

From Scientific Excellence to Industrial Implementation

China's Biopharmaceutical and Medtech Sector in 2026

China enters the 15th Five-Year Plan (2026–2030) after remarkable progress in public health during the previous planning period. Life expectancy reached 79.3 years in 2025, and nearly 95 % of the population is now covered by statutory health insurance; private insurance plans covering more costly therapies are on the rise.

At the same time, demographic aging has become one of the country's greatest long-term challenges. More than 224 million people are aged 65 years or older, a number expected to approach 350 million by 2050.

Public Health: a Strong Foundation for Innovation

China's epidemiological profile is changing accordingly. Chronic diseases—including cardiovascular disorders, cancer, diabetes and neurodegenerative diseases—now account for most morbidity and mortality, driving demand for innovative pharmaceuticals, medical devices, diagnostics and digital healthcare. Supported by more than 38,000 hospitals, over one million community health centers and nearly five million physicians, the healthcare system provides an increasingly strong platform for nationwide innovation. By 2030, the government aims to expand healthcare quality nationwide while increasing life expectancy to around 80 years. These demographic and structural developments provide an economic rationale for China's sustained

investment in biomedical research and innovation.

Pharmaceutical Industry: from Manufacturing Base to Innovation Partner

With a market volume of approximately RMB 1.9 trillion (\$280 billion) in 2025, China has become the world's second-largest pharmaceutical market. Although more than 5,000 manufacturers remain active, the industry's center of gravity is shifting from generics and active pharmaceutical ingredients towards innovative medicines.

Biologics—including monoclonal antibodies, cell and gene therapies, and antibody-drug conjugates—have become major growth drivers. This transformation is increasingly visible internationally. Chinese companies are evolving from technology licensees into licensors of innovative drug candidates. Out-licensing transactions reached approximately \$136 billion in 2025, while growing numbers of Chinese compounds entered multinational clinical development through partnerships with leading international phar-

maceutical companies. China's pharmaceutical industry is evolving from a manufacturing base to an important contributor to global drug innovation.

Medtech and Diagnostics: Rapid Technological Upgrading

China's medical technology industry is undergoing a similarly rapid transformation. More than 35,000 certified manufacturers operate in the country, while in vitro diagnostics remains one of its fastest-growing segments.

Chinese companies are becoming increasingly competitive in advanced imaging, surgical robotics, genomic technologies and AI-supported medical devices. United Imaging introduced a commercially available 5.0 Tesla MRI scanner, while more than 600 sequencing companies now contribute to one of the world's largest genomics ecosystems.

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Digitalization, artificial intelligence and nationwide 5G infrastructure are accelerating the convergence of medical devices, diagnostics and digital health. An illustrative example is the AI-enabled Kangbao healthcare robot, which combines contact-free optical monitoring with continuous analysis of vital signs. Such developments demonstrate how engineering, photonics, artificial intelligence and clinical medicine are increasingly integrated within China's healthcare innovation system.

National High-Tech Parks: Engines of Biomedical Innovation

A distinctive feature of China's innovation strategy is its nationwide network of national hightech parks. By the end of 2025, 178 parks had been

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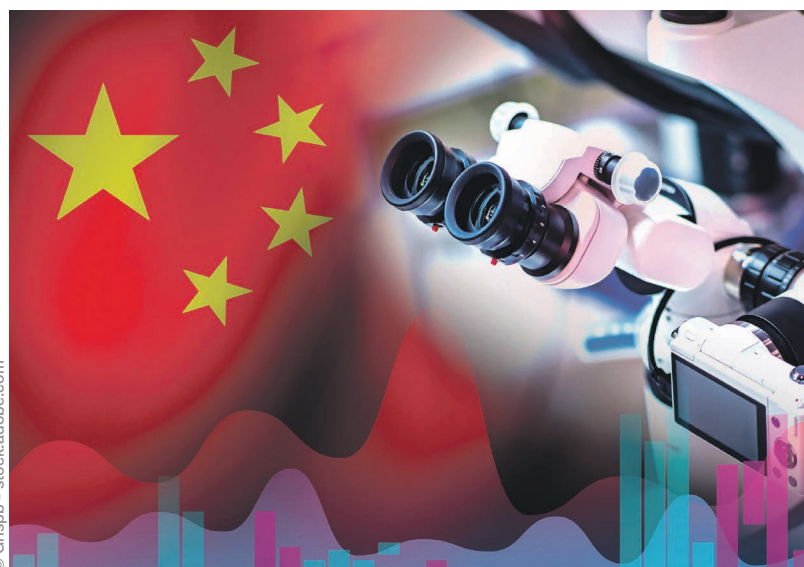
established, generating roughly 13 % of China's GDP while hosting tens of thousands of hightech enterprises, research institutes and State Key Laboratories.

Leading parks—including Shanghai Zhangjiang, Beijing Zhongguancun, Guangzhou, Shenzhen and Suzhou—combine universities, hospitals, start-ups, venture capital, contract research organizations and pharmaceutical manufacturers within highly integrated innovation clusters. These ecosystems increasingly resemble the world's leading biomedical hubs by linking scientific excellence with technology transfer, industrial scale-up and rapid commercialization.

They are also producing internationally recognized scientific achievements. The high-resolution Yao reference genome strengthens China's capabilities in precision medicine and AI-supported genomics, while rapid progress in brain-computer interfaces illustrates the country's ability to integrate neuroscience, engineering and clinical medicine. These examples demonstrate how the national hightech parks have evolved beyond industrial estates into comprehensive innovation ecosystems that connect scientific discovery with clinical translation and commercial application.

Scientific Excellence, Clinical Translation, and Commercialization

The framework of China's 15th Five-Year Plan confirms biomedicine as one of the country's strategic future industries. Priority areas include biomanufacturing, innovative pharmaceuticals, high-end medical devices, brain-computer interfaces, and digital healthcare. Compared with the previous planning period, however, the strategic focus has



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shifted. While the 14th Five-Year Plan primarily strengthened scientific capabilities and promoted technological breakthroughs, the new plan emphasizes industrial implementation, clinical translation and commercialization.

At the same time, investment in basic research continues to expand. Strategic programs in population genomics, brain science and biomanufacturing are creating proprietary scientific resources and enabling technologies designed to support the next generation of biomedical innovation. Rather than separating fundamental research from industrial development, China is integrating both within a coordinated innovation strategy.

Trends, Opportunities and Risks

For international companies, China remains one of the world's most attractive healthcare markets, driven by demographic change, the growing burden of chronic disease and rising expectations for healthcare quality. At the same time, the 'Made in China First' principle (国产优先) remains a central element of China's healthcare reforms. The goal is to strengthen domestic innovation and reduce reliance on imports. As a result, competition is intensifying. Domestic companies are moving rapidly into technology-intensive market segments, supported by substantial public investment, expanding venture capital, regulatory reforms and the innovation ecosystems of the National High-Tech Parks. Success in this market depends not only on market access and regulatory expertise, but increasingly on scientific collaboration, local partnerships and participation in China's innovation ecosystem.

As China evolves beyond its role as a sales market to become a strategic location for research, clinical development and technological collaboration, companies able to participate in this ecosystem may benefit from rapid innovation cycles and access to world-class scientific capabilities. Those remaining outside it risk losing competitiveness in some of the fastest-moving areas of biomedical innovation.

Outlook

China's healthcare sector has entered a new stage of development. The country is no longer expanding healthcare capacity or manufacturing output alone. It is systematically building an integrated biomedical innovation ecosystem that combines scientific



research, clinical excellence, industrial development and commercialization.

Whether China ultimately becomes one of the world's leading sources of pharmaceutical and medical technology innovation will depend on its ability to sustain scientific excellence, encourage entrepreneurial creativity and remain connected to international research net-

works. During the 15th Five-Year Plan period, China will seek to strengthen its highly integrated research and innovation ecosystem in order to translate scientific findings into industrial innovations even more effectively.

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