KPMG

China Life Sciences Sector Overview and Outlook

KPMG. Make the Difference.

kpmg.com/cn

May 2026

Executive summary

China is rapidly positioning itself as a global life-sciences hub with a strong innovation momentum

China's life sciences sector, hereafter referred as LS sector, has transitioned into a globally significant innovation hub, underpinned by accelerated regulatory pathways, strong policy support, and rapidly rising R&D efficiency across pharmaceuticals, medical devices, and biotechnology.

Digital technologies—AI, robotics, and smart manufacturing—are reshaping the value chain, improving speed, scalability, and cost efficiency.

The sector is poised to deepen its role as a global R&D hub, with growth driven by advanced technologies and global partnerships.

Sub-sectors covered in the report

Biotechnology | **Pharmaceuticals** | **Medical devices**

6.4 percent CAGR 2024–35E

With an estimated market size of US$226.7 billion, the pharmaceutical market in China is expected to reach US$448.0 billion.

6.5 percent CAGR 2024–35E

With an estimated market size of US$131.0 billion, the medical devices market in China is expected to reach US$261.8 billion.

US$14.3 billion M&A deals, 2025

In 2025, there were 389 deals across the sector, with pharmaceuticals leading the deal size at US$5.9 billion.

Key trends

China's life sciences sector is rapidly scaling up in global relevance, driven by strong local R&D efficiency, AI-enabled innovation, and growing recognition of China-originated assets by multinational pharma through licensing and M&A.

Key stress points

The sector faces mounting structural challenges, including R&D homogenisation, pressure on innovation returns, and post-approval commercialisation hurdles driven by hospital access constraints and pricing pressure.

Sector outlook

Looking ahead, China is expected to further strengthen its position as a global life-sciences innovation and R&D hub, driven by innovation quality, achieving sustainable commercialisation, and navigating pricing, funding, and geopolitical risks.

Contents

1.

Market snapshots

The pharmaceutical market is expected to grow steadily as a result of government policy, R&D expenditure, and an aging population

Pharmaceutical market size and outlook in China

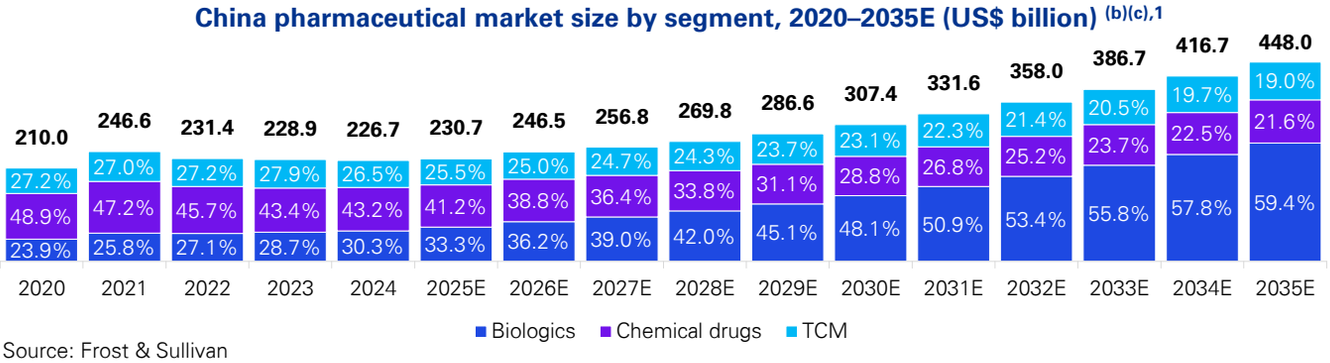
The pharmaceutical market in China is structured around three core segments—biologics, chemical drugs, and traditional Chinese medicine (TCM)—which together underpin market growth and therapeutic access across different disease categories in the country.[1]

Historically, the market witnessed an upward trajectory largely led by rapid population ageing, expanding healthcare expenditure, and a gradual shift from generics-led volume growth towards innovation-driven value growth.

- Also, in recent years, China's regulatory environment has supported value-focused clinical innovation with key reforms such as accelerated IND[(a)] review pathways (30 working days for qualifying innovative drugs)

Going forward, forecast expansion will be increasingly driven by innovative drugs, supportive regulatory reforms, and sharply rising R&D investment.[1]

China pharmaceutical market size by segment, 2020–2035E (US$ billion) [(b)(c),1]



Source: Frost & Sullivan

Period	Biologics	Chemical drugs	TCM	Total
2020–2024	8.2%	-1.2%	1.3%	**1.9%**
2024–2030E	8.0%	-1.0%	1.7%	**3.9%**
2024–2035E	9.5%	-0.1%	2.3%	**5.2%**

Key drivers supporting the growth of China's pharmaceutical market

Pharmaceutical R&D expenditure[2]

Pharmaceutical R&D expenditure in China is expected to reach **US$78.6 billion by 2030** with a CAGR of **9.9 percent** (2024–2030E)

Increasing size of biologics market[1]

China's biologics market is expected to drive the overall pharmaceutical market, owing to demand for **innovative oncology** and **autoimmune therapies**

Ageing population[3]

China's ageing population is expected to reach **270 million by 2030** with a CAGR of **3.47 percent** (2024–2030E)

Healthcare expenditure per capita (HEPC)[3]

Due to the growing aging population, HEPC in China is estimated to reach **US$ 1,021.7 by 2030** with a CAGR of **6.9 percent** (2024–2030E)

Looking ahead through 2035, advances in disease biology, translational research, and drug development technologies along with government policy support will continue to enable the rapid emergence of innovative therapeutic modalities and target-based drugs, especially around oncology.[1]

Note(s): (a) IND stands for Investigational New Drug; (b) E stands for Expected market figures and values as these are forecast numbers; (c) Figures have been converted from RMB to US$ at the yearly average exchange rate taken from OFX for corresponding years in Apr 2026 (Please refer to slide notes for conversion rates)

The medical devices sector is also set for expansion with rapid technological advancements and integration of AI

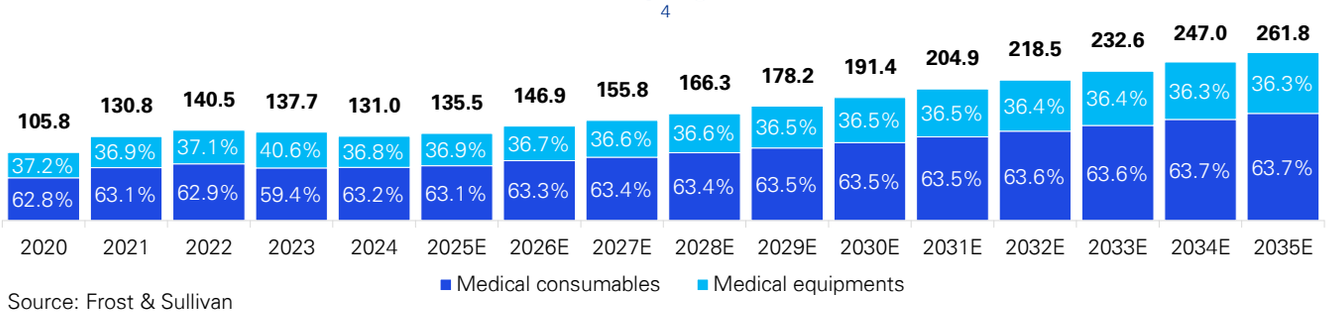
Medical devices market size and outlook in China

China's medical devices market is primarily divided into medical equipment and medical consumables. Medical equipment—such as imaging systems, monitoring devices, and surgical technologies—drives value through hospital upgrades and technology adoption. Medical consumables are single-use or disposable items used in conjunction with medical equipment or in clinical procedures.[4]

From 2020 onwards, China's medical devices market was driven by Covid-led demand, rapid healthcare infrastructure build-out, aging demographics, strong policy support for localisation, and accelerating technology adoption.

Going forward, the market is expected to be increasingly driven by technological advancements, including AI-enabled diagnostics, smart imaging and patient monitoring systems, robot-assisted and minimally invasive surgical devices, and remote monitoring solutions combined with domestic R&D capabilities and faster clinical adoption.[4]

China medical devices market size by segment, 2020–2035E (US$ billion)[(a)(b), 4]



Source: Frost & Sullivan

Period	Medical consumables	Medical equipment	Total
2020–2024	5.7%	5.2%	**5.5%**
2024–2030E	3.9%	3.8%	**3.9%**
2024–2035E	4.8%	4.6%	**4.7%**

Key drivers supporting the growth of China's medical devices market

AI in diagnostics[5]

China's AI in the diagnostics market is expected to reach c.**US$1.0 billion by 2030** with a CAGR of **36.5 percent** (2022–2030E)

Growth in wearable medical devices[6]

"The wearable medical devices market in China is expanding rapidly, driven by technological advancements, increased health awareness, and supportive government policies" **– China Briefing, June 2024**

Surgical robot systems[7]

China surgical robot systems market is expected to reach US$0.9 billion by 2030 with a CAGR of 18.2 percent (2025–2030E)

Smart medical devices[8]

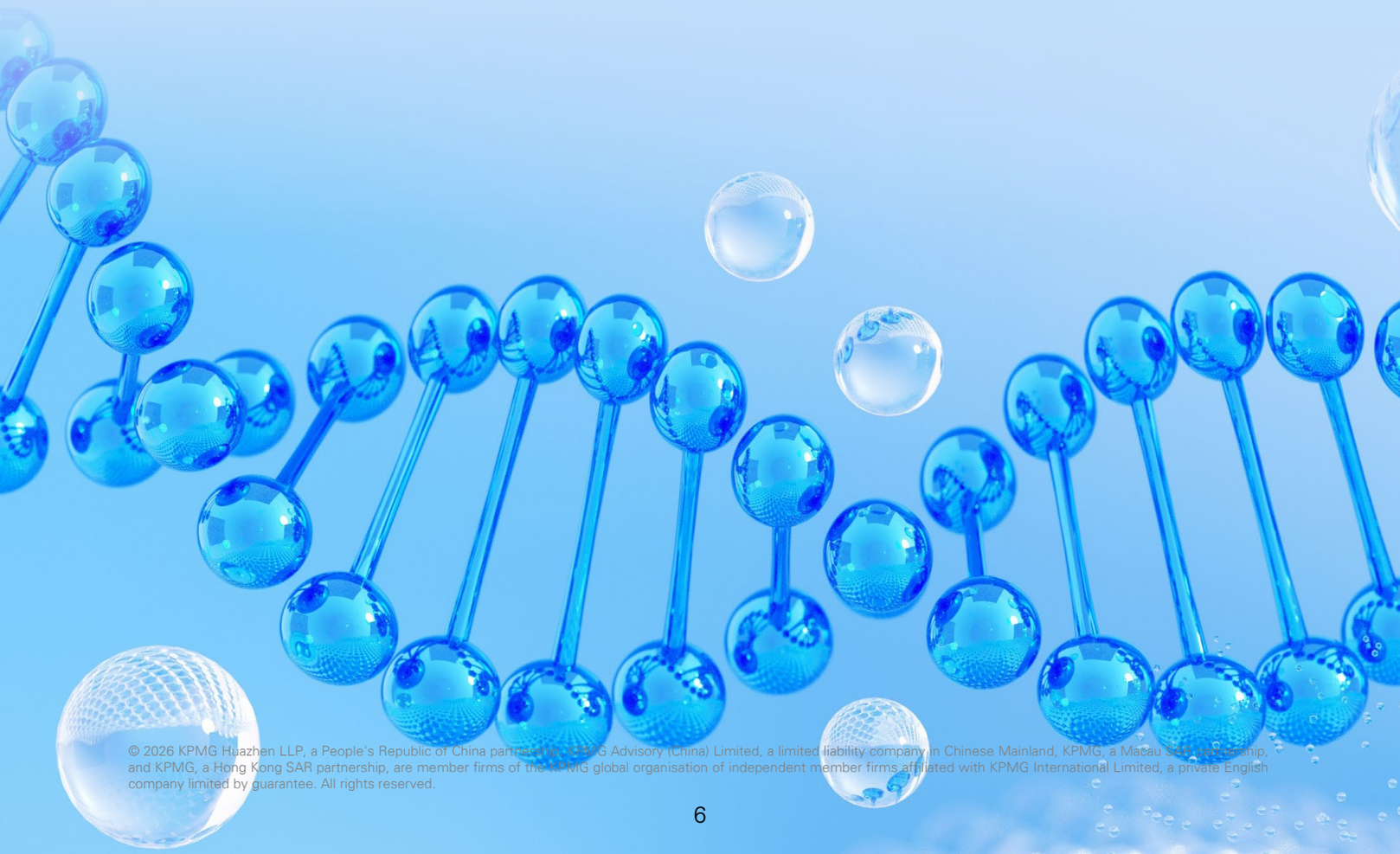
The smart medical devices market in China is expected to reach **US$8.7 billion by 2030** with a CAGR of **14.0 percent** (2025–2030E)

Looking ahead to 2035, China's medical devices market is expected to expand steadily, driven by technology-led innovation across AI diagnostics, surgical robotics, smart devices, and digital infrastructure supported by government policy initiatives focused on modernisation and domestic innovation.

Note(s): (a) E stands for Expected market figures and values as these are forecast numbers; (b) Figures have been converted from RMB to US$ at the yearly average exchange rate taken from OFX for corresponding years in Apr 2026 (Please refer to slide notes for conversion rates)

2.

Macro-economic landscape



Amid an economic slowdown in China, its government and regulatory bodies aim to deploy measures to drive momentum across sectors

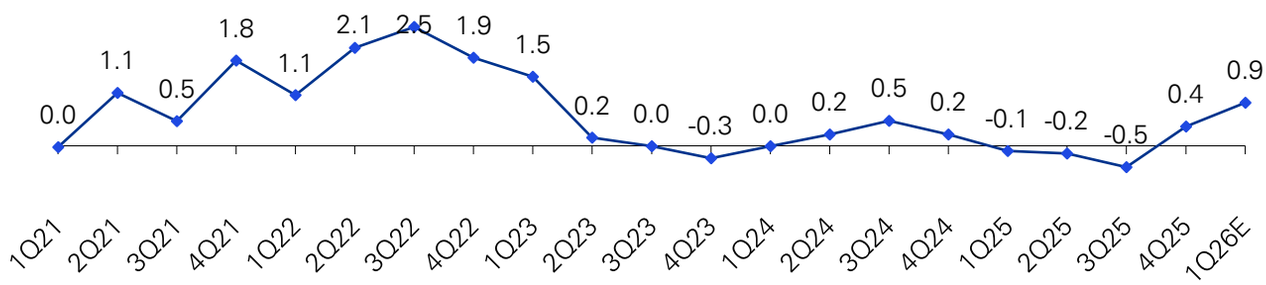
Inflation

Since 2021, China's CPI has remained at a low level. From 2022 to 2023, under the combined pressures of insufficient domestic demand and the deep adjustment of the real estate cycle, domestic prices shifted from a moderate increase to a sustained decline. Since the first quarter of 2025, the continuous policy efforts and the marginal economic recovery have jointly driven the gradual easing of deflationary pressure, which turned positive from the fourth quarter of 2025.[8]

Going forward, inflation rates are expected to rise moderately in coming years with normalising export growth and steady consumer confidence.[10]

- Moderate inflation can raise costs for raw materials and services in the life sciences industry, leading to higher prices for end customers and life sciences players may need to adjust prices suitably to maintain profitability.[10]

China consumer prices, Q1'21–Q1'26E (average percentage change)[(a),(b),11]



Source: EIU

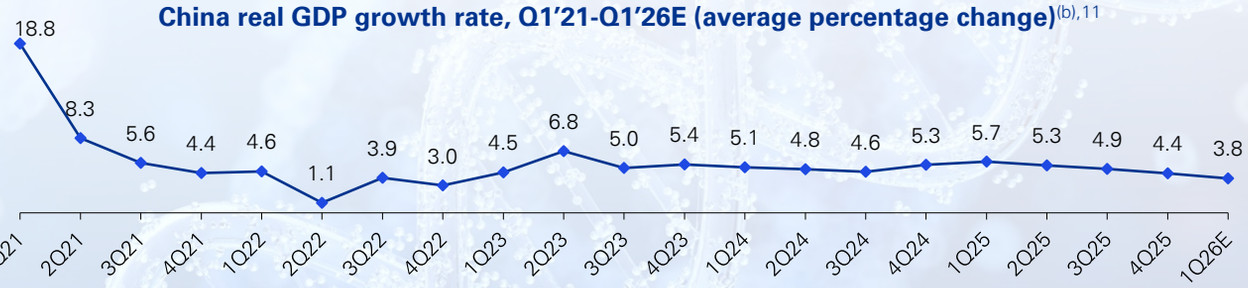
GDP growth

China has been witnessing an economic slowdown in terms of GDP growth in recent years primarily due to slowed retail sales and contracted investments.[12]

Government stimulus to boost consumer spending and GDP growth is likely to prompt development across sectors. As the economy shows resilience in exports and manufacturing, it is expected that the LS sector may observe growth with rising GDP.[13]

"China has set an economic growth target of 4.5% to 5% for this year, while pledging to strive for better results as authorities aim to balance structural reforms, risk prevention, and long-term development goals." – **The State Council Information Office, March 2026**[14]

China real GDP growth rate, Q1'21-Q1'26E (average percentage change)[(b),11]



Source: EIU

Note(s): (a) Percentage change in consumer price index in local currency (period average), over previous year; (b) Data captured from EIU as on Apr 10, 2026.

Short-term policies enacted to combat the weakening Chinese currency due to tariffs and geopolitical disruptions.

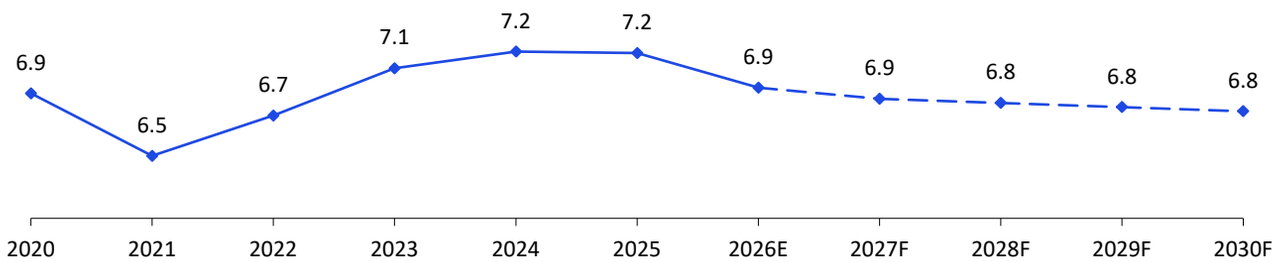
Foreign exchange rate

China's currency has been relatively steady over the years, however, towards the end 2025, it depreciated to CNY7.2 against the US dollar, as a result of US tariffs' inflicted trade disruptions, geopolitical tensions, and lower bond yields.[15,16,17]

However, weaker currency may also result in making China's exports more competitive for the global market. For instance, its active pharmaceutical ingredients (APIs) may benefit from a depreciated CNY at the global level.[18,19]

"The current exchange rate of the yuan against the dollar remains within the mid-range seen in recent years. China neither needs nor intends to gain trade competitiveness through currency depreciation". - **Pan Gongsheng, Governor, People's Bank of China, March 2026[20]**

Average US$-CNY exchange rate, 2020–30F[(a),11]



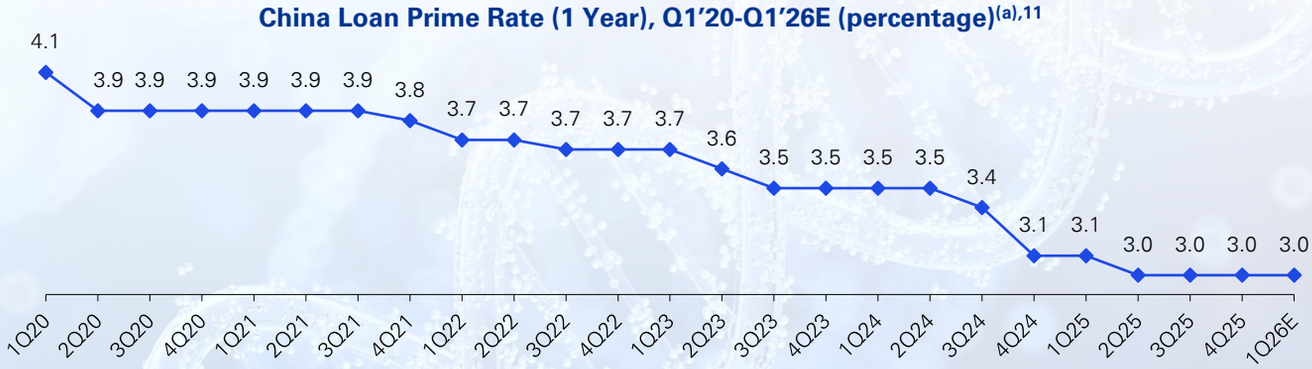
Source: EIU

Interest rate

China's central bank has been reducing lending to ease monetary policy amid the ongoing economic slowdown and trade and geopolitical tensions.[21]

Going forward, low lending rates are expected to act as stimulus for LS companies in China. The central bank commits to reduce the lending rate in 2026, and revealed plans to set up a dedicated relending program for private firms. It also plans to increase quotas for tech innovation loans and support for small and medium-sized private companies, providing a valuable boost across the LS sector.[22]

China Loan Prime Rate (1 Year), Q1'20-Q1'26E (percentage)[(a),11]



Source: EIU

Note(s): (a) Data captured from EIU as on Apr 10, 2026.

The aging population and occurrence of chronic diseases across age groups in China could signal a boost in the sector

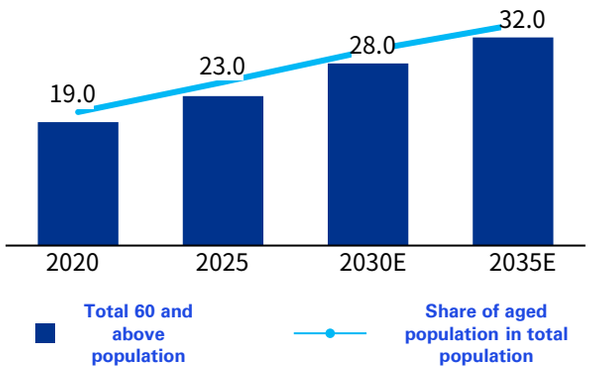
Aging population

China's aging population propels the growth of life sciences sector. More than 78 percent of the country's elderly suffer from at least one chronic disease, resulting in long-term demand for drugs, devices, and diagnostics.[23]

- Due to factors such as the continuous decline in the birth rate and the continuous increase in life expectancy, according to the "China Statistical Yearbook (2025)", the proportion of the population aged 65 and above in China is 15.66%, while the proportion of the population aged 0 to 14 is 15.81%. This will lead to a continuous decrease in the working-age population and a significant increase in the elderly dependency ratio.[24]
- More than half of Chinese adults are now overweight or obese. This figure could rise to 70.5 percent by 2030 if trends continue (per an article dated March 2026).[25]
- Per the International Diabetes Federation, China accounts for 1 in 4 of all adults living with diabetes worldwide. In 2024, 47.9 million people aged 65 – 99 were diagnosed with diabetes, ranking China as the country with the most diabetic old age patients globally.[26]
- Further, overweight and obesity among children is as high as 24.6 percent, meaning one in four children faces the challenge of being overweight or obese.[27]

"We forecast China's healthcare market to grow significantly over the next decade (up from USD 1.4 trillion in 2024), driven by a rapidly aging population. By 2040, adults aged 65 and older are expected to make up 27% of the population, leading to increased healthcare spending. This growth is anticipated to be fueled by innovative drugs, advanced medical devices, and high-value healthcare services. Despite challenges such as regulatory uncertainty and geopolitical risks, we think the structural opportunity remains compelling". – **UBS Research, February 2026**[28]

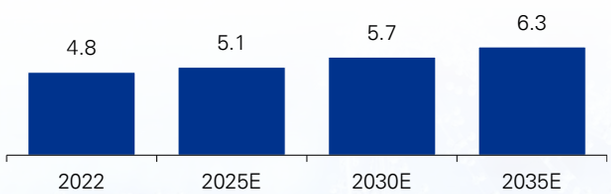
China's population aged 60 and above and its share in the total population, 2020–2035E, (millions, percentage)[9]



CAGR percent	
Period	**Population aged 65 and above**
2020–2030E	3.7
2020–2035E	3.3

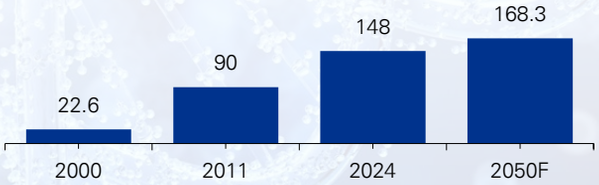
Source: Social Policy Research

Estimated number of new cancer cases, 2022-35F (age 0-85+, both sexes, millions)[29]



Source: International Agency for Research on Cancer

Estimated number of people with diabetes mellitus in China, 2000-50F (millions)[30]



Source: International Diabetes Federation

3.

Trends prevailing in the sector

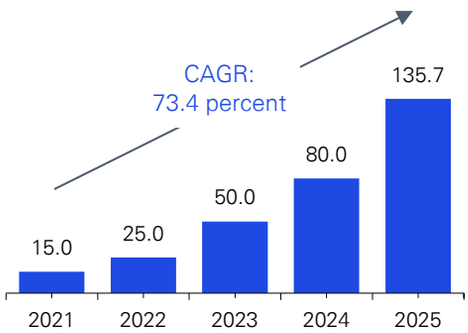
Chinese pharmaceutical and biotech companies are expanding global presence with record out-licensing deals

Spike in out-licensing deals

Out-licensing is a process where a company (the licensor) grants another party (the licensee) legal permission to use, develop, produce, or commercialise its intellectual property—such as technology, drug formulas, or patented products—in exchange for financial compensation.

- For instance, in October 2025, China-based InnoCare Pharma signed a deal with the US-based Zenas BioPharma for US$2.0 billion to develop and sell autoimmune drug candidates.[31]

China outbound licensing deal value, 2021–25 (US$ billion)[32]



Source: Vision Lifesciences

- Since 2021, China's outbound licensing deals have transitioned from 'China for China' to 'China for global'.[33]
- The surge is majorly driven by the cost arbitrage in innovation as Chinese drug discovery costs are 30–40 percent lower than in the US/EU, while clinical trial enrollment is 2–3 times faster, enabling effective drug development.[34]
- Through 2022 and 2023, focus increased on molecular drug candidates, which led to expansion in deal size, with deals of US$1.0+ billion rising from 5–8 in 2021 to 24 in H1 2025.[33]

Concentration of Chinese outbound licensing in 2025[33]

China's outbound licensing strength is majorly visible in advanced therapeutic modalities, particularly Antibody-Drug Conjugates (ADCs), while bispecifics, small molecules, and Cell & Gene Therapy (CGT) form the next wave of deal concentration.

Therapeutic areas	Overview	Key facts
1 **Antibody-Drug Conjugates (ADCs)**	A medicine that carries a drug to the right cell. Mostly used in cancer/oncology	90 percent of global ADC licensing activity linked to Chinese assets
2 **Bispecific Antibodies**	A medicine that sticks to two targets at once. Mainly used in cancer/oncology	China accounting roughly half of global bispecific licensing deals
3 **Small Molecules (Next-Gen)**	Small drugs that penetrate inside cells. Used across heart, liver, and rare diseases	Ranked as the most rapidly growing segment
4 **Cell & Gene Therapy (CGT)**	Treatments that use cells or genes to fight disease. Used in Oncology, genetic and immune diseases	Remains an emerging outbound licensing pocket

Strong momentum for out-licensing deals in 2026 as companies bolster R&D capabilities and push for commercial expansion

Key outbound licensing deals in 2025[(a)]

Chinese companies are partnering with aim to create funding channel, push R&D capabilities, and expand geographical reach by bolstering commercial capabilities.

	Date of publication	Collaboration			Synopsis
Biopharmaceutical	Jul 2025	Hengrui		GSK	Agreed to develop 12 innovative medicines as part of globalisation strategy. **Deal value:** US$12.5 billion[35]
	Sep 2025	Argo Biopharma		Novartis	Awarded the access to Argo's long-acting siRNA heart-disease drugs. **Deal value:** US$5.4 billion[36]
	2025年6月	CSPC Pharma		AstraZeneca	Aims to advance the discovery and development of novel oral candidates, with the potential to treat multiple diseases. **Deal value:** US$5.3 billion[37]
	Jun 2025	Hansoh Pharma		Regeneron	Awarded the rights to develop and sell its obesity drug HS-20094 outside China **Deal value:** US$2.1 billion[38]

Licensor Licensee

Outlook

The trend is expected to continue its rally through 2026, with the transaction volume exceeding US$60.0 billion in Q1 of 2026, close to half of the total for 2025, indicating a significant increase in overseas pharmaceutical companies' recognition of China's innovative molecular pipeline in lieu of patent expirations and R&D cost cuts. As of March 2026, 10 innovative drugs have been approved for marketing in China this year, including 2 imported and 8 domestically produced drugs[39].

"We believe China biotechs are reshaping the US biopharma landscape, as in-licensing assets from China could offer multinational corporations a remedy to alleviate pressure affordably and within a manageable time frame". **– Fierce Biotech, July 2025[40]**

"The total value of these licensing-out deals is on track to double again over the next 18-24 months." **– Tom Barsha, Head of Asia Pacific M&A, Bank of America Securities, February 2026**[41]

Note(s): (a) The list of deals is covered basis deal size from largest to smallest

Life sciences companies are deploying AI/ GenAI across the value chain to scale operations and increase efficiency

Integration of advanced technologies

China's LS sector is witnessing a high integration of digital solutions and advanced technologies across the value chain that is enabling the companies to scale their operations and services to gain competitive advantage. These technologies include:

- **AI/ GenAI**
- **Robotics**
- **Smart factories**

Use of AI/ GenAI

Through big data analytics and machine learning, AI accelerates the processes across the value chain. Chinese companies have intensified the adoption of AI across their operations and have recorded several observations. Per a 2025 report, there are already 113 AI pharma companies in the country.[42]

Target identification and lead generation

Hengrui Medicine deployed AI-enabled screening and identified 500 potential molecules from a library of 100,000 compounds, improving screening efficiency by 200 times and **compressed timelines by 40 percent.**[(a),43]

Preclinical optimisation

Xtalpi deployed GenAI services increased the success rate of chemical and drug experiments to 90 percent from the traditional 20 to 30 percent.[(a),44]

Clinical development and proof-of-concept

Corning Continuous Pharmaceutical Technology claimed to have reduced drug synthesis process development from **four months to three weeks** as well as improving efficiency by more than **five times.**[(a),45]

Launch and commercial execution

Yunna Baiyao leveraged AI models across supply chain to reduce costs by 13.6 percent, deployed AI for marketing to add 70 million users; and improved patient satisfaction by 50 percent.[(a),46]

Outlook

China envisions AI deployment with the 'Implementation Plan for the Digital and Intelligent Transformation of the Pharmaceutical Industry (2025–2030)', which outlines the application of AI in new industrialisation, drives the deep integration of next-generation information technology with the pharmaceutical industry chain, and accelerates the digital transformation of the pharmaceutical industry.[47]

"AI is continuously penetrating the pharmaceutical industry. We expect to see two changes: first, predictive manufacturing and quality control; and second, using AI to replace wet laboratory work" **– Zhou Zhaoli, Executive Director, XJTLU Future Medical Technology Proof-of-Concept Center, July 2025**[45]

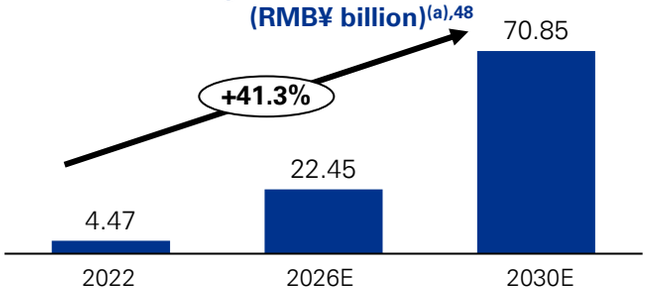
Note(s): (a) The examples mentioned here are quoted from sources published in 2025, however they do not provide the exact date of when solutions were implemented.

Robotics is expected to penetrate both surgical and drug discovery processes in line with the government policy push

Implementation of robotics

The penetration of robotics has been evident across both surgical and operational fronts, as companies are integrating processes to maximise customer delivery and increase efficiency.

China surgical robot market, 2022–2030E (RMB¥ billion)[(a),48]



Source: Frost & Sullivan

> ***The domestic surgical robot market is currently dominated by laparoscopic surgical robots and orthopedic surgical robots, which together account for approximately 74% of the total domestic surgical robot market.***
>
> **– Encore Consulting, April 2025 [49]**

In recent years, the surgical robotic segment has gained considerable momentum due to policy support, increase in demand for rehabilitation due to an aging population, and precise surgery.[50]

- Chinese patients are increasingly willing to seek minimally invasive treatments, leading to a growing demand for Robo-Assisted Surgery (RAS) [50]
- Going forward, the increasing demand from surgeons for higher surgical precision and continuity will also promote the penetration of medical robots [50]

"As medical robots become more deeply integrated with cutting-edge technologies such as artificial intelligence, brain-computer interface, 5G network, AR/VR, and big data, the level of interaction between them and doctors and patients will be further improved" – **ASKCI, April 2025[50]**

Integration of robotics in pharmaceutical operations

Drug discovery and testing

- In 2025, Liangzhu Laboratory collaborated with Xtalpi on setting up a robotics-powered biomaterials laboratory, with XtalPi providing a smart robotics platform spanning their entire workflow from synthesis to testing[51]

Clinical/lab testing

- In August 2025, Biocytogen partnered with MegaRobo to use robotics and intelligent automation in fully human antibody discovery and production, helping speed up R&D and improve scalability[52]

Outlook

Robotics for healthcare has quickly become an area of investment interest for venture capitalists and industry players, with the goal of transforming outdated healthcare systems and practices, including surgical treatments and device applications.

- The demand for medical robotics is twofold: The healthcare industry is eager to enhance patient care and reduce workforce burden, while investors seek startups that are driving large-scale societal change[53]

"For humanoid robots and physical AI in China, we expect a shift in 2026 away from headline-grabbing spectacles and toward real applications with commercial value. Investors are demanding it." **– The Robot Report, January 2026[54]**

Note(s): (a) Conversion rate has been quoted from OFX for corresponding years. Refer to slide notes for actual figures. Also, E stands for Expected market figures and values as these are forecast numbers; (b) PP stands for Percutaneous Puncture robots, and Others comprise Panvascular/vascular interventional surgical robots, Natural-orifice surgical robots, and Other specialty surgical robots

Smart factories are gaining traction amongst life sciences players amid the push for automated operations

Emergence of smart factories

Smart factories integrate Internet of Things (IoT), 5G, industrial software, cloud platforms, AI, and other technologies to create a connected, data-driven manufacturing environment. Real-time data from production processes is continuously captured and analysed, enabling seamless coordination across systems and locations. This allows manufacturers to move beyond traditional operations to real-time control to improve both production stability and resource efficiency.[55]

- Per a 2025 report, China built more than 230 smart factories and 1,260 5G factories in the same year. These newly installed units account for more than 50 percent of the global total of smart factories[56]

Presence of smart factories across LS landscape

Pharma and biotech are majorly switching to smart factories by automating their processes across the value chain. Some of the examples include:

Qidu Pharma[57]

Operates a fully **digitalised smart factory** encompasses plant construction, R&D design, production operations, production management, and operations management.

- **Automates 80 percent** of the processes with real-time visual production execution management and control, and automatic data collection
- **Deploys AI technologies** such as machine learning, neural networks, and deep learning, along with intelligent algorithm models for automatic optimisation, intelligent production scheduling, and intelligent shipping

Yichang Renfu Pharma[58]

Manages a smart factory for intelligent management and control of narcotic and psychotropic drugs

- **Integrates next-generation information technologies** such as AI, 5G, edge computing, industrial internet, and big data intelligent decision-making. Also, integrating core business systems such as MES, SAP, LIMS, WMS, and TMS with data analysis platforms such as SCADA and PI[(a)]
- Creates a **closed-loop management system** for the entire process of real-time data collection, monitoring, analysis, and optimisation

Outlook

With the adoption of 'Implementation Plan for the Digital Transformation of the Pharmaceutical Industry (2025-2030)', deep integration of AI, big data, and IoT technologies into the entire supply chain will be pushed immensely.

- By 2027, the policy aims to build 100+ digital and intelligent pharmaceutical and medical device factories, establishing 50+ leading enterprises in digital and intelligent transformation, and promoting 5 excellent industrial parks for digital and intelligent transformation in the pharmaceutical industry[47]

"The China Research and Development Institute (CRDI) believes that in the next five years, intelligent pharmaceutical manufacturing will cover the entire drug lifecycle, from target discovery and molecular design in R&D to smart factories and flexible manufacturing in production, and blockchain traceability and emergency response in the supply chain" – **China Research Network, January 2026**[59]

Note(s): (a) MES (Manufacturing Execution System), SAP (Systems, Applications, and Products in Data Processing), LIMS (Laboratory Information Management System), WMS (Warehouse Management System), and TMS (Transportation Management System), together with data analysis platforms such as SCADA (Supervisory Control and Data Acquisition) and PI (Plant Information / Process Information system), are used to digitally connect manufacturing, laboratory operations, warehousing, logistics, and real-time process monitoring across the factory

Policies on drug approval and testing have enabled China to build a robust ecosystem and position it as a center for R&D

China's emergence as a global R&D hub

China's position as a global R&D hub is supported by a combination of rising innovation output, expanding clinical-research capacity, faster regulatory pathways, and stronger policy backing for advanced drugs and medical devices. The recent growth underscores both the scale and growing sophistication of its innovation ecosystem, enabling both foreign and domestic companies to tap into new opportunities.

Key parameters	China	US	Europe
Market authorisation for novel drugs (2025)	76 new drugs approved[60]	46 new drugs approved[61]	104 new drugs approved[62]
Application review (standard vs. priority	Standard review – 12 – 18 months; Priority review – 6 months[63]	Standard review – 10 months; Priority review – 6 months[63]	7 months (centralised) [63]
Regulatory reform momentum	Reduces IND[(a)] time to 30 working days[64]	Expedites biosimilarity studies and reduces clinical testing[65]	Introduce multinational clinical trials[66]
Innovation-support pathways used	Leverages Priority Review (PR), Conditional Approval (CA), and Breakthrough Therapy Designation (BTD)[67]	Widespread use of Fast Track, Priority Review, Accelerated Approval programs[68]	Uses accelerated and priority review pathways[66]
Dedicated R&D hubs	Supported by policies, such as Suzhou Biomedical Industrial Park which focuses on niche sectors such as complex generic drugs and ADCs[69]	Regions such as Boston-Cambridge and BioHealth Capital supported by government funding and tax credits as incentives[70]	European cluster centered on Heidelberg in Germany, Cambridge in the UK, and Basel in Switzerland[69]

Outlook

Going forward, China is likely to strengthen its position particularly in areas where speed, scale, and policy coordination matter most—including innovative pharma pipelines, clinical trials, cell and gene therapy, and next-generation medical devices.

"[Moreover], China has really become the destination of choice for global players to find novel assets for their pipelines – particularly in oncology, where by 2030, up to half of current branded products will have expired patents." **– Jacqueline Poot, President – Strategic Consulting & Analytics, Idea Pharma, December 2025[71]**

"We chose to launch the first Chinese innovation index this year because we can see a clear trend – China is becoming a global pharmaceutical innovation hub with very different players [from global partners]." – **Celia Deng, President - Asia, SAI MedPartners, December 2025**[71]

Note(s): (a) IND denotes Investigational New Drug, an application submitted to NMPA to request permission to initiate human clinical trials for a new drug or biological product

Policy-backed momentum for medical devices has resulted in increased localisation of production and a surge in exports

Localisation of MedTech

China is accelerating policy support for domestic manufacturing as medical devices converges with innovation, hospital equipment renewal, and procurement mechanisms that favors cost-effective and locally produced devices.

- In 2025, the NMPA received a total of 14,647 applications for initial registration, renewal registration, and change registration of medical devices, an YoY increase of 5.9 percent 2024[72]

China's medical device trade statistics 2025 (YoY change)

Imports[72] **US$34.8 billion** **-2.7 percent**

Exports[72] **US$50.5 billion** **+3.5 percent**

The total trade of medical devices reached US$85.3 billion, a YoY increase of 0.8 percent.[73]

- The exports surged with the accelerated demand for high-end devices globally and breakthroughs in new geographies[73]
- The decline in imports showed resilience as the trend of domestic substitution of medical devices extends from conventional categories of devices to the mid-to-high-end devices[73]

"Chinese-developed high-end medical devices, while developing the domestic market, are also accelerating their integration into the global healthcare industry landscape." - **China Association for Medical Devices Industry, January 2026**[74]

Localisation strategy pillars

Accelerated domestic substitution

Localisation of Class II and III medical devices has accelerated, climbing from 90.7 percent in 2021 to 96.4 percent in H1 2025[75]

Medical insurance cost control

Offers medical insurance coverage scope for several devices making it accessible for hospitals and patients[76]

Expanded centralised procurement

National volume-based procurement system promoting enterprises to shift from pricing to innovation competition[77]

Outlook

Looking ahead, China's medical device industry is transitioning from simply exporting products to a new phase of exporting technical standards and establishing a localised ecosystem. As Chinese companies steadily improve their technological strength and product competitiveness in high-end medical equipment and niche markets, overseas production capacity expansion is accelerating, and medical service networks and global distribution channels are continuously improving.[78]

"In the future, with the continuous improvement of the policy system, breakthroughs in technological innovation, and the increasing maturity of the market ecosystem, China will gradually grow into a global innovation center and manufacturing hub for the medical device industry, contributing Chinese strength to the health and well-being of its people and the development of global healthcare." – **China Association for Medical Devices Industry, December 2025**[79]

Patient-side demand is strong for drugs in lifestyle-linked areas such as weight management, aesthetics, and insomnia

Patient-driven treatment processes - Prescription drugs are becoming consumer goods

Prescription drugs in China—especially in lifestyle-linked and chronic consumer-decision areas (weight management, dermatology/alopecia, aesthetics, insomnia, metabolic health)—are increasingly being purchased similarly to consumer goods.

- Rising patient awareness and digital access are shifting go-to-market models from hospital-centric, HCP[(a)]-only promotion to multi-channel, patient-influenced engagement, combining retail pharmacies, online hospitals, e-commerce platforms and social media-led education.

Key areas where drugs are being driven by patient-side demand

Weight management/ obesity

Alopecia (medical term for hair loss) is closely linked to appearance, self-image, and quality of life. Patients in China are actively seeking treatment options, prompting companies to cater to the demand.

- In June 2025, NMPA approved the use of Mazdutide, developed by Innovent Biologics, a China-based biopharmaceutical company, for chronic weight management in overweight and obese adults.[80]

Dermatology (Alopecia, acne, skin conditions)

Skin conditions such as Psoriasis has a significant effect on skin appearance, self-confidence, and daily life, making patients proactive in seeking treatment.

- In July 2025, NMPA approved Ivarmacitinib sulfate tablets, developed by China-based Hengrui Pharmaceutical, for the treatment of severe alopecia areata, marking one of the first domestically developed oral targeted therapies for hair loss in China[81]

Insomnia

Patients are actively seeking better sleep solutions, thereby influencing pharmaceutical companies to cater to the demand of patients in this area.

- In June 2025, NMPA approved daridorexant, a new-generation insomnia drug commercialised by China-based Simcere Pharmaceutical, highlighting the shift of sleep therapies towards consumer-driven, lifestyle-linked prescription medicines in China.[82]

Medical aesthetics

Medical aesthetics is gaining rapid traction in China, driven by rising beauty consciousness, higher disposable incomes, and growing acceptance of minimally invasive cosmetic procedures.

- In July 2025, NMPA approved a poly-L-lactic acid (PLLA) microparticle filler injection for the correction of nasolabial folds, marking the launch of a regenerative anti-aging aesthetic injectable in China.[83]

Note(s): (a) HCP stands for healthcare professional

Sales in China is moving towards a multi-channel approach, extending beyond hospitals to retail and online platforms

Shift from hospital-centric promotion to multi-channel engagement in China

Sales distribution of weight management drugs through online healthcare platforms

Pharmaceutical companies are leveraging online channels to spread knowledge about weight loss and blood sugar control, signaling a move away from only HCP push marketing.

- In July 2025, China-based Innovent Biologics partnered with JD Health, an online healthcare platform in China, to support the launch and scaling of Mazdutide (GLP-1[(a)] weight-management drug).[84]

Disease-related patient education and consultation through online platforms

Pharmaceutical companies in China are delivering disease-related patient education and consultation through digital platforms—such as online hospitals and AI-enabled health apps—providing standardised, and continuous education integrated into the patient care journey.

- In January 2025, JD Health launched its LLM-powered medical ecosystem called AI Jingyi, with one its core functions being an AI-enabled disease education feature for patients[85]
- In December 2024, JD health's internet hospital launched a 24/7 video consultation service for patients connecting them with full-time general practitioners who respond to patient queries in nine seconds[86]

Promotion of aesthetics-related drugs and injectables through social media

Social networking and e-commerce platforms have become a promotion platform where people openly share their aesthetics-related experiences such as of using Botox and fillers.

- Platforms such as Xiaohongshu have become influential, serving as a trusted repository of user-generated content.
  - Generally, female consumers actively seek beauty information on the platform, however, in mid-2025, Xiaohongshu saw a surge in posts from male users sharing their Botox/filler experiences by uploading before-and-after photos, hence prompting peer interest.[87]

Outlook

Looking ahead, demand for drugs and therapies in weight loss, aesthetics, skin health and sleep will be driven less by physician prescriptions and more by informed, motivated patients who treat these drugs like lifestyle products. As a result, China's sales model will evolve into a seamless omnichannel ecosystem where hospital, retail, online consultation, and social-commerce platforms jointly influence uptake.

Note(s): (a) GLP-1 denotes Glucagon-like peptide which is a gut hormone that helps regulate blood sugar and appetite by stimulating insulin release, suppressing glucagon, slowing gastric emptying, and increasing satiety—making it a key target for diabetes and weight-management drugs

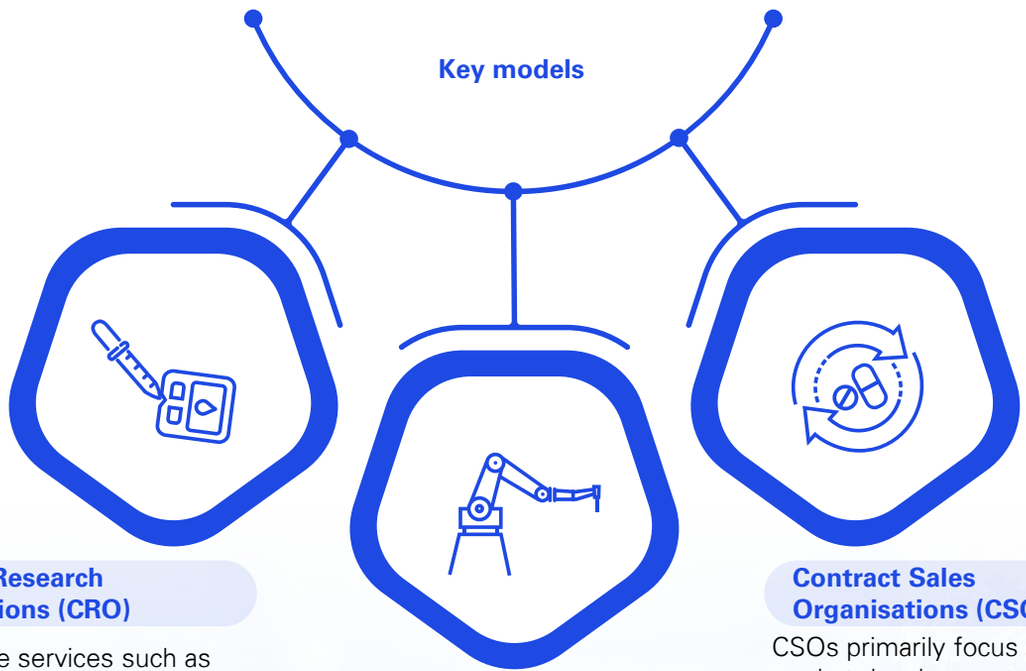
Chinese companies are leveraging outsourcing across the value chain to control expenses and scale operations

Rise of outsourcing models

Chinese pharma and biotech companies are leveraging outsourcing both core and non-core processes to build a more flexible, faster, and capital-efficient operating model—ranging from R&D execution, manufacturing, and commercialisation—while retaining control over core innovation strategy and product ownership, thereby controlling operational expenses and scaling operations.

China pharma outsourcing and value chain mapping

Key models



Contract Research Organisations (CRO)

CROs provide services such as drug discovery, preclinical research, and clinical trials, covering target screening, molecular design, and pharmacological and toxicological studies.

Contract Development & Manufacturing Organisations (CDMO)

CDMOs primarily focus on the drug manufacturing process, responsible for services such as process development and production optimisation, and packaging.

Contract Sales Organisations (CSO)

CSOs primarily focus on the market development and sales of new drugs; they essentially push drugs into end markets such as pharmaceutical companies and pharmacies.

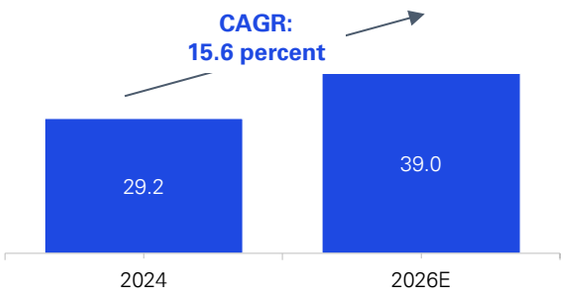
Upstream
Supports pharma with initial clinical studies and trials

Midstream
Handles production-related resources and operations

Downstream
Focuses on commercialising and marketing products

Outsourcing models cater to the various needs of both domestic and overseas life sciences companies

China pharma outsourcing market, 2024–26E (US$ billion)[(a), 88]



The market recorded a steady growth over the years with increased R&D investment and outsourcing penetration among pharma companies. [88]

- Increased out-licensing transactions (both volume and value) by Chinese pharma companies overseas is expected to propel growth further[88]
- Additionally, policy support system for the development of innovative drugs, accelerated review and approval to provide more momentum across CXO categories[88]

Source: ASK CI

Segment-wise growth drivers

- Rising demand for integrated end-to-end outsourcing (from proof of concept and non-clinical studies to key clinical trial)
- Support on specialised disease expertise and technical complexity of new therapies
- Stronger need for translational and regulatory support[89]

- Policy pushes such as Market Authorisation Holder, empower CDMOs for higher-quality external production
- Cost-driven supply-chain shifts further accelerate capability upgrades and expanding presence[90]

- MNCs entering the China market, and emerging biotechs without specialised local support teams
- Cost-pressured traditional pharma companies aiming to access established channels of sales, accelerate commercialisation, and lower selling costs in China[91]

Outlook

In the future, the CXO market will focus on technological upgrades, global layout, and ecosystem integration to strengthen core barriers and drive the reshaping of the industry value chain.[92]

Leading companies have developed differentiated advantages in niche areas (such as GLP, ADC, and continuous flow reaction), and technological iteration has accelerated the increase in industry concentration." – **Sina Finance, July 2025** [93]

"Goldman Sachs predicts that in 2026, Chinese CDMO firms will see a renewed acceleration in project acquisition and order conversion as visibility improves, industry sentiment bottoms out, late-stage projects recover, and global outsourcing trends normalise" – **Sina Finance, March 2026** [94]

Note(s): (a) Conversion rate has been quoted from OFX for corresponding years. Refer to slide notes for actual figures. Also, E stands for Expected market figures and values as these are forecast numbers

China recorded strong IPO activity in 2025 as foreign investors show confidence in the industry's growth prospects

Surge in IPO activities

Increasing number of companies are filing IPOs as the industry becomes more diverse and competitive. The trend sees both new and existing enlisted companies involved, with the latter following a dual listing trend.

- For instance, Jiangsu Hengrui already listed on A-share (referred to both Shenzhen or Shanghai exchange) also filed an IPO on H-share/ HKEX (Hong Kong Stock Exchange)[95]

In 2025, a total 26 life sciences companies (including 8 medical device and service companies) were listed on the Hong Kong Stock Exchange, an increase of 17 companies compared to 2024.[95]

- Sixteen unprofitable biotechnology companies listed under Chapter 18A rules (a 2018 amended regulation which allows the listing of unprofitable biotechnology companies)[95]
- Entering 2026, the IPO spree has continued with 7 biopharmaceutical companies submitting listing applications to the HKEX in the first half of January alone, continuing the industry's growth momentum[95]

Key drivers for the IPO activities[95]

Return of international capital	Goldman Sachs, Morgan Stanley, and other global banks re-entered China biopharma IPOs backing listings such as Hengrui Medicine and Yingen Bio
Policy shift	Since 2018, more than 80 biotech companies have been listed, positioning Hong Kong as the largest biotech financing platform in Asia and second globally
Dual listing proposition	Listing on both A-share and H-share markets enable companies to enhance brand value and open doors to funding innovation

Major IPOs in 2025

Company	Segment	Index	IPO value (US$ million)
Jiangsu Hengrui Pharmaceuticals	Pharmaceuticals	HKEX	1,260.0[96]
Duality Biotherapeutics	Biotech	HKEX	228.0[(a),97]
Yingen Biotech	Biotech	HKEX	190.6[(a),98]

Outlook

Going forward, more IPOs listings are expected as the industry move towards "value-driven" growth, and investors beginning to pay more attention to the long-term value of companies.

"Among the biopharmaceutical companies seeking IPOs in Hong Kong, nearly 70% are innovative drug companies, with their technological routes concentrated in cutting-edge fields such as ADCs, bispecific antibodies, and cell therapy. Companies in the upstream and downstream of the industry chain, such as CXOs and medical device companies, are also accelerating their expansion" – **Yaozhi, April 2026**[95]

Note(s): (a) Figures have been converted on a historical rate, quoted from OFX (refer to notes for exchange rate)

NewCo' licensing model is allowing Chinese biotechs to offload costs while expanding profits on a global scale

NewCo[(a)] licensing model

The NewCo model is gaining popularity, especially for early-stage assets. In this approach, companies spin out core pipelines/ products into new entities, co-funded by global investors or pharma partners.

- Such cross-border M&A allows Chinese biopharma firms to integrate into multinational ecosystems while monetising assets and exporting technology[99]

For instance, in September 2025, China-based Mabwell Bioscience out-licensed the global rights to its dual-target small interfering RNA (siRNA) candidate 2-MW7141 for lipid management in dyslipidaemia patients. The rights were acquired by the US venture capital company Aditum Bio through its NewCo Kalexo Bio in a deal worth up to US$1.0 billion.[100]

"The path for the NewCo can vary. It may act simply as a vehicle for the candidate to be sold to another pharmaceutical developer down the line, or it may act more like a pharmaceutical developer itself, advancing the candidate and even seeking an initial public offering (IPO)."

– David Chen, Partner, Goodwin Procter, Sept 2025[100]

Key features[101]

- **Higher stake ownership:** NewCo structures often give the Chinese licensor a significant equity stake in addition to upfront and milestone payments, capturing more long-term upside
- **Faster decision making:** NewCo do not have internal governance frameworks like large pharma companies. Deal timelines from letter of intent to close can be 3–6 months versus 9–18 months with large pharma
- **Asset Focus:** A NewCo provides 100 percent focus on the licensed asset, versus competing for attention within a large pharma portfolio
- **Built-to-Buy:** End objective for NewCos is acquisition by Big Pharma — meaning the Chinese licensor ultimately benefits from the premium paid at exit

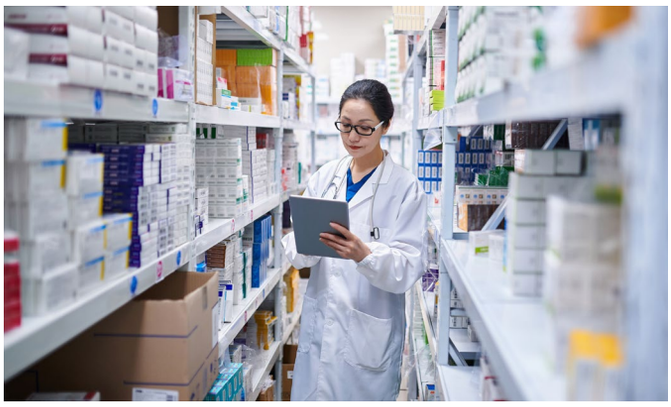
Outlook

Overall, China's biopharmaceutical licensing market is demonstrating a mature trajectory of rapid growth, with innovative models such as NewCo further enriching transaction structures and negotiation dynamics.[102]

Note(s): (a) NewCo denotes a strategic business structure where a parent organisation spins off specific assets or business units into a newly created, independent entity

Commercial insurance is moving from a peripheral supplement to complementary payer alongside NRDL

Increase scope of insurance coverage



In July 2025, the Commercial Innovative Drug Catalog was announced by NHSA (National Healthcare Security Administration). The catalog is in effect since January 1, 2026.[103]

- It focuses on drugs with high levels of innovation and significant clinical value that exceed the basic medical insurance's "basic coverage" objective, including high-priced innovative oncology drugs (such as CAR-T therapy), gene therapy drugs, and some rare disease drugs[103]

NRDL (National Reimbursement Drug List), on the hand, is central to state-driven Basic Medical Insurance system, determining which drugs are reimbursed while balancing patient access with healthcare cost sustainability. For instance, in 2025, 91 new drugs were added, bringing the total to 3,159. Of these, 90 were introduced within the past five years, and 38 were globally innovative.[104]

"The commercial insurance innovative drug catalog and the basic medical insurance catalog are not simply substitutes, but complements each other. It can better meet patients' medication needs, support the development of innovative drugs, and help improve the multi-tiered medical security system, reduce the burden on basic medical insurance, and form a joint force to protect the health of the people" **- Jin Chunlin, Director, SMHRDC[(a)], July 2025[103]**

How do both schemes complement each other?[103]

Provide extension to NRDL

- The commercial insurance innovative drug list fills the gap for high-cost but clinically valuable innovative drugs across cancer, Alzheimer's disease, and rare genetic disorders, i.e., therapies, that are unlikely to be included in NRDL because of affordability constraints

Coordinated listing of drugs for holistic coverage

- Both the lists are expected to operate in a coordinated pathway, drug meets the criteria for both the national medical insurance and commercial insurance catalogs, it will be prioritised for NRDL listing negotiation
- If failed in the NRDL listing, then it will proceed to the commercial insurance price listing negotiation stage

Outlook

The new two-tier coverage is expected to promote innovation, clinical breakthroughs and effectiveness, provide real-world data to attract policyholders, and design risk-sharing schemes to reflect innovative payment characteristics.[105]

Note(s): (a) SMHRDC stands for Shanghai Municipal Health and Development Research Center

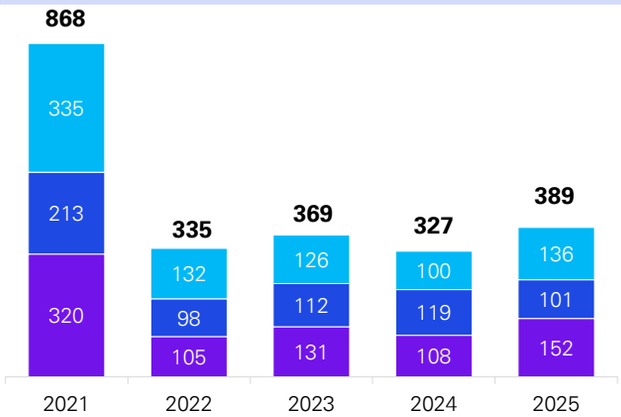
4.

Deal radar

Deal transactions in 2025 saw a modest increase in volume, led by deals related to biotech and medical devices

China M&A activity (2021–25)

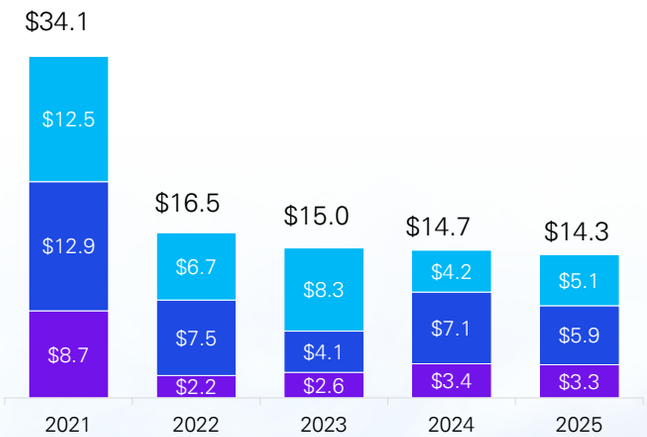
Deal volume by sub-sector, 2021–25 (# of deals)[(a)(b)(c)(d), 106]



	CAGR (2021–25)	YoY (2024–25)
Biotechnology	-20.2%	36.0%
Pharmaceutical	-17.0%	-15.1%
Medical device	-17.0%	40.7%
Total	-18.2%	19.0%

Source: Refinitiv

Deal value by sub-sector, 2021–25 (US$ billion)[(b)(c)(d)(e), 106]



	CAGR (2021–25)	YoY (2024–25)
Biotechnology	-20.1%	21.4%
Pharmaceutical	-17.8%	-16.9%
Medical device	-21.5%	-2.9%
Total	-19.5%	-2.7%

Source: Refinitiv

In 2021, the sector witnessed a heightened M&A activity as investors prioritised the sector post-COVID.

- However, from 2022 onwards, deal activity declined amid macro level uncertainty caused by events such as tightened regulatory scrutiny (with the amended Anti-monopoly Law effective in 2022)[107], tariff-related policy unpredictability, deflationary trend due to subdued domestic demand, etc.[108]

In 2025, M&A deals witnessed a slight uptick in volume due to investor interest in biotech and medical devices with low value deals as companies preferred to trade assets or form alliances than attempt high-value buyouts.[109]

Legend: Biotechnology | Pharmaceutical | Medical device

Note(s): (a) The deal count includes closed deals; (b) Total deals include domestic, inbound and outbound deals; (c) The deal dump included 30 deals with undisclosed acquiror, therefore, these have been excluded from the analysis; (d) Domestic nation in deal dump includes the Chinese territories of Mainland China, Hong Kong China, Taiwan China and Macau China; (e)Total deal value is only depicted for deals for which deal value was disclosed/ available

In 2025, M&A activity was driven by domestic deals due to policy support, with cross-border deals remaining constrained

Total M&A activity (domestic, inbound and outbound) in terms of deal volume and value, 2021–25[a][b][c][d][e]

	Deal volume			Deal value		
	# of deals (2025)	CAGR (2021–25)	YoY (2024–25)	US$ billion (2025)	CAGR (2021–25)	YoY (2024–25)
Domestic	350	-17.5%	25.9%	$12.3	-17.2%	17.1%
Inbound	13	-20.8%	-27.8%	$0.7	-32.1%	-74.1%
Outbound	26	-24.0%	-16.1%	$1.3	-27.1%	-13.3%
Total	**389**	**-18.2%**	**19.0%**	**$14.3**	**-19.5%**	**-2.7%**

In 2025, overall M&A activity in the sector was mainly driven by domestic deals which constituted **90 percent** of the total deal volume and **86 percent** of the total deal value, owing to supportive government policies.

- For instance, in September 2024, the M&A guidance measures issued by the China Securities Regulatory Commission (implemented in early 2025) helped lift deal activity by **prioritising strategic and innovation-led acquisitions**[110]
  - Furthermore, the new measures expanded financial structuring flexibility. For instance, it allowed phased payment of share consideration over up to 48 months, reducing acquirers' immediate funding pressure.[110]
- In addition, the framework introduced **fast-track channel review** for eligible transactions, with some qualifying cases able to obtain rapid registration approval (as little as ~5 working days), thus, reducing execution timelines[110]

Inbound M&A deals in the sector experienced a significant slowdown through 2025 as **foreign buyers became more cautious** due to regulatory reforms (such as volume-based pricing of drugs), lower policy predictability amid geopolitical tensions, and higher diligence/data-compliance risk (scrutiny on patient data being shared).[108]

- Instead of acquisitions, many companies **shifted from buyouts to licensing structures** mainly because these involve lower regulatory, diligence, and integration risks[108]

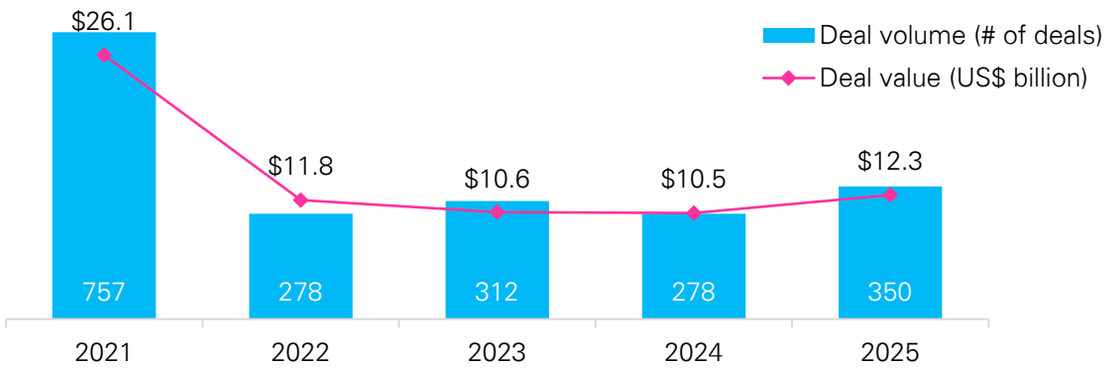
Outbound deals in the sector declined in 2025 as many **Chinese players prioritised domestic consolidation (**supported by a more M&A-friendly policy environment) rather than deploying capital overseas. Cross-border regulatory hurdles—including tighter national-security screening in western markets—also raised execution risks.[108]

- Amid the slowdown in 2025, the US dominated the outbound deals (38.5 percent) due to its large commercial market and pool of innovative assets

Note(s): (a) The deal count includes closed deals; (b) Total deals include domestic, inbound and outbound deals; (c) The deal dump included 30 deals with undisclosed acquiror, therefore, these have been excluded from the analysis; (d) Total deal value is only depicted for deals for which deal value was disclosed/ available; (d) Domestic nation in deal dump includes the Chinese territories of Mainland China, Hong Kong China, Taiwan China and Macau China; (e) Domestic deal includes both target and acquiror from domestic nation, Inbound deals include domestic target and foreign acquiror, Outbound deals include foreign target & domestic acquiror

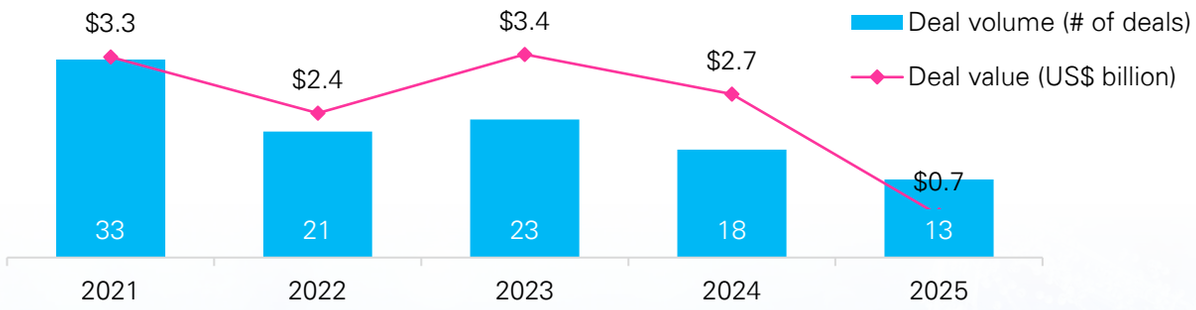
Both inbound and outbound deals declined due to cross-border regulatory and national-security scrutiny

Domestic M&A, 2021–25[(a)(b)(c), 106]



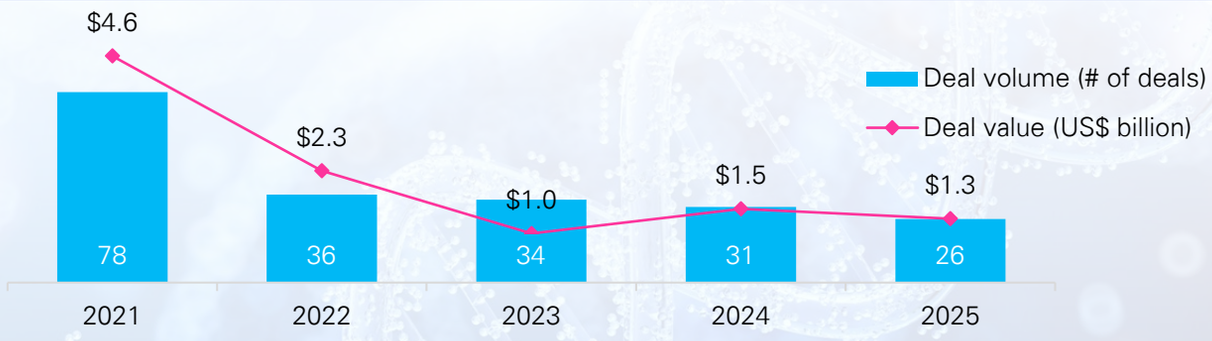
Note: Domestic M&A includes domestic target & domestic acquiror

Cross-border inbound M&A activity, 2021–25[(a)(b)(c),106]



Note: Domestic M&A includes domestic target & domestic acquiror

Outbound M&A, 2021–25[(a)(b)(c), 106]



Note: Domestic M&A includes domestic target & domestic acquiror

Note(s): (a) The deal count includes closed deals; (b) The deal dump included 30 deals with undisclosed acquiror, therefore, these have been excluded from the analysis; (c) Total deal value is only depicted for deals for which deal value was disclosed/ available; (d) Domestic nation in deal dump includes the Chinese territories of Mainland China, Hong Kong China, Taiwan China and Macau China

Biotechnology dealmaking in 2025 focused on biologics and AI-based drug discovery, and is expected to continue in 2026

Biotechnology

136
Total deals in 2025[106]

5.1[(a)]
Total deal value (in US$ billion) in 2025[106]

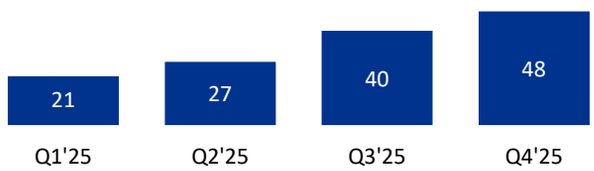
35%
Share of total deal volume in 2025[106]

2025 review

The biotechnology sector witnessed a stable growth through Q1 and Q2, followed by a sharp acceleration in Q3 and Q4, leading to an increase in the deal value from US$4.2 billion in 2024 to US$5.0 billion in 2025.

- The increase was driven by surge in deals as large companies target development of potentially large-market biologics, and AI-based drug discovery[111]

Biotechnology deal volume, Q1'25–Q4'25 (# of deals)[(b),106]



Source: Refinitiv

Top three China Biotechnology deals 2025[(c),106]

Date announced	Target	Target nation	Bidder	Bidder nation	Value (US$ millions)
Jul-25	Lanova Medicines Ltd	China	Chia Tai Pharmaceutical	China	950.9
Set-25	MicroPort Cardiac Rhythm Management Ltd	France	MicroPort CardioFlow Medtech Corp	China	680.0
Oct-25	Wuxi Medkey Med-Tech Development (Shanghai) Co Ltd	China	Shanghai Shihemu	China	393.2

2026 outlook

Going forward, more inbound deals are expected along with licensing agreements, as China's biotech ecosystem is actively generating early promising drug candidates and providing incentives for companies across the US and Europe to tap into low-cost innovative products.[112]

"The pace of deals being struck with Chinese biotechs is pretty much holding steady and expected to continue into 2026. I think the interesting thing is value, because that is where there has been some movement." – **Mark Lansdell, Director, Asset and Portfolio Strategy Practice Lead, Evaluate, December 2025[113]**

Note(s): (a) The value covers the total of the disclosed deals only; (b) Since only the reported deal value has been covered quarterly deal value has not been included in the graph as it would make the overall analysis skewed; (c) Deals have been arranged in descending order of deal value

Pharmaceutical deals gained traction among niche segments and is expected to maintain a positive trajectory

Pharmaceutical

101
Total deals in 2025[106]

5.9[(a)]
Total deal value (in US$ billion) in 2025[106]

26%
Share of total deal volume in 2025[106]

2025 review

The pharmaceutical sector remained steady across the year, with a surge in the first half and settling afterwards. However, the annual deal value also recorded a decline as compared to US$7.1 billion in 2024.

- Dealmaking majorly focused on consolidation of R&D resources and globalisation capabilities towards niche markets/ specific disease areas such as Oncology[114]

Pharmaceutical deal volume (# of deals), Q1'25–Q4'25[(b),106]

Source: Refinitiv

Top three China Pharmaceutical deals 2025[(c),105]

Date announced	Target	Target nation	Bidder	Bidder nation	Value (US$ millions)
Jan-25	Humanwell Healthcare (Group) Co Ltd	China	Investor Group	China	1,609.5
Jan-25	Shanghai Hutchison Pharmaceuticals Ltd	China	Investor Group	China	613.4
Mar-25	Nanyue Biopharmaceutical Co Ltd	China	Shanghai RAAS Blood Products Co Ltd	China	584.8

2026 outlook

The sector is expected to see substantial growth in M&A deals and out-licensing as pharma companies globally face patent expiration pressure to supplement their R&D pipelines. Furthermore, the surge in biopharmaceutical startups leveraging AI platforms provide more opportunities for cross-border acquisitions.[115]

"By 2026, with the support of a more robust payment system, intensive R&D efforts by companies, and accelerated global expansion, domestically developed innovative drugs will gradually occupy a dominant position in the pharmaceutical and biotechnology industry." **– Global Financial Hotspots, January 2026[116]**

Note(s): (a) The value covers the total of the disclosed deals only; (b) Since only the reported deal value has been covered quarterly deal value has not been included in the graph as it would make the overall analysis skewed; (c) Deals have been arranged in descending order of deal value

Medical devices M&A received boost from government regulations, as companies envision global expansion

Medical devices

152
Total deals in 2025[106]

3.3[(a)]
Total deal value (in US$ billion) in 2025[106]

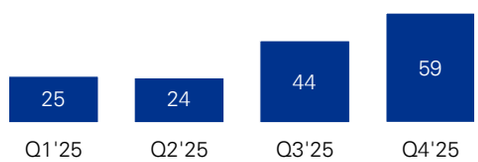
39%
Share of total deal volume in 2025[106]

2025 review

The medical device sector has experienced a consistent growth during H1 2025, with a significant spurt in deals during H2 2025, with deal value remaining constant on YoY basis.

- The sector's deal trend relied primarily on innovative products such as implants, along with a positive policy push supporting product R&D and commercialisation[117]

Medical devices deal volume (# of deals), Q1'25–Q4'25[(b),106]



Source: Refinitiv

Top three China Medical Devices deals 2025[(c),106]

Date announced	Target	Target nation	Bidder	Bidder nation	Value (US$ millions)
Aug-25	Kangji Medical Holdings Ltd	China	Knight Bidco Ltd	Hong Kong	1,423.4
Aug-25	Chongqing Medicine Health Industry Co Ltd	China	China General Technology (Group) Holding Co Ltd	China	307.2
Sep-25	Guangzhou Maisheng Medical Equipment Co Ltd	China	Investor Group	China	210.3

2026 outlook

The sector will be focusing on further policy supports extended, as well as product development and sales progress in the European and American markets to expand footprint, making opportunities for dealmaking.[117]

"Looking ahead to 2026, the investment strategy will focus on two main directions: "going global" and "innovation." Going global will bring additional growth opportunities for companies, while innovative products will support profit margins." **– Discover Reports, December 2025[117]**

Note(s): (a) The value covers the total of the disclosed deals only; (b) Since only the reported deal value has been covered quarterly deal value has not been included in the graph as it would make the overall analysis skewed; (c) Deals have been arranged in descending order of deal value

5.

Stress points / challenges

Intense domestic pricing pressures, compliance burdens, and geopolitical crises may impede the growth of the sector

Navigating complexities

Portfolio quality and innovation returns

Highlights the structural challenges within the LS sector, which comprises R&D homogenisation bottlenecks and increasing pressure on return on innovation

Manufacturing and operational resilience

Outlines the larger themes of weak financing across sectors and increasing burden of lifecycle compliance as LS players expand their capabilities

Globalisation and geopolitical exposure

Captures the concerns for the Chinese LS companies amidst the ongoing geopolitical crisis as well as market entry dynamics

Market access and clinical adoption

Covers the issues on how companies are facing post-approval commercialisation by hospitals and mounting pressure of pricing

Note(s): (a) NHSA stands for National Healthcare Security Administration

Companies are aiming to convert commercial opportunities amidst mounting pricing pressure

Portfolio quality and innovation returns

Intensifying homogeneous competition in innovative drugs

China's innovative drug sector is witnessing an intensified competition amongst peers with limited original innovation and widespread R&D homogenisation hindering long-term growth prospects.

- Companies are extensively engaged in the production of 'me-too' drugs, which are defined as products with the same targets and similar mechanisms of action as already approved drug classes[118]
- Per National Medical Products Administration (NMPA) approvals in 2025, a total of 289 New Drug Applications (NDAs) in 2025 were recorded, 55 percent were modified drugs, indicating industry players' inclination towards me-too drugs[119]

"While positive progress has been made, we must also recognise that homogeneous competition in China's innovative drug sector is intensifying" ***– NHSA[(a)], July 2025***[120]

"Some innovative drugs in certain fields suffer from problems such as homogenisation and insufficient clinical value" – ***Beijing Municipal Medical Product Administration, July 2025***[121]

Sectors impacted

Return on innovation under pressure by early-stage concentration

China's innovative drug output has scaled rapidly with 4,382 innovative drug candidates developed by Chinese companies entering first-in-human trials worldwide over 2015–2024.[122]

- However, approximately 90 percent of active candidates remain in early-stage development, meaning much of the pipeline is still far from being commercially ready[122]
- Furthermore, out-licensing deals involve preclinical-stage assets, showing that several Chinese companies are monetising assets that are sold before late-stage proof or full go-to-market maturity[123]

"Despite the rapid growth of my country's innovative drug sector, characterised by a surge in overseas business development (BD) activities and the emergence of numerous new ventures, as well as an expansion of R&D pipelines—certain areas remain plagued by issues excessive such as imitation of innovations, and a lack of clear clinical value advantages" – ***NHSA, July 2025***[120]

Sectors impacted

Biotechnology **Pharmaceutical** **Medical device**

Lack of a consistent funding channel and lifecycle compliance hinder growth prospects for the sector

Manufacturing capability and operational resilience

Financing continuity remains a direct constraint

Funding continues to be a cause for concern for biotechs, globally and within China, as it is concentrated in fewer, but bigger deals. Deals enable longer runway to develop their drugs without a further funding round.[123]

- Per a 2025 survey report, funding remains a key challenge, with 41 percent of organisations actively seeking additional R&D funding, a 27 percent increase since 2023, highlighting ongoing financial pressures across the industry[124]
- Most Chinese players still lack sufficient capital to withstand the risks of early-stage research failures and struggle to successfully complete the cycle from R&D discovery to commercialisation[125]

"Due to exit pressures, domestic pharmaceutical investment funds prefer mature later-stage projects. The avoidance of early-stage high-potential projects by funds has affected original innovation. Many projects have even suffered from the disruption of their capital chain due to the withdrawal of capital halfway through, affecting the conversion of achievements and prevented them from completing industrialisation and commercialisation." - **Lieming, Ding, Member of the national committee of CPPCC[(a)], March 2026**[126]

Sectors impacted

Growing operational burden from lifecycle compliance

Multiple regulations across the sectors have been imposed to add layers of inspection and supervision for quality control and management. However, end-to-end regulations are creating additional checklist items for players.

- For instance, China's Good Pharmacovigilance Practice (GVP) regulations, introduced in 2021, are now being strictly enforced, increasing inspection requirement of drug safety monitoring systems for biologics, cell therapies, and imported drugs[127]
- Per a 2025 survey report, 55 percent respondents stated that new regulations to develop drugs is creating compliance burden and at the same leading to higher costs[128]

"The pharmaceutical industry is facing the dual challenges of "normalised stringent regulation" and "accelerated digital transformation." - **2025 Pharmaceutical Industry Compliance and Digital Innovation Forum, Sep 2025**[129]

Sectors impacted

Biotechnology **Pharmaceutical** **Medical device**

Note: (a) CPPCC: Chinese People´s Political Consultative Conference

Geopolitical tensions have exacerbated operational pain points for Life Sciences companies in China

Globalisation and geopolitical risks

Market entry risks: Operational and regulatory barriers

Chinese LS companies across sectors boast strong R&D and manufacturing capabilities domestically. However, converting that into sustainable global market access is a key challenge.

- In terms of operational capabilities, the LS companies face difficulty in coping with high clinical trial costs, severe homogenisation, lack of international talent, and overlooking market demand/ feasibility[125]
- Regulations such as June 2025 EU ban on Chinese companies from participating in EU government tenders for medical devices and December 2025 Biosecurity Act in the US, prohibiting its LS companies receiving federal funding from collaborating with certain Chinese LS companies[130]

"Innovative pharmaceutical companies should increase their efforts in attracting and cultivating international talent, build a talent team with a panoramic vision, and enhance the company's international perspective and operational capabilities" - **Ru Qinhua, Managing Director, CRC Oncology Corp., June 2025**[131]

Sectors impacted

Geopolitical turmoil induced supply chain disruption

Project disruption: Several Chinese companies are facing difficulty in maintaining pipelines owing to tariff induced increase in costs and supply chain disruption.

- For instance, WuXi AppTec and WuXi Biologics are changing project plans, stockpiling supplies, and discussing testing locally[132]

Ongoing geopolitical crisis: Increase in the cost of energy as well as rerouting costs is expected to burden LS export-dependent economies, as well as consumers.

- Per Think Global Health, a US-based think tank, states supply chain for vaccines, insulin, biologics, and cancer treatments are expected to be majorly hit by the conflict[133]

"Fears of delay in access to US supply chains and raised import tariffs are spurring biotech and pharmaceutical companies to avoid, pause or consider delaying the start of projects" – **US News, June 2025**[132]

"As disruptions escalate around the Strait of Hormuz, the most affected shipments are often medicines for clinical trial distribution," -**Alex Guillen, Global SME, Tive, March 2026**[134]

Sectors impacted

Biotechnology **Pharmaceutical** **Medical device**

Gap between pricing expectations and patients' payment capacity hinders commercial uptake of drugs

Market access and clinical adoption

Post-approval commercialisation constrained by hospital access and pricing pressure[135]

Although market-access reforms have improved drug adoption following price reductions National Reimbursement Drug List (NRDL) inclusion, the low hospital adoption rate continues to constrain commercial returns.[122]

- Per the NHSA's July 2025 statement, there is a persistent gap between innovative-drug companies' price expectations and the healthcare system's payment capacity, which directly limits commercialisation upside[120]
- The sector is generating more innovative products, but not all of them meet the standard for attractive reimbursement and broad commercial uptake, showing the pricing misalignment

"After an innovative drug is approved, it does not necessarily enter clinical trials smoothly. Instead, it has to face multiple barriers such as medical insurance access, hospital access, and patient payment." – ***Metia, March 2026***[136]

Sectors impacted

Biotechnology **Pharmaceutical** **Medical device**

6.

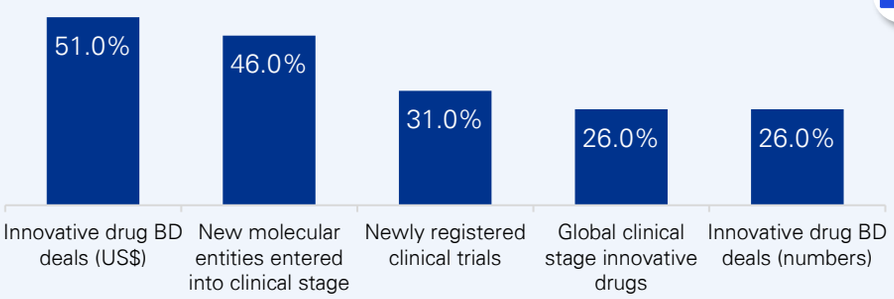
Innovation landscape

China has transitioned from a generics-led market to a global innovation hub, driven by regulatory acceleration and policy support

China's emergence as a global leader in LS innovation

China has shifted from a generics- and manufacturing-led model to an innovation-driven life sciences ecosystem. Regulatory reforms, state-backed funding, dense innovation clusters, and rapid integration of AI and digital technologies have positioned China as a globally relevant source of novel drugs, biologics, and high-end medical devices.[137]

China's share of the global market in biopharma innovation, 2025 (percent)[(a), 138]



Source: Goldman Sachs

> ***Global pharma companies increasingly see China as a source of innovation…China's healthcare system has shifted spending away from generic drugs and toward innovative therapies***
>
> ***– Goldman Sachs, December 2025[138]***

Key factors enabling innovation in China's LS sector

Policy and government support
Government support has been consistent and long-term, with strategies such as **Made in China 2025**, **Healthy China 2030**, and the **15th Five-Year Plan.**[139]

Increase in research spending
At national level, China's research spending reached **US$568.6 billion** in 2025, with a YoY increase of **8.1 percent** on strategic sectors including biomedicine.[140]

Regulatory reforms
China has **shortened approval time** for innovative drugs e.g.; the standard review clock of innovative drugs has been reduced from 200 to 130 working days.[141]

Cluster-based ecosystem
China has built **biomedical clusters** by co-locating universities, hospitals and startups, creating high innovation density in select regions *(refer the following page for more information on these clusters).*[139]

Key innovation focus areas by sub-sectors of China LS [137, 138]

Medical devices:	Pharmaceutical:	Biotechnology:
Robots, AI-powered medical devices, and novel biomaterial-based devices	Innovative drugs targeted in areas of oncology and immunology	R&D in bispecific and multi specific antibodies

Note(s): (a) Data is for Jan–Nov 2025

China's LS innovation is concentrated in a few regional clusters that integrate research, clinical trials, and manufacturing

Cluster-driven innovation: The backbone of China's LS sector growth

China's life-sciences innovation clusters are built as end-to-end translation engines—integrating academic research, clinical trial hospitals, and industrial capacity, with Contract Research Organisations (CROs), Contract Development and Manufacturing Organisation (CDMOs) and shared labs, in certain geographies to expedite the path from discovery to commercialisation. **Following are some of the major innovation clusters in based in China**[a], 139, 142

01

Beijing-Tianjin-Hebei (BTH)

The BTH cluster houses both multinational and domestic biopharma companies that specialise in R&D.

- Foreign firms such as Novo Nordisk and domestic firms such as BeiGene and InnoCare have their presence in this cluster
- The cluster's primary competitive advantage lies in its **concentration of academic expertise and research infrastructure** with industrial parks such as the **Zhongguancun Life Science Park**

02

Yangtze River Delta (YRD)

The cluster is home to a high concentration of companies, such as WuXi Biologics, Shanghai Junshi Biosciences, and Shanghai Henlius Biotech.

- The companies in the region are merging **AI with synthetic biology** to streamline R&D and accelerate the industrial scale-up of new products
- The primary advantage of the cluster is that it has one of the **largest talent pool in the sector**, with majority of the human capital based in Shanghai

03

Greater Bay Area (GBA)

The GBA cluster is an integrated economic zone that includes nine cities in Guangdong province and the Special Administrative Regions of Hong Kong and Macau.

- It has a **regulatory sandbox** that allows Hong Kong-registered drugs and medical devices to be used in designated GBA hospitals without requiring full approval from the NMPA
- An example of an industrial park in the cluster is the Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone, aimed at expediting the approval if new drugs

04

Emerging hubs of Chengdu-Chongqing (Western growth pole) and Wuhan (Central China hub)

The Western growth pole and the Central China hub are some of the emerging innovation hubs pairing global-grade compliance capacity with platform-driven innovation.

- For instance, Wuhan offers a hybrid of state-backed production with private innovation—anchored by Wuhan Institute of Biological Products (Sinopharm/CNBG) for vaccines/biologics manufacturing, alongside innovators such as Wuhan YZY Biopharma focused on bispecific antibody therapies

Note(s): (a) The list covers some of the key innovation clusters in China and is not exhaustive

The Yangtze River Delta, Beijing–Tianjin–Hebei and the Greater Bay Area are some of the leading innovation clusters

Geospatial distribution/ concentration of LS-based innovation clusters[(a)]

Core cities in innovation clusters[(b)]

- Beijing
- Tianjin
- Shanghai
- Suzhou
- Wuxi
- Hangzhou
- Nanjing
- Shenzhen
- Guangzhou
- Hong Kong
- Macau
- Chengdu
- Chongqing
- Wuhan

Cluster	Concentration level of industrial parks in clusters	Key industrial parks	Innovation strengths[6]
Beijing–Tianjin–Hebei	■■■	Zhongguancun Life Science Park[143]	Early discovery, translational medicine, AI, biology, neuro/brain programs, protein science
Yangtze River Delta	■■■■■	Zhangjiang High-Tech Park[144]	Biologics, bispecific, ADCs CMC engineering
Greater Bay Area	■■■	Guangzhou International Biotech Island[142]	Genomics, precision medicine, digital health
Western growth pole	■■	Tianfu Life Science Park[145]	Cell/gene, precision medicine
Central China hub	■	Wuhan National Bio-industry Base (Biolake)[146]	Vaccines/biologics plus oncology platforms

Legend: ■ High ■ Medium ■ Low

Note(s): (a) The geospatial distribution covers some of the key innovation clusters in China and is not exhaustive; (b) The list of cities is indicative of some of the key cities in the innovation clusters where life sciences related companies or industrial parks are located and is not exhaustive

China's 2025 medical device innovation pipeline inlcuded clinically intensive technologies across multiple categories

Innovative medical devices cleared for review by NMPA in 2025

In 2025, China's National Medical Products Administration (NMPA), through its Center for Medical Device Evaluation (CMDE) admitted 104 innovative medical devices in its pipeline for Special Review Procedure[a].

These products were required to demonstrate China-held core IP, genuine technical originality, and meaningful improvements in clinical performance or safety, signaling a tightening bar for innovation recognition.

Count of innovative medical devices across eight categories approved by NMPA for Special Review pipeline, 2025 (# of devices)[b], 147

104 — **Total number of innovative medical devices cleared by NMPA**

Vascular intervention devices — 22

E.g., intracranial thrombectomy stents; biodegradable occluders; branched aortic stents

Energy ablation & radiotherapy — 14

E.g., Proton therapy systems; Cardiac pulsed field ablation systems

Implantable & active implantable devices — 22

E.g., Wireless and miniaturised device architectures; wireless brain–computer interfaces

Smart diagnosis & medical software — 10

E.g., Spinal surgery navigation systems; AI-assisted ultrasound diagnostic software

Biomaterials & tissue repair products — 12

E.g., Collagen implants; biodegradable bone screws

Gene testing & diagnostic reagents — 9

E.g., Newborn genetic disease screening kits; tuberculosis drug-resistance gene tests

Imaging & large-scale medical equipment — 5

E.g., Advanced X-ray computed tomography systems

Clinically urgent & specialty devices — 3

E.g., needle-free drug delivery systems

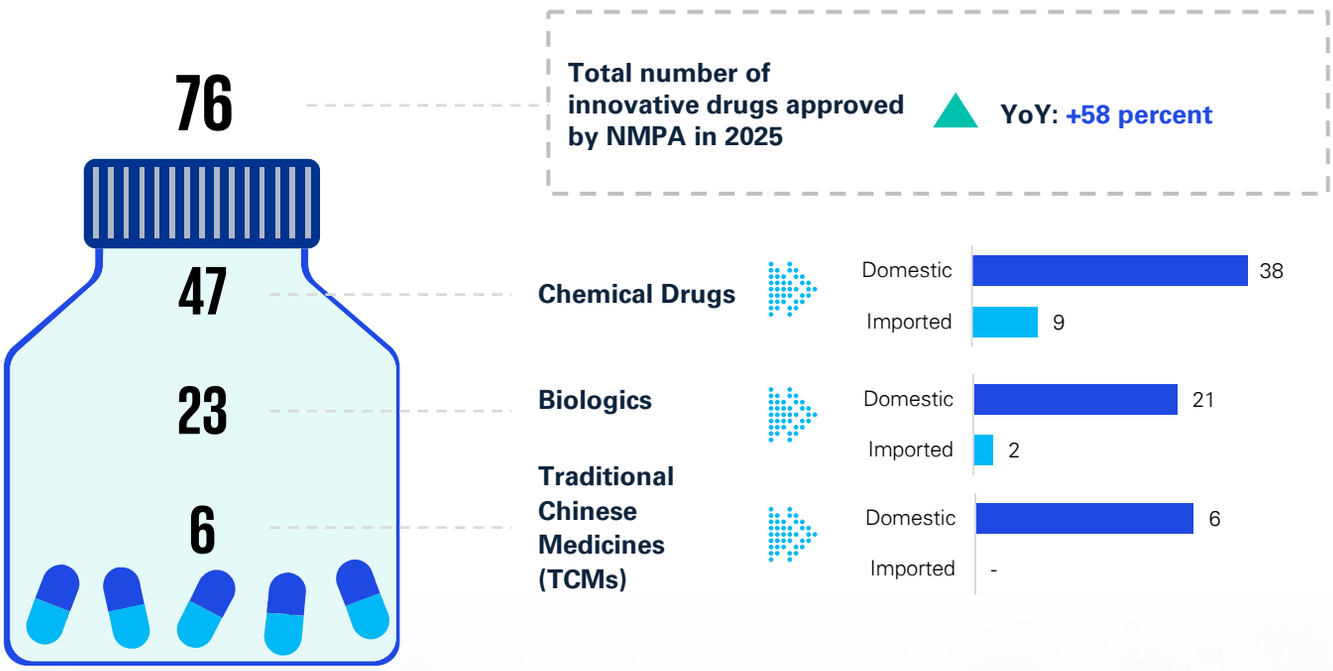
Note(s): (a) The Special Review Procedure is an accelerated regulatory pathway run by the NMPA (through CMDE) for medical devices that represent genuine technological breakthroughs with clear clinical value. Products admitted under this procedure receive priority regulatory support, including early technical guidance and faster review timelines; (b) The total number of innovative medical devices includes 97 medical devices classified into eight categories and 7 devices which were not classified into any specific medical device category

China's innovative drug pipeline saw increased approvals in 2025, translating into a deep 2026 clinical pipeline

Innovative drugs pipeline approved for market launch in 2025

In China, innovative drugs are defined by the National Medical Products Administration (NMPA) as medicines that demonstrate originality in molecular structure, biological mechanism, or clinical application, and are formally classified across **chemical drugs**, **therapeutic biologics**, and **innovative traditional Chinese medicines** under the Provisions for Drug Registration.[148]

Count of innovative drugs approved by NMPA in 2025 (# of drugs)[149]



Drug development pipeline for 2026

As of Q1 2026, China-based biotech companies account for nearly **30 percent of global drug development**, with over **1,200 novel candidates** in clinical trials, reflecting a strategic focus towards discovery-led, early-stage innovation rather than late-stage dependence.[150]

China's innovative drug assets in 2026 are focused around the following **high-value innovation domains**:

- **Antibody-Drug Conjugates (ADCs):** These are targeted cancer medicines that use an antibody to find and attach to cancer cells, to deliver a drug directly into those cells
  - The advantage of Chinese ADCs lies in their clinical speed in China as a Phase I trial that takes 2 years in the US can often be completed in 9 months in China due to the concentration of specialised oncology centers and rapid patient enrollment
- **Metabolic therapeutics:** With one of the world's largest diabetic population, China's domestic pipeline is largely focused on Glucagon-Like Peptide-1 (GLP-1) drugs to treat diabetes

7.

Voice of the market

Government prioritises innovation-first regulation, approval acceleration, and system modernisation to support growth

Voices shaping the market: Market sentiment and industry signals

This section synthesises perspectives from regulators, policymakers, industry leaders, and ecosystem participants to highlight how the market perceives China's LS sector's trajectory, regulatory environment, and commercial outlook.

Government & regulatory viewpoint

Key themes

- **Focus on high-end medical devices**
- **Innovation-first approach**
- **Approval acceleration**
- **Build global competitiveness**
- **Regulatory system modernisation**

Key comments across themes (indicative)

Medical robots, high-end medical imaging equipment, AI-powered medical devices, and novel biomaterial-based medical devices are key areas for fostering new quality productivity in the medical device industry" **– NMPA, October 2025[151]**

We should markedly boost the overall performance of China's innovation system and establish a basic framework for the integrated development of education, science and technology, and human resources. We should significantly strengthen our capacity for basic research and original innovation" **– Central Committee of the Communist Party of China, 15th Five-Year Plan, Oct 2025[152]**

The 30-day clinical trial review and approval pathway supports national key R&D products… and serves urgent clinical needs and the development of the China's pharmaceutical industry" **– NMPA, October 2025[153]**

The NMPA will increase support for drug research and innovation, continuously improve the quality and efficiency of drug reviews and approvals and accelerate the market entry of high-quality innovative drugs that meet public needs to consistently enhance the innovation vitality and market competitiveness of the pharmaceutical industry" **– NMPA, January 2026[154]**

By 2027, the legal and regulatory framework for drug and medical device regulation will be more robust, with a regulatory system, regulatory mechanisms, and regulatory approach that are better suited to the needs of pharmaceutical innovation and high-quality industrial development" **– NMPA, March 2025[155]**

By 2035, China expects to fully ensure the quality, safety, efficacy, and accessibility of drugs and medical devices. The pharmaceutical industry will demonstrate stronger innovation, creativity, and global competitiveness, with its regulatory system modernised" **– NMPA, March 2025[155]**

Supported by regulatory momentum in China, firms are deepening their pipeline, R&D, and partnership commitments

Industry & market players' viewpoint

Key themes

- Global pipeline building
- Accelerating innovation
- Faster regulatory pathways
- Local partnerships & commercialisation
- R&D capability deepening

Key comments across themes (indicative)

There is strong focus among global pharmaceutical companies to identify the next generation of innovative drugs pipeline in China, with various transaction structures being contemplated" – **Tom Barsha, Head of Asia Pacific M&A at BofA Securities, February 2026**[156]

China's biopharmaceutical innovation is accelerating at an unprecedented pace. China's biotechnology sector thrives on a dual engine – Beijing's constellation of famous medical universities training great minds and biotechnology, coupled with an environment that's cultivating new company formation" – **David A. Ricks, chairman and CEO of Eli Lilly and Company, May 2025**[157]

Related reforms have stimulated innovation in the pharmaceutical sector, accelerating the pace at which new and effective drugs enter the Chinese market and prompting China to become a significant source of global pharmaceutical innovation…China, as a leading global healthcare market, also serves as a hub for emerging biotechnology research and development, creating an ideal environment for scientific breakthroughs – **Wang Li, Senior Vice President, Head of Lilly China Drug Development and Medical Affairs Center, March 2025**[158]

In the past, we had to schedule appointments with approval authorities weeks in advance and often waited a week for feedback on our drug and device R&D applications. Now, thanks to this three-tiered service mechanism, we receive feedback as soon as the next day – **Representative from Shenzhen Pregene Biopharma Co. Ltd., July 2025**[159]

In the future, Takeda China will continue to deepen our strategic cooperation with local partners, to accelerate the commercialisation of more breakthrough therapies, ensure China's medical innovation can benefit more patients and contribute to the high-quality development of China's rare disease industry – **Sean Shan, Senior Vice President of Takeda Pharmaceutical, April 2025**[160]

This $2.5 billion investment reflects our belief in the world-class life sciences ecosystem in Beijing, the extensive opportunities that exist for collaboration and access to talent, and our continued commitment to China – **Pascal Soriot, CEO, AstraZeneca, March 2025**[161]

With the evolving needs of the biopharmaceutical industry in China and greater emphasis on novel drug therapies, we see growing demands in process development applications and talent development in the region – **Dr. Roy Wu Director, Life Science business sector, Merck Group China, March 2024**[162]

8.

Key regulations

China's continuously evolving life science policies feature an innovation driven environment focused on approval acceleration and regulatory improvement

China's policies for the life science industry are continuously evolving, fostering a policy environment characterised as "innovation-driven," with "accelerated approvals," and "enhanced regulation." Through a series of top-level designs and implementation measures, a comprehensive policy support system has been established, covering the entire value chain from R&D to production, circulation, and utilisation. This system is driving the industry toward high-quality development.

01 Innovation-driven and high-quality development

The Chinese government is significantly boosting support for research and innovation in the areas of biotechnology and pharmaceutical and medical device development. It explicitly encourages the digital transformation of production and manufacturing to promote the effective application of artificial intelligence (AI) and information technology. This includes accelerating the development of new growth areas such as AI healthcare, brain-computer interfaces, biomanufacturing, and advanced instruments. Key technological breakthroughs are being prioritised in areas such as intelligent pharmaceutical equipment and industrial software. The government is also intensifying its strategic focus on biotechnology, advancing research and practical applications in fields such as gene editing, molecular precision delivery, cell programming and regulation, and advanced genomics. Additionally, it is promoting the deep integration of AI in drug discovery, production, and quality control, thereby enhancing the competitiveness of the entire industry value chain with data-driven innovations.

02 Optimised review & approval and improved product accessibility

For biomedicine, medical devices, and biotechnology, priority review, and approval channels have been established for innovative drugs, high-end medical devices, and new biomedical technologies. These channels aim to shorten the review period, accelerate the clinical conversion and application of technologies, improve research and development efficiency, and facilitate global synchronised R&D and the rapid market entry of urgently needed products. For innovative drugs, a "30-day channel" has been set up for clinical trials of eligible innovative drugs, reducing the review and approval period from the standard 60 working days to 30 working days. For medical devices, high-end medical devices are clearly positioned as a key sector for shaping new quality productivity. The review and approval period for medical device clinical trials has been shortened from 60 working days to 30 working days, and a list of priority approvals for high-end medical devices has been published. This list includes advanced devices such as brain-computer interfaces, ultra-high-field magnetic resonance imaging systems, and ECMO core components, accelerating the process of domestic substitution. In the area of biomedical new technologies, a "5+15 working day" approval process has been implemented (5 working days for technical and ethical assessments, followed by 15 working days for making a decision) to expedite the clinical implementation and application of new technologies. In terms of market access, dynamic adjustments to the medical insurance directory and innovative drug lists for commercial health insurance are being used to accelerate the entry of innovative drugs into clinical use.

03 Full-lifecycle supervision and strict compliance

The policy system has shifted from a "focus on approval" to "full lifecycle supervision," which helps mitigate risks by strengthening comprehensive regulatory oversight throughout the lifecycle of drugs, medical devices, and biomedical new technologies. Specifically, for drugs, the segmented production policy for biological products optimises resource allocation while ensuring quality and safety. This policy requires both the entrusting party and the entrusted party to establish a unified quality assurance system, with at least one party having more than three years of experience in commercial production of the same dosage form. The National Medical Products Administration's Opinions on Implementation of "Artificial Intelligence + Pharmaceutical Regulation" promotes a transition towards intelligent regulatory models. By building a human-machine collaborative intelligent review and approval system alongside an intelligent risk monitoring body, it aims to shift from "reactive post-event handling" to "proactive pre-event warning." The Guiding Opinions on Standardized Construction of Modern Pharmaceutical Logistics unifies the criteria of national pharmaceutical logistics and clarifies the quality control requirements for the entire process from warehousing to transportation. In terms of medical devices, the Good Manufacturing Practice for Medical Devices requires medical device manufacturers to establish a quality management system that covers design and development, production, quality control, product release, sales, and after-sales services, so as to promote risk management and digital transformation. In terms of biomedical new technologies, the Regulation on the Administration of Clinical Research and Clinical Translational Application of New Biomedical Technologies clearly defines the regulatory requirements for a series of processes, including registration and dynamic assessment during the research phase, process control and change management during implementation, risk event management and termination mechanisms, and condition management and re-evaluation after transformation.

Under a common framework, there are differences in the focus and strategic positioning of policies for biomedicine, medical devices, and biotechnology. Biomedicine policies emphasise innovation in new drug R&D and clinical translation, increased support for traditional Chinese medicine R&D, innovation in exporting new drugs, and opening up the industry chain to international collaboration. For medical devices, the focus is on innovation in high-end equipment, standardising online sales, and accelerating the localisation of domestic production.

Note: 1. The analysis of relevant policies is based on regulations up to April 2026. For subsequent policy updates, please refer to the latest official documents.

The 15th Five-Year Plan lists biomedicine as an emerging pillar industry for the first time, with upgraded policies expected to provide full chain support

The outline of the 15th Five-Year Plan mentions accelerating the construction of "Healthy China" and implementing a health priority development strategy. It upgrades the biomedicine industry from a "strategic emerging industry" to an "emerging pillar industry." In 2026, the first year of the 15th Five-Year Plan, the Annual Government Work Report explicitly lists biomedicine as an emerging pillar industry for the first time, marking a historic leap in its strategic position. Additionally, the outline of the 15th Five-Year Plan places biotechnology alongside artificial intelligence, quantum technology, and new energy, positioning it as a cutting-edge field in the national science and technology strategic deployment.

Specifically, this is manifested as follows:

01. More clearly defined industrial gradient:

The biomedical industry is listed as an emerging pillar industry, with biomedicine, embodied intelligence, and brain-computer interfaces positioned as future industries.

02. Integration into the national core innovation system:

Upgraded from focusing on health care for the people to becoming an emerging pillar industry for the national economy, biomedicine has become a core field for developing new quality productivity.

03. Overlay of six strategic signals:

Biomedicine is simultaneously emphasised across six national frameworks: emerging pillar industries, future industries, new economic growth points, key core technology breakthroughs, technology strategic deployment, and emerging field legislation.

With the biomedicine industry being designated as an "emerging pillar industry", the market expects that the full chain policy support will be systematically strengthened. This policy upgrade is expected to cover key areas such as R&D, capital, approval, production, application, and payment, forming a multi-dimensional industrial support system.

- For innovation and R&D, policies will focus on supporting source innovation and key core technology research, supporting the investment and development of innovative drugs and high-end medical devices, vigorously supporting cutting-edge cross research and applications such as cell gene technology, brain computer interface, artificial intelligence, etc., with a focus on promoting the transformation of traditional Chinese medicine into new drugs and guiding resources to gather towards basic research, source innovation, and key core technology research.
- For capital markets, policies are expected to guide more long-term patient capital to enter the biomedicine field, optimising the financing environment and capital structure of the industry. Specific measures include, but are not limited to, encouraging government-guided funds and long-term specialised funds to invest early in small enterprises, for the long term, and in hard-core technologies, supporting enterprises in carrying out merger and acquisition investments upstream and downstream of the industrial chain, and promoting the development of the biomedicine industry.
- In terms of review and approval, an accelerated approval mechanism for innovative pharmaceuticals and medical devices is expected to be further implemented to enhance the efficiency of product market entry. Specific measures include: compressing the review and approval time for clinical trial applications of eligible innovative drugs to 30 working days; reducing the review time for supplementary drug applications from the national standard of 200 working days to 60 working days; shortening the review and approval time for clinical trials of medical devices from 60 working days to 30 working days; and providing a green channel for inspections of innovative products.
- In terms of application scenario expansion, policies may support the development of a wider range of clinical application scenarios, encouraging the deepening expansion of "artificial intelligence + biomedical" applications, such as AI-assisted drug screening, target prediction, synthetic biology design, and process optimisation, etc., while supporting corresponding legal and regulatory systems to provide institutional guarantees for the commercial application of new technologies and products.
- Reform in the payment sector is expected to focus on improving commercial insurance policies, accelerating the development of commercial health insurance, and tilting the DRG/DIP payment system toward innovative pharmaceuticals and medical devices with clinical value, thereby addressing market access and payment challenges for these innovations.

Policy summary[1]

1 April 2026

The National Medical Products Administration issued the *Notice on Properly Carrying Out the Work Related to Segmented Manufacturing of Biological Products*, which states that the Center for Drug Evaluation of the National Medical Products Administration shall strictly carry out technical reviews of marketing authorisation and supplemental applications for segmented manufacturing of biological products, focusing on the rationality of process linkage and the controllability of quality throughout the whole process.

20 March 2026

The National Medical Products Administration issued the *Notice on Opinions for the Standardized Construction of Modern Pharmaceutical Logistics*, which outlines "three clear requirements" for pharmaceutical wholesale enterprises and third-party logistics enterprises in the pharmaceutical sector. It also clarifies the definition of modern pharmaceutical logistics, establishes criteria for key elements of logistics processes, and sets criteria for third-party logistics enterprises in the pharmaceutical sector.

11 March 2026

The National Medical Products Administration issued the *Opinions on Implementation of "Artificial Intelligence + Pharmaceutical Regulation"*, which proposes that by 2030, an initial integrated innovation system for the fusion of artificial intelligence and pharmaceutical regulation is to be established. The operational management mechanism for "Artificial Intelligence + Pharmaceutical Regulation" is to be basically formed, with more centralised and efficient computing support. High-quality datasets, vertical large models, and intelligent systems that meet the needs of intelligent regulation are to be developed. Artificial intelligence will be effectively applied in areas such as review and approval, supervision and inspection, testing and monitoring, and government services, significantly enhancing human-machine collaboration efficiency and advancing the digital and intelligent regulatory capabilities throughout the entire lifecycle to a new level. By 2035, a new smart governance framework for pharmaceutical safety, driven by data and intelligence, characterised by intelligent agility, autonomy, and ecological synergy, will have been established.

30 January 2026

The Ministry of Industries and Information Technology (MIIT) and other seven departments issued the *Notice on Issuing the Implementation Plan for High-Quality Development of Traditional Chinese Medicine Industry (2026-2030)*, which calls for accelerating the optimisation and transformation and upgrading of the traditional Chinese medicine industry structure, with the aim of significantly enhancing the resilience and stability of the entire industrial chain and supply chain. By 2030, a coordinated development system covering the entire traditional Chinese medicine industry chain is expected to be initially established, with notable improvements in digitalisation and greenification levels.

15 January 2026

The Ministry of Commerce and 8 other departments issued the *Opinions on Promoting High-Quality Development of the Pharmaceutical Retail Industry*, which calls for promoting professionalisation, consolidation, digitalisation, and standardisation in the pharmaceutical retail industry. It outlines a series of specific measures across five major areas: improving pharmaceutical services, innovating health services, strengthening emergency services, optimising industry structure, and regulating industry order.

24 December 2025

The National Medical Products Administration released the *Directory of High-End Medical Devices Eligible for Priority Approval*, which includes advanced equipment such as brain-computer interfaces, ultra-high field magnetic resonance imaging (MRI), and core components of ECMO systems, to accelerate the process of domestic substitution.

Note: 1. This appendix collects the main relevant policies issued from 2025 to April 2026. For subsequent policy updates, please to refer to the latest official documents.

Policy summary

19 December 2025

The National Medical Products Administration issued the *Announcement on Administrative Regulations for Filing of Internet Services for Pharmaceuticals and Medical Devices*, which states that providers of internet pharmaceutical and medical device information services must register with websites, clients, and applications as the basic units. In addition to meeting the requirements stipulated in the *Administrative Measures on Internet-based Information Services*, they must also meet a series of additional conditions.

5 December 2025

The National Healthcare Security Administration and Ministry of Human Resources and Social Security released the *Notice on Issuing the National Catalogue of Medicines for Basic Medical Insurance, Maternity Insurance and Work Injury Insurance and the Catalogue of Innovative Medicines for Commercial Health Insurance (2025)*, aiming to enhance basic medical insurance's coverage of clinically essential and value-highlighted medicines through measures such as adding new drugs, unifying payment standards, and improving the "Dual-Channel" mechanism, while using the Catalogue of Innovative Medicines for commercial health insurance as a supplementary layer of protection to effectively connect medical insurance with commercial insurance.

7 November 2025

The National Medical Products Administration issued the *Notice on Optimizing the Review and Approval Procedures for Supplementary Applications of Overseas-Produced Drugs*, which clarifies that provincial drug regulatory authorities participating in the pilot can provide pre-filing services for significant changes in chemical drugs produced overseas by domestic responsible parties. These services include pre-filing guidance, dossier preparation, and registration inspection. The National Institutes for Food and Drug Control is responsible for the pre-filing registration inspection, while the pilot units are to work together with port drug inspection institutions to implement these services. After the completion of the pre-filing services, the holder shall submit a supplementary application to the Center for Drug Evaluation. If the application meets the requirements and does not require an overseas registration inspection, the review period can be shortened from 200 working days to 60 working days.

4 November 2025

The National Medical Products Administration issued the *Announcement on Issuing the Good Manufacturing Practice for Medical Devices*, which requires medical device manufacturers to establish a comprehensive quality management system covering the entire process from design and development, production, quality control, product release, and sales, to after-sales services. Manufacturers should also assume primary responsibility for ensuring product safety and quality, and implement risk management and digital transformation.

28 September 2025

The State Council issued the *Regulation on the Administration of Clinical Research and Clinical Translational Application of New Biomedical Technologies*, marking the first time China has established a complete regulatory framework for biotechnologies such as cell and gene therapy through national legislation. This regulation aims to standardise clinical research and the application transformation of advanced biomedical technologies like gene editing, stem cells, and cell therapy. It seeks to ensure patient safety and adhere to ethical principles while promoting medical technological progress and better serving public health.

12 September 2025

The National Medical Products Administration issued the *Announcement on Matters Concerning Optimizing the Review and Approval of Clinical Trials for Innovative Drugs*, which stipulates that clinical trial applications for innovative drugs that meet the requirements shall complete review and approval within 30 working days upon acceptance.

23 July 2025

The Ministry of Industry and Information Technology and six other departments jointly issued the *Opinions on Promoting Innovative Development of the Brain-Computer Interface Industry*, which outlines the requirements that: by 2027, BCI technologies will have achieved breakthroughs, and an advanced technical system, industrial system, and standard system will have been initially established; by 2030, the innovation capacity of the brain computer interface industry will have been significantly improved, forming a safe and reliable industrial system, and 2 to 3 globally influential leading enterprises and a number of specialised, refined, unique, and innovative small and medium-sized enterprises (SMEs) will have been cultivated.

Policy summary

30 June 2025

The National Healthcare Security Administration and the National Health Commission released the *Notice on Issuing Several Measures to Support the High-Quality Development of Innovative Drugs*, which proposes to increase support for the research and development of innovative drugs, promote the inclusion of innovative drugs into the basic medical insurance drug catalogue and the commercial health insurance innovative drug catalogue, advocate the clinical application of innovative drugs, and improve the multi-channel payment capability for innovative drugs.

27 June 2025

The National Medical Products Administration issued the *Announcement on Measures for Optimizing Lifecycle Supervision to Support the Innovation and Development of High-End Medical Devices*, which clearly positions high-end medical devices as the key field for shaping new quality productivity in the medical device sector, covering the four major areas of medical robots, advanced medical imaging equipment, AI medical devices, and novel biomedical materials.

26 May 2025

The General Affairs Department of the National Medical Products Administration issued a notice on the Implementation of the *Quality Management Standards for Online Sales of Medical Devices*, which is of great significance in guiding enterprises and e-commerce platforms to strengthen the quality management of online sales of medical devices, standardise online sales behavior, and ensure the quality and safety of network-sold medical devices.

3 April 2025

The Ministry of Industry and Information Technology and six other departments issued a notice on the *Implementation Plan for the Digitalization and Intelligence Transformation of the Pharmaceutical Industry (2025-2030)*, which outlines the following requirements: by 2027, significant progress shall have been made in the digitalisation and intelligence transformation of the pharmaceutical industry, with a notable enhancement in the competitiveness of the entire pharmaceutical industrial chain and the overall quality management level throughout the product lifecycle, driven by digital and intelligent technologies. By 2030, large-scale pharmaceutical manufacturing enterprises shall basically have achieved full coverage of digitalisation and intelligence transformation, with a substantial increase in the integration innovation capabilities of digital and intelligent technologies. The data system across the entire pharmaceutical industrial chain should be improved further, and the ecosystem for the digitalisation and intelligence transformation of the pharmaceutical industry should be strengthened further.

26 March 2025

The Center for Medical Device Evaluation of the National Medical Products Administration issued the *Notice on Relevant Matters Regarding Further Increasing Support for Innovative Medical Devices*, which mentions promoting the high-quality development of the medical device industry and increasing support for research and innovation in medical devices, with a focus on allocating review and approval resources more towards critical innovative medical devices urgently needed in clinical settings. It also requests further strengthened guidance services for innovative medical device research and development in accordance with the requirements of "early intervention, one enterprise, tailored strategies for each company, comprehensive guidance throughout the process, and coordinated research and review."

15 March 2025

The National Medical Products Administration issued the *Notice on Properly Carrying Out the Work Related to Segmented Manufacturing of Biological Products*, which states that the General Office of the State Council has released the *Opinions on Improving the Quality of Traditional Chinese Medicine to Promote High-Quality Development of the Traditional Chinese Medicine Industry*. These opinions include the following measures: strengthening the protection and utilisation of traditional Chinese medicine resources; enhancing the development level of traditional Chinese medicinal materials; accelerating the transformation and upgrading of the traditional Chinese medicine industry; advancing the evaluation and allocation of traditional Chinese medicine products; promoting scientific and technological innovation in traditional Chinese medicine; strengthening the quality supervision of traditional Chinese medicine; promoting the open development of traditional Chinese medicine; and improving comprehensive governance capabilities and ensuring service levels. The Center for Drug Evaluation of the National Medical Products Administration is to strictly carry out technical reviews of marketing authorisation and supplemental applications for segmented manufacturing of biological products, focusing on the rationality of process linkage and the controllability of quality throughout the whole process.

9.

Appendix

Appendix

S.No.	Publication title	Publisher	Time of publication	URL
1	Application proof of BioRay Biopharmaceutical Co., Ltd	Hong Kong Stock Exchange	Feb 2026	Link
2	China Biopharmaceutical Industry Analysis	Frost & Sullivan	Dec 2025	Link
3	Economist Intelligence Unit (EIU) data	EIU	-	-
4	Application proof of Shenzhen Mindray Bio-Medical Electronics Co., Ltd.	Hong Kong Stock Exchange	Nov 2025	Link
5	China artificial intelligence (AI) in diagnostics market analysis	Insights10	Feb 2023	Link
6	Investing in China's wearable medical devices market	China Briefing	Jun 2024	Link
7	China surgical robot systems market size & outlook	Grand View Research	-	Link
8	Breaking Report: Zhao Jian, Jin Chao: Emerging from Deflation	Atlantis Research	Apr 2026	Link
9	Ageing in China: Past, Present, and Future	Social Policy Research	Apr 2024	Link
10	Deflation in China: The spillover effects for global markets	JP Morgan	Sep 2023	Link
11	China Outlook 2026-27: Resilience and Rebalancing	UBS	Feb 2026	Link
12	Actively Expanding Domestic Demand and Consolidating the Foundation for Growth - China's Economic Outlook and Policy Recommendations for 2026	Guanghua School of Management	Jan 2026	Link
13	China's economy loses momentum amid spending and investment slump	Euro News	Dec 2025	Link
14	Five key focuses of China's "Two Sessions"…	BBC	Mar 2026	Link
15	China sets GDP growth target for 2026, eyeing stronger results	State Council Information Office	Mar 2026	Link
16	USD/CNY Continues to Dwindle in 2025 as China Seeks Renminbi Stability	Finextra	Jul 2025	Link
17	China 10Y Yield Nears 3-Week Low	Trading Economics	Mar 2026	Link
18	A weak yuan exchange rate this year has supported China's exports	Bank of Finland Institute of Emerging Economies	Dec 2025	Link
19	Analysis and Outlook of my country's Import and Export Situation of Active Pharmaceutical Ingredients and Intermediates in 2025	China Chamber of Commerce for Medicines	Feb 2026	Link
20	China says yuan devaluation not needed to boost trade	UPI	Mar 2026	Link
21	China Loan Prime Rate	Trading Economics	Mar 2026	Link
22	China keeps benchmark lending rates unchanged despite slowing economic growth	CNBC	Jan 2026	Link

Appendix

S.No.	Publication title	Publisher	Time of publication	URL
23	To address the challenge of "one person with multiple illnesses," Guangdong Provincial People's Hospital has opened a multidisciplinary outpatient clinic for geriatric comorbidities.	Guangdong Provincial People's Hospital	Jul 2025	Link
24	How to solve the new problems brought about by population changes?	National Development and Reform Commission	Dec 2025	Link
25	More than half of China's adults are overweight or obese. It must now beat the bulge, or else	Channel News Asia	Mar 2026	Link
26	Diabetes Atlas 2025	International Diabetes Federation	2025	Link
27	Trends in overweight and socioeconomic inequality among children and adolescents aged 7–18 years in China from 2010 to 2020	BMC Public Health	Oct 2025	Link
28	China's aging population is reshaping healthcare – unlocking a trillion-dollar opportunity	UBS	Feb 2026	Link
29	Dataviz	International Agency for Research on Cancer	-	Link
30	Diabetes Atlas Country Insights	International Diabetes Federation	-	Link
31	Zenas BioPharma and InnoCare Pharma Announce License Agreement	Zenas BioPharma	Oct 2025	Link
32	China Biotech outbound licensing tracker	Vision Lifesciences	Feb 2026	Link
33	China Biopharma global transactions and IPOs Review	MSQ ventures	Dec 2021	Link
34	Chinese biopharma out-licensing	Cambridge Network	Jul 2025	Link
35	Hengrui Pharma and GSK enter agreements	PR Newswire	Jul 2025	Link
36	Argo Biopharma announces multi-asset license	Argo Biopharma	Sep 2025	Link
37	AstraZeneca enters strategic collaboration with CSPC Pharmaceuticals	AstraZeneca	Jun 2025	Link
38	Hansoh Pharma grants regeneron an exclusive license rights	Hansoh Pharma	Jun 2025	Link
39	China's innovative drug licensing transactions exceeded $60 billion in the first quarter	East Money	Mar 2026	Link
40	Scaling Radioligand Therapy	Fierce Biotech	Mar 2026	Link
41	Analysis-China Biotech licensing boom to hit record in 2026 as pipeline swells	US News	Feb 2026	Link
42	A comprehensive overview of AI + pharmaceuticals	ByDrug	Mar 2026	Link
43	Hengrui Medicine's PD-1 R&D Black Technology: How Does AI Accelerate New Drug Research and Development by 6 Months?	Changzhou Beige Digital Twin	Jul 2025	Link
44	AI-driven drug discovery aided by Greater Bay Area integration, Hong Kong-listed firm says	South China Morning Post	Jan 2025	Link

Appendix

S.No.	Publication title	Publisher	Time of publication	URL
45	AI-Powered Pharmaceutical Industry Chain..	XJTLU	Jul 2025	Link
46	Ecological collaboration leads a new era of health through digital transformation	Xinhua News	Aug 2025	Link
47	Implementation plan for the digital and intelligent transformation of the pharmaceutical industry (2025-2030)	China State Council	Apr 2025	Link
48	Market Research on Surgical Robots	Frost & Sullivan	Jan 2024	Link
49	The "China Surgical Robot Industry Development Report"	National Innovation Crnter For Advanced Medical Devices, Encore Consulting	Apr 2025	Link
50	Blue Book of Intelligent Medical Equipment Industry	CAICT	Dec 2024	Link
51	XtalPi holdings announces 2025 interim results	PR Newswire	Aug 2025	Link
52	Biocytogen and MegaRobo announce strategic collaboration	Biocytogen	Aug 2025	Link
53	Secure Digital Enterprise Architecture	Forbes	Apr 2026	Link
54	Chinese robotics outlook for 2026 includes cobot growth, competitive pressure	The Robot Report	Jan 2026	Link
55	The relationship between technology and human resources is not one of replacement	CN Pharma	Mar 2026	Link
56	Minister of Industry and Information Technology Li Lecheng…	Finance Sina	Sep 2026	Link
57	Qidu Pharma was Selected as "National Exemplary Smart Factory"	Qidu Pharma	Oct 2025	Link
58	Yichang Renfu Pharmaceutical was selected as an outstanding smart factory in 2025	Finance Sina	Nov 2025	Link
59	Competitive Landscape and Development Trend Forecast of China's Smart Pharmaceutical Industry in 2026	China Research Network	Jan 2026	Link
60	China approves record number of innovative drugs in 2025	GMW.Cn	Jan 2026	Link
61	Novel Drug Approvals for 2025	US Food & Drug Administration	Mar 2026	Link
62	Human medicines in 2025	European Medicines Agency	Jan 2026	Link
63	NMPA Drug Approval Process: Complete Guide for Global Pharma	Vision Lifesciences	Feb 2026	Link
64	In 2025, the National Medical Products Administration accepted 14,647 applications for medical device registration	Xinhua News	Feb 2026	Link
65	FDA Moves to accelerate biosimilar development and lower drug costs	US Food & Drug Administration	Oct 2025	Link

Appendix

S.No.	Publication title	Publisher	Time of publication	URL
66	A Guide to the EU Clinical Trial Regulation (CTR) & CTIS	Intuition Labs	Apr 2026	Link
67	Policy Interpretation of the NMPA Announcement on Matters Concerning the Importation of Pre-Approval Commercial-Scale Batch Products of Overseas-Marketed Drugs	NMPA	Nov 2025	Link
68	New Drug Therapy Approvals	FDA	Jan 2026	Link
69	Three-pronged approach, multi-point development….	China Pharmaceutical News Co	Apr 2026	Link
70	Top 5 U.S. Biotech Hubs You Should Know	Biotech Primer	Jun 2025	Link
71	China's pharmaceutical sector moves into the big leagues as a global innovation powerhouse	South China Morning Post	Dec 2025	Link
72	In 2025, the National Medical Products Administration accepted 14,647 applications	Xinhua	Feb 2026	Link
73	Despite pressure, my country's medical device foreign trade has shown resilience..	China Pharmaceutical News Co	Mar 2026	Link
74	Breaking Through with Innovation: Chinese-developed High-End Medical Devices Rising at the Right Time	China Association for Medical Devices	Jan 2026	Link
75	Product registration data release report for the first half of 2025	China Association for Medical Devices	Jul 2025	Link
76	2025 Innovative Class III Medical Device Review	ByDrug	Jan 2026	Link
77	1300 products, 3000 companies selected	Yaozhi Medical Device Data	Feb 2026	Link
78	The Path to Internationalization for my country's Medical Device Industry: From "Product Export" to "Ecosystem Establishment"	China Pharmaceutical News Co	Mar 2026	Link
79	Outlook for the Development and Trends of China's Medical Device Industry in 2025	China Association for Medical Devices	Dec 2025	Link
80	Innovent Announces Mazdutide, First Dual GCG/GLP-1 Receptor Agonist	PR Newswire	Jul 2025	Link
81	Hengrui Pharmaceutical Secures NMPA Approval for JAK1 Inhibitor Ivarmacitinib in Severe Alopecia Areata	MedPath	Jul 2025	Link
82	QUVIVIQ® - The World's New Generation Anti-Insomnia Drug	Simcere	Jun 2025	Link
83	China Medical System and Xihong Biopharma Jointly Announced	China Medical System	Jul 2025	Link
84	'China's Ozempic' pioneer inks deal with JD Health for online distribution	South China Morning Post	Jul 2025	Link
85	JD Health Introduces Groundbreaking LLM-Powered Suite for Comprehensive Online and In-Hospital Healthcare Scenarios	JD Health	Jan 2025	Link

Appendix

S.No.	Publication title	Publisher	Time of publication	URL
86	Why more Chinese men are getting 'tweakments'	Jing Daily	Jul 2025	Link
87	JD Health's Internet Hospital Introduces Video Consultation Service	JD Health	Dec 2024	Link
88	2026 China CXO (Pharmaceutical Outsourcing) Industry Market	Finance Sina	Nov 2025	Link
89	Industry Overview	HKEX	2025	Link
90	Frost & Sullivan releases the "2025 China Pharmaceutical CDMO Industry Development Insight Blue Book"	Drug Times	Jun 2025	Link
91	Analysis of the Development Background, Industry Chain, Current Status, CSO….	Zhiyan Consulting	Apr 2025	Link
92	A review of policies and a panoramic analysis of the upstream and downstream..	Finance Sina	Oct 2025	Link
93	A list of the 8 core companies and related stocks in the CXO	Finance Sina	Jul 2025	Link
94	Goldman Sachs: Bullish on Chinese CXOs in 2026	Finance Sina	Mar 2026	Link
95	A+H: Chinese biotech companies accelerate their "dual-track" strategy	Yaozhi	Apr 2025	Link
96	Hengrui raises HKD9.8bn in HK's largest pharma IPO in 5 years	China Business Law Journal	May 2025	Link
97	Duality Biotherapeutics, Inc	HKEX	Apr 2025	Link
98	Yingen Biotech starts IPO today and is expected to be listed on April 15	Drugdu	Apr 2025	Link
99	China Innovative Pharma Going Global : The "DeepSeek Moment" of China's Innovative Drugs – From Global Participant to Value Exporter	ARC Group	Jul 2025	Link
100	NewCo licensing models are tipping deals in favour of China's biotechs	Pharmaceutical Technology	Sep 2025	Link
101	China Biotech Outbound Licensing Tracker: The $136 Billion Deal Wave	Vision Lifesciences	Feb 2026	Link
102	China NewCo and License-in/out Deals in 2025	Han Kun Law	Jan 2026	Link
103	The 2025 National Reimbursement Drug List Adjustment Officially Launched: What is the Newly Added "Commercial Insurance Innovative Drug List"?	Shanghai Municipal Medical Security Bureau	Jul 2025	Link
104	What Is China's National Reimbursement Drug List (NRDL)?	Freyr Solutions	-	Link

Appendix

S.No.	Publication title	Publisher	Time of publication	URL
105	China releases 2025 NRDL and first commercial insurance drug list	Pharmaceutical Technology	Jan 2026	Link
106	Deal screener	Refinitiv	Accessed Mar 2026	-
107	Antitrust v2.0	American Bar Association	Jun 2023	Link
108	China's Biopharma Dealmaking Surges in H1 2025	BioPharmaAPAC	Aug 2025	Link
109	China Life Sciences Sector Overview and Outlook 2025	KPMG	Apr 2025	Link
110	China M&A 2025: What Global Buyers and Sellers Need to Know	ARC Group	Jun 2025	Link
111	Biotech trends driving the deals of 2025	biopharmadealmakers	Dec 2025	Link
112	China's edge in early-stage drugmaking 'likely to persist,' Pitchbook says	BioPharma Dive	Jan 2026	Link
113	Despite geopolitical pressures, China biotech deals remain at pace as collective value soars: Evaluate	FierceBiotech	Dec 2025	Link
114	Pharmaceutical M&A saw both volume and price increases in the first half of 2025: Supported by policies, high-frequency, low-value transactions became the mainstream.	NetEase Inc.	Jul 2025	Link
115	2026 Pharmaceutical M&A Outlook: Positive Trend, AI and Growth Assets Become New Engines	ScienceNet China	Jan 2026	Link
116	Outlook for the Pharmaceutical Industry in 2026	Sohu	Jan 2026	Link
117	2026 Strategy for Medical Devices Industry: Domestic Demand Awaits Recovery, Focus on Innovation and Overseas Markets	Discover Reports	Dec 2026	Link
118	Chinese innovative drug R&D	nature reviews drug discovery	Jul 2024	Link
119	Approvals by the China NMPA in 2025	nature reviews drug discovery	Feb 2026	Link
120	Transcript of the press conference held by the National Healthcare Security Administration on "Several Measures to Support the High-Quality Development of Innovative Drugs"	National Healthcare Security Administration	Jul 2025	Link
121	Sixteen new measures to accelerate the development of innovative drugs (Policy Interpretation)	Beijing Medical Municipal Product Administration	Jul 2025	Link
122	The rise of China's pharmaceutical industry from 2015–2024: a decade of innovation	nature reviews drug discovery	Jul 2025	Link
123	Why is the phenomenon of Chinese innovative drugs…	EastMoney	Jul 2025	Link

Appendix

S.No.	Publication title	Publisher	Time of publication	URL
124	China becoming dominant force in biotech sector, survey says	DRUG DISCOVERY WORLD DDW	Dec 2025	Link
125	The Rise of Chinese Biotechnology: Why Only Collaboration Can Ensure Leadership	Asia Society Policy Institute	2026	Link
126	Media Focus: Directly Addressing the Investment and Financing Challenges in the Biopharmaceutical Industry!	China Gene Medicine Valley	Mar 2026	Link
127	China Drug Regulatory Reforms: The Next Big Thing in China Pharmaceutical Regulations for 2025	Freyr Solutions	Jun 2025	Link
128	2025 China biotech sector survey	ICON Biotech	Dec 2025	Link
129	2025 Pharmaceutical Industry Compliance and Digital Innovation Forum	YAOZHI News	Sep 2025	Link
130	EU shuts out Chinese medical suppliers from European market in retaliatory trade move	Euro News	Jun 2025	Link
131	Innovative drugs set sail on a new voyage to go global	China Pharmaceutical News	Jun 2025	Link
132	China Pharma Projects Disrupted by Sino-US Tensions	US News	Jun 2025	Link
133	The Iran War Isn't Just Impacting Oil Prices! These "3 Major" Key Supply Chains Are Also Being Upended	Yahoo Finance	Mar 2026	Link
134	As Iran war squeezes Middle East drug shipments, experts warn of longer-term effects on US manufacturing, generics	Fierce Pharma	Mar 2026	Link
135	Healthcare Management Frontiers | Focusing on National Negotiated Innovative Drugs: Current Status, Bottlenecks, and Solutions	Sohu	Feb 2025	Link
136	The silent battlefield of China's innovative Drugs: Not the "Last mile", but the "pioneering period" after approval	Metia	Mar 2026	Link
137	The innovation boom in China Biotech	Morgan Stanley	Sep 2025	Link
138	China is increasing its share of global drug development	Goldman Sachs	Dec 2025	Link
139	China's Biopharma industry clusters	China Briefing	Sep 2025	Link
140	How Chinese labs race for the next 'first-in-class' breakthrough	Chemical & Engineering News	Mar 2026	Link
141	My country's drug review and approval process is accelerating	CCTV	Mar 2025	Link

Appendix

S.No.	Publication title	Publisher	Time of publication	URL
142	China’s Biotech & pharma clusters	Trial Sites News	Jan 2026	Link
143	A glimpse of Zhongguancun Life Science Park	Zhongguancun Life Science Park	-	Link
144	How China's Yangtze River Delta drives national high-tech innovation	China Global Television Network (CGTN)	Dec 2025	Link
145	Tianfu Life Science Park	Tianfu Life Science Park website	-	Link
146	Overview - Wuhan National Bio-industry Base	Optics Valley of China	Jun 2025	Link
147	China NMPA clears 104 innovative medical devices	Cisema	Jan 2026	Link
148	Approvals by the China NMPA	nature reviews drug discovery	Feb 2025	Link
149	China approves record number of innovative drugs in 2025	Guangming Daily	Jan 2026	Link
150	China Biotech Licensing 2026	Vision Lifesciences	Dec 2025	Link
151	Announcement of the National Medical Products Administration on Issuing Measures to Optimize Whole Life-Cycle Regulation in Support of the Innovative Development of High-End Medical Devices ([2025]No. 63)	NMPA	Oct 2025	Link
152	Full text: Recommendations of the Central Committee of the Communist Party of China for Formulating the 15th Five-Year Plan for National Economic and Social Development	The State Council	Oct 2025	Link
153	NMPA Announcement on Optimizing of the Review and Approval Process for Clinical Trials of Innovative Drugs ([2025] No. 86)	NMPA	Oct 2025	Link
154	NMPA to enhance drug regulation under revised rules — committed to a people-centered healthy policy and strengthen high-effect regulation	NMPA	Jan 2026	Link
155	Opinions of the General Office of the State Council on Comprehensively Deepening the Reform of Regulation of Drugs and Medical Devices to Promote the High-Quality Development of the Pharmaceutical Industry	NMPA	Mar 2025	Link
156	Analysis-China Biotech Licensing Boom to Hit Record in 2026 as Pipeline Swells	US News	Feb 2026	Link
157	Swiss drugmaker to build new manufacturing facility in Shanghai	Xinhua	May 2025	Link

Appendix

S.No.	Publication title	Publisher	Time of publication	URL
158	China's medical reform fasttracks innovation: U.S. pharma giant	Xinhua	Mar 2025	Link
159	Pingshan launches service mechanism for biopharmaceutical industry	Shenzhen Daily	Jul 2025	Link
160	Eyes on Asia: Congressional commission, GSK, and gene therapy approval	BioXconomy	Apr 2025	Link
161	AstraZeneca to invest $2.5 billion in new global strategic R&D centre, biotech agreements and manufacturing in Beijing	AztraZeneca	Mar 2025	Link
162	BRIEF—Merck KGaA spending additional 14 million euros in China	The Pharma Letter	Mar 2024	Link

How KPMG can help

A global organisation of KPMG life sciences professionals provides support to the world's leading pharmaceutical, biotech, medical device and other companies in the sector.

KPMG member firms help life sciences companies to navigate complex business challenges such as delivering better and lasting financial results for stakeholders, leveraging technology to help increase competitive advantage, and unlocking the power of ESG to transform businesses and build a more sustainable future.

In these challenging times, business leaders require insights and guidance from professionals they can trust. KPMG uses a multi-disciplinary approach which allows us to pull resources from across geographies, disciplines and areas of experience across the life sciences sector, including:

- Strategic Advisory
- Deal Sourcing and Evaluation
- Commercial Due Diligence
- Market and Competitive Intelligence
- Digital and Technology Transformation
- Risk and Compliance
- Tax Transformation

For More Information

Colin Yu
Head of Life Sciences Sector
Transformation Function Head of Life Sciences Sector
KPMG China
Tel: +86 (10) 8553 3588
Email：cz.yu@kpmg.com

Frankie Lai
Audit Function Head of Life Sciences Sector
KPMG China
Tel: +86 (21) 2212 2186
Email: frankie.lai@kpmg.com

Robin Xiao
Tax Function Head of Life Sciences Sector
KPMG China
Tel: +86 (21) 2212 3273
Email: robin.xiao@kpmg.com

Andy Qiu
Transactions Function Head of Life Sciences Sector
KPMG China
Tel: +86 (21) 2212 3572
Email: andy.qiu@kpmg.com

Quin Huang
Technology Function Head of Life Sciences Sector
KPMG China
Tel: +86 (21) 2212 2355
Email: quin.huang@kpmg.com

Kevin Jin
Trusted Function Head of Life Sciences Sector
KPMG China
Tel: +86 (21) 2212 3266
Email: kevin.y.jin@kpmg.com

kpmg.com/cn/socialmedia

For a list of KPMG China offices, please scan the QR code or visit our website:
https://kpmg.com/cn/en/about/office-locations.html

Publication number: 1777018492734

Publication date: May 2026