



China Primer: Illicit Fentanyl and China's Role

For over a decade, the synthetic opioid fentanyl and fentanyl-related substances have been key drivers of the U.S. opioid crisis. Countering the illicit trafficking of fentanyl and the precursor chemicals (“precursors”) used to make it has been a U.S. priority. In 2017, the U.S. Department of State first identified the People’s Republic of China (PRC, or China) as the main source of U.S.-bound fentanyl and fentanyl precursors. Since the PRC imposed domestic controls on fentanyl-related substances in 2019, which curtailed almost all direct shipments of fentanyl from China to the United States, many U.S. policymakers have shifted focus. A chief concern of U.S. policymakers today is the role of China—the global leader in chemical sales—as the primary source of precursors used by transnational criminal organizations (TCOs) to synthesize fentanyl and its analogues in third countries (chiefly Mexico). Congress has sought to address China’s shifting role in the illicit drug trade, including through provisions in the BUST Fentanyl Act in the National Defense Authorization Act for FY2026.

Background

Fentanyl is a potent synthetic opioid that has been used medically as a painkiller and an anesthetic since it was first synthesized in 1959. Due to fentanyl’s potential for abuse and addiction, the United Nations (UN) placed it under international control in 1964. Domestically, fentanyl is regulated by the U.S. Drug Enforcement Administration (DEA), pursuant to the Comprehensive Drug Abuse Prevention and Control Act of 1970, as amended (21 U.S.C. §§801 et seq.). The U.S. Centers for Disease Control and Prevention estimate that synthetic opioids (primarily fentanyl-related substances) resulted in about 37,393 U.S. overdose deaths in 2025—a decrease of 52% from the peak of 77,695 deaths from July 2022–June 2023.

As of April 2026, the International Narcotics Control Board (INCB)—an independent expert body that monitors governments’ compliance with UN drug control conventions—reported the existence of 183 fentanyl-related substances with no known legitimate use. The UN Office on Drugs and Crime estimates that laboratories could potentially synthesize thousands of fentanyl-related substances. More than 30 fentanyl-related substances, including precursors, are controlled (“scheduled”) internationally pursuant to the UN Single Convention on Narcotic Drugs of 1961, as amended, and the UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988. UN member states began scheduling fentanyl precursors for international control in 2017. As of May 2026, the INCB had scheduled seven fentanyl precursors for international control.

Sources and Trafficking Pathways

According to the DEA, fentanyl sourced from China accounted for 97% of high-purity fentanyl seized from shipments to the United States in 2016 and 2017. In 2019,

in response to U.S. concerns expressed by the first Trump Administration, the PRC government controlled fentanyl substances as a class, leading to a major change in trafficking patterns. According to the Department of State’s March 2025 International Narcotics Control Strategy Report (INCSR), “almost no fentanyl or fentanyl analogues have been detected directly entering the United States from [China] since the PRC implemented controls over fentanyl-related substances as a class in 2019.” (The report notes that production of U.S.-bound illicit fentanyl and analogues is now concentrated in Mexico.)

China and India are “the primary source countries for illicit fentanyl precursor chemicals and pill pressing equipment,” according to the U.S. intelligence community’s March 2026 Annual Threat Assessment. China’s massive chemical and pharmaceutical industries make the PRC a primary supplier not only of precursors for fentanyl, but also for illicit drugs including methamphetamine, ketamine, and nitazenes. Because of the PRC’s role as a supplier of precursors, the President has designated China a major illicit drug producing or drug transit country since 2023, following Congress’ 2022 amendment (P.L. 117-263) of the definition to include synthetic drugs and their precursors.

U.S. Executive Branch Actions

Successive administrations have acted to address China’s role in the trafficking of fentanyl and its precursors. The United States has sanctioned PRC citizens and PRC-based companies. Over the past decade, the executive branch also has indicted dozens of PRC citizens and PRC-based companies for their alleged involvement in the trafficking of synthetic drugs, precursor chemicals, and pill making equipment, and related money laundering. In December 2025, the second Trump Administration, through Executive Order (E.O.) 14367, designated “illicit fentanyl and its core precursor chemicals” as Weapons of Mass Destruction.

The second Trump Administration has sought to address China’s role in the U.S. opioid epidemic in part through trade-related actions. On February 1, 2025, the White House issued E.O. 14195, which expanded the national emergency the President declared in January 2025 (Proclamation 10886) to cover the PRC government’s alleged failures to interdict suppliers of precursors, money launderers, and other actors related to TCOs. The order subsequently imposed an additional 10% tariff on PRC products pursuant to authorities including those under the International Emergency Economic Powers Act (IEEPA). In February 2026, after various changes to tariff rates by the Administration in 2025, the Supreme Court invalidated tariffs imposed under IEEPA authorities, including those on PRC products. In 2025, the President also directed duty-free de minimis treatment to be suspended for low-value imports from China (premised on the alleged use of such shipments

as an avenue for the trafficking of illicit substances; the suspension was later expanded globally).

In September 2025, a federal grand jury indicted “dozens” of defendants, including 22 PRC nationals and four PRC-based pharmaceutical companies, on narcotics and money laundering charges for trafficking fentanyl cutting agents. In a similar case, six PRC nationals and two PRC-based pharmaceutical companies were indicted on the same charges as well as attempting to provide material support to a foreign terrorist organization (the Mexican TCO, *Cártel del Golfo*) in March 2026. In May 2025, the Department of Justice unsealed a 21-count indictment against a PRC-based company and three PRC nationals for their alleged role in the illegal importation of pill-making equipment. Also in May 2025, two PRC nationals pleaded guilty to money laundering charges involving drug trafficking proceeds.

PRC Counternarcotics Efforts

The PRC government has taken actions to counter the trafficking of precursor chemicals and illicit substances, including fentanyl. The PRC stepped up counternarcotics efforts following the 2023 San Francisco Summit between then-President Joe Biden and PRC leader Xi Jinping. The PRC government has argued that the core problem is not supply, but U.S. demand and that punitive U.S. tariffs “dealt a heavy blow” to U.S.-China counternarcotics cooperation. PRC efforts have included:

Scheduling Actions. In June 2025, the PRC completed scheduling all fentanyl precursors scheduled by the INCB, putting the country in line with its international obligations under the 1988 UN Convention. One month later, the PRC government designated nitazene-class substances, another category of synthetic opioids, for domestic control. According to the DEA, some China-based chemical companies may be reluctant to supply controlled precursors overseas due to the government’s scheduling actions. Consequently, many fentanyl cooks in Mexico may be struggling to obtain some key precursors.

Export Controls. Following an October 2025 summit between President Trump and Xi, the White House reported that China agreed to “stop the shipment of certain designated chemicals to North America and strictly control exports of certain other chemicals to all destinations in the world.” In November 2025, PRC agencies, led by the Ministry of Commerce, placed controls on the export to North America of 13 precursor chemicals used to manufacture fentanyl. PRC authorities placed export controls on three more chemicals following President Trump’s May 2026 visit to Beijing.

Investigations. In 2024, “coordinated action” by the PRC, United States, and Mexico “resulted in the arrest of one individual and in Mexico arresting an additional person indicted by the United States for their roles in a money-laundering scheme on behalf” of the Sinaloa cartel, per the Department of State. In December 2025, the PRC Ministry of Public Security, which oversees counternarcotics efforts, said the United States and PRC “have jointly investigated multiple cases” without elaborating.

Enforcement Campaigns. In a March 2025 white paper, the PRC stated it had taken down 140,000 “illegal advertisements” and ordered 14 online platforms to “take corrective action or shut down” as of June 2024. It also reported that it had “urged online platforms in the chemical industry to implement measures like real-name registration for users” and “online information inspection.” Following the May 2026 Beijing Summit, PRC authorities issued a circular calling on chemical companies to keep eight unscheduled chemicals from “being diverted into illegal channels for drug production.”

Issues Facing Congress

Illicit trafficking in fentanyl precursors from China remains an issue in the U.S.-China relationship. The State Department’s 2025 International Narcotics Control Strategy Report (INCSR) asserts that “the PRC’s enforcement of its counternarcotics regulations remains uneven and opaque” and the PRC “has in many instances not acted against companies selling non-scheduled fentanyl and other precursor chemicals used ... to illicitly manufacture narcotics.” The report also notes that “there remains significant room for further U.S.-PRC counterdrug cooperation, especially as regards precursor chemical production.” In addressing China’s role in the illicit drug trade, Congress may consider:

Counternarcotics Appropriations. Congress may consider whether current funding levels are sufficient to address synthetic drugs. In the 119th Congress, the Consolidated Appropriations Act, 2026 (P.L. 119-75, §7036) directs at least \$150 million for countering the trafficking of fentanyl, its precursors, and other synthetic drugs, and specifically countering flows from China and Mexico. The previous full-year appropriations bill (P.L. 118-47) directed \$125 million for FY2024, an amount carried forward in FY2025 through continuing resolutions.

Oversight. The BUST Fentanyl Act, Title LXXXIII of the National Defense Authorization Act for Fiscal Year 2026 (P.L. 119-60), requires the Secretary of State and Attorney General to submit a report to Congress on U.S. efforts to address synthetic opioid trafficking from China and other countries. Congress may conduct further oversight on topics included in that requirement, including on DEA’s closure of offices in Shanghai and Guangzhou in 2024. The agency did not publicly explain the move, reportedly described internally by then-DEA Administrator Anne Milgram as part of an effort to “harness” the agency’s “limited and strained resources.” DEA maintains offices in Beijing and Hong Kong. Congress also could conduct oversight of executive branch efforts to address money laundering linked to fentanyl and precursor trafficking.

Weapon of Mass Destruction (WMD) Designation. Congress may consider whether to assess the implications of the Trump Administration’s designation of “illicit fentanyl and its core precursor chemicals” as WMD for bilateral counternarcotics cooperation with China, as well as other foreign countries including Mexico.

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