



By: Tomorrow's Affairs Staff

# How great is the danger of China weaponizing the illegal fentanyl trade?



There is no end to the disturbing statistics on the number of fentanyl-related deaths in the US. This time, the story revolves around fentanyl's role in the two-fold rise in overdose deaths among 12- to 17-year-olds since the start of the pandemic.

China, the main producer of fentanyl, is at the centre of global efforts to curb production and trafficking. In recent years, Beijing has occasionally shown signs of cooperation in closing its main global distribution channels.

However, the latest data suggests that China's official cooperation could be hiding something much more dangerous, perhaps even state sponsorship of the illegal global distribution of highly addictive synthetic drug.

US Secretary of State Antony Blinken had the **issue of fentanyl** at the top of his agenda during his talks with senior Chinese officials in Beijing at the end of April.

He had with him the recently released, deeply troubling findings from the House bipartisan panel on the role of the Chinese Communist Party (CCP) in the US fentanyl addiction epidemic.

## China subsidises fentanyl production

An **investigation** conducted on behalf of the Select Committee on the CCP concluded that the Chinese government "directly subsidises the manufacturing and export of illicit fentanyl materials and other synthetic narcotics through tax rebates".

Authorities in Beijing also provide grants and incentives to companies that openly traffic materials for fentanyl production, and they even have ownership stakes in some companies linked to trafficking.

## China directly subsidises the exports of 97% of fentanyl precursors and deadly fentanyl analogues and other synthetic narcotics that are illegal under its own laws

"The PRC directly subsidises the exports of 97% of fentanyl precursors and deadly fentanyl analogues and other synthetic narcotics that are illegal under its own laws", **said** Ray Donovan, former DEA Chief of Operations, before the committee.

Former Attorney General William Barr **said** the House committee's investigation was "ground-breaking and a major contribution to the effort to defend Americans from the scourge of these illicit drugs".

"What is the role of PRC and CCP? Has this been an illicit business carried on by Chinese organised crime... with the Chinese government simply reluctant to spend too much effort to help the U.S. stop what they see as primarily an American problem? Or is this effectively an intentional, official program to wreak havoc in the U.S., given impetus, support, and encouragement by the CCP and PRC? Many of us suspected the latter", said William Barr before the House Committee.

## Fluctuations in the fight against illegal production and trade

The authorities in Beijing were once very active in suppressing the illegal trade in fentanyl, i.e., the chemicals required to produce it.

Under pressure from the US during the Barack Obama administration, when the fentanyl epidemic was already widespread in the US, the Chinese authorities modified their regulations in May 2019 and tightened control over fentanyl production, given its legal use in anaesthesia.

But the post-pandemic period has apparently opened up new "opportunities" for the fentanyl underground, despite the tightened controls. Since then, Chinese manufacturers have no longer exported finished fentanyl products to the USA, but they have mostly exported the ingredients for its production to Mexico, where drug cartels pack it into pills and smuggle it to the USA.



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Fentanyl is very cheap (between \$2 and \$10 per pill), 50 times stronger than heroin, and easy to transport. All of these characteristics make it a dream product for international smugglers, as one kilogram purchased in China for \$3,000 to \$5,000 could generate up to \$1.5 million.

At the same time, China has enormous potential for fentanyl ingredient production, possibly the largest in the world.

There are about 1,600 companies producing active pharmaceutical ingredients (API) in China, but there are also about 160,000 small companies engaged in chemical production. All of them have minimal, if any, state control.

## Abuse of fentanyl for geopolitical purposes

This huge production potential, the lack of control and suppression of illegal production and trade, and the state sponsorship of some parts of the fentanyl system give Beijing the

power to determine the scale of the murderous drug industry.

Up to two-thirds (about 70,000) of annual overdose deaths in the US are due to the use of fentanyl or products containing it. According to the investigation by the House of Representatives committee, there are 200 fentanyl victims per day. That is comparable to a Boeing 737 full of passengers crashing in the United States every day.

The short-term prospects of containing the deadly epidemic in the United States are not great. If Claudia Sheinbaum, the political successor to current President Andrés Manuel López Obrador, wins the presidency on June 2, there are **expectations** of soft policies towards the drug cartels in Mexico continuing.

## The behaviour of the authorities in Beijing does not suggest that they are really determined to take action against illegal fentanyl production

But more than that, the behaviour of the authorities in Beijing does not suggest that they are really determined to take action not only against illegal fentanyl production, which is causing mass casualties in the US, but also against methamphetamine, given that China is the largest global producer and at the same time the largest illegal distributor in the Indo-Pacific region.

The absence of a fight in the global hub of illicit synthetic drug production, coupled with state sponsorship of some of it, inevitably led to the conclusion that China has been weaponizing the drug underground for geopolitical purposes.

"China still subordinates its anti-drug and anti-crime cooperation to its strategic calculus and views counternarcotics and law enforcement cooperation as a strategic tool to leverage for its other objectives", **said** Vanda Felbab-Brown, a senior fellow at the Brookings Institution, at a hearing before the U.S. Senate Committee on Homeland Security and Governmental Affairs

last March.