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Life Sciences Trends 2026: From Regulatory Agility, AI and Investments to Digital Health Transformation

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As the curtains close on 2025, it's time to reflect on how the year unfolded. BioSpectrum encapsulates some of the key trends for 2026, starting with the reigning behemoth, China. To understand what lies ahead for the life-sciences sector, BioSpectrum Asia spoke with analysts from across its major market segments. Their insights reveal the following key predictions spanning pharma, biotech, medtech, healthcare, digital health, and manufacturing that are expected to define the industry in the year to come. Let's dive deeper.

2025 was the year when China's stratospheric rise on the global biotech stage continued. According to a report from Jefferys, in the first three months of 2025, 32 per cent of licensing deal value went to Chinese biotechs, compared to 21 per cent in 2024. It notes that since 2022, Chinese biotechs have developed 639 first-in-class drug candidates, up 360 per cent from 137 candidates between 2018 and 2021. This compares to 100 per cent to 150 per cent growth for first-in-class assets produced by companies in the US, Europe, and Japan.

Apart from China, South Korea and Japan are emerging as an important player in the global biotech ecosystem. The South Korean government has committed $1.6 billion to support more than 1,200 drug development projects by 2030 through its Korea Drug Development Fund. The country is also emerging as a licensing hub, recording 113 per cent growth in 2025 along with a series of billion-dollar transactions. One example is the recent partnership in November 2025 between Eli Lilly and ABL Bio, in which Lilly is paying $40 million upfront with potential milestones of up to $2.56 billion. In January 2025, South Korea launched the National Bio Committee, a presidential advisory body responsible for guiding national strategies in biotechnology and the life sciences sector.

Japan has also introduced several initiatives in 2025 to strengthen its biotech sector. The government passed an amendment to the Pharmaceuticals and Medical Devices Act, aimed at accelerating the commercialisation of new drugs, giving pharmacies greater operational flexibility and enhancing Japan's domestic pharmaceutical development capabilities.

Therapeutically, anti-obesity drugs were one of 2025's defining trends. Eli Lilly, the maker of Mounjaro became the first drugmaker to reach a market value of one trillion dollars, driven by the success of its obesity treatments, a valuation level previously seen mainly among technology giants such as Apple and Google. Apart from the two blockbuster drugs: Ozempic

and Mounjaro, momentum in this space continued to grow. Several Asia Pacific (APAC) firms also advanced their programmes. Lead among them is Innovent Biologics reported strong results for its obesity drug in another pivotal trial, meeting the primary and all key secondary endpoints.

Coming to modalities, Antibody-drug conjugates (ADCs) continue to attract billion-dollar investments and deals. Cell and Gene Therapies (CGT), although it hit a bump, following the controversy surrounding Sarepta Therapeutics, still remains one of the hottest sectors in the industry.

“2025 has been a good year for the Asia life sciences industry overall: the bio sector outperformed many industries with strong rebounds in most capital markets, with HKEX seeing around 40 bio IPOs compared to 9 in 2024 for examples; In parallel, more Asian biotech companies are making debuts on global stage, with leading players like BeOne and Henlius forging ahead with commercialisation in developed and developing markets alike; Multinational companies are taking note and increasingly proactive in tapping Asia for innovations, with deal size being surpassed almost every other week by another cross-border deal,” said **Justinian Liu, Manager, Simon-Kucher.**

Pharma and Biotech

Chinese licensing deals continue to play a crucial role in global drug development

Over the past five years, China’s biotech sector’s out-licensing deals have increased significantly according to GlobalData’s Strategic Intelligence: China’s Licensing Trends Shaping Global Drug Development report. Between 2020 and 2024, the compound annual growth rate (CAGR) was approximately 21.7 per cent for licensing agreements, which is a significant increase highlighting the strength of innovative drugs coming from China. This growth can be attributed to accelerated regulatory reforms, resulting in streamlined drug approvals and extended market exclusivity.

Oncology accounted for 59 per cent of these deals and made up 52 per cent of the total deal value during this time period. Other therapy areas such as immunology and metabolic disorders have also had interest, accounting for 13 per cent and 8 per cent of deal activity, respectively.

Out-licensing deals associated with mAbs had a total of 46 deals accounting for 36 per cent between 2020 and 2025 with a deal value of $45 billion. Small molecules followed with 32 deals accounting for 25 per cent, with a deal value of $42 billion. Antibody-drug conjugates had fewer deals than mAbs and small molecules with a total of 31 deals (24 per cent) and accounted for a deal value of $40 billion over the 5-year period.

Activity in 2025 was prevalent, with six of the top 10 deals since 2020 occurring during this year. “Chinese companies' research and development focus areas have attracted several pharma companies across the globe for licensing. We expect this trend to continue moving forward,” said **Prashant Khadayate, Director – Lifesciences Consulting & Research, GlobalData.**

“Innovation will continue to be the name of the game, and the key driver for future growth. Asian innovations have been fueling the global pipeline, with China leading the way in recent years (China pharma innovations driving cross-border deals); Besides the plain vanilla licensing deals, innovative constructs like NewCos and Co-Cos have emerged. A prime example of the latter is the recent $11 billion deal between Innovent and Takeda, as they will split costs and profit on a 40/60 basis, and leverage R&D and commercial strength from both parties to accelerate global development and commercialisation. Going forward, there will be more promising assets across diverse modalities from Asia, including iPSC therapies, gene therapies and gene editing etc. With many Asian biotech companies at the very forefront of their respective field, the industry will see more dynamic developments, competitions and collaborations in the coming year,” said **Bruce Liu, Partner and Managing Director of China at Simon-Kucher**.

Breakthrough Therapies and Value-Tier Innovation

The shift from primary care to high-value specialty and chronic therapies is increasing, with R&D and clinical trials increasingly designed for APAC patient populations and regulatory needs and this is set to strengthen in the coming year.

“Next-generation therapies such as metabolic treatments and advanced biologics are reshaping chronic-disease care. At the same time, biosimilars, generics and value-tier medtech are broadening access at lower cost without compromising quality. Local players, particularly in China and India, are racing to launch generic versions of blockbuster diabetes and obesity drugs similar to Semaglutide as innovator patents expire from 2026 onwards. This convergence is accelerating the shift toward value-based, outcomes-driven healthcare models across the region,” said

Vikram Kapur, Partner and Global Head of Healthcare & Life Sciences, Bain & Company.

This carries through into emerging modalities. “Cne therapy, cell therapy, ADCs, mRNA platforms, and targeted biologics are gaining momentum as markets enhance regulatory pathways, clinical trial readiness, and reimbursement for precision medicine, creating opportunities for new regional licensing and co-development deals and positioning APAC R&D sites to drive the expansion of oncology, rare disease, and genomics-based clinical pipelines,” said **Rathanesh Ramasundram, Regional Practice Area Leader, APAC (Head of Healthcare & Life Sciences, Advisory), Frost & Sullivan.**

AI-Driven Transformation

Digital transformation and Artificial intelligence (AI) are not slowing down. AI has become foundational for discovery, clinical trials, manufacturing optimisation. “AI will continue to be a hot topic for drug discovery and clinical trials, with faster timelines and improved success rates on the horizon. Add cloud computing and real-time analytics, and you’ve got a region primed for data-driven decisions. These technologies will be key for the region as it is among the fastest growing for telehealth, with double-digit CAGR expected through 2030,” said **Dan Feldman, General Manager, Deployment Solutions, UK, Europe & APAC, EVERSANA.**

Echoing similar sentiments Rathanesh said, “Across pharma and biotech, AI and GenAI are now embedded in rapid target discovery, virtual trial design, adaptive site monitoring and commercial analytics, while CDMOs deploy digital twins, predictive maintenance and automated quality systems to drive efficiency and reliability. Digital health platforms are leveraging AI for advanced decision support, remote triage and guiding next-best-action protocols in patient management.”

Investor Capital Accelerating Transformation

Private equity investment across Asia–Pacific healthcare continues to scale, spanning biopharma, medtech, healthcare IT and provider platforms. 2025 is set to be one of the biggest years for healthcare private equity investment in the region, even exceeding 2021 despite a second-quarter slowdown. “Deal activity in Greater China is set to grow by more than 100 per cent in both volume and value for 2025, with similar momentum observed in many other parts of the region. Investors are drawn by the sector’s resilience, scale and the diversity of opportunities across sub-sectors and markets – underscoring the continued transformation of Asia–Pacific’s healthcare ecosystem. Exit value has also been rising sharply across the region, driven by strong returns and investor confidence,” said Kapur.

Continued Expansion in Japan

Japan’s market fundamentals and regulatory momentum are reshaping its role in regional growth. “Japan remains one of the world’s largest pharma markets ($70–75 billion in 2024) and a cornerstone of APAC growth. It combines universal coverage, advanced HTA, and strong clinical infrastructure. Regulators have recently cut review times to 9–12 months, relaxed Phase I requirements, and introduced orphan drug flexibility—making Japan more attractive for early launches,”said Feldman.

Regulatory Agility and Market Access

Shifts in global policy dynamics are influencing how APAC innovators plan their launch strategies. “Expect faster reviews, reliance pathways, and more harmonisation. But here’s the twist: U.S. policy shifts—like Most Favoured Nations (MFN) proposals and aggressive tariffs—are reshaping global pricing corridors. For APAC innovators, that means Japan looks even more attractive for early launches and self-commercialisation,” said Feldman.

CDMOs

Supply-Chain Diversification and Regional Rebalance

All analysts emphasised that the ‘China + 1’ model will become a defining trend as geopolitical tensions drive companies to diversify further across the region. “The ‘China + 1’model has evolved into an ‘Asia + Many’ strategy. Companies are expanding production and R&D footprints across India, Vietnam, Malaysia and Singapore to build resilience and flexibility. The region now offers a blend of scale, cost efficiency and agility, reinforcing its position as the global backbone for healthcare manufacturing and services,” said Kapur.

Mike Ryan, General Manager, Europe, EVERSANA added, “Sponsors want flexibility and quality, and APAC is stepping up as a biologics and tech transfer hub. With tariff uncertainty and potential pressures from legislative measures like the MFN pricing in the United States, companies are rethinking supply chains. Reshoring and ‘friend-shoring’ are no longer buzzwords, they're now vital strategies.”

And it is reflected in how production footprints are being rebuilt across the region. “Companies are shifting manufacturing, fill-finish operations and sourcing into multiple APAC markets to reduce geopolitical risk and maintain continuity, with pharma and biotech localising production across India, Singapore, Korea and ASEAN to strengthen resilience. CDMOs are expanding multi-country capacity in biologics, sterile injectables and packaging while tapping local talent pools to create more flexible, regionally distributed manufacturing networks,” said Rathanesh.

CDMO Consolidation & Upward Capability Shift

The evolving role of CDMOs is reshaping partnership models across the industry. “CDMOs are shifting from basic manufacturing to development-plus-commercial models, with deeper specialisation in biologics, ADCs and cell and gene therapies. Pharma and biotech companies are relying more on long-term strategic partnerships to access these capabilities and scale without expanding in-house. At the same time, CDMOs are moving up the value chain by offering early-stage process development, clinical-to-commercial scale-up and support for advanced modalities,” said Rathanesh.

MedTech

Convergence of Medtech & Digital Health Into ‘Smart, Connected Care’

“Devices are evolving into integrated platforms that combine sensors, software, analytics, workflow tools and cloud connectivity. Pharma and biotech are linking therapies with diagnostics and digital adherence companions to enable personalised care pathways, while medtech companies deliver software-embedded devices, AI-enabled imaging and point-of-care diagnostics with secure cloud integration. Digital health platforms bring together EMR, device and claims data into predictive analytics systems that support real-time, individualized interventions,” said Rathanesh.

AI, Robotics and Smart Systems Scaling Access and Efficiency

AI and automation are transforming operations across hospitals and health systems. “ Smart workflows and digital platforms are improving productivity and freeing clinical capacity for higher-value care. At the same time, more affordable regional robotic solutions are expanding access to precision surgery. With strong digital infrastructure and adaptive regulation, Asia–Pacific is emerging as a global test bed for next-generation technologies such as AI-enabled imaging and digital twins,” said Kapur.

Healthcare

Structural Growth and System Reform

Asia–Pacific is one of the fastest-growing healthcare markets globally. The region’s demographic profile highlights both immense opportunity and structural pressure: Southeast Asia’s key economies (SEA-6: Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam), China and India together account for around 3.4 billion people. The region has approximately 300 million individuals living with diabetes and more than 360 million people are aged 65 years or older.

“Collectively, they are driving sustained demand for care. Healthcare spending is set to outpace GDP growth across most markets, reflecting both structural need and policy-led reform. Governments are also positioning healthcare as an economic growth engine, catalysing large-scale investment in infrastructure, research and workforce capability,” said Kapur.

Digital Health and Patient-Centricity Remains at the Forefront

Telehealth, remote monitoring, and AI-powered diagnostics are becoming mainstream, supporting decentralised trials and new engagement models. “The APAC healthcare technology sector is undergoing rapid transformation. GlobalData forecasts a 12 per cent expansion in the digital health market between 2025 and 2026, reflecting shifts in care delivery across diverse markets driven by technological advances, demographic change, policy support and rising demand for scalable, remote care,” said **Pratibha Thammanabhatla, Medical Devices Analyst at GlobalData.**

Artificial intelligence (AI) is a primary catalyst. Health systems across APAC are increasing investments in generative AI and advanced analytics, and by 2026 many providers are expected to adopt stronger data-governance frameworks to ensure ethical clinical use. “Telemedicine is likewise maturing from episodic video visits into integrated, connected care networks. The regional telehealth market is projected to reach about $155 million by 2026 as remote patient monitoring and continuous-care models scale. The wider rollout of 5G will further enable patients to access care outside conventional settings, with meaningful penetration anticipated by the end of 2026,” said Pratibha.

Demographic and epidemiologic trends reinforce demand for digital solutions. APAC’s expanding and aging population, together with rising prevalence of chronic diseases such as cardiovascular disease and diabetes, is increasing pressure on health systems and creating sustained need for remote, home-based and scalable care models. These dynamics are driving investment in monitoring, preventive care and chronic-disease management technologies.

“Country strategies highlight complementary regional strengths. China is investing heavily in data infrastructure and talent to position itself as an AI leader. Japan is a major investor in remote monitoring infrastructure and related digital health applications. India’s Ayushman Bharat Digital Mission, with over 700 million registered digital health accounts as of August 2025, exemplifies government-led digital transformation. Such national programs accelerate adoption and scale,” said Pratibha.

She further said, “The healthcare ecosystem is maturing: greater collaboration among startups, academia and industry is unlocking innovation pathways and investment opportunities. Continued emphasis on R&D and technology development will help pilots evolve into evidence-based, scalable solutions. With the World Health Organisation projecting APAC will account for more than 40 per cent of global healthcare spending growth by 2030, the region is well positioned to become a global center for health-technology innovation.”

APAC is transitioning from experimental initiatives to scalable, evidence-driven solutions fueled by AI, telehealth evolution, demographic pressures and supportive policy. “The growth outlook is strong but realising the region’s potential hinges on effective data governance and robust cybersecurity and privacy protections. If stakeholders can quickly address these risks while sustaining collaboration and investment, APAC can lead the next wave of global health-technology innovation,” observed Pratibha.

From ‘Sick-Care’ to ‘Well-Care’

A growing focus on prevention, wellness and longevity is reshaping healthcare. “Expanding access to genomic screening, wearables and telehealth reflects a shift from reactive treatment to proactive health management. Early detection, personalised care and health-span extension are increasingly central to both public and private health strategies,” said Kapur

Consumers and Payers Reshaping Health Models

“The empowered consumer expects a single, trusted steward for the healthcare journey, with pharmacies, primary-care networks and digital channels becoming key coordination points as convenience, quality and experience overtake traditional provider loyalty,” said Kapur. He added, “This is mirrored by payers moving upstream, evolving from passive claims managers to active health partners embedding prevention, wellness and data-driven engagement, shifting models toward outcome-linked payments and healthier populations.”

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