

America must win the biotech competition with China

Reject most-favored-nation pricing

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The United States and China are engaged in a competition that will shape far more than the future of medicine.

The country that wins the biotechnology race will wield enormous economic influence. Even more than that, this competition poses a national security threat to our very existence.

For decades, the United States held an overwhelming advantage, but that lead is now narrowing faster than most policymakers realize.

A recent survey of senior American biotechnology and academic leaders found that China is already

considered the clear leader over the U.S. in several key categories of biomedical development, even as America retains important advantages in others.

Those strengths still give the United States a narrow overall lead, but that edge is eroding quickly.

These sentiments reflect a broader and deeply troubling trend. Over the past decade, China has become a major source of innovative drug candidates and alternatives.

While the American share of early drug-development programs fell from about 48% in 2015 to 37% in 2024, China's share rose from 8% to more than 32%. The speed and scale of that change have transformed China's rise in biotechnology from a long-term concern into an immediate strategic challenge.

Beijing has launched a government-led campaign to build a vertically integrated ecosystem capable of challenging American leadership in the field. U.S. policymakers may have only a limited window to act before China secures lasting advantages. They must respond with strategic urgency while relying on the strengths of our own biotech and research establishment.

In a timely move, federal health officials recently launched efforts to make America a more attractive place to conduct early drug research.

Planned reforms would provide clearer regulatory guidance and explore new trial designs.

Officials hope to shave six to 12 months off earlystage clinical trial timelines. That is a promising step, but Washington must not undermine that progress by adopting most-favored-nation drug pricing.

Most-favored-nation would link American drug prices to those in countries where governments impose price controls. Its appeal is understandable. American patients should not be expected to finance a disproportionate share of global pharmaceutical research while wealthy allies suppress prices at home.

Yet importing those governments' pricing decisions is the wrong remedy. This is becoming increasingly clear as the Trump administration launches an investigation into Germany for unreasonable and discriminatory drug prices.

America's most important remaining biotechnology advantage is not a state-directed industrial policy or government-subsidized development model. It is our unmatched ability to finance, commercialize and reward successful innovation.

Most-favored-nation status would weaken that innovation engine at the exact moment China is trying to overtake it.

Developing medicines is expensive, uncertain and time-consuming. Investors accept that risk because a successful treatment can generate sufficient returns. Reducing expected returns through government price controls does not eliminate those economic realities; it changes where capital flows. Promising work will increasingly migrate toward countries offering faster development, lower costs and state support.

China is waiting to absorb that investment and make the U.S. more dependent on its supply chains. This would not only weaken our ability to respond quickly to future pandemics and biological threats but also give Beijing greater influence over the innovation pipelines that may determine which country develops the next generation of medicines. This is why biotechnology leadership must be understood as a core element of national resilience. National security depends on more than maintaining stockpiles after products have already been developed. It also depends on preserving the innovation and investment ecosystem needed to identify emerging threats and produce new responses before a crisis begins. That broader national security imperative makes the current policy contradiction especially concerning. One part of the federal government is trying to make the United States faster and more competitive in clinical development to prevent this outcome, while most-favored-nation would diminish the financial incentives that

encourage medicines to be developed here. The biotechnology race is still ours to lose. America retains the world's strongest scientific institutions, deepest capital markets, greatest concentration of talent and most powerful commercialization ecosystem. Policymakers should build on those advantages and reject most-favored-nation pricing in favor of more beneficial approaches to lowering drug costs.

Rear Adm. Don Loren (U.S. Navy, retired) recently retired as distinguished professor of national security and resource strategy and served as both assistant secretary of veterans affairs and deputy assistant secretary of defense