Weekly Checkup

A 2026 Biopharma Competitiveness Agenda

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For decades, the United States' advantage in the biopharma industry was structural. The United States paired world-class basic science with deep private capital, a predictable intellectual property (IP) regime, and regulators capable of translating credible science into approved products. That ecosystem remains the best in the world at scaling breakthroughs. But it is increasingly exposed to a competitor that has made speed, industrial coordination, and domestic capacity core national priorities. **China is not "emerging" onto the innovation landscape; it is already a meaningful source of clinical activity, development assets, and deal flow.** Treating that as a future risk rather than a present condition is how nations lose technological races.

China's playbook is straightforward: compress timelines and multiply shots on goal. Its advantage is less about a single scientific leap and more about system-level throughput. Faster patient recruitment, lower trial costs, and a concentrated set of development hubs allows more programs to reach proof-of-concept faster. In a sector where time-to-data determines who attracts capital, speed compounds those advantages.

That dynamic is visible in the global pipeline. Chinese firms and China-origin assets show up with increasing frequency in major licensing and partnership deals. Western companies facing patent cliffs and pipeline gaps are naturally incentivized to shop for the most advanced, de-risked programs, wherever they are developed. **If the cheapest and fastest route to Phase 2 data runs through China, that's where investment and talent will be drawn – unless the United States rebuilds its advantage.**

None of this requires accepting a narrative that China "wins" at innovation writ large. It requires acknowledging something more practical: China is becoming a very efficient machine for early-stage development and clinical validation in high-priority modalities. And in biopharma, whoever controls the engine of validation controls a big share of future

value.

The United States is still home to the world's best innovation platform – but it's becoming easier to route around it. The U.S. market can reward value, support sophisticated specialty care, and sustain high-intensity R&D – if the policy environment remains investable. Food and Drug Administration review and approval predictability, the credibility of U.S. regulatory science, and clear, robust reimbursement and payment policy are enduring advantages.

But the innovation stack is only as strong as its weakest link: discovery to translation to trials to approval to coverage to manufacturing. If the United States remains the world leader in discovery and approval, but falters in clinical trials and creates uncertainty in coverage economics, the "middle" of the pipeline will migrate. That can happen quietly – first through contract research organization or contract development and manufacturing organization outsourcing, then through trial concentration, then through deal flow and platform formation. By the time policymakers see it in headline numbers, the flywheel is already turning elsewhere.

In other words: the United States doesn't lose the race with a single bad decision. It loses by tolerating inefficiency and uncertainty until innovators rationally choose the path of least resistance. **If the strategic objective is to keep the U.S. the default home for biopharma innovation, policy must do three things simultaneously: increase domestic execution speed, preserve investment incentives, and secure critical industrial inputs.** So, what does "not losing" look like in practice?

- Make U.S. clinical trials a competitive advantage again: The United States needs a hard push on trial startup times, site contracting, data interoperability, and enrollment logistics. Decentralized trial models, pragmatic use of real-world evidence where appropriate, and modern data infrastructure can reduce time-to-readout without lowering evidentiary standards.
- Treat development as strategic infrastructure: Basic research funding matters, but so does everything that turns a discovery into a product: talent pipelines, startup formation, and early-stage financing. The United States should be reinforcing the conditions that make private risk-taking rational: stable IP protections, predictable regulatory pathways, skilled workforces, and policies that support long-horizon capital planning.
- Avoid self-inflicted uncertainty in the U.S. market: Biopharma investment is extremely sensitive to policy ambiguity – especially when it changes expected returns late in a product lifecycle. Whatever one's view of drug-pricing reforms, the United States

needs policies that are transparent, consistent, and aligned with clinical value. Predictability is not a gift to industry; it is a prerequisite for a stable product pipeline.

- Pair biosecurity restrictions with a serious "trusted capacity" buildout: If the U.S. is restricting exposure to certain foreign biotech supply chains, it must pair that with expanded domestic and allied capacity. Otherwise, restrictions function as a tax on innovation rather than a security measure.
- Work with allies, not as a fragmented market: The United States and its close partners can collectively offer the world's most attractive innovation environment if they harmonize standards, coordinate regulatory science, and enable cross-border trials and manufacturing among trusted networks. The alternative – where we are headed – is a slow, fragmented ecosystem that falls behind China.

The point isn't to panic. The United States starts from a position of strength, but strength doesn't defend itself. In biopharma, the competitive environment is already set: China is pushing aggressively up the value chain, and global capital will follow speed and certainty. **The U.S. response shouldn't be episodic crackdowns or rhetorical concern. It should be a durable competitiveness agenda that makes America the fastest, most predictable place in the world to move from idea to evidence to scale.** That's what "not losing the innovation race" actually means: fewer bottlenecks, less policy volatility, more execution capacity, and a credible plan to keep the biopharma flywheel spinning here.