China Medtech Monthly:
Localization Push Versus Geopolitical Curbs

July 1 to August 31, 2025

China's Ministry of Finance escalated a trade dispute with the European Union on July 6, 2025, imposing restrictions on EU-made medical devices in government tenders valued over ¥45 million. This move, a direct retaliation to the EU's own procurement curbs, creates a powerful incentive for multinational firms to localize production, as devices manufactured within China by foreign-invested enterprises are exempt.

This policy-driven manufacturing shift occurred alongside a resilient venture capital environment for healthcare, which saw Chinese biopharma firms raise approximately $481 million in July alone, bucking a broader downturn in tech funding.

The key signal to watch is whether European medtech giants accelerate their "In China, for China" manufacturing investments to bypass these new procurement barriers, further entrenching their supply chains on the mainland despite rising geopolitical friction.

Policy & Regulatory

The summer of 2025 was defined by a sharp geopolitical escalation with the EU, juxtaposed with domestic regulatory reforms aimed at providing greater clarity and predictability for manufacturers. While Beijing used procurement policy as a retaliatory tool to advance its industrial agenda, the National Medical Products Administration (NMPA) continued to refine its frameworks for device classification and standards, signaling a dual track of strategic confrontation and systemic maturation.

EU-China Procurement Standoff

China's Ministry of Finance on July 6, 2025, implemented retaliatory measures against the European Union, significantly altering market access for high-value imported medical devices.[1] The new rules prohibit EU-based enterprises from participating in government procurement tenders for a list of 50 device categories, including MRI machines and advanced implants, where the contract value exceeds ¥45 million (approximately €5 million).[1]

This action directly responds to the EU's decision, effective June 30, 2025, to restrict Chinese firms from its own public procurement market under the International Procurement Instrument (IPI), citing discriminatory practices in China.[3] However, China's countermeasure contains a critical exemption: products manufactured in China by EU-invested enterprises are considered "domestic" and are not affected by the restrictions.[1] This distinction transforms the trade barrier into a powerful lever for industrial policy. It presents European medtech firms with a stark choice: either lose access to a lucrative segment of China's public hospital market or accelerate the localization of their manufacturing operations to be treated as a domestic supplier.

The business implication is clear and immediate. European manufacturers of high-end capital equipment must now re-evaluate their China strategy, as relying on imports for government sales is no longer viable for large contracts.

Reclassification Rules Eased

The NMPA released a draft notice on its "Procedure of Medical Device Classification Adjustment" for public comment, with the consultation window running from July 17 to August 16, 2025.[4] The proposal aims to create a more predictable and manageable process for manufacturers when a device's risk classification changes.

The draft introduces significantly longer grace periods for devices that are "up-classified" to a higher risk category. Manufacturers will have two years to comply if the new classification does not require a clinical trial, and three years if a new trial is needed.[4] This is a substantial extension compared to previous ad-hoc transition periods, which were often one to two years. The new procedure formalizes the "dynamic adjustment" mechanism first introduced in 2021, providing a clearer roadmap for industry.[4]

For manufacturers, these proposed rules reduce the risk of sudden compliance shocks. The extended timelines allow for more orderly planning to gather required data, prepare new registration dossiers, and manage the transition of existing inventory and pending applications.

New Standards Drive Innovation

The NMPA's 2025 medical device standards plan calls for the creation or revision of 85 standards, comprising 6 mandatory and 79 recommended guidelines.[5] The plan prioritizes high-growth, technology-intensive fields, including artificial intelligence in diagnostics, additive manufacturing, surgical robotics, and vascular intervention devices.

A key feature of the plan is the continued harmonization with global norms. Several mandatory standards are being updated to adopt the latest ISO versions, such as ISO 10651-4:2023 for artificial resuscitators and ISO 7199:2024 for oxygenators.[5] This move simplifies the technical adaptation for foreign manufacturers entering the Chinese market. The plan is a core component of China's broader strategy to support the development of high-end medical devices by creating clear, modern regulatory benchmarks.[6]

While ISO harmonization is a welcome step, the introduction of new mandatory standards requires companies to proactively conduct gap analyses and verify compliance to avoid future market access delays.

International Reliance Pilots

On July 30, 2025, the NMPA and Malaysia's Medical Device Authority (MDA) launched a two-month pilot program for reciprocal regulatory reliance, set to run through September 30.[7] The program creates accelerated market access pathways between the two countries.

Under the pilot, Class II or III devices already approved by the NMPA are eligible to use Malaysia's streamlined verification pathway. Conversely, Class B, C, or D devices approved by the MDA can leverage China's "Green Channel" for innovative devices, which offers a reduced review timeline.[7] This initiative, which follows a memorandum of understanding signed in 2023, is one of the first concrete examples of the NMPA engaging in a reciprocal reliance program.[7]

Although Malaysia is a smaller market, this pilot is a significant indicator of the NMPA's increasing confidence in its own review standards and its willingness to engage in more efficient, collaborative international regulatory frameworks. It may serve as a template for future agreements with other regulatory bodies.

In Conclusion: *The regulatory environment is becoming more complex, shaped by the twin forces of geopolitical strategy and a push for domestic technical alignment. While the EU procurement ban creates significant market access hurdles for imported products, the NMPA's efforts to standardize reclassification and harmonize standards offer a more stable and predictable operating environment for those producing locally.*

Date	*News Title*	*Link [Language]*
2025-08-11	**China and Malaysia Launch Reciprocal Medical Device Reliance Pilot** The NMPA and Malaysia's MDA initiated a two-month pilot (July 30-Sept 30) allowing for accelerated market access based on each other's approvals.	Link [English]
2025-08-07	**NMPA Seeks Feedback on Medical Device Classification Catalog Adjustments** The regulator solicited public opinion on proposed changes to the classification of certain medical devices.	Link [English]
2025-07-17	**NMPA Publishes Draft Rules on Medical Device Reclassification Procedures** A draft notice was released for public comment (ending Aug 16) proposing longer grace periods for devices that are up-classified to a higher risk category.	Link [English]
2025-07-06	**China Restricts EU Medical Devices in Government Procurement** The Ministry of Finance announced that EU enterprises are barred from participating in government tenders for imported medical devices valued at over ¥45 million, in retaliation for similar EU measures.	Link [Chinese]

Manufacturing & Logistics

The strategic push for localization, amplified by new geopolitical realities, dominated the manufacturing landscape in July and August. Global giants deepened their "In China, for China" commitments, viewing local production not just as a market access tool but as a critical defense against trade frictions and supply chain volatility. This trend is underpinned by massive capital inflows into the broader life sciences sector, strengthening the domestic supply chain from end to end.

Localization Imperative Intensifies

The EU-China procurement dispute that erupted on July 6, 2025, has transformed localization from a strategic option into a commercial necessity for many foreign firms.[1] The policy's exemption for products made in China by EU-invested companies creates a powerful incentive to onshore manufacturing. This directly supports the industrial goals of "Made in China 2025," which targets 70% domestic production of mid-to-high-end medical devices by the end of the year.[8]

The procurement ban effectively closes off the high-value public tender market to pure importers, fundamentally altering the competitive dynamics. This policy is the most forceful government action to date compelling foreign medtech firms to shift production to the mainland if they wish to compete in the government-funded healthcare segment.

The implication for supply chain strategy is profound, requiring a potential re-engineering of global manufacturing footprints to serve the Chinese market from within.

Global Giants Deepen Roots

Despite a reported slowdown in domestic sales and rising geopolitical tensions, major multinational medtech companies are reinforcing their commitment to local production in China.[9] On July 7, Siemens Healthineers publicly stated that it did not expect the new EU-China procurement restrictions to impact its business, citing the fact that its high-end medical imaging systems sold in China are already manufactured locally.[10]

This sentiment is echoed across the industry. At the China International Supply Chain Expo on July 22, executives from Medtronic,

Sanofi, and GE Healthcare stated that over 90% of their global R&D projects now involve their teams in China.[11] These actions reveal a strategic calculation by multinational corporations: deep localization, encompassing not only final assembly but also component sourcing and R&D, is the most effective strategy to de-risk their China operations from trade disputes and remain competitive in a price-sensitive market.

This trend demonstrates that for key players, China is no longer just a market to sell to, but an integral and indispensable part of their global innovation and manufacturing network.

Advanced Materials Hub

German specialty chemicals firm Evonik on July 9, 2025, opened its largest medical device applications center in Shanghai to serve the growing Asian market.[12] This move directly supports the "Healthy China 2030" initiative by bolstering domestic innovation capabilities.[13]

The new facility, which includes an ISO Class 7 cleanroom, specializes in the research, development, and processing of semi-finished components for bioresorbable medical devices.[15] It provides a one-stop solution for device manufacturers, converting Evonik's advanced biomaterials into components for applications in orthopedics, cardiovascular care, and surgery.[16]

This investment strengthens the high-end domestic supply chain, enabling local and international device makers to accelerate their time-to-market for next-generation products manufactured in China.[14]

Supply Chain Resilience

The broader life sciences ecosystem in China is being fortified by a massive influx of capital. In the first half of 2025, pharmaceutical companies invested over $48 billion in China, a figure that surpasses the total for all of 2024.[17] This investment is not limited to drug development but extends to manufacturing and commercialization infrastructure, benefiting the entire medtech supply chain.

This capital injection is building a more self-sufficient and resilient domestic industrial base. Executives at the July supply chain expo described China's ecosystem as a "vital stabilizer for global medical equipment production," highlighting its increasing capability and

reliability.[11] As domestic suppliers of raw materials, components, and contract manufacturing services mature, both local and foreign-invested medtech firms in China can reduce their reliance on imports, mitigating risks from international logistics disruptions and tariffs.

This strengthening domestic supply chain is a cornerstone of China's "dual circulation" strategy, which aims to boost domestic demand and technological self-reliance.

In Conclusion: *The manufacturing landscape is rapidly evolving under the pressure of state policy and geopolitical risk. The strategic imperative to localize production is no longer debatable for firms targeting the public sector, and global leaders are doubling down on their in-country investments to secure their long-term position, creating a more robust and self-contained domestic medtech ecosystem.*

Date	*News Title*	*Link [Language]*
2025-08-27	**Pharmaceutical Investment in China Surpasses $48 Billion in H1 2025** A surge in deal-making saw investment in the first half of the year exceed the total for all of 2024, strengthening the domestic life sciences supply chain.	Link [English]
2025-07-22	**Medtech Giants Report Over 90% of R&D Projects Involve China** Executives from leading multinationals highlighted China's critical role as a stabilizer in the global medical equipment supply chain at a major expo.	Link [English]
2025-07-11	**Global Medtech Giants Deepen Localization Efforts in China** Despite a sales slowdown, GE Healthcare, Philips, and Siemens Healthineers are increasing their "In China, for China" manufacturing and supply chain investments.	Link [English]
2025-07-09	**Evonik Opens New Medical Device Application Center in Shanghai** The German specialty chemicals firm opened its largest medical device center, specializing in bioresorbable components, to serve the growing Asian market.	Link [English]
2025-07-07	**Siemens Healthineers Unfazed by China's Procurement Curbs Due to Local Production** The company stated the new restrictions on EU imports would not affect its business as its high-end imaging products are manufactured locally.	Link [English]

Clinical & Patients

The summer saw significant progress in translating innovation into patient access, driven by the maturation of special access zones and the emergence of new commercial models to fund advanced care. The Hainan Boao Lecheng Pilot Zone solidified its role as a critical gateway for novel therapies, attracting a landmark partnership with a global insurer. Concurrently, new clinical trials for cutting-edge domestic and imported devices were initiated across the country.

Hainan Pilot Zone Expands

The Hainan Boao Lecheng International Medical Tourism Pilot Zone continued its rapid expansion as a hub for cutting-edge healthcare. As of July 2025, the zone had successfully introduced 485 advanced medicines and medical devices—approved overseas but not yet in the rest of China—providing treatment to over 130,000 patients.[18]

The zone's unique policies have attracted partnerships with more than 180 pharmaceutical and medical device companies from 20 countries, solidifying its status as a key platform for early market access and the generation of real-world evidence for future NMPA submissions.[18] In 2024, the zone received over 410,000 medical visitors, a 36.76% year-on-year increase, with 188,300 visitors in the first half of 2025 alone, demonstrating its growing appeal to both domestic and international patients.[18]

This sustained growth indicates that the pilot zone is successfully transitioning from a niche regulatory experiment into a mainstream channel for advanced medical care.

Insurers Target Cross-Border Care

In a landmark move, global insurance giant AXA signed a formal cooperation agreement with the Hainan Boao Lecheng Administration on August 8, 2025.[21] The partnership's objective is to jointly develop innovative medical insurance models that integrate Lecheng's unique access to advanced, internationally-approved therapies into commercial health plans.[22]

This development is pivotal for the long-term viability and scalability of the Hainan model. Until now, access to treatments in the zone was largely limited to patients who could pay out-of-pocket. The entry of a major insurer like AXA establishes a formal reimbursement

pathway, which accomplishes several goals simultaneously. It validates the quality of care in the zone, dramatically expands the potential patient pool to include holders of premium insurance policies, and creates a sustainable commercial ecosystem connecting regulators, providers, and payers.

This partnership signals the beginning of a new phase where innovative therapies in special access zones are integrated into mainstream healthcare financing.

Novel Device Trials Launch

The Chinese Clinical Trial Registry (ChiCTR) recorded the initiation of several new interventional studies for medical devices in July and August, reflecting a vibrant domestic R&D pipeline. These trials span a range of high-tech and high-need clinical areas.

Notable registrations include a prospective study on an intravascular shockwave system for treating coronary artery calcification, indicating a focus on advanced cardiovascular interventions.[23] Another trial is exploring a noninvasive deep brain stimulation technique for treating refractory tic disorders in children, highlighting innovation in neuromodulation.[24] A third study is evaluating the efficacy of a home-based telerehabilitation platform using human key point identification technology for chronic neck pain, pointing to the growth of digital health and remote care solutions.[24]

These registrations provide a ground-level view of emerging technologies moving through the clinical development process in China.

In Conclusion: *Patient access to innovation is accelerating through both regulatory and commercial channels. The Hainan Pilot Zone is maturing into a commercially sustainable ecosystem, while the national clinical trial pipeline continues to advance novel device technologies toward eventual market approval, particularly in cardiovascular, neurological, and digital health applications.*

Date	*News Title*	*Link*
2025-08-29	**ChiCTR2500108448: Study on Oral and Maxillofacial Space Infections** An observational study was registered to investigate care-seeking and prognosis for patients with these infections. [43]	Link [Chinese]
2025-08-08	**AXA Partners with Hainan Boao Lecheng to Develop Cross-Border Medical Insurance** The agreement aims to create innovative insurance products that provide customers with access to advanced medical treatments available in the pilot zone.	Link [English]
2025-07-28	**ChiCTR2500106689: Trial of Home-Based Telerehabilitation for Neck Pain** A randomized controlled trial was registered to test a telerehabilitation system using human key point identification technology. [24]	Link [Chinese]
2025-07-28	**ChiCTR2500106685: Trial of Noninvasive Deep Brain Stimulation for Tic Disorder** An interventional study was registered to evaluate a noninvasive deep brain stimulation technique in children. [24]	Link [Chinese]
2025-07-19	**ChiCTR2500106198: Study of Intravascular Shockwave for Coronary Artery Calcification** A post-marketing clinical study was registered to evaluate an intravascular shockwave device for treating coronary artery calcification that impedes stent expansion. [23]	Link [Chinese]
2025-07-05	**Hainan Boao Lecheng Zone Attracts Growing Number of International Patients and Partners** By July, the pilot zone had introduced 485 advanced overseas products, treated over 130,000 patients, and partnered with over 180 medtech and pharma companies.	Link [English]
2025-07-02	**ChiCTR2500105366: Trial of Intraoperative Stent System for Aortic Dissection** A multicenter, randomized controlled trial was registered to evaluate a novel stent system for	Link [Chinese]

	treating Stanford type A and B aortic dissection. [44]	
2025-07-01	**ChiCTR2500105257: Study of Intelligent Platform for Elderly Balance Movement** An interventional study was registered to research an intelligent balance movement platform for use in elderly care institutions. [45]	Link [Chinese]

Innovation & Intellectual Property

The summer period showcased the increasing sophistication of China's medtech innovation ecosystem, marked by landmark NMPA approvals for first-in-class domestic and foreign-partnered devices. The NMPA's "Innovative Medical Device" pathway proved effective in accelerating market entry for high-impact technologies. Concurrently, leading Chinese firms demonstrated growing global ambitions by seeking regulatory clearance in the United States, signaling a new phase of international competitiveness.

First-In-China Robotic Surgery

Sino-European MicroRobotics (SEMR) received Class III Medical Device Registration approval from the NMPA in August for its "Intelligent SpinePecker," the first miniature spinal surgical robot to be approved in China.[25] SEMR is a joint venture between the Austrian firm Interventional Systems, which developed the core Micromate™ robotic technology, and the Chinese company HICREN.

The device's approval is a significant milestone, having been fast-tracked through the NMPA's Innovative Medical Device Expedited Review Pathway, also known as the "Green Channel".[25] The system features a palm-sized robotic arm weighing only 1.63 kg and is integrated into a mobile console with a minimal footprint, designed for minimally invasive procedures. This approval highlights the NMPA's strategy of using its priority review channels to attract and accelerate the introduction of cutting-edge foreign technology through local partnerships, effectively using regulatory efficiency as a tool for technology transfer.

This approval opens up a new segment in the domestic surgical robotics market and validates the joint venture model for bringing global innovation to China.

Domestic Champions Gain Approvals

Leading domestic and partnered companies also secured major regulatory wins. Zai Lab and its partner Novocure announced NMPA approval for Optune, a novel device that uses Tumor Treating Fields (TTFields) to treat glioblastoma, the most common and aggressive form of primary brain cancer.[26] The device, which had previously received Innovative Medical Device designation, offers the first new treatment option for these patients in China in over 15 years.

Separately, Peijia Medical (HKEX:9996) announced significant commercial progress for its recently approved devices. The YonFlow® Flow Diverting Stent, which received NMPA approval in April 2025, achieved its first commercial implant in June and has since been listed for procurement in over 20 provinces, winning bids in several provincial Volume-Based Procurement (VBP) programs.[27]

These successes demonstrate that innovative domestic firms are not only navigating the NMPA's approval pathways but are also adept at quickly translating regulatory wins into commercial market access through the national procurement system.

Chinese Devices Eye US Market

In a clear sign of growing global ambitions, Peijia Medical submitted a 510(k) application to the U.S. Food and Drug Administration (FDA) in July 2025 for its DCwire® Micro Guidewire.[27] The company expects a decision by the end of the year. The DCwire® has already seen sales surge nearly 140% in the domestic market during the first half of 2025.

This move is emblematic of a strategic shift among top-tier Chinese medtech firms. Having developed and commercialized products successfully within the highly competitive Chinese market, they are now confident enough in their quality systems and clinical data to seek approval in the world's most stringent regulatory market. An FDA clearance would serve as a major validation, opening doors not only to the U.S. market but also to many other regions that recognize FDA approval as a benchmark. This marks a new stage in the globalization of Chinese medtech, moving beyond domestic substitution to direct competition in high-value international markets.

In Conclusion: *China's innovation landscape is maturing rapidly, with the NMPA's expedited pathways successfully bringing novel domestic and foreign-partnered technologies to market. Simultaneously, the most competitive Chinese firms are beginning to leverage their domestic success as a springboard for global expansion, challenging incumbents in highly regulated Western markets.*

Date	News Title	Link [Language]
2025-08-26	**NMPA Approves Optune for Glioblastoma Treatment** Zai Lab and Novocure received marketing authorization for the innovative Tumor Treating Fields (TTFields) device, offering a new standard of care for brain cancer patients in China.	Link [English]
2025-08-22	**Peijia Medical Reports H1 Results and Pipeline Progress** The company announced its YonFlow® Flow Diverting Stent won multiple provincial VBP bids after its recent NMPA approval and commercial launch.	Link [English]
2025-08-12	**SEMR Secures NMPA Approval for First Miniature Spinal Surgical Robot** The joint venture between Interventional Systems (Austria) and HICREN (China) received Class III approval for its "Intelligent SpinePecker" system via the innovative device pathway.	Link [English]
2025-07-08	**Adcentrx Therapeutics' Gastric Cancer ADC Granted Orphan Drug Designation by U.S. FDA** While a biopharma development, this highlights the increasing number of China-linked life science firms achieving key regulatory milestones in the U.S.	Link [English]
2025-07	**Peijia Medical Submits 510(k) to U.S. FDA for DCwire® Micro Guidewire** The company filed for U.S. market clearance for its neurointerventional micro guidewire, with approval anticipated by the end of 2025.	Link [English]

Funding & Partnerships

The investment landscape in July and August revealed a tale of two markets: while a "venture winter" continued to chill the broader Chinese tech sector, a resilient "funding spring" emerged for healthcare. Selective venture capital flowed into promising biopharma and medtech startups, buoyed by a robust IPO market in Hong Kong that has become the indispensable financial engine for China's life sciences innovation.

Venture Funding Shows Resilience

China's overall venture capital market faced significant headwinds in the first half of 2025, with Crunchbase data showing that total funding for Asian startups hit a multi-year low.[29] Funding for Chinese startups in Q2 2025 was just $5.1 billion, a 34% decline year-over-year, reflecting a difficult exit environment and economic uncertainty.[29]

However, the healthcare sector demonstrated notable resilience. After a quiet period, funding activity rebounded sharply in the summer. In July 2025, Chinese biopharma companies (including medtech-related ventures) announced 23 private financing deals, raising a total of approximately $481 million.[30] This divergence highlights a clear investor pivot. Capital is moving away from sectors with uncertain monetization paths and toward healthcare, where the value of innovation is being validated by a surge in global licensing deals and a functioning IPO market.

One significant deal in August was the $131 million "Pre-IPO" round for Shanghai-based Minghui Pharmaceutical, with investors including OrbiMed and Qiming Venture Partners, to support the commercial launch of its topical cream in China and advance its broader clinical pipeline.[31]

Hong Kong IPO Market Booms

The Hong Kong Stock Exchange (HKEX) solidified its position as the world's premier fundraising hub for healthcare in the first half of 2025. Ten healthcare companies raised a collective $2.1 billion through IPOs, more than any other exchange globally.[32] Follow−on fundraising was even stronger, with 27 listed healthcare companies raising an additional $3.9 billion.[32]

This success is largely attributable to the exchange's Chapter 18A listing rule, which permits pre-revenue biotech and medtech companies to go public. Since its inception, the rule has enabled 73 such companies to list, raising US$16 billion in IPO proceeds as of June 30, 2025.[32] The pipeline remains robust, with 39 healthcare companies, including 17 under Chapter 18A, having filed for IPOs as of August 25.[32] The HKEX has become the critical downstream component of China's innovation ecosystem, providing the liquidity and exit opportunities that are essential for sustaining upstream venture capital investment.

In Conclusion: *Capital is flowing intelligently, seeking out the proven value and clear exit pathways offered by the healthcare sector. While the macro venture climate remains challenging, medtech and biopharma are benefiting from a virtuous cycle where successful R&D attracts global partners, which in turn validates the sector for both private investors and public markets, with the Hong Kong exchange playing an indispensable role as the primary financing platform.*

Date	*News Title*	*Link*
2025-08-29	**Hong Kong Cements Role as Global Healthcare Fundraising Hub in H1 2025** The HKEX led the world with 10 healthcare IPOs raising $2.1billion, while follow−on funding reached $3.9 billion, driven by the Chapter 18A listing rules.	Link [English]
2025-08-25	**Arnatar Therapeutics Raises $52M Series A for RNA Therapies** The financing for the clinical-stage biotech was co-led by Eight Roads and 3E Bioventures, with participation from several China-based funds including Zhuhai Huajin Capital and Legend Star.	Link [English]
2025-08-15	**China Biopharma Dealmaking Surges in H1 2025, with VC Funding Rebounding in July** Despite a challenging broader VC market, Chinese biopharma firms raised ~$481 million across 23 deals in July, signaling renewed investor confidence.	Link [English]
2025-08-07	**Minghui Pharmaceutical Secures $131M in Pre-IPO Round** The Shanghai-based biotech's financing, with participation from OrbiMed and Qiming Venture Partners, will support the commercialization of its pan-JAK inhibitor in China.	Link [English]
2025-07-14	**China Leads Asia's Startup Funding Decline in H1 2025** Overall venture investment in China fell 34% YoY in Q2, hitting a multi-year low and highlighting the relative strength of the healthcare sector's fundraising activity.	Link [English]

Sales & Markets

The market in July and August was characterized by the immediate and disruptive impact of new procurement rules, while first-half financial results from listed companies pointed toward a gradual recovery from the slowdown in 2024. Companies with strong innovation pipelines and operational efficiency demonstrated resilience, successfully navigating the pressures of Volume-Based Procurement (VBP). Meanwhile, official trade data confirmed that China's medical device exports continue their strong growth trajectory, reflecting the sector's increasing global competitiveness.

Procurement Ban Reshapes Tenders

The implementation of China's restrictions on EU-imported medical devices on July 6 immediately reshaped the competitive dynamics for high-value government tenders.[1] The policy, which bars EU-based firms from tenders exceeding ¥45 million, creates a protected space for domestic manufacturers and multinational companies that have localized their production facilities.

This move is expected to accelerate market share gains for domestic champions in segments like high-end imaging and implants.[2] For European firms without a local manufacturing presence, a significant portion of the public market is now effectively inaccessible. The policy directly reinforces the government's "Made in China 2025" objectives by using market access as a tool to incentivize onshore production and favor domestic suppliers in the VBP-driven procurement landscape.[34]

The immediate effect will likely be a recalibration of hospital procurement plans, while the medium-term impact will be a structural shift in market share toward localized and domestic products.

H1 Results Signal Recovery

First-half 2025 financial reports from key listed medtech companies suggest the market is beginning to recover from the 2024 downturn, which was impacted by a nationwide anti-corruption campaign that slowed hospital procurement.

WuXi AppTec (HKEX:2359, SSE:603259), a global CRDMO platform, reported strong H1 performance on July 28, with revenue from continuing operations growing 24.2% year-over-year to ¥20.41 billion.[35] Peijia Medical (HKEX:9996) announced on August 22 that its

H1 revenue grew 17.3% to ¥353.4 million, driven by market share gains in its TAVR business and the successful commercial launch of its YonFlow® stent, which won several provincial VBP bids.[27]

Shenzhen Mindray Bio-Medical Electronics (SZSE:300760) was scheduled to release its H1 2025 results on August 29.[36] After a challenging Q1 where domestic revenue fell over 20% YoY, analysts are watching for signs of a domestic recovery, which the company had previously guided would begin in the second half of the year as hospital procurement activity normalizes.[37] The performance of these bellwether companies indicates that while the market remains challenging, firms with robust innovation pipelines and efficient operations are navigating the environment successfully.

Exports Maintain Strong Growth

Official trade data confirmed the continued strength of China's medical device exports. The State Administration of Foreign Exchange (SAFE) reported on August 29 that China's total international trade in goods and services for July 2025 reached ¥4.4 trillion, a 4% year-over-year increase.[39] The goods surplus for the month was a robust ¥659.3 billion.

Specific to the medical equipment sector, data from a July conference highlighted a compound annual growth rate (CAGR) of 9.4% for import and export trade over the past five years.[40] In 2024, China's medical equipment exports reached over 9,000 medical institutions in more than 190 countries and regions. This sustained export growth underscores the increasing global acceptance and competitiveness of Chinese-made medical devices, which have progressively shifted from low-tech consumables to more complex therapeutic and diagnostic equipment.[42]

In Conclusion: *The domestic market is in a state of flux, with geopolitical procurement rules creating new winners and losers, while VBP continues to reward operational efficiency. Financial results point to a gradual recovery, but performance is diverging between companies based on their exposure to domestic policy shifts. Against this backdrop, the export market remains a powerful and consistent engine of growth for the industry.*

Date	News Title	Link [Language]
2025-08-29	**SAFE Reports 4% YoY Growth in China's Goods and Services Trade for July 2025** Official data showed a total trade value of ¥4.4 trillion, with a goods surplus of ¥659.3 billion, indicating continued export strength.	Link [English]
2025-08-28	**Mindray to Announce H1 2025 Financial Results** The company is scheduled to release its semi-annual report on August 29, with investors looking for a rebound in domestic sales after a weak first quarter.	Link [Chinese]
2025-08-22	**Peijia Medical Reports 17.3% Revenue Growth in H1 2025** The interventional device maker's revenue reached ¥353.4 million, driven by TAVR market share gains and successful VBP wins for its neurointerventional products.	Link [English]
2025-08-07	**China's Foreign Trade Rises 3.5% in First Seven Months of 2025** Customs data showed steady growth, with total goods trade in July hitting a new monthly record for the year at ¥3.91 trillion.	Link [English]
2025-07-28	**WuXi AppTec Reports 24.2% YoY Revenue Growth for H1 2025** The CRDMO giant's revenue from continuing operations reached ¥20.41 billion, with adjusted non-IFRS net profit up 44.4% YoY.	Link [English]
2025-07-13	**China's Medical Equipment Exports See 9.4% CAGR Over Past 5 Years** Exports reached over 190 countries and regions in 2024, demonstrating rising international competitiveness and brand influence.	Link [English]

Citations

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