

Weekly China Insight

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New task list released for reform of the drug and medical device sectors

On 3 January, the State Council issued guidelines for ministries and central government agencies to reform the regulation and supervision of the drug and medical-device industries. The list of 24 tasks is designed to unify the regulatory framework for the industries, streamline review processes and strengthen lifecycle management to ensure product safety and quality. Agencies are tasked to enhance R&D support through faster clinical-trial approvals (cutting them to 30 working days from 60 in pilot areas) and regulatory data protection for clinical and manufacturing data. In addition, agencies are asked to allow outsourced biologics production, fast-track approvals of high-priority devices like medical robots and expand reimbursement options for innovative drugs, including through private health insurance.

The new task list addresses critical barriers in drug and device innovation, paving the way for faster market entry of cutting-edge products while aligning with international regulatory standards. By fostering an ecosystem that balances innovation with affordability, China aims to transition from being a manufacturing hub to a global leader in pharmaceutical innovation.

Standardization of administrative inspections of companies

Also on 3 January, the State Council's general office released 10 measures to standardize administrative inspections of companies, targeting excessive, arbitrary, and profit-driven practices. The measures aim to reduce inspection frequency, improve transparency, and enhance the efficiency of oversight mechanisms. The measures allow only qualified entities to conduct inspections, while prohibiting unauthorized third-party inspections and unqualified personnel involvement. The measures also consolidate overlapping functions and prioritize non-intrusive methods like data-sharing and remote audits. In addition, inspection criteria and frequency must be publicly disclosed by June.

The set of measures released by the State Council's general office represents a major step in creating a business-friendly environment by addressing systemic inefficiencies and reducing administrative burdens for companies. By fostering predictability and fairness in inspections, the measures will improve China's business environment, bolster market confidence, and support sustainable economic growth.

NDRC unveils guideline for a unified national market to fight local protectionism

On 7 January, China's macro planner – the National Development and Reform Commission (NDRC) – released trial guidelines to build a unified national market and eliminate local protectionism, regulatory barriers, and market fragmentation. Notably, the guidelines give equal treatment to foreign and domestic firms in licensing, standards, and government procurement.

The initiative has been in the works for three years and aligns with China's broader strategy to leverage its massive domestic market to strengthen global competitiveness. The guidelines stipulate that local market access rules must conform to the unified management of one national negative list, streamlining requirements and enhancing transparency. New policies must pass market fairness reviews, and cannot contain regional restrictions on goods, services, and workforce mobility.

The guidelines reflect China's ambition to transform its vast domestic market into a seamless, high-functioning economic system that supports innovation, efficiency, and global integration. The initiative's success will depend on rigorous enforcement, particularly in addressing entrenched local protectionism and ensuring effective inter-regional coordination.

Reform measures to expand eldercare

On 7 January, the CCP Central Committee and the State Council jointly released a set of 17 guidelines on how to establish a comprehensive eldercare system by 2029 and a mature, nationwide framework by 2035. The guidelines called on central and local government agencies to integrate urban and rural eldercare networks, and foster a sustainable, diverse care ecosystem that includes government, market, and social participation. Specifically, the guidelines aim to establish a three-tiered service network, establishing county-level management platforms, enhancing township service centers, and expanding village and community eldercare facilities. The guidelines also encourage private and foreign investment in China's "silver economy", through innovative services and technologies.

These guidelines from the top of both the Party and the government underscore the leadership's focus on improving eldercare as a response to the aging population. The emphasis on sustainability and the silver economy positions eldercare as both a social necessity and an economic growth engine, with potential to attract further domestic and foreign investment.

China expands trade-in subsidy to stimulate further household consumption

On 8 January, the State Council information office held a press conference on the expanded consumer goods and industrial equipment trade-in programs. The consumer program now covers 12 categories of home appliances (up from eight) including dishwashers, water purifiers, microwave ovens and rice cookers. The government will also increase subsidies, reimbursing consumers up to 20% of the product's purchase price. On the industrial side new special, ultra-long-tenor treasury bonds will finance major equipment upgrades in key sectors such as electronics, safety, and green technologies.

The amount of t-bond issuance to support the industrial equipment upgrading will be announced at the National People's Congress in March. The expanded trade-in subsidy program underscores China's focus on bolstering domestic demand amid global economic uncertainties. The additional consumer-goods subsidies represent a tweak to existing policy rather than meaningful additional stimulus.