China’s Innovative Drugs: Market Growth Backed by Research Strength

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The Hang Seng Stock Connect Hong Kong Innovative Drug Index surged 61.91% year-to-date through June 9th, becoming a benchmark for global innovative drug investment. After years of refinement, China’s Innovative Drug sector has sprouted globally competitive enterprises.

The latest IQVIA report, Global Oncology Trends 2025, reveals that in 2024, oncology clinical trials initiated by Chinese companies accounted for 39% of the global total, surpassing the United States (32%) and Europe (20%) to rank first worldwide. This proportion marks a dramatic leap from a mere 2% in 2009, reflecting a profound transformation in China’s pharmaceutical innovation ecosystem over 15 years of rapid growth.

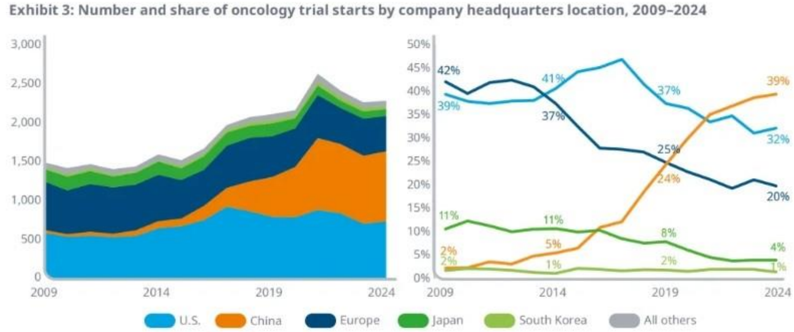

Exhibit 3: Number and share of oncology trial starts by company headquarters location, 2009–2024

Source: Citeline Trialtrove, Jan 2025; IQVIA Institute, Apr 2025.

This rapid industry growth has been shaped by a multitude of forces. A continuously optimized regulatory environment—including policies such as accelerated approval by the National Medical Products Administration (NMPA) and dynamic adjustments to the national reimbursement drug list (NRDL)—has significantly reduced the time-to-market for innovative domestic drugs. Over the past five years, the number of novel oncology agents (NAS) approved in China surged to 84, nearly matching the US (85), with 45 being China-exclusive innovations—including 10 PD-1/PD-L1 inhibitors and 4 CAR-T therapies. This signals China’s shift from a "follower" to an "originator," building a distinctive R&D model with local characteristics.

Overall, China is making significant progress in the field of innovative drug development, supported by key strengths such as robust government backing for biotech research, efficient clinical trial recruitment processes, and well-integrated biotech clusters comprising skilled professionals, emerging enterprises, and contract research organizations.