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The Cultural Power of Chinese Herbal Medicine Resulting from the Southeast Asian Belt and Road Corridors

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People at the booth of Singapore's traditional Chinese medicine maker Eu Yan Sang at the third China International Consumer Products Expo (CICPE) in Haikou, south China's Hainan Province, on 12 April 2023. Photo by Wang Zecong/XINHUA/Xinhua via AFP.

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EXECUTIVE SUMMARY

- This paper explores the use of Chinese herbal medicine (TCM) as cultural power along the Southeast Asian Belt and Road corridors. It examines both the Mainland Chinese state and the Diaspora Chinese TCM corporations in utilising Chinese herbal medicine to exert influence on each other.
- The Mainland Chinese state expanded TCM into Southeast Asia (SEA) through a series of strategies, including setting up its flagship TCM corporation, the *Beijing Tongrentang* in SEA countries, establishing joint ventures with SEA Diaspora Chinese TCM corporations and offering joint TCM programmes in educational institutions.
- TCM companies in SEA not only offer herbal products and medication to the local population but also to Mainland Chinese tourists who buy these products in bulk due to the latter's superior quality.
- TCM as cultural power goes both ways and is tapped upon by different players, not only for instrumental purposes but also to facilitate prospects for collaboration.

INTRODUCTION

This paper¹ seeks to demonstrate, using the case of Chinese herbal medicine (TCM), that ‘cultural power’ works multi-dimensionally. While Mainland China may use TCM as soft power to further its socioeconomic interaction with Southeast Asia, the Diaspora Chinese TCM corporations, in turn, extend their presence and influence on Mainland Chinese TCM consumption patterns through the superior quality of their products. This study solely focuses on the two way exchange of TCM products.

In 2013, President Xi Jinping launched the Belt and Road Initiative (BRI) as part of China’s economic strategy to expand and widen China’s economic sphere of influence.² It specifically targeted six economic corridors that are within its reach of friendly influence. These are (a) New Eurasia Land Bridge Corridor; (b) China-Mongolia-Russia Economic Corridor; (c) China-Central Asia-West Asia Economic Corridor; (d) China-Pakistan Economic Corridor; (e) Bangladesh-China-India-Myanmar Economic Corridor; and (f) China-Indochina Peninsula Economic Corridor. The focus of this monumental project is for China to become involved in the port, transportation lines and infrastructure development of these countries. Throughout Central Asia and Central Europe, within the Indian sub-continent to Africa, and in Southeast Asia, a flurry of activities has impacted the macro and micro-economy of those affected by BRI.

Table 1: Export Markets of China’s TCM Products by Regions

Export Market	Export Quantity ('000)	Export Amount ('000 US\$)	Export Quantity (%)	Export Amount (%)
Asia	185.4	971430.70	82.95	85.28
Europe	18.6	91020.19	8.32	7.99
North America	9.6	48970.65	4.30	4.30
Africa	7.4	13370.16	3.31	1.17
Asia Pacific	1.2	9320.69	0.54	0.82
Latin America	1.3	5000.73	0.58	0.44
Global Total	223.5	1139140.13	100	100

Source: Adapted from 2016 Report on the Developmental Flow of Chinese Herbal Medicine, Department of Market Order, Ministry of Commerce, p.8; and Khun Eng Kuah. 2021. “Traditional Chinese Herbal Medicine as Cultural Power along the Southeast Asian Belt and Road Corridor”. *Asian Journal of Social Science* 49: 230.

Aside from this, there is also a focus on investments and the types of goods and services that China wishes to import from and export out of these countries. To expand TCM as an important export, the Chinese government targeted countries along the BRI corridors, especially the China-Indochina Peninsular Economic Corridor, commonly known as the BRI Southeast Asian Corridor, where half the ethnic Chinese population residing outside China lives. In December 2016, the State Council formulated the White Paper for China’s Traditional Chinese Medicine; this was followed by the National People’s Congress Standing Committee promulgating the Chinese Medicine Law and the Ministry of Commerce announcing the National Drug

Circulation Industry Development Plan (2016–2020).³ Firstly, it is estimated that the global consumption of TCM will reach USD 50 billion dollars in the years to come,⁴ TCM is a lucrative venture for China, which is the biggest producer of such medicinal products and herbs. Asia is the biggest importer of TCM herbs and products and in 2017, it received 85% of the total Mainland Chinese TCM exports. Of the 85%, 54% was exported to ASEAN countries. There was also a 54% increase in export to Southeast Asia, South Asia and the Middle East at the same time, totalling US\$760 million.⁵

Secondly, TCM is regarded as an important component of soft power for China to compete as an important humanitarian player in developing nations along the Belt and Road corridors. A report by Xinhua News agency titled “Xinhua Headlines: Traditional Chinese Medicine Gaining Popularity in Africa Amid COVID-19 Outbreak”, revealed that Chinese medical teams have seen a surge in patients seeking TCM treatment and consumption of TCM products to treat Covid-19 infections since early 2020.⁶ Another Xinhua News agency reported that “Xinhua Headlines: Traditional Chinese Medicine Aids Global Fights Against COVID-19”. This amply demonstrates that in addition to ‘mask diplomacy’, TCM also became part of the geopolitical contest during the COVID-19 pandemic in countries, especially in Africa and Asia.

Apart from the sale of TCM products, China has also been pushing for the transmission of TCM knowledge through partnerships with various TCM colleges and universities. To name a few, Universiti Tunku Abdul Rahman in Malaysia, and Nanyang Technological University and Singapore College of TCM in Singapore, now offer TCM courses at certificate, diploma and degree levels to train local TCM practitioners.⁷ In this respect, China has the advantage of producing well-developed TCM training programmes to offer to educational institutions in Southeast Asia and other parts of the world.

Furthermore, Beijing’s flagship TCM corporation *Beijing Tongrentang* (同仁堂) has been aggressively opening up branches throughout the Asia-Pacific, including 4 branches in the already crowded TCM market in Singapore and 3 branches in Kuala Lumpur, and partnering Hai-O, which has 54 branches for the distribution of its TCM products and herbs.⁸ In Indonesia and Thailand, there are standalone *Beijing Tongrentang* shops selling its products in local TCM shops. In Vietnam, it functions as a joint venture. In Australia, there are 9 integrated *Tongrentang* stores-clinics in the major cities of Sydney, Melbourne, Brisbane, Perth and Cairns.⁹ These *Tongrentang* stores-clinics compete with the local TCM stores for customers and patients. In Singapore and Malaysia, the local ethnic Chinese customers patronize their familiar local TCM stores for TCM products and herbs; likewise, they go to their familiar TCM physicians for treatment purposes. Some of the larger TCM clinics hire mainland Chinese TCM physicians to remedy the shortage of locally-trained TCM physicians.

SOUTHEAST ASIAN KNOWLEDGE OF TCM AND CULTURAL POWER

Southeast Asia houses around 30 million of the 60 million global Diaspora Chinese, and many of them regard TCM as an important alternative treatment for health and illness. There are many TCM halls that sell traditional Chinese herbs and herbal drinks, in addition to the numerous TCM clinics. This attests to the continued importance of TCM within the Diaspora Chinese universe. In fact, 85.5% of China’s TCM products are exported to Asia, including

Southeast Asia. In 2017, the export share of TCM and herbal products to ASEAN countries was around 34%.¹⁰

Traditionally, TCM products have been consumed regularly in Southeast Asia, and countries such as Singapore, Malaysia, Indonesia, the Philippines and Thailand have many local established TCM institutions that offer TCM training programmes. Their TCM corporations and factories produce and package TCM products and treatments according to the needs of the local communities. At the same time, they have expanded into the global market.

Especially in Singapore and Malaysia, there are several big local companies such as Eu Yan Sang and Hai-O Group which specialise in traditional Chinese medicine, Chinese herbs, as well as herb-based health supplements. Eu Yan Sang also produces globally sought-after Chinese herb-based health supplements and medicated oil. They also specifically produce a range of women-oriented products catering to menstruation, pregnancy and post-natal treatment.¹¹ In recent years, Eu Yan Sang expanded globally and into Mainland China, but there has been less success in the latter case, given the stringent Mainland Chinese laws with regards to pharmaceutical products. Nevertheless, the company is scaling up its presence in China.¹² Other TCM companies expanding in the Singapore market include ZTP, established in 1997 and now has at least 40 retail outlets,¹³ and Wong Yiu Nam Medical Hall, an old brand TCM company that was first established in 1935 in Singapore. Wong Yiu Nam was acquired in 2009 by the Taiwanese healthcare group, Ma Kuang Healthcare Group. It continues to provide TCM products and herbs to the local population and also tourists as well as patients of the Ma Kuang TCM clinics in Singapore. Ma Kuang TCM clinics are also found in China and Taiwan.¹⁴

These Singapore and Malaysian brands of medicated oils, Chinese herbal products and herbal health supplements have attracted the attention of Southeast Asian Chinese as well as other ethnic groups, and Mainland Chinese who travel to Singapore buy large quantities of these products. Singapore and Malaysian produced brands of medicated oil and ointment such as Tiger Balm ointment, Axe Brand Universal Oil, Eagle Brand medicated oil and Hoe Hin White Flower embrocation (commonly known as Pak Fah Yeow or White Flower Oil), are well sought after and used by the Diaspora Chinese globally and by Mainland Chinese. Mainland Chinese can purchase these products online and the prices of some of these products are sometimes higher than for similar items produced in Mainland China. For example, the famous Singapore brand Tiger Balm costs at least 20-30% more in Mainland China. Why Mainland Chinese flock to Singapore and Malaysia for their supplements is because the products made in Southeast Asia are subjected to excellent quality controls. Additionally, their ingredients are clearly and accurately spelt out. The standard of service of the staff is also better than on the mainland. Thus, irrespective of whether it is in Chinatown, neighbourhood shops and at the airport, it is not uncommon to see Mainland Chinese purchasing Chinese medicated oil, herbal products and supplements in large quantities.

Although TCM as an alternative treatment for health and illness remains a niche product within the Diaspora Chinese communities, it is increasingly seen, accepted and used by select groups of people of different ethnicities who favour natural products and naturopathy; in Africa, these are considered a cheaper health alternative. In recent years, governments of some African countries have entered into agreements with Mainland China on the development of TCM in the African countries. However, many TCM products use animal parts; this has led to Mainland

Chinese pharmaceutical companies sourcing animal parts and products in Africa and endangering wildlife and threatening some species to extinction in the process.¹⁵

CONCLUSION

Chinese herbal medicine is well-established among the Diaspora Chinese and Mainland Chinese. This provides the Chinese government with a way to exercise soft power and to further its influence along the Southeast Asian Belt and Road corridors. This is seen in TCM's rapid expansion into this region through joint ventures and through the setting up of its TCM flagship *Beijing Tongrentang* corporation. However, it is not a one-way traffic; Southeast Asian nations such as Singapore and Malaysia are taking big steps in consolidating their hold on TCM exports and using it as reverse soft power to export to the Mainland Chinese market. The superior quality and the trust enjoyed by Singapore and Malaysian brands of TCM products including medicated oils continue to make them well sought after by Mainland Chinese. Hence, in studying TCM as cultural power, it is important to note that cultural power is not a one-way process. It is a multilateral process where the players involved are actively engaging with each other, and exploring ways to benefit themselves and each other.

ENDNOTES

¹ This paper builds upon a full paper published previously by the author on the same topic. See Khun Eng Kuah. 2021. "Traditional Chinese herbal medicine as cultural power along the Southeast Asian belt and road corridor". *Asian Journal of Social Science* 49: 225–233.

<<https://doi.org/10.1016/j.ajss.2021.09.008> >

² Aoyama, Rumi. 2016. "'One Belt, One Road': China's New Global Strategy". *Journal of Contemporary East Asia Studies* 5, no. 2: 3–22.

³ See *2016 Report on the Developmental Flow of Chinese Herbal Medicine*, Department of Market Order, Ministry of Commerce, 28pp. 2016, <<2016 年中药材流通发展报告>>, 商务部市场秩序司, 28 页; Also see Khun Eng Kuah. 2021. "Traditional Chinese herbal medicine as cultural power along the Southeast Asian belt and road corridor". *Asian Journal of Social Science*, Vol. 49: 225–233.

⁴ South China Morning Post. 2018, 29 September. "Traditional Chinese medicine closes in on US\$50 billion market with long-awaited nod from WHO".

<https://www.scmp.com/news/china/society/article/2166278/traditional-chinese-medicine-closes-us50-billion-market-long>, (accessed 13/2/2024)

⁵ Wang, Wannan, Liu, Yongsong, and Duan Yunlong. 2018. "Analysis on the Barriers and Countermeasures of Chinese Medicine Enterprises for Countries along the Belt and Road"/ *Advances in Economics, Business and Management Research* 58: 316–322. Atlantis Press.

⁶ See: http://www.xinhuanet.com/english/2020-03/19/c_138895469.htm, (accessed 8 August 2023). Another Xinhua News agency reported that "Xinhua Headlines: Traditional Chinese medicine aids global fights against COVID-19"

<https://english.news.cn/20220615/736cf972c98540d4b2dcf88f5ef5c583/c.html>, (accessed 8/8/2023).

⁷ See Khun Eng Kuah. 2021. "Traditional Chinese herbal medicine as cultural power along the Southeast Asian belt and road corridor". *Asian Journal of Social Science*, Vol. 49: 225–233.

⁸ *China Daily*. 2014. "TCM chain flourishes from local partnership". 2 November 2014

https://www.chinadaily.com.cn/bizchina/2014-02/11/content_17276851.htm (accessed 28 December 2023).

⁹ See: https://www.btrt.com.au/en/chain_store_list (accessed 28 December 2023).

- ¹⁰ Khun Eng Kuah. 2021. “Traditional Chinese herbal medicine as cultural power along the Southeast Asian belt and road corridor”. *Asian Journal of Social Science* 49: 225–233
- ¹¹ See: <https://www.euyansang.com.sg/> (accessed 28 December 2023).
- ¹² See: <https://asia.nikkei.com/Business/Markets/Commodities/China-gets-a-dose-of-its-own-medicine> (accessed 28 December 2023).
- ¹³ See: <https://www.ztp.com.sg/Story-of-ZTP> (accessed 28 December 2023).
- ¹⁴ See: http://makuanggroup.com/MG_Business.aspx. Also, <http://makuanggroup.com/default.aspx#top> (accessed 28 December 2023).
- ¹⁵ *Environmental Investigation Agency*. 2021. “Fast growth of traditional Chinese medicine in Africa is a dire threat to endangered species”. 10 November 2021 <https://eia-international.org/news/fast-growth-of-traditional-chinese-medicine-in-africa-is-a-direct-threat-to-endangered-species/> (accessed 28 December 2023).

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