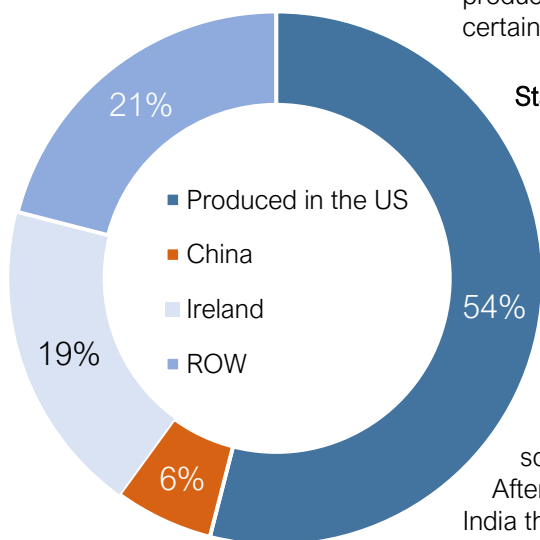


Is the United States Dependent on China for Pharmaceuticals?

Sources of APIs Used to Manufacture Medicines Consumed in the US, by Dollar Value, 2019



Source: Avalere Health LLC

The study accounts for all three ways APIs enter the supply chain for US consumed medicines: API imports, domestic production of APIs, and APIs used in imports of finished pharmaceutical products.

Since the COVID-19 pandemic revealed weak links in global supply chains, US policymakers have expressed concern about an overreliance on China for critical medical supplies, particularly active pharmaceutical ingredients (APIs) used to manufacture drugs. However, there is insufficient data on total API production in the United States and abroad. Official collection of the volume and dollar value of APIs produced per country would be necessary to determine dependence on China with certainty.

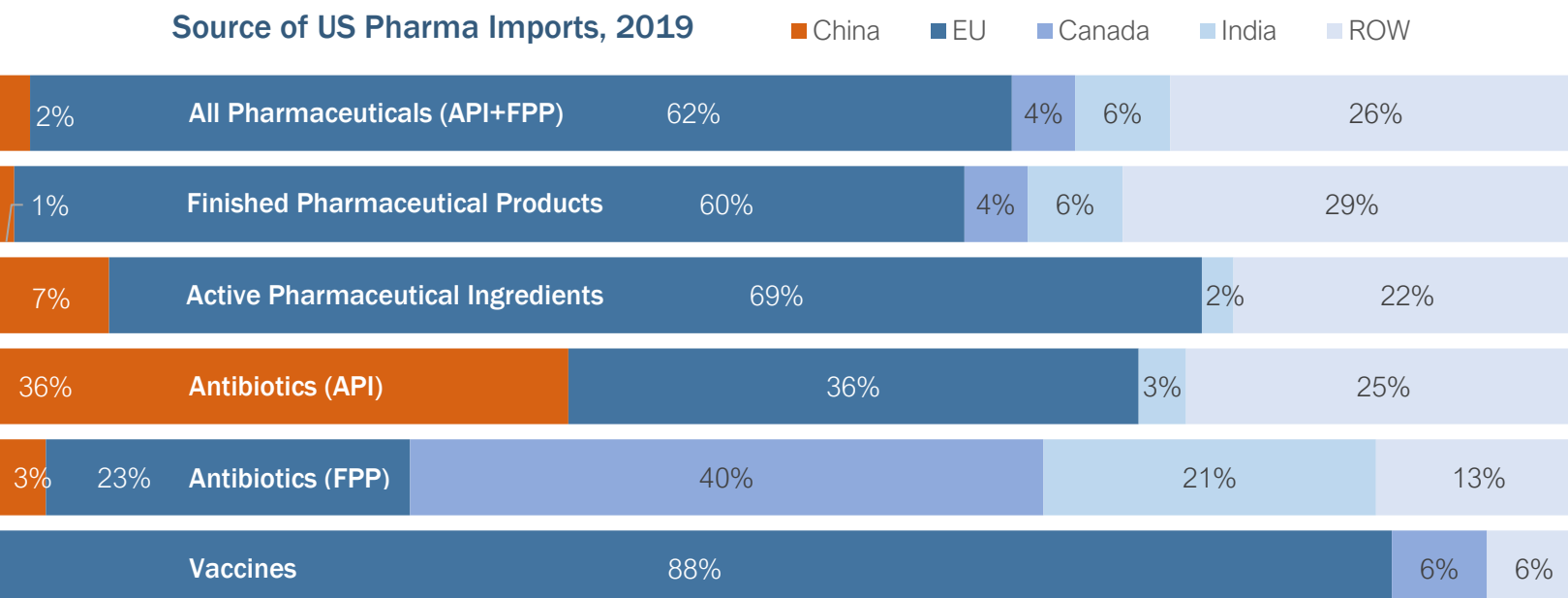
Statistics on Chinese APIs are misleading. Congressional testimonies and publications often cite that “80 percent of APIs used in US drugs are sourced from China.” However, this statistic misrepresents findings from Food and Drug Administration (FDA) reports on the *location* of API manufacturing facilities, not their production. The FDA has since [acknowledged](#) it “[does] not know whether Chinese facilities are actually producing APIs, how much they are producing, or where the APIs [are] distributed.”

What we know: A [study](#) of US pharmaceutical production estimates that 54 percent of APIs used to manufacture finished pharmaceutical goods consumed in the United States are produced here; only 6 percent are sourced from China. Only 7 percent of total US API imports come from China.

After accounting for indirect imports, like finished pharmaceutical products from India that are made using APIs from China, China is responsible for 12 percent of foreign-sourced APIs.

We have not seen a supply disruption from China during COVID-19. The FDA Commissioner in April [reported](#) that they “don’t have any evidence that there’s a drug in short supply” due to limited API imports from China.

Source of US Pharma Imports, 2019



Source: Avalere Health LLC, US Census Bureau, USA Trade