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CHINA'S ROLE IN THE SMUGGLING OF SYNTHETIC DRUGS AND PRECURSORS

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P R O C E E D I N G S

MS. GALOFARO: Good morning or good afternoon, wherever you are in the world. Thank you all for joining us here today. My name is Claire Galofaro, I'm the national writer at The Associated Press. I have been covering the drug crisis in the United States for many years.

When fentanyl started flooding into the country nearly a decade ago now the death toll from drugs skyrocketed. Year after year record breaking numbers of dead Americans, 50,000, 70,000. I remember thinking at one point that it couldn't possibly be any worse. But then it did.

We were all fixated rightly on the horrific toll of COVID-19, and for good reason. But at the same time more than 100,000 Americans die in a single year from overdose. That's more than the population of Albany, New York or Roanoke, Virginia.

And maybe scariest of all, the demographics are shifting. We've often thought of the opioid epidemic as a White people problem. But fentanyl is so seeped into the entire drug supply, people are dying now from cocktails of fentanyl and meth, fentanyl and fake pills, fentanyl and crack cocaine. And what's that meant on the streets is that people in our poorest, most vulnerable communities in this country are dying at breathtaking rates.

In some cities Black men are dying at four or five times the rate of white people. During the pandemic the rate at which Native Americans were dying surpassed White people to become the highest in the nation. These are communities that we have failed over and over again, and we are failing them again.

One morning during the darkest days of the pandemic on a Native American reservation in Northern Minnesota, a mother opened her son's bedroom door and found him dead. She screamed so loud she woke up all of her neighbors. He was 24. An autopsy later found that it was a combination of fentanyl and Xanax.

At first, she kept his ashes in a normal urn and she slept with it. So a friend made her this leather bag so she could cuddle with it more comfortably. She carries this bag around with her, she takes it out to dinner, she talks to the bag, she plays it her son's favorite songs, she kisses it good night.

The thing that's hard for me sometimes to wrap my head around is that we make more than 250 families like this every single day. That's how many people die on average to drug overdoses in the United States alone. And that's how many families are left behind to grapple with the consequences of that. It's a nightmare. And it's hard to find hope in all of that despair.

And so that is why I am so honored to be here today with these incredible minds to try to search for solutions to finally getting this crisis under control. So just simply introductions of who you'll be hearing from today.

Vanda Felbab-Brown is the author of the impressive research you all read about. It is available on the Brookings website, that's Brookings.edu. She is a senior fellow in the Center for Securities, Strategy, and Technology in the Foreign Policy program at Brookings where she has been involved in the Institute's ongoing coverage of the opioid epidemic. She's an expert on international conflict and crime.

Her fieldwork has taken her around the globe, including Afghanistan, Burma, Mexico, Somalia, Ethiopia, and she's joining us today I believe from the UK. She is the author of many books and articles and frequently provides congressional testimony.

Rupert Stone is a freelance journalist, born in London and based in Istanbul. He covers drugs and security issues in South Asia and the Middle East. He has written for Newsweek, Al Jazeera English, Vice, and others.

Ryan Hass is a senior fellow in the Michael H. Armacost chair in the Foreign Policy program at Brookings. His research focuses on the present political, economic, and security challenges in East Asia.

Among many other accomplishments Ryan was a foreign service officer at

the U.S. Embassy in Beijing before joining the National Security Council in 2013. In that role he advised the White House on U.S. policy towards China, Taiwan, and Mongolia.

So we are obviously in really impressive company today. So just a brief of overview before we get started. We will hear a bit from Vanda about her research and then we'll have a discussion with our panelists. We are reserving the last half hour for questions. So feel free to submit any questions as we go along, and we will get to as many as we can at the end. Thank you again for being here today.

And Vanda, congratulations on this work. I find it incredibly chilling, especially showing how the drug traffickers seem to be way ahead of our efforts to control the flood of drugs. If China does better it might just shift to India or elsewhere. Is there any hope, and what is the best way forward?

MS. FELBAB-BROWN: Thank you very much, Claire. It's great to be with Rupert and with Ryan and with you speaking again about this issue even though, as you said, the issue is devastating, and a lot of the discussion will be not easy and does not easily provide clear and happy solutions.

Now when you and I last engaged in another Brookings public forum we were at the time speaking about another project in opioids, the Brookings opioid crisis in America, domestic and international dimensions. That explored various elements of how to deal with the opioid crisis, including how to expand access to treatment, how to expand access to harm reduction measures such as to reverse overdose, and also with the medication as well very, you know, very stiff and often controversial elements such as methadone maintenance, supervised prescription sites. And those are still very crucial elements.

Indeed I would posit that on this we've asked to expand treatment and do better on prevention, although prevention is difficult in this domain like in others. We will not be able to see significant reductions in the horrific death toll.

Nonetheless, this project that today we are speaking and the report that you

mentioned, looks at supply side measures. It is part of a larger Brookings project on China's role in various illegal economies, including drug trafficking.

And the reason we are talking about China in this context is because China remains the principal supplier of precursor chemicals for the production of fentanyl, not just in the United States but across all of North America, which now includes both Canada, that is dealing with as devastating opioid, synthetic opioid crisis, as the United States, and they are seeing also the spread of fentanyl in various parts of Mexico.

So until about 2018, 2019, China was the direct principal supplier of fentanyl, the finished synthetic opioid, fentanyl, a very potent, highly deadly, very lethal. They were shipped directly from China to the United States. But as a result of years of diplomacy spanning really two or three U.S. administrations, including the one that my colleague Ryan Hass worked during the Obama administration, the United States persuaded China to schedule the entire class of fentanyl drugs. So fentanyl is just one example of a certain type of synthetic opioids. And one of the reasons why control is difficult is because chemists find it very easy to simply alter a certain molecular structure while preserving the core effects of the synthetic opioids and thus avoid law enforcement action and controls.

So in 2019 China put in place, as a result of the U.S. pressure and engagement, the scheduling of the entire class of fentanyl type drugs. And there was a great deal of hope that this would result in palpable reduction in the overdose and mortality in the United States. And that did not happen at all. In fact as you mentioned, we saw the most devastating period with over 100,000 deaths. And we also are increasingly seeing fentanyl being mixed into all manner of drugs.

Now why is that? What has happened? The scheduling in China did result in suppliers in China changing to shifting so for precursor chemicals. Precursors and pre-precursors are the chemicals from which drugs like fentanyl are produced. And instead of shipping full fentanyl, fully finished fentanyl into the United States, they now ship those precursors and pre-precursors to Mexico, from which Mexican criminal groups, principally

the Sinaloa cartel and cartel Jalisco Nueva Generación can produce fentanyl that they then make into other chemicals like prescription drugs or methamphetamines or heroin, and ship into the United States.

So in scheduling in China has had some effects but it hasn't had the effects that the United States was hoping for. But unfortunately since the scheduling, we have seen significant decrease in the level of U.S.-China cooperation. And here is something I look forward to hearing Ryan's comments, reflections.

Essentially China was most willing to engage in, in terms by its standards, fentanyl products cooperation with the United States when it believed that extending the cooperation would produce a warming in the overall bilateral geostrategic relations between United States and China. And that did not happen.

During the Trump administration the relationship progressively deteriorated and intense challenges and difficulties remain still in the Biden administration. And so as long as China really does not assess that the bilateral relationship would improve, it's been holding cooperation on fentanyl narcotics.

Now we have to be honest that supply side measures alone are not going to resolve the immense challenge in the overdose in the United States. Even if China were more willing to cooperate, still massive challenges would remain, including because of the difficulties of controlling supply out of any country, including out of China, and because of the possibility of source of precursors relocating to many other countries.

But the picture is all the more challenging because the cooperation is not there. And that gives the drug trafficking group a great sense of impunity, it complicates other dimensions of the relationship, and it also highlights how China views law enforcement cooperation with the United States, with the West, but even with Southeast Asian countries, and how and when it acts against criminal groups.

It tends to act robustly against criminal groups when they cross the interest of Chinese government authorities and the Chinese Communist Party. But at the same time

many Chinese Triads, criminal groups cultivate the political capital with Chinese authorities by acting as enforcers against diaspora community, by criminals in legal businesses alongside of illegal businesses. And thus very rarely China in fact tends to act against the top echelons of the Triads. They are critical suppliers of precursor chemicals for fentanyl, but also for methamphetamine coming across Southeast Asia.

But the picture is even more complicated, and I will leave it at that. Because the Triads are not the sole suppliers of precursor chemicals. In fact they dominate the meth supply in Southeast Asia, but in the fentanyl space there are very many other suppliers. Middle sized chemical firms, small sized chemical brokers, that sometimes knowingly cater to Mexican cartels, sometimes unknowingly sell precursor chemicals, many of which are used to a very wide variety of buyers, including criminal groups.

So law enforcement and supplies like control measures are enormously difficult in this space. Enormously difficult in the space of synthetic drugs overall, but at the same time cooperation is struggling and is very limited because of the geopolitical difficulties in the bilateral relationship

MS. GALOFARO: Thanks, Vanda. And maybe, Ryan, maybe you would be the best person to chime in, first on this question, but can you talk about how the COVID pandemic changed the U.S./China relationship and what impact that has had on drug trafficking and drug trafficking enforcement.

MR. HASS: First, it's wonderful to be with you and with this group, Vanda, thanks for bringing me into the conversation.

My general sense is that there was an expectation amongst those that were involved in the U.S.-China relationship if there was this meteor-like moment where, you know, there's a meteor coming to earth that's crashing and threatening the survival of humanity, that the United States and China would be able to drop their swords and find ways to cooperate for the protection of their own people and the people of the world.

COVID was sort of an analog to a meteor moment. It threatened everyone

across the world. And instead of dropping their swords and coming together, what we found was that the COVID sharpened the divisions that exist between the United States and China. It caused both countries to engage in a certain degree of blames-manship, to compete for relative advantage of each other and really to fail the test of leadership when the world was looking to the world's two most capable powers to protect their people.

And I think in China the pandemic experienced to a certain extent hardened a view that the United States was decadent and undisciplined, that it was incapable of controlling problems within its borders as COVID ravaged across the country. And it sort of signaled a sign of a broader breakdown in social cohesion within the United States.

There were daily reports inside China of the mass scale of deaths that were occurring as COVID was pretty well controlled within China at that time. And it fed this narrative of American decline and America's diminished capacity to take hard measures to prevent catastrophes.

And this has a direct connection to what we're talking about today because I think it hardened the view of the opioid problem, it's a supply side problem, it's a problem of the United States government being incapable of limiting the flow of fentanyl and other opioids inside the United States, and Americans being unable to suppress their insatiable desire for these drugs.

And so that's the prism and the frame through which a lot of these discussions are being filtered as the discussions are taking place in China today.

MS. GALOFARO: That's really interesting. Rupert, I think that maybe you have done some reporting on this issue. Do you have insight into what's been happening since the COVID pandemic began?

MR. STONE: Well, yes. Well firstly, thanks for including me in this panel, I'm delighted to be here.

I mean generally we've seen during COVID and longer time then that, the synthetic drugs trade has been booming. And we've seen this in North America with

fentanyl, as Vanda's report shows, from the seizures and drug overdose stats. And also in the Golden Triangle, which is where Myanmar, Laos, and Thailand intersect. Is one of the real epicenters of global methamphetamine production and is probably the top world's producer of methamphetamine. And in both of these regions we've seen an incredible boom during COVID.

So there are aspects, and as I said, this is a longer-term phenomenon, but there are aspects of the COVID pandemic and changes during it that have facilitated this. And one of them is the fact that life has moved online to a degree and quite a bit of the synthetic drugs trade, especially when it comes to fentanyl, is conducted online by online sellers. There's also been a greater shift towards contactless delivery and payment, so use of mail for example. And fentanyl is so small, I mean, and so potent that you don't need many tablets, you don't need to supply many tablets in the U.S. market so it can fit into letters and packages quite easily. So again, this aspect of the fentanyl trade is overlapped with COVID in a way that gives it a further boost.

Another aspect of things is that the supply disruptions that we've seen during COVID to trade, which especially during the initial phases, is again something that the synthetic drug trade is well equipped to handle because the chemists can innovate with new chemicals, devise new formulae, so if supplies of certain chemicals are disrupted they can sort of concoct new chemical formulae and new drugs. And again, that's something we can get into perhaps in greater detail later.

But there's interesting material in Vanda's report on innovation with precursors, and that's something you can't do with a drug like heroin or cocaine, which are based on, you know, largely on plants. But with drugs that are made in laboratories like meth or fentanyl, you know, you can play around with the chemistry, you can use new chemicals and devise new formulae, so that's another thing.

And then the final thing I'd say is, this is something, Claire, in your reporting you've illuminated. Is I mean the social devastation that the pandemic's created? I mean

not only the economic stresses, the unemployment policy, etcetera, but, you know, the anxiety and so on, has obviously driven more people into synthetic drugs and the fact that they're so relatively cheap. You know, fentanyl is cheaper than heroin. So, you know, that again is something that fits well, you can pull it well into the pandemic environment because people are more stretched economically so the drugs are more affordable for them. And of course treatment centers have been disrupted, which is another factor that has made the opioid epidemic worse.

So those are the issues I'd say we're seeing with COVID.

MS. GALOFARO: Vanda, did you want to chime in on that question as well? I think that you've done some research into how the trafficking patterns themselves have changed because of border restrictions and things like that because of the COVID pandemic and how drug trafficking organizations have innovated around those measures.

MS. FELBAB-BROWN: Sure. Let me make two points. One is beyond and above the pandemic. Namely that from a trafficker's perspective synthetic drugs, particularly synthetic opioids, are enormously advantageous. As Rupert just mentioned, they are enormously potent. And one implication then is that one needs to smuggle much less of it to supply the market. So to supply the entire U.S. market with heroin, estimates by Rand and the Congressional Commission on Combating Synthetic Opioid Trafficking, estimates that one needs roughly 47, 50 metric tons of heroin. But to supply the entire U.S. market with fentanyl for a year it takes only about five tons of fentanyl. So, you know, one-tenth of that amount.

And the same difference also applies to precursor chemicals. To produce heroin you might also need precursor chemicals, but to produce synthetic opioid one needs a tiny fraction of the precursor chemicals that are needed.

So if one is a trafficker, one has to smuggle much less. Buying precursors chemicals in China or from India, another place of supply, is very inexpensive because one needs to smuggle much less. That means much less expenditure on corrupting officials

along the supply line and ports of entry. It also means much less expenditure in the amount of stuff that needs to be shipped.

And one can still produce enormously potent drugs with which one can supply a large market. And one doesn't need to control territory. If you want to grow coca, or if you want to grow, you know, poppy, you know, for just cocaine and heroin, you need to control territory. This is to prevent government from being able to destroy those plants. And recruit enough people that will be economically driven or otherwise driven to cultivating those plants.

But as to supply drugs all you need is a few small labs with very few cooks, and they don't have to be very sophisticated cooks. So in many of these markets synthetic drugs in general, and particularly synthetic opioids, are not something that users at least initially choose. They might not often know that they are in fact buying something that has fentanyl mixed into it. They might think they asked to buy cocaine and in fact will be given by the dealer a mixture of cocaine and fentanyl.

Now specifically to the issue of innovation. So, you know, early on the COVID pandemic we saw some drug supply lines being disrupted and cartels adapted in a variety of ways, including laying off people to save money, just like legal businesses would. They were stocking particular chemicals, they were charging much more for particular chemicals, or being charged more.

They also innovated in ways such as resorting much more to use drones. And again, synthetic opioids pose an enormous advantage from the supply perspective view for them. It would take many drones to supply drugs like cocaine and heroin because of the price quota to ratio. But with this powerful synthetic opioid, some of which are far more powerful than fentanyl, is like hard fentanyl, all of a sudden supply, not just retail to the user, but even wholesale supply, becomes much more feasible with commercial drones. So that was just one of the innovations that we have seen.

But the bottom line is that COVID might have disrupted some of global

supply chains, it did not disrupt drug supply chains adequately and not in any ways, that in fact benefitted users.

MS. GALOFARO: Well, you know, we often think about the consequences of all of this, it's an American problem addiction, it's an American problem. And, Ryan, I think that you mentioned that in terms of how China presents this issue to their people and considers this issue. I mean but what is the threat to the rest of the world as fentanyl trafficking expands? You know, are we seeing addiction and death take root in other parts of the world outside of the United States?

And, Rupert, do you maybe want to start that?

MR. STONE: Yes. I mean we're into a world of very limited evidence and I think generally a very important caveat when discussing especially a kind of a clandestine business like the drugs traders, we always have to be conscious of what we don't know.

And, you know, there are various ways of quantifying the drug market, through seizures, and triangulating that with price and government reporting, things like this. But you're always in, you know, the serious limitation on our knowledge. So when it comes to the expansion of fentanyl, I mean the fact that we don't have a great deal of evidence that it's expanded for instance, in Europe, South Asia, or even Southeast Asia, but that doesn't mean it hasn't penetrated these areas, we just might not know about it.

However, that said, I mean fentanyl is so lethal if it had made its way into the drug supply I think we'd be seeing, for example in a place like India or Myanmar, or Southeast Asia, we'd be seeing a lot more overdose stats from it, probably even we are.

So and another fact to mention that's mentioned in Vanda's report is in South and Southeast Asia specifically, the anti-drug forces don't typically test for fentanyl when they, you know, they seize drugs and they conduct forensic analysis. They test for drugs that are most commonly found. So for instance heroin or meth, but they wouldn't necessarily test for fentanyl. So they might just be missing it. They might seize it, it might be contained for instance in heroin seizures, heroin might be adulterated with fentanyl as in

the U.S. and then they're just not picking it up.

So there could be a lot more of it than we know. But I suspect because of the lack of overdose stats, it's not yet taken off in these regions.

MS. FELBAB-BROWN: Well maybe I can come in and just add a few dimensions here. We are slowly starting to see seizures and incidents of overdose in other parts of the world such as in Argentina and the Southern Cone. And because the supply and spread of fentanyl, even in North America, was very much driven by criminal groups, driven by in large cartels, not something that users are asking for, I suspect that it's simply a matter of time before we start seeing much more of a spread in Asia, in Western Europe.

But also add here that, you know, in the drug policy field we have these puzzles as to why there are gaps in how drug markets evolve. So back in the 1980s when cocaine started spreading in the United States and came to dominate U.S. drug consumptions, there was plenty of cocaine availability, and certainly plenty of potential cocaine availability. And cocaine could have been supplied to Western Europe. And yet Western Europe was using predominately heroin. There was no good reason why this happened, the linkages between the Columbian cartels at the time and Italian and other criminal entities in Europe existed, there was plenty of coke, but most European users, West European users were simply used to heroin.

And so there was this narrative that the West European market, is the heroin market, the U.S. market is the cocaine market. And until we hit the 1990s and meth takes off in the United States and all of a sudden cocaine takes off in Europe.

And I'm hearing similar comments about well, there is plenty of heroin in Western Europe, Western Europe will not have problems with fentanyl. And I hope that we'll still stay the case because of the lethality and overdose problem, but I also don't believe that it will likely stay the case. And in fact we are going to start seeing the immergence of these extraordinarily dangerous drugs in other parts of the world, like Western Europe.

Now let me add sort of one other comment here before handing it to Ryan

for his reflection on China, specifically to talk about China. So Ryan was very accurate in how he described China's thinking about fentanyl.

On the one hand China really considered itself one of the toughest and most important drug cops globally. And because of its history, the devastating opium addiction and opium misuse in China in the early 20th Century stemming from the opioid wars and other dimensions. China as a whole, as a government, and many Chinese people, tend to have a very restrictive view toward the use of narcotic drugs.

But at the same time there's been significant expansion, and their country is to be an expansion of the use of narcotics and drugs in China. It's mostly heroin and it's very significantly the front demand. China so far hasn't really experienced much of a fentanyl problem, in fact really at all much of a fentanyl problem. And so the Chinese government assumes that that will remain the case and portrays its law enforcement actions, limited and sporadic as they are, and it's scheduling of fentanyl-based drugs as a humanitarian gesture toward the United States.

And they very much reject a sense of co-responsibility as being the source country. Many Chinese people do not know that fentanyl or fentanyl precursors originate in China, and China talks of its actions of great benevolence, humanitarian gesture, and sort of lays the responsibility solely on the United States, on U.S. drug habits, as it talks about them, and on the lack of U.S. law enforcement actions.

And China adopts the same attitude toward Mexico, which is now the receiver of precursor chemicals from China. It tells the Mexican government, you know, these precursors might be coming from China, that's your problem, it's your corrupt custom official, you deal with it.

Now just two weeks ago we saw the UN Commission on Narcotics Drugs schedule three additional precursors for fentanyl and fentanyl type class drugs. It's a good development, China was part of the scheduling, it would not have happened with China's opposition. But I fear that's also the extent of cooperation that we are going to see for some

considerable while.

MR. HASS: Hi. I mean I think Vanda has really, and Rupert, have hit the nail on the head on this. It's a real challenge for us to break through to our Chinese friends and counterparts about the risks that they face of allowing this epidemic to continue to spread.

I think that there is a view, as Vanda described, that fentanyl and these other issues there are Western problem, an American problem, not a Chinese problem. My response is there is no societal immunity to these issues. These are issues that spread and for the very practical reasons that Vanda described of why it's so economical for drug traffickers to use fentanyl and fentanyl-related products. This is a danger to the Chinese. And if they don't wrap their arms around it sooner, they're going to be harmed later.

And, you know, there may be an opportunity for the United States to share with their Chinese counterparts throughout, you know, law enforcement, drug enforcement experts, the challenges that we faced, the difficulties and the harms to our society that have been caused by this epidemic in the United States. Not as a warning, but just as simply an observation of the reality that we confront and that someday if China is not careful, they will confront as well.

And I would just like to add, you know, two other factors on top of what Vanda and Rupert have so expertly described. One of which is that China has a very powerful pharmaceutical industry of its own. And I think that there is a certain reticence to be seen as limiting the actions of their own pharmaceutical industry, particularly when they don't feel particularly threatened themselves by the spread of fentanyl. And why would they, in their judgement, why would they do this as a favor to Washington without the ability to receive anything in return from the United States in terms of overall improvement to the relationship.

I think there's the view that even if, the view in Beijing, that even if China did crack down on its own pharmaceutical industry it wouldn't solve the problem because the

problem is inherently an American supply side problem, not a Chinese source problem. And I think that they also like to hide behind the argument that China alone cannot take actions, that unless there's a coordinated international response to schedule a lot more of these dubious items, that China will be doing harm to itself without addressing the problems, which are sort of a collective action problem around the world.

So these are just additional barriers that I think that we need to run up against and over time barrel through. But it's worth us putting it on the table to start this conversation just so we know the challenges in front of us.

MS. GALOFARO: And, Vanda, I mean in some ways does China sort of have a point in that regard? I mean as we are criticizing that country, we're not controlling better the supply of drugs. I think that we've in this country clearly have a broken mental health and addiction treatment infrastructure. I mean what role does the United States have in ending this problem?

MS. FELBAB-BROWN: More clearly, Claire, a lot, much more needs to happen on the U.S. domestic side. Whether this is expanding access to treatment in very, very different dimensions, including better access to health coverage of treatment, whether this is thinking innovatively and radically, as we said at the beginning, such as about heroin maintenance, supervised injection sites.

All issues, incidentally, which China also needs to adopt domestically in the drug issues that China is struggling with, which is heroin and meth. We don't have very good data from China, but China's use likely have been expanded in both meth and heroin. And to the extent that China does get exercise about international law enforcement cooperation and fentanyl products cooperation, it is mostly about an issue that it is struggling with, so meth and heroin, heroin coming mostly from Myanmar and the meth coming to China also from Myanmar these days.

And I think that the meth story is actually quite a useful one because of several dimensions. So until the early 2010s, 2012, 2013, 2014, China was not just a

consumer of methanphetamine, but also a very large supplier of methamphetamine, and it was the predominate supplier of meth across various parts of Asia, specifically including Australia. And as a result of intense bilateral law enforcement cooperations with Australia, which was China's most intense law enforcement cooperation with any country, China ultimately decided to crack down on the large booming meth production in Southern China that involved not just the Triads, as the suppliers, but also involved entire villages and regions really that they're producing meth and shipping it out abroad.

And China mostly eliminated a lot of the domestic production even as it really did not move to dismantle the Chinese Triad, and particularly the upper echelons, for reasons that are highlighted, that in fact there is a complex relationship between the Chinese government and organized crime groups abroad. As long as Chinese criminal groups are not violent at home, which they by and large are, and they serve other interests of the Chinese government, controlling monitoring the diaspora, acting against diaspora members that go against the interests of the Chinese Communist Party or the government. They tend to often have significant amount of leeway and China does not choose often to act against them.

But when this suppression of production in China took place, production relocated to Myanmar. However, the supplier of precursor chemicals remained China. And for a long time China maintained in Southeast Asia essentially the same attitude as it does with the United States, and fentanyl and precursors of fentanyl. These chemicals are legal, we cannot act against them, they are your problem, Myanmar, you need to crack down on them.

But as meth use in China has continued to expand, China became more diligent and determined to be cracking down even against the supply of precursor chemicals that are legal. For example, there is so-called ghost list, which is chemicals that are you use that are not scheduled but nonetheless are clearly used for the production of methamphetamine, and China at various times has imposed more stringent monitoring,

conducted raids and actions against the large Chinese pharmaceutical industry because those chemicals are ultimately producing meth that's being consumed in China.

Similarly, China has come under a very intense criticism from Southeast Asia where meth use, meth disorders, meth use disorders, have expanded dramatically in places like Laos or Vietnam. We are seeing six times the rate of consumption that we saw just a few years ago, sometimes two, three years ago, you know, very recently. And this is a region that China is very focused on its power projection, on its geopolitical interests, and as a result of wanting to prioritize those interests it has become at least to come extent more responsive to countries in the region and has stepped up often law enforcement cooperation.

China is enormously active in regional drug diplomacy and Ryan, you know, can come in with sort of significant information here. China likes international forum, it likes the international diplomacy and likes to dominate those meetings. But between the diplomatic engagements and actual law enforcement on the ground cooperation there is a significant gap.

And then law enforcement on the ground cooperation tends to be very self-serving, very limited, and very narrow. Really often prioritizing very narrow set of interests of the Chinese government as opposed to more broadly tasked law enforcement cooperation against any kind of rule of law violation.

MS. GALOFARO: Ryan, did you want to add your perspective on that?

MR. HASS: Well I think Vanda is exactly right. The Chinese increasingly are relying upon and leaning upon law enforcement cooperation as a strong tool for their overall diplomacy. Part of what I think the Chinese are trying to do is to make their form of social control more acceptable, more tolerated, more legitimized, through its broad application in many countries around the world.

So it's not a coincidence, for example, that we see when there is social instability in the Marshall Islands or Kurdistan, it's China that offers immediately to dispatch

law enforcement support to help stabilize the situation and restore order and stability in those places. So they see this as a key tool for them to expand their influence abroad. I think particularly within their own region they want, you know, their tools of law enforcement to be seen as legitimate.

And so I think it's not, it's wise to think about the countries around China that are being most impacted by China's production of these precursor chemicals and to see if there is space to work with them to help raise expectations from within the region to China for China. If they want to be seen as the model of law enforcement cooperation and leadership, that this is an area where they need to take action themselves.

MS. GALOFARO: We are all watching this horrific war unfold in Ukraine. Obviously China seems to be friendly with Russia. So I'm curious about what this conflict might mean for the U.S./China relationship, and what that might mean to drug trafficking going forward. And, Ryan, I mean it seems like you might be, sorry to pick on you here, but it seems like you might be the best person to start us off on that.

MR. HASS: Well I will get us started and quickly pass off the baton to Rupert and Vanda.

I think that, you know, crises compel prioritization, right? So in the near term I think there is going to be a real priority in the U.S./China relationship on addressing American concerns about China's support for Russia as Russia's prosecuting an invasion of its neighbor and killing thousands of innocent civilians.

So in the near term I think there's going to be a real emphasis in U.S./China bilateral diplomacy on urging China not to backfill international sanctions against Russia and providing, kind of cushioning to them. In urging China not to provide weapons that could be used in the war in Ukraine. And in trying to push China to stop spreading disinformation that Russia is propagating.

And that's going to occupy a lot of space in the bilateral relationship for the foreseeable future. And it will probably crowd out other conversations that need to happen,

including on law enforcement and counter narcotics cooperation. But if the United States and China are capable of finding a way to work in parallel to hasten the end of this conflict, to accelerate the process leading to a cease fire, then it will open up some space in the future for other issues, other priorities in the relationship.

And once that happens, you know, people in both Washington and Beijing are going to be looking for examples or opportunities where there could be functional coordination of efforts that could serve both sides' interests. And I think that keeping this conversation alive right now on counter narcotics issues is important because once we get to the other side, hopefully sooner than later, of the active fighting in Ukraine, this issue should be ready for further discussion.

MS. GALOFARO: Rupert, do you want to chime in on that?

MR. STONE: Yes. I mean obviously when it comes to U.S./China cooperation that can certainly be degraded by what happens in the Ukraine, depending on China's activities, as Ryan said.

I mean there's another aspect of this that's quite interesting, and there's a section in Vanda's report about India, and India's role as a chemical supplier in the synthetic drug trade. And although India doesn't, the general consensus among experts, including Vanda, is that while India isn't on a par with China as a chemical supplier yet, it's certainly very significant and has the capacity to even catch up and replace China should China crack down on its own synthetic drug suppliers.

But coming to Ukraine, the reason it's relevant here is I mean India has significant trade with Russia, not as much as it could be, especially as an arms supplier, Russia is an important to India, but there is in the pharmaceutical realm India's very large pharmaceutical sector does export to Russia, and it should be added, to Ukraine itself. And so these exports could be dented by what's happening at the moment, by the war in Ukraine and by the sanctions on Russia.

This is relevant because if the pharmaceutical sector in India fears its

revenues are going to be eroded, it's going to be even more averse to regulation when it comes to curbing the diversion of chemicals, the use of chemicals in synthetic drug trade.

So basically what we could see as a consequence of the Ukraine crisis is the Indian pharmaceutical sector is going to be averse to cracking down on these sorts of problems.

And other things to add on this is India is very dependent on Russian energy supplies, and there are indirect respects in which the Ukraine crisis could affect its pharmaceutical sector, so petroleum products are an important part of the raw materials for its pharmaceutical sector. And then India energy imports from Russia are significant. So obviously the rise in commodity prices is going to harm India's economy and make it even more dependent on the pharmaceutical sector going forward and the government's going to be even less willing to crack down on the pharmaceutical sector and rein it in.

So what we could see, in summary, is this Ukraine business could shield India's pharmaceutical sector from scrutiny and from regulation, which is really the opposite of what's needed. I mean it needs more regulation.

MS. FELBAB-BROWN: Claire, maybe I could just add a few reflections here to Rupert's and Ryan's excellent comments here.

And that, you know, the Ukraine crisis, with its brutal invasion of the sovereign country and the brutality that is unleashed there, has really put a visible end to both the post-Cold War and also the post-911 era. And we are thrust into a level of complexity, which I, for a better term, call the new tepid cold war, one characteristic of which is that alignments are often highly limited by issues.

And this is being quite reflected even in the U.S./India relationship for the reasons that Rupert outlined, and I would also add the tremendous interconnectedness between the India defense sector and Russia.

So the United States I think has been quite disappointed in much of India's public, and arguably to some extent even private reactions to the recent Ukraine invasion.

Just by the fact India/U.S. relationship had tightened under the quad. As a result of the India/China border disputes and the challenge that India has faced with respect to China at the border. And so there was, you know, a hope that because of that and during this with India to engage in the quad and a whole set of issues that it had not been willing to engage on before, such as cyber, such as deep sea naval issues, and narcotics. The U.S./India fentanyl products cooperation having increased after really being very limited, that this would now have broader repercussions, although with respect to China, and it hasn't.

And so I can easily imagine the situation where India, like China, would be delinking counter narcotics cooperation. And if India does become a more prominent supplier of Mexican cartels, that both its capacity and its willingness to crack down on its pharma diversion, direct controls will be very limited. And we will have both some of the same challenges that we have with a principal rival as we had with a country that we are hoping to be an important partner.

MS. GALOFARO: You know, I'm curious, obviously the sanctions against Russia have had widespread implications on many economies, we're feeling it at gas pumps and across the globe. And does this, what role do sanctions like this have on the illicit economy? Could this change money laundering practices, or the way drug trafficking organizations move their money around?

MS. FELBAB-BROWN: Maybe I can start with sort of two reflections. So the bad news, very bad news, is that once again the privilege of smuggling tonnage because transport is expensive, the less you need to smuggle, the better off you are. And that means that synthetic drugs and opioids once again are enormously advantageous for drug traffickers, even more so than prior to the cost of shipping that they'd be asking as a result of the energy crisis.

The other dimension is the one that Ryan raised. That is will China allow Russia to obey its sanctions by going through the Chinese financial system and trade-based laundering. Or will China prevent rubles and Russian investments to be escaping the

Western sanctions from China.

Anti-money laundering cooperation has been, anti-money laundering efforts, I should say, have been at the top of China's law enforcement efforts. And there's been a considerable hope in the West that anti-money laundering operations could be one element of robust U.S./China cooperation as a result.

In fact, so far Chinese anti-money laundering efforts have once again been passed through a very narrow and self-serving way. Predominately focused on escaping, on preventing capital flight from China of repatriating money that was taken out of China in violation of capital controls or money that was, corrupt money that was stolen and removed out of China.

That's been really what China has been most focused on in its regional and international cooperation. It has not been willing to pass anti-money laundering efforts more broadly to go against any money laundering, such as against cartels or money laundering related to the drug trade.

Interesting enough, we are also starting to see the rise of Chinese money launderers, many of whom are family-based networks of the very sort of mom and pop type of money launderers that are being used by Mexican cartels, just as they are being used by Chinese diaspora and Chinese businesses to avoid the capital control. So the mixing of those two elements is happening. And yet the Chinese government's willingness to cooperate has remained small.

And I would just point to one other dimension. What we're asking in Mexico is something that we'll talk tomorrow in relations to the launch of the second of the report. And this is on Mexico/China wildlife trafficking.

Where in Mexico in order to abate U.S., Western, and Mexican anti-money laundering efforts in the formidable financial banking sector, Mexican cartels are increasingly paying to Chinese precursor suppliers in wildlife commodities. In animals and plants illegally caught, illegally harvested in places like Mexico. And this connection to wildlife barter for

precursor chemicals, both of which amount to only tens of millions of dollars, nonetheless poses enormous risks through biodiversity in places that we traditionally don't see the supply sources for China's voracious appetite for wildlife, like Mexico.

MS. GALOFARO: Rupert, Ryan, anything that you'd want to add on that question before we transition into the questions submitted from the audience?

MR. STONE: On the issue of sanctions and drug trafficking, well in the broader sense and more abstract sense, yes. Sanctions certainly do exacerbate drug production, drug trafficking. I mean if you look at a country like Myanmar, I mean there's a general consensus that since the coup in February 2021, and the subsequent collapse of the economy and then the imposition of sanctions, the drug trade would benefit from that.

And I mean generally drug traffickers and organized crime in general thrives on poverty and unemployment and such things. And obviously those things that are exacerbated by sanctions. So I mean in Russia itself we could see a growth in drugs, a growth in various forms of organized crime. So I'd say in general there certainly is, they are intertwined, yes.

MR. HASS: If I can just take one opportunity here to, you know, one of the things that this conversation's really drawn out I think is how difficult it's going to be in the near term to make progress directly with China in dealing with many of these kind of counter narcotics issues.

But I want to go back to where you started with your comments because the obstacles cannot be an alibi for inaction. When 100,000 families are burying, you know, their mothers or their fathers or their brothers or their sisters or their children every year. We just can't accept that this is okay. And so if the pathways for direct progress are limited in the U.S./China context at this moment, then I think that we just need to be creative in finding other ways, working around China, to try to build as much of a coalition as possible of the countries that are willing to take those steps to list dual use chemicals. Organize as many countries as we can to build a coalitional effort and sort of make it a choice for China

whether they want to join an emerging regional or global consensus or stand apart from it.

I think that they will feel more motivated to act if they feel like the price of remaining influential in regional and international discussions on narcotics controls is joining the consensus.

I think it may also be worth thinking a little bit about whether it's possible to generate friction between criminal syndicates and the Chinese party, the Chinese Communist Party. We know through Vanda's reporting that the Chinese prefer to try to cooperate rather than confront Chinese criminal syndicates where they can. But we also know that China's top leaders are perpetually concerned about the emergence of alternate power centers within China that are not responsive to or supportive of the goals and aspirations of the Chinese Communist Party.

So are there ways to introduce, you know, create a space, to raise awareness publicly, gaps between what the criminal syndicates are doing and whether their inconsistent with the interest and ambitions of the party leadership.

And then just more broadly, I do think that there will come a point, I don't know when it will be, it could be next year, it could be in five years when the U.S./China relationship makes another effort at exploring whether it's possible to establish functionality again. And we saw this, you know, President Biden and President Xi, they have both acknowledged that the relationship between the United States and China at present is fundamentally competitive, but that competitors should be able to cooperate when it serves their interest to do so.

We saw this during the Cold War between the Soviet Union and the United States where both countries were able to cooperate on very discreet issues. And I hope that as the conversations progress, that U.S. officials can continue to prioritize counter narcotics cooperation at or near the top of the issues where we want to see progress made when progress becomes possible.

Because the reality is that at the highest levels of government between the

United States and China, dealing with China, which is a top-down Leninist system, it matters to prioritize these issues at the top and have them flow down. And when our leaders meet, each leader is usually able to put a couple of issues on the table at a time, two, three, four. And that's all that there's bandwith for in the relationship.

So I mention this just to put a marker down on the importance of continuing to prioritize this issue as we go forward.

MS. GALOFARO: Thanks, Ryan. We are going to turn now to some of the great questions we've gotten from the audience. And, Vanda, I think we'll turn to you for this one.

What are the most promising strategies to reduce Chinese shipments of fentanyl precursors to Mexico?

MS. FELBAB-BROWN: A difficult issue because of the small amount of precursor chemicals that need to be shipped. I mean clearly we need to be pointing out to Chinese government officials, and the government of Mexico needs to be pointing out to Chinese government officials the very blatant sales to Mexican criminal cartels are taking place.

Some terrific work by another think tank in Washington for three or four years has highlighted how some Mexican sellers that are brokers of chemical companies necessary with the Triads, are very blatantly advertising for Mexican cartels. There will be bundling together, precursors for fentanyl, precursors for cocaine, cocaine fillers, precursors for methamphetamine, and they will be advertising in Spanish and even adding to their ads, we know how to clear Mexican customs.

Clearly they are selling, they are going after Mexican cartels. Those kind of websites should simply not be operating, and the Mexican government should make every effort, not just to pull down those websites, but more importantly to arrest, investigate, or at least warn, if it cannot charge because they're selling legal chemicals, individuals from doing so.

And when the Chinese government wants to issue warnings to Chinese businesses and Chinese residents, they resonate because of the power of the Communist Party and because of the power of the Chinese government, those messages are not dismissed like they might be dismissed in Mexico where the power of the criminal groups often eclipses the power of local and other Mexican government officials.

And efforts to be then also monitoring more broadly supply outlook of China is important. And here it might be very worthwhile to continue thinking about how to encourage self-regulation in the pharmaceutical industry in general. This is something that's very much being thought about in the international counter narcotics domain with respect to all kinds of synthetic drugs, not just in the opioids, also methamphetamine, encouraging producers and traders and sellers of precursors and pre-precursors to adopt measures such as know your customers, not be willing selling to criminal groups, adopt due diligence measures, more government officials, law enforcement officials where they detect suspicious buyers.

I think that's certainly something that needs to be pursued. It's not easy. A good analogy here is efforts that were adopted after 9/11 by the financial sector, by banks, to limit and detect terrorism financing and anti-money laundering, with banks being required as a result of U.S. legislation and then international legislation that had been naturalized around the world to know their customers, to file suspicious activities report. And this has often led to very many reports being filed and legal action taking place, and still an enormous amount of laundering taking place through the banking sector. So it's not been a roaring success by any means, and many of the measures came with some very problematic side effects.

I think it's even more challenging in the pharmaceutical industry where in a country like China we are talking about thousands of firms, tens or hundreds of thousands of facilities, particularly when we look not just at the pharmaceutical sector but also at more broadly the chemical sector.

Similar in India, the scale is, you know, tens of thousands of production facilities that limit the government capacities to monitor.

So I don't want to suggest that the self-regulation and private-public partnership in the chemical pharmaceutical sector is easy, but it's something that needs to be promoted and needs to be adopted even if it doesn't end up being 100 percent, because we are simply not going to end up in a situation where tens or hundreds of double use chemicals will be scheduled.

In my report I outline several other measures that can be adopted with respect to China, none of which are necessarily easy and some of which need to be very carefully judged and what stage is right to adopt them.

But let me leave it right now here.

MS. GALOFARO: We've gotten a number of questions on this topic, and, Rupert, I think that maybe I'd like to ask you to take a stab at this one.

So pending an effective reduction in synthetic opioids out of China. How likely is that to be replaced by new producers and other geographies? A number of people have asked similar questions about just how the production of these precursors could just spread around the world if they're reigned in in one place.

MR. STONE: Yeah, thanks, it's a very good question. I mean we've discussed so far India. And it should be said off the bat that, I mean India has already been a chemical supplier for the synthetic drug trade. But by India I don't mean the Indian government, I mean the Indian private sector.

But I mean as long ago as 2016 there was report of a Mexican cartel operative or someone alleged linked to Mexican cartel importing equipment and chemicals from India. And the general view is that after China scheduled the fentanyl analogs in 2019, that kind of catalyzed this change in trafficking flow so the Chinese, as Vanda said, the Chinese chemical suppliers move to shipping precursors to Mexico, and then the Mexican cartels would make the fentanyl and traffic it into the U.S. rather than the Chinese directly

shipping the fentanyl to the U.S.

Anyway, the reason I'm making this digression is because my point is that the Indians were supplying precursor chemicals to Mexico long before 2019. And then again in 2018 some Indians were arrested for alleged involvement in fentanyl trafficking to Mexico.

So in short, India has been already, an alternative chemical suppliers under the synthetic drug trade, and certainly the view among experts is that it could certainly replace China. It has all the necessary attributes. It has a very poorly regulated, very large pharmaceutical chemical industry. In some ways, as Vanda's report says, it's even behind China on legislation and scheduling and issues like that.

I mean it's interesting that India hasn't scheduled fentanyl. And actually in 2014 it actually amended its drug law to allow fentanyl, to relax restrictions on fentanyl for medical purposes. So, you know, India is a very important part of this issue. It could certainly become a much more serious player in the future.

MS. GALOFARO: Vanda, did you want to chime in on that question also?

MS. FELBAB-BROWN: You know, essentially any kind of chemical pharmaceutical industry that's politically powerful and poorly regulated could become a supplier. And so this is yet another reason to be encouraging as much globally as possible, the adoption of best practices, all the way from training to supply in chemical and pharmaceutical industry around the world.

And we have countries with very good, stringent suppliers, stringent controls, such as producers in Germany or in the United States. We essentially see no divergence of fentanyl that is used medically in the United States, it's a very important medical drug for reducing pain, used in surgeries, used in terminal cancer. We don't have divergence in the United States, we don't have divergence in place like Germany. We have illegal production abroad that brings the fentanyl to the United States.

But there is also perhaps a way to think about encouraging self-monitoring and actions of behavior on the part of the drug dealers and drug producers. So in the earlier

work that Brookings made on the opioid epidemic in the United States, some of our authors like Peter Reuter (phonetic) and Bryce Pardo, explored the possibility of prioritizing law enforcement actions against dealers that give users a combination of fentanyl and some other drugs without disclosing to the users that they are in fact getting not just meth but combo of meth and fentanyl or a combo of cocaine and fentanyl.

You know there is an interesting puzzle for example as to why we haven't seen the production of synthetic opioids in a place like the Netherlands, where there is widespread production of synthetic drugs such as ecstasy. And I would venture a speculation here that there well might be a sense that ecstasy is not prioritized as a law enforcement priority in the Netherlands, and that producers feel they will not attract strong law enforcement hand as long as they stay with ecstasy. But if they move to synthetic opioids because of the lethality, they might face a very different law enforcement action.

And this is that kind of selective law enforcement deterrence measures that we should try to be encouraging in the United States although at this point not just the cats, but the herd of cats out of the bag in the United States, but at least in other markets that are just now on the cusp of seeing the arrival of fentanyl or might be seeing the arrival of fentanyl.

Of course when we are in a situation like in Mexico where the criminal groups are simply not afraid of government officials, then those deterrents capacities are tragically go away and there's horrific repercussion for, not just from abroad, but basic life in a place like that.

MS. GALOFARO: This is an interesting question. And again, Vanda, Rupert, I think that you both might have some really interesting insight into this.

Has the increase in fentanyl production led to a decrease in the production of opium in Afghanistan?

MR. STONE: Who's going first on that? The short answer is no. That's obvious just looking at the date of the opium production in Afghanistan. I mean at the same

the fentanyl production has taken off the last several years. During that time opium has just kept increasing. So short term, no.

Longer term is a much more interesting question actually because obviously, I mean the Afghan heroin in Europe, you know, most of heroin in Europe now comes from Afghanistan. And could be theoretically a supply-driven push to adulterate that heroin with fentanyl, spike it, as happened in America. And then the opiate users in Europe then gravitate to fentanyl, and that effectively just puts the Afghan heroin trade kind of out of business or it would seriously undermine it. And that would have massive sociopolitical repercussions in Afghanistan, and obviously a huge public health crisis potentially in Europe.

So an interesting question is why that hasn't happened yet because fentanyl is so, from a trafficker's perspective, is so vastly superior to heroin. I mean it's cheaper to make, it's easier to smuggle, and for all the reasons Vanda illuminated earlier. So, you know, it could well be a disaster that's waiting to happen.

It could be said on the Afghan front, the Afghan drug trade has been diversifying into semi-synthetic drugs already so using much greater methamphetamine production in Afghanistan but using a local plant so it's not entirely kind of a lab-based, chemical-based synthetic drug production. It uses a plant but still we are seeing a shift within the Afghan drug economy to methamphetamine which could in the future compensate for any blow it suffers from the reduced heroin trade in Europe.

But Vanda I'm sure has more to say.

MS. FELBAB-BROWN: Just to add, you know, the fentanyl Afghan heroin story just shows how completely segregated the markets are. Despite the past 20 years, or really despite the past 30 plus years of booming opium poppy production in Afghanistan, the U.S. market has not been supplied by Afghan heroin. Afghan heroin is a tiny segment of the U.S. market.

But where we have seen replacement is for our Mexican heroin. That has been totally eclipsed and pretty much decimated by the production of fentanyl. So the U.S.

opioid epidemic goes through these three broad phases. It starts with prescription opioids. And it's a very powerful demonstration of how heavily commercialized and abusive legal markets can create the most devastating drug epidemic in the U.S. history. U.S. pharmaceutical firms manage to create addiction opioid use disorder that an illegal market would never manage to do.

Once the realization of how much damage prescription opioids were causing took place and writing prescription opioid became much more controlled. But nonetheless, very vast number of people had opioid use disorder now. We have saw a shift to the illegal market in heroin. And that stimulated a big takeoff of poppy cultivation and heroin production in Mexico.

But in 2013, synthetic opioids from China start dramatically displacing heroin from Mexico, and we've seen a very significant decline of poppy. Prices and supply have shifted to fentanyl. And I believe and sort of venture here that to a large extent what is keeping the U.S. cocaine market alive after user decline is the fact now that fentanyl is being mixed into cocaine.

So another sort of shift to watch is whether we will see further declines in the cocaine market because of synthetic opioids.

MS. GALOFARO: A number of question have come in about the consequences on Chinese citizens. One reads "In general nationals that produce or are candidates for drugs risk, harboring drug use in their population. China does not fit that assumption. It's been involved in fentanyl production for a decade or more. Do you think draconian measures taken against people addicted to heroin in China is a shield against massive expansion of fentanyl users in China, thereby removing incentives to curtail production of precursors or final product?"

MS. FELBAB-BROWN: Ryan, do you want to start. I'm glad to come in on China's --

MR. HASS: No, I'll gladly listen to you. Thank you.

MS. FELBAB-BROWN: I don't think that the often very harsh policies that China adopts toward domestic drug use that thanks to emphasize kind of a reputative approach to drug users and then to emphasize rather brutal methods of going cold turkey detox at a cover for fentanyl.

They long proceed to us the rise of synthetic opioids. They have been the approach that the Chinese government has long adopted to dealing with drug use. And those are very unfortunate policies. We have very robust evidence that penalizing users and treating them harshly, not recognizing drug use as a public health, as a public illness, as a public health illness, as an illness, is deeply counterproductive.

And it would also sort of come back to what I have mentioned before that that often gaps in markets. So we had many years of China being a very significant producer of methamphetamine before there became a recognition that methamphetamine use became a very significant, very serious issue with China despite the fact that we have positive data and that China often does not report in great level of detail of the level of drug use and other drug related statistics.

But when this realization that meth consumption became a very serious issue in China took place, the Chinese government all of a sudden became far more willing to cooperate on meth responses regionally, internationally, and even moved to acting against the production or monitoring facilities that were producing precursors that were not scheduled. And the Chinese government would often say well, we cannot do anything about those precursors because they are not scheduled. Now that they were supplying with the Chinese market, all of a sudden more creative law enforcement monitoring of actions became possible.

I would hope that we don't have to wait or that we will not see China really making more of an effort to cooperate on synthetic opioids after synthetic opioids come to China. And I would posit that they will. Pharmaceutical companies, including some of the worst offenders in the U.S. crisis, like Purdue Pharma, and it's international branch, Mundi

Pharma, have been very aggressively advertising, lobbying in places like China, other parts of the world, essentially adopting many of the same methods that they adopted in the United States to con our country into causing the biggest drug use epidemic that we have ever seen. And we don't want that to take place in China, even as reasonable balance needs to be struck between managing pain, a very difficult condition, the patient certainly cannot be left suffering, but doing so in ways that don't cause massive addiction like we have experienced in the U.S.

And that too can be a mechanism for cooperation in areas of discussions and sharing of knowledge and information between the United States and China.

MS. GALOFARO: Thanks, Vanda. We only have a few minutes left. And we've gotten a couple questions on a similar topic. And I know that we touched on this a little bit earlier, but I think it would be a nice way to end this conversation with.

This all does seen pretty bewildering and it's something that's going to take a very long time to rebuild the international infrastructure in some way to limit these drugs flooding into this country. You know, what can we do in the short term to try to cut back on this horrific devastation that so many Americans are experiencing? Is it expanded medically assisted treatment option, you know, what is the next best step before we can get to these longer-term solutions? Vanda, could we start with you?

MS. FELBAB-BROWN: Sure. So we clearly need to act along the spectrum of possible interventions, including because no one single intervention is going to produce radical improvements that we would all like to see.

So, yes, absolutely, expanded treatment, expanded access to health insurance to cover treatment, methods such as safe prescription sites, supervised prescription sites, to avoid overdose, to be able to have access to overdose using medications. And the daring on the stringently monitored and evaluated basis of measures such as methamphetamine maintenance, or perhaps even heroin maintenance.

Being creative in what we can do domestically in terms of law enforcement.

Such as trying to make good criminals. What do I mean by this facetious phrase? By prioritizing law enforcement efforts against unscrupulous dealers that do not inform users what they are giving them and consequently users can have much higher rate of lethal overdose, or even overdose they survive but might cause debilitating morbidity for the rest of their lives.

And working internationally as much as we can. Ryan made very important comments about even though cooperation with China might take a while to rebuild, or even build given the geostrategic relationship, working with collations of the willing, thinking about if the government of China is not willing to act, are there levers against Chinese pharmaceutical industry, against particular firms, against business, high level Chinese businessmen.

I outlined in the report some actions that we can take in this place to help them lobby the Chinese governments to adopt better methods.

Let me leave it there knowing where we are so that Ryan and Rupert have a chance to come in as well.

MS. GALOFARO: Rupert, could you talk briefly about just what are the short-term solutions that are more actionable in the immediate future?

MR. STONE: That's a very good question. I mean one thing that can be improved is data surveillance for a start. And actually it helps enormously if countries are more transparent with information.

I mean one example is I don't pick on India because this is a problem that other countries, including China, have. Is India doesn't report enough of its drug seizures and specifically because of chemical seizures. So if you look at the public datasets on these issues there really isn't an awful lot of information.

And if there isn't any information that's really helpful to know how much of a problem there is or what's going on or what you can do to counter it. So I think there has to be better information than that theoretically, something that could happen quite quickly.

MR. HASS: I will just offer my two cents to start out as a non-expert in this field. I would encourage everyone to read Vanda's recent report. It is the essential place to start for understanding what is happening and what can be done and what should be done to address this problem.

And just at a broader level, I think it's important for the United States to find its friends who are also being affected or could potentially in the future be affected by this epidemic, because the Chinese may not hear the voices and concerns of Americans as clearly today as the might otherwise, but they will pay attention to those in the region whose relations with them they care deeply about.

I think we also need to focus at home in the United States, improving treatment and care, prioritizing the law enforcement efforts to focus on fentanyl and fentanyl related crimes.

But lastly, we need to keep the conversation going with the Chinese. Even amidst difficulties in the relationship, both to continue to signal the prioritization we place upon this issue because of the impact it has on so many Americans every day. But also to share with the Chinese the experiences that we're having and to help them understand the potential risks they may face in the future through their inaction if, as Vanda has suggested, this issue continues to spread.

MS. GALOFARO: Well thank you all so much. I really appreciate the panelists sharing their thoughts, and thank you to our very engaged audience for joining us this morning, or this afternoon, depending on where you are. And have a great rest of your day.

Thank you all so much.

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