

Western-influenced changes in diet have led to increased Chinese obesity, but consumers are starting to demand healthier options

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To get some idea of how the obesity rate in China has risen, you only have to look at the growth of the fast-food industry.

For years now, research has shown a direct correlation between obesity and fast food.

When the first KFC outlet opened in Beijing in 1987 — 30 years ago — obesity, especially among children and adolescents, was hardly a factor in the nation's health. Today, it has become an epidemic.

"It opened the floodgates not only to Western fast food but the development of the domestic fast-food industry as well," said Mu Li, professor of International Public Health at the University of Sydney.

She said the fast-food industry in China has seen enormous growth in the last 20 years, in line with the country's changing economic fortunes.

China is one of the most urbanized countries in the world: Millions have become affluent, and with that affluence has come changes in lifestyle, including eating habits.

"Fast food, especially Western fast food, has played a big part in the changing dietary habits of the Chinese," Li told *China Daily Asia Weekly*.

Increased sugar levels, fatty and processed foods have all contributed to the rise in obesity, especially among children. The problem has been exacerbated by the shift from traditional eating habits to more modern — including Westernized — patterns, featuring high energy density, high fat and low fiber diets.

According to Bloomberg, fast-food giants McDonald's and Yum, the parent company of KFC and Pizza Hut, had a combined 38 percent share of China's fast-food market in 2015.

Interestingly, both in the past year have separated their China businesses from the US-headquartered operations.

Yum China Holdings became a licensee of Yum Brands on the Chinese mainland, trading separately on the New York Stock Exchange since November 2016. The spinoff plan was announced back in October 2015.

Meanwhile, in a \$2 billion deal completed on July 31 this year, McDonald's sold a controlling 52 percent stake in its Chinese mainland and Hong Kong operations to State-backed conglomerate CITIC and CITIC Capital Holdings. US private equity firm Carlyle Group holds a 28 percent stake, while McDonald's



A customer eats at a KFC outlet in Shanghai. Western fast food is a major cause of obesity in China, especially among children and adolescents. AFP

Fast ways to grow fat

has kept 20 percent.

KFC is still the dominant player in China with some 4,600 outlets, compared with 2,100 in 2010.

In its annual review of China's fast food industry, IBISWorld, a global market research firm, estimated there are 2.3 million fast-food outlets in China and that they will generate \$150.9 billion in revenue this year, up 9.6 percent from 2016.

In August, McDonald's said it would add 2,000 stores in China — increasing the number to 4,500 by end-2022 — as part of its strategic partnership with CITIC and Carlyle.

"China will soon become our largest market outside of the United States," Steve Easterbrook, McDonald's chief executive, told Reuters in August.

The fast-food chain said it would aim to open more restaurants in lower tier Chinese cities, boost delivery capacity and introduce a "digitalized and personalized" dining experience to more Chinese customers.

Modern Chinese-style fast-food restaurants have also emerged and developed rapidly, learning from the Western chains, especially in management techniques.

Studies have shown a correlation between fast food and obesity. The majority of these studies have been conducted in Western countries, but China is fast catching up with its own research.

One study published last year, in the *International Journal of Environmental Research and Public Health*, said the "rapid expansion of China's fast-food industry will likely have

many public health consequences, while some have already become alarming as indicated by increasing obesity".

The study, *A Review of the Growth of the Fast Food Industry in China and its Potential Impact on Obesity*, added that the change in diet will also lead to an increase in diseases such as cardiovascular disease and diabetes.

"Compared to the traditional Chinese diet (predominantly vegetables and grains, featuring plant-based protein, and high in fiber but low in cholesterol and fat), fast food often consists of more meats and very limited vegetables, and is high in energy density, fat, protein and sodium, and prefers deep frying to boiling," the study said.

Domestic Chinese-style fast food outlets have expanded as well, largely influenced by Western-style chains such as KFC and McDonald's.

One of the biggest domestic fast-food chains is Malan Noodle, founded in 1995. The company operates well over 400 outlets in China, offering Chinese-style sets.

Despite the growing rate of obesity, China is taking steps to slow it down, especially with regard to what children and adolescents eat.

Research by global market intelligence firm Mintel shows that after decades of rapid economic development and social change, people are changing priorities to adapt to China's "new normal".

"Parents are continuing to put their focus on investing in their futures, in their kids, health and lon-

gevity," according to Mintel.

The research shows that 70 percent of consumers prefer buying drinks specially designed for children, and that well over a third of parents would like to see more ready-made meals designed for kids.

Mintel's study shows that nearly half of consumers would like to see more vegetables in ready meals, and one-fourth would like to see more vegetarian ready-meal options.

It said the number of vegetarian ready meals is also rising, with 45 percent of consumers agreeing that "juice with plant protein or vegetables is healthier than pure juice".

Summer Chen, food service analyst at Mintel, said leading fast-food brands in China like KFC are trying to change people's association of high calorie fast food with "obesity" to "energy boost" so that it appears healthier.

"To make the 'energy boost' concept relevant, they are nowadays targeting more at students and young working people (with campaigns featuring energy breakfast sets with coffee, and working lunch meal sets) instead of kids.

"Their food offerings are also going healthier," Chen told *China Daily Asia Weekly*.

"McDonald's China has launched a campaign announcing that the brand will use less salt, better oil, and more vegetables and grains in their meals." Meanwhile, she said KFC had opened its first store with a health concept serving fresh juices, salads, and panini sandwiches with grilled, not fried, chicken.

"Some of them have even launched sports/exercise-related marketing campaigns (such as McDonald's McHappy Run) featuring families with kids, as an attempt to fit the brand image into a healthy lifestyle that everyone desires," Chen said.

According to global consultancy McKinsey & Company, consumers in China are now starting to turn away from fried fast food to a healthier eating lifestyle.

A McKinsey survey showed that 51 percent of consumers in China said they ate Western fast food in 2015, down from 67 percent in 2012. "They have since shifted to healthier, more environmentally friendly brands," it said.

The survey, between September and November 2015, included 10,000 respondents from 44 cities.

In all, 38 percent of Chinese consumers reported food branded as 'organic' and 'green' was one of the top ways they identify the safety of food products, despite the fact that no credible organic certification exists yet.

"Some companies developing credible food certification standards have shown promise," the survey said.

The trend toward healthier food is entwined with food-safety concerns, which remain a source of worry for Chinese consumers. The government in 2015 began implementing a sweeping food-safety policy.

For many years, big Western brands including KFC benefited because Chinese saw them as cleaner, safer alternatives to local options.