

Bristol Myers Squibb–Hengrui Global Collaboration Agreement

China – Pharma

Main information

The **Bristol Myers Squibb–Hengrui agreement** represents a development in the structuring of cross-border pharmaceutical research and development collaborations, particularly in the context of the increasing integration of Chinese biotechnology capabilities into global innovation frameworks.

At its core, the transaction provides for the joint advancement of **13 early-stage programs** in oncology, hematology, and immunology, combining proprietary assets contributed by both parties with co-developed discovery initiatives. Bristol Myers Squibb will contribute selected internally developed compounds while also obtaining access to Hengrui-originated assets, thereby establishing a **reciprocal exchange structure** that departs from traditional one-directional licensing models in the sector.

From a financial perspective, the agreement contemplates aggregate near-term consideration of up to \$950 million payable by Bristol Myers Squibb, comprising a \$600 million upfront payment, a \$175 million deferred payment after the first anniversary, and a further \$175 million contingent payment in 2028. Subject to the achievement of agreed development, regulatory, and commercial milestones, the total potential value of the collaboration is estimated at approximately \$15.2 billion.

The global pharmaceutical industry is entering a new phase of strategic integration with China's biotechnology sector, as **Bristol Myers Squibb** announced a sweeping collaboration and licensing agreement with **Hengrui Pharma** that could ultimately exceed **\$15 billion** in value. The transaction, unveiled on May 12, 2026, represents one of the most consequential cross-border partnerships in the biopharmaceutical sector to date and signals a profound shift in how multinational drugmakers approach early-stage research and development.

Under the terms of the agreement, Bristol Myers Squibb and Hengrui Pharma will jointly advance a portfolio of **13 early-stage programs spanning oncology, hematology, and immunology**. The collaboration includes four oncology and hematology assets originating from Hengrui, four immunology programs contributed by Bristol Myers Squibb, and five additional programs to be jointly discovered and developed through the combined scientific capabilities of both companies.

The financial structure of the transaction reflects the scale and strategic importance of the partnership. Bristol Myers Squibb will pay Hengrui up to \$950 million in near-term consideration, including a \$600 million upfront payment, a \$175 million payment on the first anniversary of the agreement, and an additional contingent payment of \$175 million in 2028. If all development, regulatory, and commercial milestones are achieved, the total value of the collaboration could reach approximately \$15.2 billion. Hengrui will also be eligible to receive tiered royalties on products commercialized outside mainland China, Hong Kong, and Macau.

The **agreement establishes a reciprocal framework** that differs materially from earlier collaborations between Western pharmaceutical companies and Chinese biotechnology firms. Historically, large multinational drugmakers have primarily licensed compounds that were discovered and initially tested in China before transferring development activities to the United States or Europe. By contrast, the **Bristol-Hengrui arrangement envisions a more integrated operating model** in which both parties contribute proprietary assets and jointly participate in discovery and development activities.

Importantly, Bristol Myers Squibb will transfer several internally discovered experimental medicines to China, where Hengrui will oversee early clinical development. In return, Bristol will receive exclusive worldwide rights to Hengrui-originated assets outside what the agreement defines as the "Hengrui Territory," consisting of mainland China, Hong Kong, and Macau. Hengrui, meanwhile, will obtain exclusive rights to Bristol-originated assets within that territory, while Bristol retains rights across the rest of the world.

The Bristol Myers Squibb-Hengrui collaboration illustrates not only the commercial logic driving this transformation, but also the emergence of a more **interconnected pharmaceutical industry** in which scientific innovation, clinical development, and strategic investment are becoming progressively transnational. The transaction may come to symbolize a structural reordering of the pharmaceutical landscape, one in which China is no longer viewed simply as a manufacturing base or licensing market, but as a central engine of global biomedical innovation.

Industry observers view the transaction as a pivotal moment for the global pharmaceutical sector. **China is no longer merely a source of isolated molecules or licensing opportunities**, but is increasingly becoming embedded within the global research and development infrastructure of the pharmaceutical industry. The shift reflects broader market dynamics that have accelerated rapidly in recent years. Major pharmaceutical groups including Pfizer, Merck, AstraZeneca, and Eli Lilly have all expanded their engagement with Chinese biotechnology firms in pursuit of new therapeutic candidates and more efficient development pathways.



HEALTH LAW ASIA

Shanghai - Bologna - Milan - Rome