

FLANDERS INVESTMENT & TRADE MARKET SURVEY



THE CHOCOLATE MARKET IN CHINA

FIT Beijing

Flanders Investment & Trade Beijing
Economic Representation of Flanders
c/o Embassy of Belgium
Chaoyang District
Sanlitun Dong San Jie No.3
Beijing - China 100600
T: +86 10 65 32 49 64
E: beijing@fitagency.com



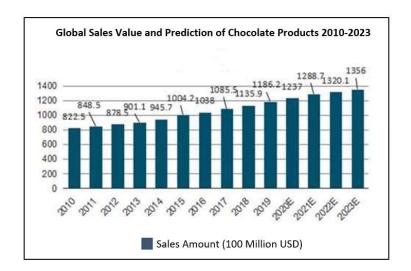
INHOUD

1.	General market	3
2.	Chinese Market	5
2.1	Chinese local chocolate brands and market information	7
2.2	Import & Export by China Mainland	9
2.3	The features of Chinese chocolate market:	9
3.	Chocolate distribution channels	13
4.	Sales Channels	15
4.1	Offline sales	15
4.2	Online sales	17
5.	Governmnet Supervision & Regulation	22
5.1	China's Key Authorities' structure	22
5.2	Customs Import Tariff of Chocolate and Chocolate Products in China	23
5.3	Pre-Packaged Food Products Import Procedures	23
5.4	Pre-packed Food labelling	26
6.	Potential Distributors/Agents	29
7.	Trade Fairs	29
8.	Sources & References	29

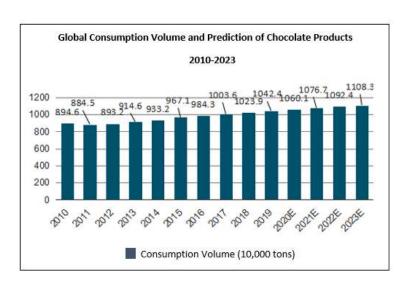
1. GENERAL MARKET

Global Market

The sales turnover of chocolate reached USD 118.62 billion in 2019 worldwide, which is an increase of 4.4% compared to 2018. It is estimated the sales could reach USD 123.7 billion in 2020 and will increase to USD135.6 billion in 2023.

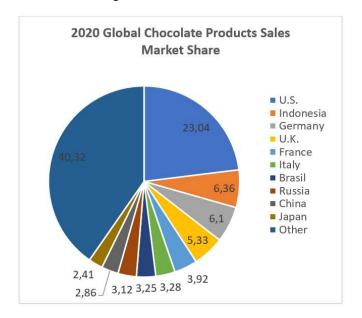


According to the statistics obtained from internet sources, the consumption of chocolate products was 10.424 million tons, with a 1.8% increase compared to 2018. It is estimated that the consumption in 2020 will reach about 10.6 million tons. By 2023, the global consumption will reach 11.08 million tons.



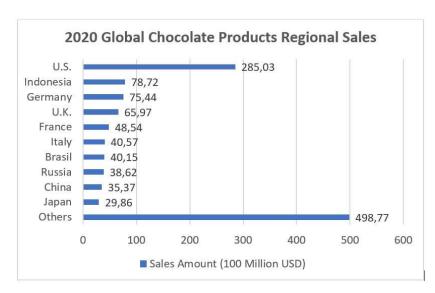
07.2020 The Chocolate Market in China pagina 3 van 30

According to the statistics, the top 10 consumers' consumption of chocolate products will reach USD 73.83 billion, taking about 59.68% of the total market consumption of the world, which means that the consumption concentration is rather high.



Europe and North America are the biggest consumption markets for chocolate products, especially the U.S. market, whose consumption amount in 2020 will reach USD 28.5 billion, 23.04% of the total consumption market.

As for China's market, it is estimated the consumption will reach USD 3.53 billion, 2.86% of the global market, ranked as the No.9 biggest consumption market in the world.



pagina 4 van 30 The Chocolate Market in China 07.2020

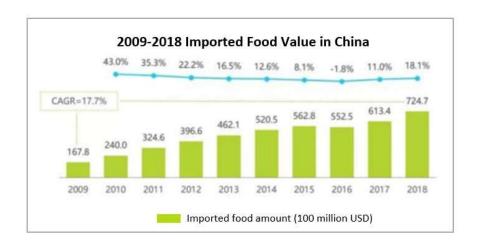
Per producers of chocolate products, the top 10 producers are mainly from the US, Europe and Japan. In 2019,

- No. 1 is Mars with sales amount of USD 18 billion.
- No. 2 is Ferrero with sales amount of USD 12.29 billion.
- No. 3 is Mondelez International with sales amount of USD 11.8 billion.

All these multinational producers are already present on the Chinese market.

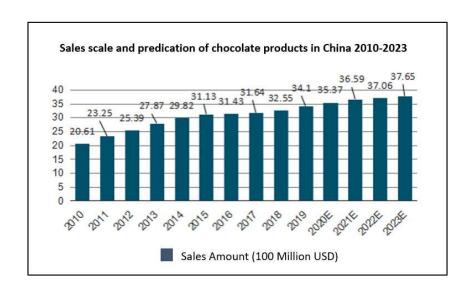
2. CHINESE MARKET

With China's economic development, the domestic market has generated strong demand for imported food. It is reported that China had an imported food value over USD 72.4 billion in 2018:

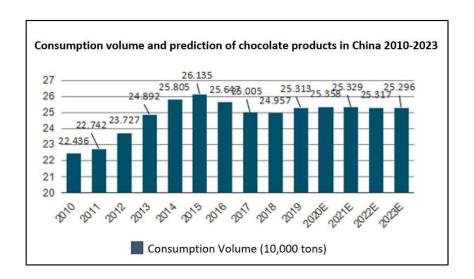


Chocolate products came on the Chinese market more than 60 years ago, but the overall market is still relatively small. In 2019, chocolate products sales amount was USD 3.41 billion, an increase of 4.76% compared to 2018. It is expected that the annual sales in 2020 will reach USD 3.537 billion, and increase to USD 3.765 billion by 2023.

07.2020 The Chocolate Market in China pagina 5 van 30



China's consumption on chocolate products reached 253,130 tons in 2019, an increase of 1.43% compared to 2018. It is predicted that the annual consumption in 2020 will slightly increase to 253,580 tons and will remain around 250,000 tons by 2023.



pagina 6 van 30 The Chocolate Market in China 07.2020

2.1 CHINESE LOCAL CHOCOLATE BRANDS AND MARKET INFORMATION

Chocolate has a long history. Compared with the fiercely competitive chocolate markets in Europe and America, the development of China's chocolate industry has not been smooth. China's chocolate production only has a history of no more than 60 years, hindered by a lack of raw materials and technology. Large-scale production began in the early 1970's and began to develop rapidly in the 1990's. The Chinese chocolate industry stumbled from the 1950's to the 1990's.

• History of China's Chocolate development

The first stage (1950's to 1960's): using foreign raw materials and equipment to produce chocolate. The representative brand is "Guangming" chocolate.

The second stage (1960's to 1990's): using domestic cocoa products to produce chocolate.

In 1991, COFCO launched the "Leconte" chocolate, successively established branches in major cities and spread chocolate to national end customers through direct sales.



(Picture originates from the internet)

Later, under the impact of foreign investment, Chinese chocolate brands had no defence against the international giant chocolate brands. "Leconte" Chocolate has been sold several times and finally stopped producing, Xu Fuji is controlled by Mars and Golden Monkey was acquired by Hershey.

• Domestic market brand competition is at the low end

At present, domestic chocolate still has few brands and single taste; improper selection of chocolate processing equipment and incomplete supporting facilities; weak product development power and slow product replacement etc., the overall image has been always unable to get rid of the unsatisfied quality and taste and only stays in the low-end market.

• Domestic consumers misunderstand chocolate

Due to insufficient understanding of chocolate, consumers generally believe that chocolate is a high-sugar, high-calorie candy, which not only makes the body fat, but also leads to cardiovascular disease and diabetes, which cause some consumers to be afraid of eating chocolate.

Weak brand culture

Chocolate is a product with profound culture, it involves cultures of love, health, presents, but in the current local market, domestic brands are generally weak in brand culture.

Domestic brand

In terms of market shares, according to Euromonitor's survey data, Fujian Yake Food Co., Ltd., as the only local company in the top ten (ranked seventh in the list).



(Picture originates from the internet)

• The future of domestic brands

With the consumption upgrade in China in recent years, domestic chocolate companies represented by Yunnan Sibeijia, Tianjin Heijingang, and Qiaorun are trying to develop mid-end products, in order to change the image of domestic made chocolate in Chinese consumers' mind.

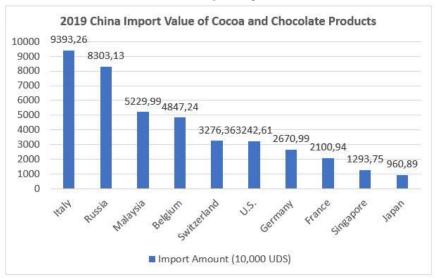


(Miyu Chocolate under Tianjin Hei Jin Gang Food Co., Ltd, picture originates from the internet)

2.2 IMPORT & EXPORT BY CHINA MAINLAND

According to the study report about Chinese chocolate Industry by Intelligent Research Group - http://www.zhiyan.org/, the statistics shows:

- China imported 100,800 tons of cocoa and chocolate products valued at USD 483 million, which came mainly from Italy, Russia, Malaysia, Belgium, Switzerland and etc.
- The top 10 exporting countries to China takes 85.52% (USD 413 million) of the exporting value. The volume is 86,800 tons, 86.17% of the total import by China.



2.3 THE FEATURES OF CHINESE CHOCOLATE MARKET:

Focuses of Chinese consumers:

Chinese consumers pay more and more attention to the quality of the ingredients and region of origin of the products. Most of the time, international labels are considered as a sign of quality, which brings a good opportunity for imported chocolate, especially the ones from Europe. So far, the top 20 chocolate producers have been present China. In the supermarkets in Beijing, Shanghai, other 2-tiers cities and developed coastal cities, it is easy to find chocolate of more than 20 brands, among which most of them are foreign brands. The study on consumption habit of Chinese chocolate consumers also shows that the foreign brands are more welcomed than Chinese local brands.

 According to the investigation, the taste preference by Chinese consumers on chocolate products are:

Milk chocolate: 35.8%
Sandwich chocolate: 22.4%
Black chocolate: 22.1%

Original taste chocolate: 11.6%

Liqueur chocolate: 2.1%Other tastes: 4.2%

• The factors influencing the purchase of imported chocolate by Chinese consumers:

• Health consideration - high calorie

Based on the study, about 30% of the Chinese consumers worry that it is easy to get fat by eating chocolate. So the education to the Chinese consumers is very important. It is helpful to promote the sales, if some sort of scientific research about chocolate is provided.

• Pricing - high price

About 15% of the Chinese consumers think that imported chocolate is very expensive. So appropriate pricing and sale strategy could be of help for promoting imported chocolate.

• Brands on Chinese market

Chocolate products from Switzerland are well known by the Chinese consumers since 1980's. Later, the Chinese consumers learned to know chocolate from Germany and Russia.

Today, following foreign brands of chocolate products dominate the Chinese market:

- o Dove
- o Ferrero
- o Hershey's
- o Cadbury
- o Lindt.
- Snickers
- o M & M's
- o Nestle
- o Meiji

Only in the recent decade the Chinese learned about Belgian chocolate because more and more Chinese people travel to Europe. It is exactly like what Belgian beers have experienced in the Chinese market. Based on the knowledge obtained during the travelling in Europe, it is known to the Chinese travellers that Belgian chocolate is recognized as the most excellent chocolate in the world.

In recent years, Belgian chocolates are starting to enter into the Chinese market, such as Godiva, Neuhaus, Guylian, Cote D'Or, Callebaut, etc. However, due to the high price compared to above brands, the consumption is mainly located in the 1st tier cities, such as Beijing, Shanghai, provincial capital cities and some coastal cities, whose economy are more developed.

• Sales features

In Belgium where chocolate culture is deeply rooted and it is very common for Belgian people to buy chocolate in daily life. But in China, the chocolate consumption frequency is not as high as in Belgium, and the consumption is regionalized but not seasonal any more.

o Regional:

Considering the economic development differences among different provinces of China:

- Higher consumption volume in east China than in west China, such as Beijing, Shanghai and other coastal cities in the east part of China, its consumption and acceptance to foreign brand chocolate is much higher than in the west cities.
- Higher consumption volume in south China than in north China, such as Shanghai, sweet food is more accepted than in north China.

o Unseasonal:

Traditionally, the hot sales season for chocolate in China is from September to April of next year, however, following the fast development of e-commerce in China, it is not very seasonal any more for selling chocolate products:

- Christmas and new year:
 - > target: young people.
 - > Sales Nowadays, Chinese young people already take the Christmas holiday and as a "Chinese" holiday, though no public holiday is regulated by the government
- Spring Festival (January-February)
 - > Sales target: all people.
 - > It is the most important festival to Chinese people, so price is not the main factor concerned during this period, beautiful packaging is very important. If you watch the advertisements released for Spring Festival, hi-end gifts and family reunion are always the main topics.
- Valentine's Day
 - > It has also become a very important festival for Chinese young people.
- Chinese Valentine's Day (around July/August based on Chinses lunar calendar)

➤ In recent decade, more and more western culture is mixed into the celebration of traditional Chinese festivals, this could be a good opportunity for imported chocolate. And some statistics shows that it is indeed that chocolate is also one of the main gifts among young people.

- Online shopping Festivals

(June 18 by JD.com and November 11 by Alibaba.com)
Following the fast development of online shopping in China, 2 shopping festivals held by 2 big Chinese E-commerce companies JD and Taobao could be of help to boost the sales of imported chocolate by providing some favourite price policies.

Marketing

From the statistics, it shows that the increase of chocolate consumption is very stable in China in recent years, and even declined slightly in some previous years, which is lower than the expectation of the foreign producers, the reasons could be:

- Traditionally, there has been a misunderstanding that the sweet food is not very healthy, especially when diabetes has become one of the main chronical diseases in China in recent decades. It is estimated till 2019 that 10% of the Chinese people got diabetes or have the risk for getting diabetes, it therefore resulted that chocolate becomes one of the victims of this situation. Therefore, appropriate education and scientific research results showing to consumers is important for the promotion.
- Apart from the education mentioned above, upgrading and re-inventing of the chocolate products is also very important, especially when some healthy ingredients or some kind of health concept are combined, such as low fat/low calories, then it could become an element to stimulate the sales.
- o Consumer & packaging categorization

Traditionally, chocolate is deemed as an expensive product in China for a long time, if more work on consumer categorization could be done, it is helpful for the sales

- To female: Mood improvement could be a focus for marketing.
- To male: Energy recharging could be a focus for marketing.
- Price: Considering the relatively high price of chocolate products, small packaging will be helpful to let more consumers trying your products

Apart from the traditional ways for chocolate promotion, other media function should be taken into consideration following the development of internet, which is now much more useful than traditional promotion ways. In a survey by China Internet Network Information Center (CNNIC), 85% of the interviewees choose the Internet as their choice for collecting information, followed by TV with 66.1%, then newspaper with 61.1%.

For newcomers in the Chinese chocolate market, online marketing and branding is a suitable strategy. It has the following advantages:

- Cost efficiency: Comparing with the traditional promotion ways through TV or newspaper, the cost for online advertising is much cheaper. The manufacturers can use the internet resources easily for promotion by themselves without the help of professional advertising agencies.
- Precise marketing: At present, the main consumers of imported chocolate are those ones
 who obtain information heavily depending on internet media. It is more easy and flexible
 to adjust the promotion policies in time based on the direct and fast reaction of the
 market data.

3. CHOCOLATE DISTRIBUTION CHANNELS

As for the distribution channels in China, it includes the following 2 main models:

• Own presence

Setting up your own sales presence/branch company in China.

It is normally adopted by big producers such as Hersheys, Ferrero and etc., who have been active in the Chinese market for a long time and familiar with the market.

• Chinese agent/distributor

In China, there is no big difference between the agent and distributor most of the time, they are actually the same one.

It is adopted by most of the small and medium producers or the market newcomers, who will not or cannot afford the promotion cost, so it is normally very important that you choose the powerful Chinese agent with good reputation.

As for finding a qualified/powerful agent in China, you may consider the following factors:

o Geographic location of your agent

According to our experience, for imported food, good Chinese agents are located in big cities like Shanghai and Beijing, which are deemed as the first entry ports for foreign companies, and Shanghai is always the first choice. In addition, Shanghai and Beijing are also the main consumption market for imported food in China. It is very common that a powerful agent has presences in these 2 cities.

o Language skill of your candidate.

It is very important that the persons in management level of the candidate can speak English at least, in order to have smooth communications in the future.

Candidate history

Try to obtain more information about candidate's history on whether it has the experience for dealing with imported food business and its network in the market, such as amount of its sub-distributors, the amount of supermarkets it entered, the sales regions/provinces it covered.

Patience

Starting with small orders first and make decision based on its performance evaluation. Sometimes, even a short term representation contract with one year limit can be considered based on your negotiation with the Chinese candidate.

pagina 14 van 30 The Chocolate Market in China 07.2020

4.1 OFFLINE SALES

Offline sales is the traditional sales channel including to 2 ways in China:

Supermarket

This is widely adopted in China for selling chocolate. However, it is different from the way of doing in Europe. In China, sales on consignment is normally adopted instead of buy-out, supermarket only provide space for rent, therefore, it requires that you or your Chinese agent **must** hire more people for management of your products in all the supermarkets.



(Pictures taken at April Gourmet)



(Pictures taken at April Gourmet)



(Pictures taken at Beijing Jenny Lou's)

Special shop

This is normally adopted by the hi-end chocolate producers in China, such as Godiva, Venchi and etc., which all have a few shops in big cities like Beijing and Shanghai.



(Pictures originate from www.Dianping.com)

4.2 ONLINE SALES

With the fast development of e-commerce in China, it is reported by China Statistics Bureau that the retail turnover in 2019 has reached about RMB 10 trillion (USD1.43 trillion), increased 20.5% comparing with 2018, which takes about 21% of the total retail turnover of China. The advantages for the online sales:

To the Chinese consumers:

- With the fast delivery and easy online payment in China, more and more Chinese consumers prefer to use online service, especially the young people under age of 40.
- After sale service is also guaranteed by the e-commerce platforms, which strengthen the confidence
 of the consumers.

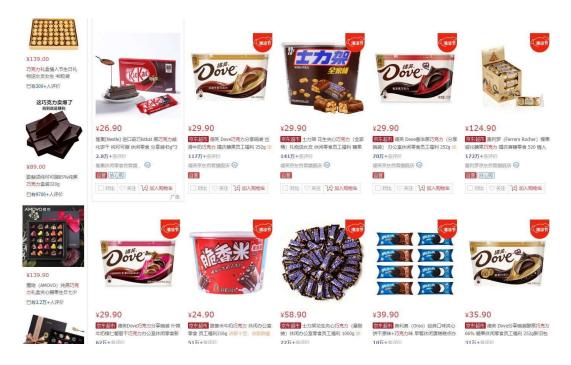
To the sellers:

- Selling online is more cost-effective than offline mode.
- Easy to take advantage of the huge traffic of the platforms.

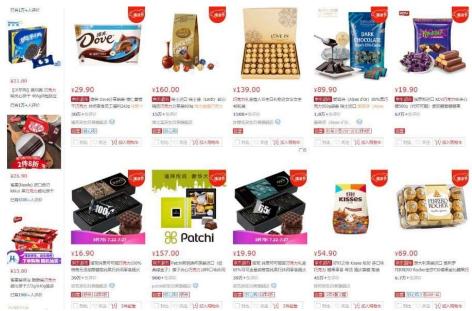
The online retail turnover of food has experienced an increasing rate of double digits in recent 5 years in China. Among the imported food, biscuit, chocolate & related candy and puffing food are the 3 most popular categories. About 80% of the consumers on imported food are the people under age of 40 year old, whose life's are heavily connected to internet in China. Therefore, setting up online store must not be ignored undoubtedly in view of obtaining more market shares and market popularity.

According to our research, almost all the imported chocolate products are also being sold online, please refer to the following weblinks of the 2 main e-commerce platforms of China, JD and Tmall (under Alibaba Group):

o <u>JD e-commerce platform</u>



(JD e-commerce platform screenshot)

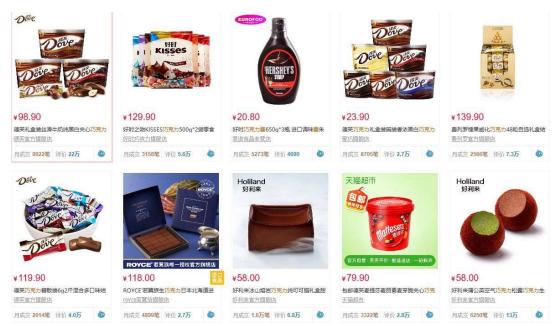


(JD e-commerce platform screenshot)



(JD e-commerce platform screenshot)

Tmall e-commerce platform



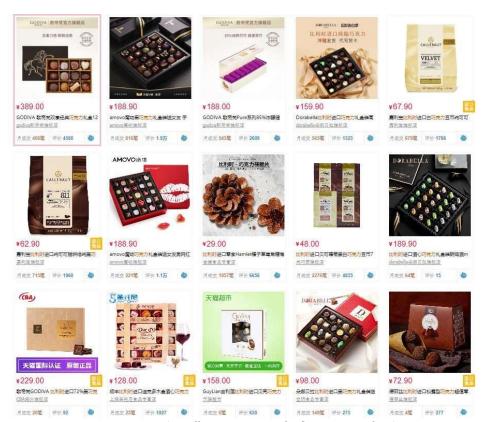
(Tmall e-commerce platform screenshot)



(Tmall e-commerce platform screenshot)

07.2020

The Chocolate Market in China



(Tmall e-commerce platform screenshot)

All online stores on these platforms are divided into 3 categories:

- Store set up by the producer itself (official flagship store)
 It is normally set up by the big producers, such as the multinational brands mentioned above, which have production and operation facilities in China.
- Store set up by Chinese agent
 It is adopted by most of the imported chocolate brands, which do not produce in China.
- Store set up by the platform itself
 Apart from the 3rd party online stores mentioned above, the e-commerce platforms also have their own online stores, they normally select the products based on their own evaluation system, so products with high popularities are normally their targets.

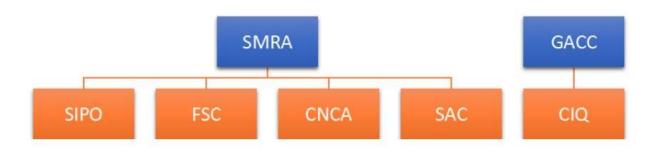
More information JD, which is one of the e-commerce giants in China, headquartered in Beijing. https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/About%20JD%20and%20JD%20Worldwide.pdf

5. GOVERNMNET SUPERVISION & REGULATION

All imported products are subject to inspection and quarantine by the China Entry-Exit Inspection and Quarantine Bureau (CIQ). This can be a complicated and challenging process, be prepared and do not underestimate the cost, documentation and time required. Accessing up-to-date information on quarantine requirements such as labelling and packaging requirements, Chinese national food standards and allowable ingredient listings can be challenging.

This chapter is aiming to provide you up-to-date relevant Chinese importation regulations and procedures as well as some practical information on the industry.

5.1 CHINA'S KEY AUTHORITIES' STRUCTURE



SAMR: State Administration of Market Regulation

SIPO: State Intellectual Property Office

FSC: Food Safety Commission

SIPO: State Intellectual Property Office

CNCA: Certification and Accreditation Administration

SAC: Standardization Administration of China

GACC: General Administrations of Customs of China

Basic functions of key authorities

CIQ: the inspection and quarantine of imported and exported products

CNCA: industry manufacturing licensing

SAC: product standard and quality inspection; GACC: supervises inbound and outbound activities, include customs control, revenue collection, against smuggling and foreign trade statistics compilation etc.

5.2 CUSTOMS IMPORT TARIFF OF CHOCOLATE AND CHOCOLATE PRODUCTS IN CHINA

HS Code	Product	Most Favourable Nation Rate	VAT Rate		
18.06	Chocolate and other food preparations containing cocoa				
1806.1000	Cocoa powder, containing added	10%	13%		
	sugar or other sweetening				
	matter				
1806.2000	Other preparations in blocks,	10%	13%		
	slabs or bars weighing more				
	than 2kg or in liquid, paste,				
	powder, granular or other bulk				
	form in containers or immediate				
	packings, of a content exceeding				
	2kg				
	Other, in blocks, slabs or bars				
1806.3100	Filled	8%	13%		
1806.3200	Not filled	10%	13%		
1806.9000	Other	8%	13%		

5.3 PRE-PACKAGED FOOD PRODUCTS IMPORT PROCEDURES



• Foreign chocolate producers are NOT required to register

• Customs Approval

Once the food products arrive in China, customs clearance agent inspects them and reviews the commercial invoice, packing list, bill of lading, in order to confirm their declared value. Customs then issues a corresponding duty memo, which must be paid to customs within 15 days.

• Documentation required by customs

China has strict and complex documentation requirements for most food products imported into the country.

Before shipping the products, importers are required to submit proper documentation on quality, quarantine, origin, and import control, along with a detailed packaging list and a description of the packaging material, among other documents.

These documents are reviewed only after the shipment reaches China. Therefore, importers must ensure that all documents are complete and authentic to avoid any delay and storage costs.

For chocolate products, the exporter should prepare the following documents to export food products into China:

- o Imported food label samples and translations
- List of imported food products
- o Certificate of origin
- o Ingredient list
- o Manufacturer's product inspection report
- o Sanitary certificate of the exporting country (region)
- o Other documents required by local importer

• First-Time Import

Imported products should be qualified by The China Inspection and Quarantine (CIQ) office and should have "Hygiene Certificate for distribution" and "Food Label Verification Certificate" as a pastelabel on the package back.

The following steps should be taken by the CIQ, in order to get the mentioned certificates:

Documents review

- Customs Declaration Form –filled through import agent or custom clearance agent
- Importer's registration number;
- Copy of the following documents: Business contract; packing list; bill of lading, Performa Invoice;
- Certificate of origin, hygiene evaluation reports from the country of origin (original)
- Translation to Chinese of the original label sample
- Business license (copy) of the importer/distributor/agent that are stated on the label;
- Other documents depending on different categories of the food (International Standard of the product, SPS approvals etc.)

07.2020

Label Verification

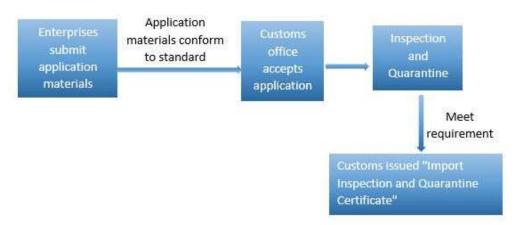
The CIQ inspects the Chinese language labels of pre-packaged food products that are imported for the first time. Label requirements vary by food type, but generally include standard information such as a list of ingredients, storage requirements, and the distributor's contact information. The CIQ also has strict formatting requirements that include specifications on font and label placement. Once CIQ approves the label, it issues a Food Label Verification Certificate, which is valid for two years.

Sample Inspection

The Inspection procedure includes the following steps:

- The CIQ inspects food samples to ensure that they meet safety requirements and match their labels. Samples are chosen at the CIQ's discretion, and are inspected using labs analysis.
- CIQ also checks if the products are in compliance with any of the existing national food standards according to the Standardization Administration of the People's Republic of China (SAC): http://www.sac.gov.cn/SACSearch/outlinetemplet/gjbzcx_en.jsp

Imported Food Conformity Assessment Process



Please Note: CIQ requirements often change and can be difficult to interpret. It is therefore important for EU SMEs to regularly communicate with local partners to understand regulations and any changes to regulations that may impact the import of their products to China. Flemish exporters are encouraged to re-confirm labelling requirements and other product certification with their importers in China or relevant departments prior to dispatching goods. Tighter, stricter regulations are being seen across food and beverage categories in response to food safety concerns.

07.2020 The Chocolate Market in China pagina 25 van 30

• Goods Exemption

The imported goods should have a China Inspection and Quarantine's (CIQ) paste-label on the packages' back with the product description in Chinese. This label, serves as an approval by the CIQ and also known as "Food Label Verification Certificate". For pre-packaged food products, the exporter can either paste the label before export or after its arrival in China. However, cost of storage for pasting label need to be considered.

The imported goods should have as well another CIQ's certificate, an "Hygiene Certificate for distribution" which proves that sanitary affects has been checked as well.

Once the importer has these two approvals (label+ certificate), in some circumstances, imported goods are exempted from inspection.

Food products that are imported for the first time always endure complicated procedures. However, after the first import and after the products are shipped more regularly, the process becomes more direct. For subsequent shipments, CIQ officials will still randomly inspect labels and samples even after a first-time import, but such inspections are cursory and less frequent, especially as officials become familiar with the products.

5.4 PRE-PACKED FOOD LABELLING

In 2019, the General Administration of Customs issued new regulations on the labelling supervision of imported pre-packaged food.

• What are the new regulations on the inspection and management of imported pre-packaged food labels?

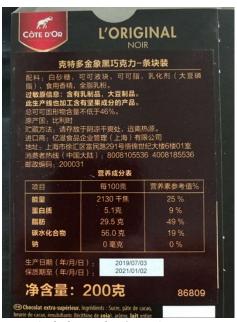
It stipulates that if imported pre-packaged food is selected for on-site inspection or laboratory inspection, the importer shall submit the certification materials related to the food label to the customs personnel, the original and translation of the label, the Chinese label sample and other certification materials. As one of the food inspection items, imported pre-packaged food labels are inspected by the customs in accordance with the relevant laws and administrative regulations on food safety and inspection of imported and exported commodities.

Importers should be responsible for reviewing whether the Chinese labels of imported pre-packaged foods comply with relevant requirements such as regulations. Those failing the examination shall not be imported. If the imported pre-packaged food has not been selected for on-site inspection or

pagina 26 van 30 The Chocolate Market in China 07.2020

laboratory inspection, the importer shall be responsible for verifying whether the Chinese label of the imported pre-packaged food meets the relevant requirements.

- Regulations on labelling of exported pre-packaged food:
 Manufacturers of pre-packaged food for export shall ensure that the label of the pre-packaged food they export meets the standards or contract requirements of the importing country (region).
- What are the mandatory labelling requirements on imported pre-packaged food labels?
 Imported pre-packaged food labels must indicate:
 - o Food Name
 - o Ingredient list
 - o Specifications and net content
 - o Production date and shelf life
 - Storage conditions
 - o Country (region) of origin
 - o Name, address, and contact of domestic agents
 - o importers or distributors and label nutrients in some circumstances



(Label sample picture)

Pre-packaged foods that do not have Chinese labels, Chinese instructions or do not meet above requirements are not allowed to be imported.

As for pre-packaged food as raw and auxiliary materials to other food producers and catering industry, customs will also carry out label inspection and supervision.

The legal basis for customs inspection and supervision of imported pre-packaged food labels mainly includes:

- Food and Agricultural Import Regulations and Standards 2017: https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/Food/20and%20Agricultural%20Import%20Regulations%20and%20Standards%202017.pdf
- **GB7718** General Rules for Labelling Pre-packaged Foods:

 https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%202017.pdf
- GB2760 General Standards for Food Additives:

 https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/GB27
 60%20General%20Standards%20for%20Food%20Additives.pdf
- Food Safety Law of the People's Republic of China (2018)
 (Only Chinese version available, it can be provided to Flemish companies through FIT)
- Import and Export Commodity Inspection Law
 (Only Chinese version available, it can be provided to Flemish companies through FIT)

The relevant national standards on food products are:

- GB13432 General Rules for Labelling Pre-packaged Foods for Special Dietary Uses
 (Only Chinese version available, it can be provided to Flemish companies through FIT)
- **GB14880** General Standards for Food Nutrition Enhancers and Other Product Standards (Only Chinese version available, it can be provided to Flemish companies through FIT)
- **GB** 9678.2-2014 Hygiene Standards For Chocolate (Only Chinese version available, it can be provided to Flemish companies through FIT)
- **GB/T 19343-2016** Chocolate and chocolate products, cocoa butter alternatives chocolate and its products (Only Chinese version available, it can be provided to Flemish companies through FIT)
- **GB 9678.2-2014** National Food Safety Standard on Chocolate and Its Products, Chinese version (Only Chinese version available, it can be provided to Flemish companies through FIT)

6. POTENTIAL DISTRIBUTORS/AGENTS

List can be provided by FIT Beijing to Flemish company.

7. TRADE FAIRS

• FHC (Food & Hospitality China)

Location: Shanghai Time: November

FHC Shanghai Global Food Trade Show is the leading comprehensive exhibition platform in China. Its main exhibits including Seafood, High-end dairy Products & Oils; Tea & Coffee, Bakery & Gelato; Snacks, Confectionary & Chocolate; High-end Food Supply Chain; Catering design & decoration.

Website: http://www.fhcchina.com/en/

• SIAL China

Location: Shanghai Time: November

Asia's largest food innovation exhibition, SIAL China, is strategically located in Shanghai, a gateway to Asia, and a global center of finance and innovation.

Since 2000, SIAL China has served as a launchpad for food and beverage companies looking to expand abroad, and inspiring food business though sharing valuable insights and trends, connecting exhibitors and buyers, hosting industry-recognized events, and celebrating innovation.

Website: http://www.sialchina.com/

8. SOURCES & REFERENCES

- http://www.chyxx.com/
- https://bg.qianzhan.com/
- https://www.iresearch.com.cn/
- https://www.eusmecentre.org.cn/
- https://dewitlawoffice.be/en/lawyers-brussels-bar/
- https://www.straitstimes.com/lifestyle/food/chocolate-is-big-business-in-china

- https://seoagencychina.com/high-end-chocolate-china/
- https://www.marketingtochina.com/imported-chocolate-market-in-china/
- http://www.interchinaconsulting.com/cn/index.php
- http://www.customs.gov.cn/
- http://www.foodaily.com/
- Customs Statistic Yearbook of China 2019

The information in this publication is provided for background information that should enable you to get a picture of the subject treated in this document. It is collected with the greatest care based on all data and documentation available at the moment of publication. Thus this publication was never intended to be the perfect and correct answer to your specific situation. Consequently it can never be considered a legal, financial or other specialized advice. Flanders Investment & Trade (FIT) accepts no liability for any errors, omissions or incompleteness, and no warranty is given or responsibility accepted as to the standing of any individual, firm, company or other organization mentioned.

Date of publication: 07/2020