

OCTOBER 2026

COUNTRY REPORT CHINA

CHEMICAL AND PHARMACEUTICAL INDUSTRY DATA AND FACTS

AT THE GLOBAL FOREFRONT

In 2025, the chemical and pharmaceutical industry in China generated revenue of approximately €2.9 trillion, a 2.1% decrease compared to the previous year. China nevertheless remained by far the world's largest chemical producer, accounting for 43.3% of global chemical and pharmaceutical industry revenue. It also remained the largest market for chemical and pharmaceutical products, representing 41.3% of the global market.

Chemical and pharmaceutical production in China grew by more than 6.3% in 2025, continuing a period of growth. Following a sharp increase in 2021, growth initially moderated to between 2% and 4% before gaining momentum again in 2025.

China's production capacity continued to expand, albeit at a slower pace. Following strong growth in 2021 and 2022 and a modest increase in 2024, investment in property, plant, and equipment declined by 1.8% in 2025. Nevertheless, at just over €150.2 billion, investment by chemical and pharmaceutical companies in China remained higher than in any other country.

SPECIALIZING IN FINE AND SPECIALTY CHEMICALS

China has increasingly focused on fine and specialty chemicals, which accounted for one-third of total sales in 2025. This share has been rising steadily in recent years, reflecting a shift toward higher-value products that is also a stated objective of the 15th Five-Year Plan. Pharmaceuticals ranked second, accounting for more than one-fifth of sales, followed by petrochemicals at just under 19%. The pharmaceutical sector contracted in both absolute and relative terms, while polymers increased their share of total sales in both absolute and relative terms, reaching nearly 17% in 2025. Consumer chemicals (detergents and personal care) continued to account for a comparatively small share of the Chinese market.

China recorded a trade surplus in chemicals for the fourth consecutive year in 2025, driven in part by growing international demand for its fine and specialty chemicals. Petrochemicals and inorganic chemicals also continued to record trade surpluses. In the polymers sector, capacity expansion coupled with relatively weak domestic demand resulted in a trade surplus for the first time in 2025, with exports exceeding imports. By contrast, China continued to record trade deficits in pharmaceuticals and consumer chemicals, as domestic supply remained insufficient to meet demand.

GERMANY'S MOST IMPORTANT TRADING PARTNER IN ASIA

In 2025, Germany exported €9.8 billion worth of chemical and pharmaceutical products to China. This is a 10% decrease compared to the previous year. Pharmaceuticals accounted for nearly 40% of these exports. Overall, China represented 3.9% of Germany's chemical and pharmaceutical exports. Conversely, imports from China remained virtually unchanged from the previous year, totaling €7.7 billion, or around 4.2% of Germany's total chemical and pharmaceutical imports. As a result, Germany recorded a trade surplus in chemicals and pharmaceuticals with China.

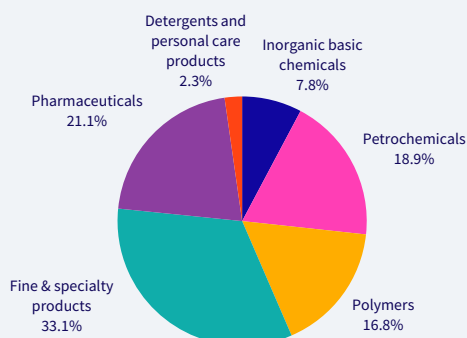
German chemical and pharmaceutical companies also operate in China through local sites and production facilities. The industry's direct investments in China totaled €10.2 billion in 2024. In 2023, German chemical and pharmaceutical companies had 245 subsidiaries in China, which generated a total of €32 billion in revenue. These subsidiaries employed approximately 51,000 people.

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STRUCTURE OF THE CHEMICAL AND PHARMACEUTICAL INDUSTRY IN CHINA

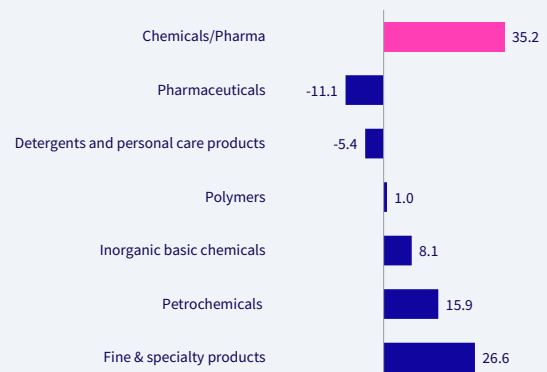
Share in %, 2025



Sources: Chemdata International, VCI

CHINESE TRADE BALANCE FOR CHEMICALS AND PHARMACEUTICALS

In € billion, 2025



Sources: Chemdata International, VCI