

China infant formula maker to explore expansion opportunities

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According to the new guidance on registration of infant formulas released by the China Food and Drug Administration last year, companies have to meet specified standards for category and quality of their ingredients to get registered.

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Infant formula makers operating in China need to register their formulas by Dec 31. Without registration, they can no longer sell from Jan 1.

About 70 percent of infant and children product shops are located in third-and fourth-tier cities, where little known players are known to sell ordinary or substandard products.

Such firms are likely to fail to get registered. So, next year, established brands may seek to replace them in markets whose collective sales may exceed 15 billion yuan (\$2.27 billion).

According to market researcher Euromonitor International, China's baby formula market is estimated to rise to 133.7 billion yuan by 2020, led by foreign brands such as Mead Johnson Nutrition, Nestle, Beingmate and Danone.

Mead Johnson Nutrition boasts a 12-percent market share in the milk powder segment in Asia, following Nestle.