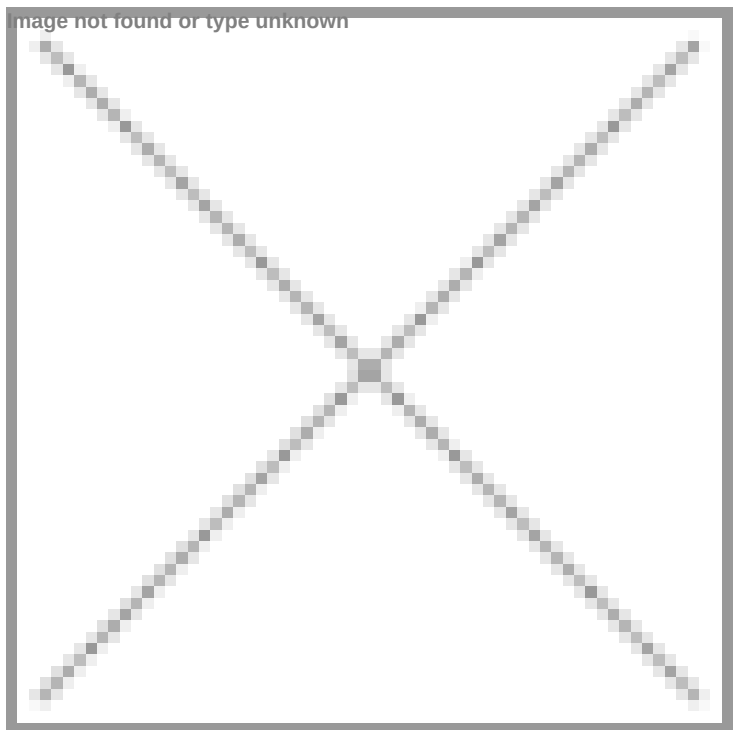


China's medtech takeover to reshape global healthcare sector

09 April 2025 | News

Success stems from a powerful combination of strategic government support, aggressive R&D investment, strong technological capabilities



The global medtech landscape is undergoing a seismic shift, largely driven by the meteoric rise of Chinese companies. For decades, the narrative was simple: China made things cheaply. That story is now dangerously outdated. Today, Chinese medtech firms are not just competing; they are increasingly setting the pace in innovation, quality, and global reach.

China's role in international medtech trade has expanded significantly. In 2000, the country accounted for less than 3% of global trade in medtech products. By 2021, China's share had surged to 12.4% of global exports - amounting to nearly \$40 Billion.

China's medical device market has grown significantly, reinforcing its position as a global manufacturing leader. By the end of 2023, China had more than 32,000 medical device manufacturers, generating \$160 Billion. This growth is driven by government initiatives, strong domestic demand, and rising innovation within the country's healthcare sector.

National strategies like "Made in China 2025" explicitly prioritise medtech, setting ambitious goals for domestic production of mid-to-high-end devices (70% by 2025, 95% by 2030).

Driven by government incentives (such as 100% super tax) and market competition, Chinese medtech firms are investing heavily in R&D. Leading companies now dedicate 11-14% of their revenue to R&D, surpassing the 6-8% average often seen

among Western peers.

Also, to complement domestic growth and rapidly acquire global reach, Chinese medtech companies are actively using strategic partnerships and acquisitions. Chinese medtech players are also leveraging a powerful mix of affordable labour, proximity to suppliers, and growing technical depth to manufacture high-quality devices at significantly lower costs.

Further, for investors, significant opportunities exist, particularly in high-growth areas where Chinese firms show leadership, like artificial intelligence (AI) and digital health. Engaging proactively with this evolving ecosystem is key to thriving in the future of global healthcare innovation.

(A perspective by Praxis Global Alliance)