economy as the service sector, along with the building of socialism in China continued to develop and grow, especially since the reform and opening up, the socialist market economic system, China's packaging industry services to the rapid development from scratch, is a form of paper, plastic, metal, glass, printing, machinery for the major components, with good modern technology and equipment, with a more complete modern industrial system, Although China in the food service packaging industry is not yet certain market and size But in recent years the pace of development and the proportion is increasing. Food service packaging industry is characterized by the packaging industry itself does not produce its own food, only food manufacturers to provide follow-up packaging design, printing and packaging products and packaging a range of services, The services include the packaging from product design to product logistics.

Chinese food packaging industry has spent 20 years and the end of the developed nearly 40 years since the distance fundamentally change the "first class products, second-rate packaging, the price three flow

situation." Packaging services from scattered backward industries has developed into certain modern technical equipment, Categories relatively complete industrial system integrity. Contemporary packaging development of the service industry is characterized by significant packaging services to the international market, the development of packaging services globalization, States packaging development of the service industry are interrelated and interdependent is also growing. As the domestic food packaging has never specialized services industry have formed climate only a small number of enterprises are able to act as packaging services contractor, Most of the major food-producing enterprises of their own processing, packaging themselves. As a food packaging services agency contractors, the general is not only engaged in the food packaging agents, but only as a food packaging company in a field or a product.

The advisory report on the Chinese packaging services industry supply and demand situation, Industry chains of the downstream sub-sector of development, competition, changes in consumption, new products and technology for the analysis, and focus on an analysis of China's packaging industry development services and features, industry representatives and hot enterprises, that the Chinese packaging services industry will be faced with the impact of corporate countermeasures. The report synthesizes the paper packaging, plastic packaging, metal

packaging, glass packaging, packaging and printing, packaging machinery, and other important elements of the plate, packaging services as well as its development trend analysis.

Relying on the Bureau of Statistics of China, the China Packaging Federation, and other government departments to provide data H & Q century in light of Beijing's Advisory actual market research and data, from H & Q century written jointly senior experts completed. The report on the industry manufacturers wishing to service the packaging industry to find business opportunities and food processing enterprises, investment companies and relevant government agencies to formulate development strategies of important reference value.

### 1.1. Current Situation of Food Packaging in China

From China's reform and opening up, the market economy gradually deepened, fierce competition and external trade; food packaging and services as food industry products supporting the necessary product sales and expand the market share of the important means showed prominent role; be of great concern to the community and to develop and strengthen. Spread disorder in the weak basis, after the whole country and the packaging industry to work together quickly formed fairly complete categories of the emerging system of the packaging industry. Basically meet the needs of national economic development. Chinese food

packaging services industry in a market economy was born is basically a free enterprise portfolio together. This is because the food-producing enterprises in order to reduce investment in fixed assets and lower cost control, a conscious part of the packaging business outsourced to professional packaging enterprises; Owing to the market demand, some original engaged in the food production or packaging of collective enterprises or after being switched after the restructuring, in order to expand the channels of business, professional start in food packaging. Meanwhile part of the private sector also sees the industry in terms of packaging and food processing deep to find a way out.

According to the analysis by us , in 1980 the total output value of China's packaging industry alone 7.2 billion, and in 2003 to reach 270 billion RMB, than a year rose 12%, to the beginning of reform and opening up 36 times. National packaging enterprises in the early days of reform and opening only 2,604, has grown to 25,000; packaging industry practitioners throughout the country have more than three million people. By 2005, China's packaging industry showed a breakthrough, the overall scale to a new height nationwide; the above-scale packaging enterprises in industrial output value hit 400 billion RMB. The pace of development to achieve faster growth, the industrial output value of the ring grew 22.35%, the largest increase in nearly a decade. Potentially very strong ability to innovate new products output growth rate than the Central

reached 27.36%. Over the first industrial output growth rate, the ability to create efficiency further strengthened, industrial value added, sales of industrial output value, profits, and other indicators of the growth rate exceeded the growth rate of industrial output value. 2006 National Packaging industrial output nearly 600 billion RMB, an increase of more than 30%. Since 2006, the packaging industry is to actively promote structural adjustment and transformation of the mode of economic growth, further impetus to the entire industry to maintain a good development momentum. Currently, China's packaging industry has developed a paper, plastic, metal, glass, printing and packaging machinery mainly to the independence, integrity, with a complete range of industrial system

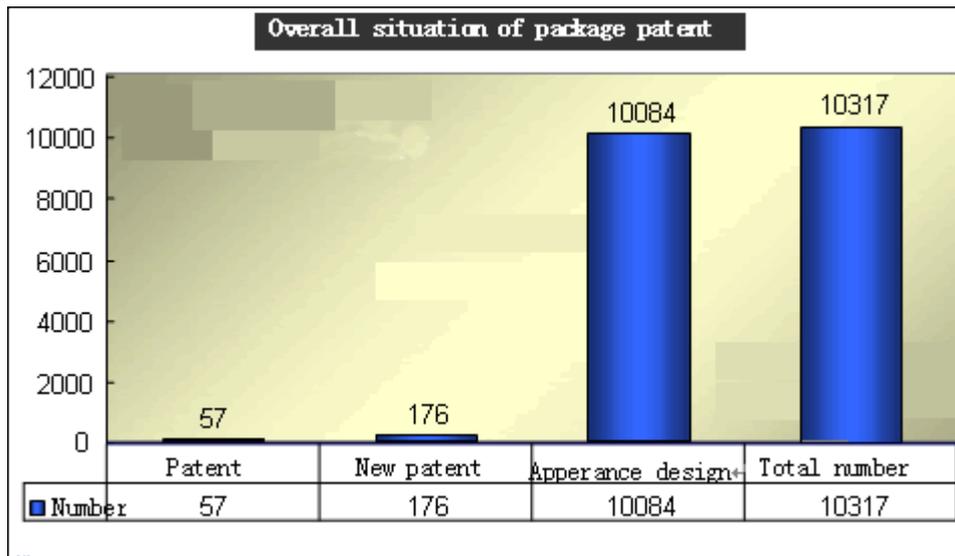
From 2005 to 2006 the results achieved, China's packaging industry is a scientific development concept to guide the development of the whole industry, product innovation is accelerating. Construction of environment-friendly society deep-green packaging products packaging products become the protagonist. The transformation of the mode of economic growth has been in full swing, economic growth projected. State-owned enterprise reform packaging results and corporate profits continue to grow. It can be said that in 2006 China's packaging industry from the packaging a large packing power into the year, also for the packaging industry ahead of the 2010 target lay the foundation for the year.

China's economy in a long period of rapid, steady and healthy and sustained development of the macro-environment, China's packaging industry remains at an average annual rate of over 18% has steadily increased. In absolute values and international compared with the industry, the global packaging market share of around 600 billion dollars. China has entered the ranks of big power packaging, ranked only after the United States and Japan third in the world.

## 1.2. The Patent Invention is Behind the Demand

According to the analysis by us , so far, the food packaging industry by the content of the invention patent can be broadly divided into : food packaging equipment, packaging materials, packaging, Auxiliary packaging materials and packaging containers inventions five categories. These five types of patents, the percentage food packaging materials and packaging of the invention patents in the food packaging take advantage of the patent. The invention in packing equipment is the least, the invention of the packaging equipment investment, time-consuming and income instability, Therefore, in this direction of research.

Table 1 : Overall situation of package patent



According to the China State Intellectual Property Office was informed that from 1985 to date the food packaging patents were 10,317, of which 57 patents for inventions, utility model patents, 176, Patent 10,084 appearance. 1995 to 2002, applications for the food packaging patents is over 40. In 2000, the invention patent applications up to 10, followed by 1998, again in 1995. The average annual is five patents for inventions. Overall, the food packaging applications invention patents were crossing distribution, packaging equipment and with the constant improvement; there is a trend of increase.

Invention patents, utility model patents, patent appearance are three types of patents, appearance patents in the number much larger than the invention patent and utility model patents; and smooth development in recent years. Invention patent and the patent applications in 1999 achieved an annual peak three kinds of patents in the 2000-2006 are on

the decline. Overall, patents for inventions is within 10 fluctuations; Utility model patents in recent years have gradually upward trend; after the appearance of the patent after rising slowly, a marked downward trend.

The service sector of the packaging patent example, the packaging of the invention patents, utility model patents and patent appearance of the three patents, food packaging patents for packaging patents are a relatively small proportion; Food and patent right, food packaging patent for the invention patent and utility model patents, the proportion of smaller, but the appearance of the patent for the proportion is as high as 87%. This shows that the food for the appearance of patent patent that most food packaging patent forms.

As China's food industry products further structural adjustment and upgrading of the product updates, right packaging service industries also raised new demands. First, food quality and safety assurance that the service sector of the packaging technology and materials packaging requirements more stringent; 2 is filling, packaged form and speed specifications become more diversified, and seek to packaging materials and containers achieve standardization, serialization, Universal; Third, the packaging services and decorating and packaging requirements are

higher image; 4 packaging security there should be a new breakthrough.

Fifth, make efforts to reduce packaging costs.

Modern food service packaging industry is modern food production, circulation and consumption of the product, must adapt to the modern food industry conditions and market development, automation, mechanization, environmental protection, food service packaging industry irreversible trend of development.

### 1.3. Few High-end Enterprises

In the food service packaging industry, as the origin of different enterprises (state-owned, collective, private), funds, equipment, and Technical strength is no match, and the starting point is different level. The overall trend is the less high starting point; the majority of packaging services enterprises is low in equipment alone.

As food packaging service industries are still emerging industries, and the number of workers in the industry and more than the total number of enterprises, research institutes, industry, the corresponding professional institutions share is still relatively small. As in other food packaging industry enterprises, most of the private enterprises, the original collective enterprises, given their own research and development ability, and on food packaging technology and reforming the new awareness is

not strong, Even if the research unit of food packaging with new technological inventions, the enterprises can be promoted. Marketing research results out of touch not only resulted in tremendous waste and are not conducive to technological progress. Some of the leading-edge work, such as ultra-low temperature, ultra high pressure, membrane separation, supercritical extraction, radiation, Vacuum technology and equipment alone a particular institution is unable to complete the urgent need for businesses to invest in funds. Used to promote the production, study and research combining the model may not manifest themselves and the limited research efforts have not been fully play its role many of the enterprises are copying from each other imitation, little improvement has become their own products. Of this product in addition to the price advantage, in the international market, there is no competitive edge.

## 2. The Circumstances and Policies on Food Safety in China

### 2.1. The Quality and Safety Level of Processed Food Is Steadily Improving

#### 2.1.1. Rapid and Sound Development of the Food-processing Industry

In recent years, China's food industry has maintained fast and sound growth, with a steady increase in economic benefits. Foodstuffs can be classified by their raw materials and processing techniques into 525 kinds

in 28 categories: processed grain products; edible oil, fat and fat products; seasonings; meat products; dairy products; soft drinks; convenient food; biscuits; canned food; iced drinks; fast-frozen food; potato and dilated food; candies (including chocolate and chocolate products); tea; alcoholic beverages; vegetable products; fruit products; roasted seeds and nuts; egg products; cocoa and bakery coffee products; sugar; processed aquatic products; starch and starch products; pastries; bean products; bee products; special diet food, and others. At present, China has 448,000 enterprises engaged in foodstuff production and processing. Among them, 26,000 enterprises of designated scale occupy 72 percent of the market, taking the leading role in terms of output and sales revenue; 69,000 are enterprises not up to the designated scale and those with more than ten employees, taking up a market share of 18.7 percent; and 353,000 are small businesses or workshops with fewer than ten employees, with a market share of 9.3 percent.

Statistics show that, in 2006, industrial food enterprises of designated scale generated 2,158.695 billion yuan of output value (excluding tobacco), accounting for 6.8 percent of the national industrial output value, and up 23.5 percent year on year. The average annual industrial added value and profit of processing enterprises of grain, oil, meat and dairy products all exceeded 20percent. The output of major foodstuffs in 2006 were: wheat flour, 51.93 million tons; edible vegetable oil, 19.855

million tons; fresh frozen meat, 11.125 million tons; dairy products, 14.596 million tons; beer, 35.152 million kl; and soft drinks, 42.198 million tons. These figures show rises of 28.2 percent, 17.5 percent, 24.0 percent, 23.5 percent, 14.7 percent and 21.5 percent year on year, respectively. In the first six months of 2007, the accumulated output value of the food industry amounted to 1,281.62 billion yuan, up 29.9 percent as compared with the corresponding period last year. The output of beer, edible oil, soft drinks and gourmet powder led the world.

At present, the development of China's food industry displays the following features:

One, the processing techniques and equipment of some food enterprises reach or approach the advanced international level. Large meat, dairy product, beverage and beer producers all have world first-class production and testing facilities, which guarantees the quality of their products. The development and application of such key processing techniques as membrane-separation technology, physical property modification, cold-aseptic filling, concentration and cold processing has narrowed China's gap with the world advanced level in terms of processing technology and equipment.

Two, quality control of the enterprises has become more scientific and standard. So far, 107,000 food producers have obtained market access

permits regarding quality and safety, and 2,675 have been granted hazard analysis and critical control point (HACCP) certificates.

Three, the structure of products is being improved to cater to the increasingly diverse demands of consumers. The proportion of intensively or deeply processed foodstuffs to the total output of foodstuffs keeps increasing. For instance, liquid dairies now account for more than 85 percent of the total output of dairy products; colas no longer dominate the market, as a result of the mushrooming of packed drinking water and fruit, vegetable and tea drinks; special flour above second grade accounts for 65 percent of the total output of wheat flour; standard rice above first grade accounts for 88 percent of the total output of rice, and special rice for 33.9 percent of the total output of rice; and Grades I and II oil (salad oil and quality culinary oil according to previous national standards) accounts for 58.5 percent of the total output of edible vegetable oil.

#### 2.1.2. Continuous Improvement of Food Quality

One, the acceptance rate of foodstuffs on the whole is steadily rising. The rate was 77.9 percent in the 2006 national foodstuffs sample survey, and it rose to 85.1 percent in a similar survey in the first half of 2007. The level of food quality and safety remains stable, with a gradual upturn.

Two, the quality of food produced nationwide is improving. In the first half of 2007, the 31 provinces, autonomous regions and municipalities directly under the Central Government on the mainland of China reported an average 89.2-percent acceptance rate of foodstuffs, and the figure in 14 of them surpassed 90 percent.

Three, the quality of food in key sectors is fairly high. Thanks to the country's endeavors to improve the work of food producers and processors, the quality of 525 kinds of foodstuffs in 28 categories has been enhanced to various degrees, with remarkable progress in the quality of food with a large daily consumption. According to statistics, the ten foodstuffs with the largest consumption are edible oil, fat and fat products; alcoholic beverages; aquatic products; processed grain products; soft drinks; meat products; dairy products; seasonings; starch and starch products; and sugar. In the first half of 2007, sample surveys showed a 90-percent or higher acceptance rate of all the above ten foodstuffs except aquatic products, whose acceptance rate was 85 percent. That of meat products was 97.6 percent.

### 2.1.3. Quality Food Dominating the Market

Along with the development of the food industry, the scale of food producers keeps growing, production is becoming more concentrated, and the quality of foodstuffs of large and medium-sized producers is sound. In

2006, the top 100 revenue earners held 24.9 percent of the total sales of the food industry; the top ten dairy producers generated 54.7 percent of the total revenue of the dairy industry; the top ten soft-drink producers generated 39.5 percent of the total output of that industry; the top ten sugar makers produced 43.6 percent of the total output of the sugar industry; the top 50 meat producers accounted for 70 percent of that industry in terms of production capacity and sales; the eight beer brewery groups, each with a production capacity of over one million kl, produced 57 percent of the national beer output; the ten largest wineries produced 62.1 percent of the national output; and the three largest instant noodle producers occupied 76 percent of the Chinese market.

## 2.2. The Quality and Safety of Agricultural Products Is Steadily Improving

### 2.2.1. Fast Growth of High-quality and Safe Brands

Quality agricultural products are steadily expanding their market. Agricultural standardization has been notably enhanced, which increases farmers' income and changes their farming patterns. Hazard-free, green and organic products make up 90 percent of all agricultural-product exports. Over the past five years, the export of green food has shot up 40 percent annually, and has been accepted by over 40 of China's trading partners. So far, China has developed 28,600 kinds of hazard-free

agricultural products, and set up 24,600 hazard-free production bases with a total area of 21.07 million hectares. Five thousand three hundred and fifteen Chinese enterprises use the green food logo on their 14,339 kinds of products totaling 72 million tons and grown on 10 million hectares of land. In addition, 600 producers use the organic food logo on their 2,647 kinds of products totaling 19.56 million tons and grown on 3.11 million hectares of land. Altogether, there are 539 state-level agricultural demonstration zones, 100 demonstration counties (farms) and nearly 3,500 provincial-level demonstration zones, with a combined growing area exceeding 33.33 million hectares.

#### 2.2.2. Acceptance Rate of Agricultural Products Rising Continuously

Inspections in the first half of 2007 showed that the average acceptance rate regarding pesticide residues in vegetables was 93.6 percent; those regarding clenbuterol hydrochloride contamination and sulfa drug residues in livestock products was 98.8 percent and 99.0 percent respectively; and that regarding chloromycetin in aquatic products was 99.6 percent, of nitrofurantoin 91.4 percent, and of pesticide residue over 95 percent in sample surveys done at production bases.

#### 2.3. The Quality of Imported and Exported Foodstuffs Stays High

China is a large importer and exporter of foodstuffs, with the amount of each growing steadily in recent years. The import and export volume in 2006 totaled US\$40.448 billion-worth (excluding wheat, corn and soybean, same below), up 21.45 percent year on year.

#### Safety of Export Food Guaranteed

In 2006, China exported 24.173 million tons of food, worth US\$26.659 billion, up 13.29 percent and 16.0 percent year on year, respectively. The top ten varieties in terms of export value were aquatic products, processed aquatic products, vegetables, canned food, juices and drinks, processed grain products, seasonings, poultry products, alcoholic beverages, and livestock meat and chopped entrails.

Foodstuffs of the mainland of China have been exported to more than 200 countries and regions, of which the top ten in terms of trade volume are Japan, the US, the ROK, Hong Kong, Russia, Germany, Malaysia, Holland, Indonesia and the UK.

For many years, over 99 percent of China's exported foodstuffs have been up to standard. In 2006 and the first half of 2007, China exported to the US some 94,000 batches and 55,000 batches of foodstuffs, respectively, and 752 batches and 477 batches of each were found by the US to be substandard, making the acceptance rate 99.2 percent and 99.1 percent,

respectively. In the case of the EU, the figures were 91,000 batches and 62,000 batches, with 91 batches and 135 batches found by the EU to be substandard, making the acceptance rate 99.9 percent and 99.8 percent, respectively. On July 20, 2007, the Ministry of Health, Labor and Welfare of Japan, the largest importer of Chinese food, released an examination report on food imported from China in 2006, which showed that Japan conducted more sample surveys on Chinese food (15.7 percent) than on food from anywhere else, but Chinese food had the highest acceptance rate (99.42 percent), followed by that imported from the EU (99.38 percent) and the US (98.69 percent). The mainland of China is a major supplier of food for the Hong Kong Special Administrative Region. Two large food sample surveys conducted by Hong Kong's Food and Environmental Hygiene Department in the first half of 2007 showed that the acceptance rate stood at 99.2 percent and 99.6 percent, respectively.

#### 2.4. Quality of Imported Food Stable

In 2006, China imported 20.273 million tons of food, worth US\$13.396 billion, up 37.94 percent and 25.11 percent year on year, respectively. The top ten varieties in terms of import value were vegetable oil, aquatic products, cereals, sugar, dairy products, alcoholic beverages, tobacco and associated products, poultry and chopped entrails, oil crops, and processed grain products.

China imports foodstuffs from 143 countries and regions, and the top ten in terms of trade value are Malaysia, Russia, the US, Indonesia, Argentina, Thailand, Australia, New Zealand, Brazil and France.

For many years, the quality of food China imports has been fairly stable, and no serious hazard has been caused by imported food. During the period from 2004 to the first half of 2007, the acceptance rate of imported food, according to statistics released by the ports of entry, were 99.29 percent (2004), 99.46 percent (2005), 99.11 percent (2006) and 99.29 percent (first half of 2007), respectively.

### 3. Supervision of Imported and Exported Food in China

#### 3.1. Supervision of Imported Food

Exploration and practice over the years have enabled China to set up a complete framework of food quality and safety supervisory system and guarantee measures to ensure the safety of imported food.

Scientific risk management system. According to the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) and common international practice, the Chinese government adopts an inspection and quarantine entry system based on risk management for high-risk imported food, such as meat and vegetable, which includes: making a risk analysis on the high-risk food that the exporting country

applies to export to China; signing an inspection and quarantine agreement with the exporting country on food involving acceptable risks; carrying out hygiene registration for foreign food enterprises; and quarantining, examining and approving the imported food of animal and plant origin. If epidemic animal or plant diseases or severe food safety problems occur in the exporting country, China shall take timely risk management measures, including suspending food imports from that country.

Strict inspection and quarantine system. When imported food arrives at the port of entry, the entry-exit inspection and quarantine authorities carry out inspection and quarantine in accordance with law, and approve the foodstuffs to be imported only if they meet the required standards; and the customs house clears the imported food upon the strength of the Customs Clearance List of Inward/Outward Goods as issued by the entry-exit inspection and quarantine authorities. Only then can the food be sold in the Chinese market. If safety or hygienic problems are found in the food when inspected and quarantined, corresponding measures are immediately taken. In 2006, Chinese entry-exit inspection and quarantine authorities altogether found 2,458 batches of foodstuffs not meeting the standards at ports of entry. In the first half of 2007, some 896 were found, which were returned, destroyed or used in other ways according to law. Thus is the safety of food imported for the Chinese market assured.

Complete quality and safety supervisory system. While carrying out inspection and quarantine in accordance with law, the entry-exit inspection and quarantine authorities pay special attention to higher-risk food and problematic foodstuffs as found in the inspection and quarantine at the ports of entry. The authorities promptly issue early warnings of risks when finding imported food with serious problems or the same type of imported food with repeated problems, and take such measures as increasing the proportion of sample survey, adding more items for inspection, and suspending import.

Strict system against illegal import. The General Administration of Quality Supervision, Inspection and Quarantine and the General Administration of Customs have set up a cooperation mechanism to jointly fight illegal food imports. In 2006, China signed with the European Union Commission the Arrangement for Cooperation on Joint Prevention of Illegal Actions in the Import and Export of Food, making it clear that the two sides will crack down on such illegal activities as deception, undeclared carrying, illegal transit and smuggling through exchanges of information, technological cooperation, mutual visits of experts and special joint actions. In 2006 and the first half of 2007, 12,292 tons of illegally imported meat were seized.

### 3.2. Supervision of Exported Food

Following the principle of "prevention first, supervision at the source, and control throughout the process," the Chinese government has set up and improved an export-food safety management framework composed of "one pattern and ten systems."

"One pattern" refers to the managerial pattern for the production of export food -- "enterprise + base + standardization." This pattern conforms to China's reality and the actual situation in the field of export food, and thus is an important guarantee for the quality of such food. Besides, it is the only way for enterprises to aim for scale and intensive development in the international market. With unremitting efforts over many years, China has basically put this pattern in place for major export food items, especially high-risk foodstuffs such as meat, aquatic products and vegetable. The "ten systems" are: three for supervision at the source -- the archiving management system for the inspection and quarantine of planting and breeding bases, the epidemic disease monitoring system, and the supervisory system for pesticide and veterinary medicine residue; three for factory supervision -- the hygiene registration system, the classified management system for enterprises, and the resident quarantine official system for large enterprises producing high-risk food for export; three for product supervision -- the legal inspection and quarantine system for export food, the system of quality tracing and substandard products recalling, and the early risk warning and quick response system;

and one for credit building -- a red list and a blacklist for food export enterprises.

Strengthening supervision of planting and breeding at the source. To effectively control the risks of animal epidemics, plant diseases and pesticide and veterinary medicine residue, and guarantee food quality and safety and traceability at the source, the entry-exit inspection and quarantine authorities adopt the archiving management system for the inspection and quarantine of export food material bases with such risks. Only the raw materials of planting and breeding bases with archiving approval can be used in processed export food, and all the raw material bases with archiving approval are publicized on the website of the General Administration of Quality Supervision, Inspection and Quarantine. So far, 6,031 breeding farms and 380,000 hectares of planting bases have obtained such approval. For these bases, the relevant agencies strengthen supervision, prevention and control of epidemic diseases, exercise tight management of agricultural input materials, and enforce a strict supervision system over pesticide and veterinary medicine residue, so that these problems are brought under effective control. In recent years, bird flu has been found in many places around the world, but none at the bases under archiving management in China.

Strengthening supervision of food producing enterprises. China has adopted a hygiene registration system for all enterprises producing export food, and an enterprise has to be granted such registration before engaging in the production of export food. So far, 12,714 enterprises have been registered, among which 3,698 have passed the HACCP certification of the entry-exit inspection and quarantine authorities. The local entry-exit inspection and quarantine authorities carry out routine supervision and administration of the registered food producing and processing enterprises in a unified way to ensure that the raw materials come from archived planting and breeding bases, and that the production and processing meet the required standards. As regards large enterprises producing or processing high-risk export food such as meat, the entry-exit inspection and quarantine authorities send resident officials to supervise them when needed. The packaging of export food should be labeled with traceable signs according to requirements, so as to ensure the traceability of the products and recall of substandard products.

Strengthening inspection and quarantine before the food is exported. As prescribed by Chinese laws, all food should meet the standards set by the inspection and quarantine authorities before being exported, and the customs houses at the ports of exit should clear the export food upon the strength of the Customs Clearance List of Outward Goods issued by the entry-exit inspection and quarantine authorities. If it is demanded by the

importing country, the relevant entry-exit inspection and quarantine authorities should issue a hygiene certificate to prove that the food meets the required standards, and enter on the certificate the name, address, number of hygiene registration of the producing enterprise, date of production, date of export, loading port and destination port. When the goods arrive at the port of exit, the inspection and quarantine authorities at the port should examine the goods again, making sure they are intact and conform to the information on the certificate. All these measures guarantee the traceability of the food.

Strengthening the construction of the export enterprise credit system. An export enterprise quality undertaking system and a red list and blacklist system for export enterprises are implemented in a comprehensive way, and efforts are being made to increase the awareness of the persons primarily responsible for product quality and help enterprises to form a mechanism of self-management, self-discipline and consciousness of operation in good faith. Included on the List of Sound Enterprises are those with a complete and effective control system, good faith, effective control over safety risks, and a good reputation in the importing countries.

Such enterprises are granted favorable policy treatment. Enterprises with serious quality problems as reported by the importing countries or regions, or which have avoided inspection and quarantine or cheated the inspection and quarantine authorities are punished in accordance with the

law and included in the List of Unlawful Enterprises and publicized on the Internet so as to enhance the self-disciplinary awareness of enterprises producing export food. So far, 55 enterprises have been put on the list.

Over the years, the departments of quality supervision and inspection, trade, customs, industry and commerce, and taxation have worked closely to promote the quality and safety level of food exported from China and satisfy numerous Chinese and foreign customers with high-quality, delicious and inexpensive foodstuffs. Yet, there are still a tiny number of enterprises that disregard the law, regulations and standards of China and importing countries and, by deception or fraud, avoid supervision by the inspection and quarantine authorities, or export food by improper channels. Consequently, some adulterated, counterfeit or shoddy foodstuffs have found their way from China into foreign markets. The Chinese government is determined to step up the fight against such activities and prevent substandard foodstuffs from going overseas.