

Chairman Brett Guthrie Opening Statement
Subcommittee on Health
Made in America: Strengthening Domestic Manufacturing and Our
Health Care Supply Chain
Wednesday, June 11, 2025 – 10:00 AM

Thank you, Chairman Carter, and thank you all for being here today.

During this hearing, we'll be hearing from expert witnesses regarding the current state of our supply chain and opportunities and challenges to strengthen our domestic manufacturing capacities and infrastructure. Efforts to bring capacity back home to the United States are critical to protecting our national security, as well as ensuring access to safe, secure, and reliable medicines and health care products for Americans.

Over the years, countries like India and China have continued to grow more influential in the research, development, and manufacturing of medical products. Globally, this has led many countries, including the United States, to be reliant on international sources for the production of certain medicines and other health care products and supplies.

The reasons for this evolution are incredibly complex, involving both workforce and development and manufacturing cost considerations, differing incentive structures, strategic location selections, operational risks, as well as associated regulatory burdens or corresponding flexibility, just to name a few.

While the reasons are complex – the staggering reality that our current domestic supply chain is largely reliant on international forces is remarkably clear and one we must address.

According to recent data, around half of the APIs, or Active Pharmaceutical Ingredients, for prescription medicines in the U.S. come from India and the European Union. In addition, India controls the majority of production volume for most oral tablets and capsules.

Meanwhile, China is an exclusive manufacturer of certain APIs and essential medicines, while remaining a dominant supplier of key starting materials – the pieces of the puzzle that often go on to contribute to API.

Thus, it is fair to say the U.S. remains reliant on several international partners for many, varied pieces of the supply chain that eventually come together to produce the products that land in our medicine cabinets, in our doctors' offices, and are used in our hospitals.

Our health care supply chain involves many components and important players – from the groundbreaking research to the raw material suppliers, product manufacturers, distributors, and purchasers, all the way to our patients.

We look forward to hearing from the experts in front of us today to provide their perspective and shed light on the nuances of this supply chain and the role their entities play, shed light on vulnerabilities, and discuss possible opportunities and solutions.

With decreased reliance on China and other nations, we can help to foster a more sustainable, resilient, and predictable health care supply chain, bolstering our domestic manufacturing, and promoting the safety of our medicines and the security of our country.

It is also important to remember the national advancements in medicine already being made right here at home. For example, from 2018 to 2022, the biopharmaceutical industry increased capital investments in their facilities, equipment, and infrastructure by more than 72%, contributing more than \$126 billion dollars towards U.S. advanced manufacturing. To put this into perspective – the only industry who exceeded that was motor vehicles.

In terms of innovation – the biopharmaceutical industry increased their research and development investment by more than 58 percent during

this same time frame. In fact – 46 percent of the 634 novel drugs that have been approved globally over the last decade are the direct result of American companies' involvement in the discovery, patent, or clinical research process – this is twice that of companies headquartered in Europe. The U.S. also remains the most common first-launch country for new drug products, with other country launches often lagging a year or more behind.

These are all great examples of the tremendous successes that can occur right here on American soil, when we allow for innovation to flourish.

We also have great stories of more recent domestic investments – decisions made by companies who are working to bring medicines and products back to America.

Through our One, Big, Beautiful Bill Act, tax credits like the 100 percent immediate deductibility for existing and new U.S. factories, as well as expanding small business tax benefits to more manufacturing businesses actively work to incentivize domestic manufacturing.

I look forward to hopefully hearing more about some of these District stories from the Members on this Committee, as well as our witnesses.

By taking steps to incentivize the onshoring of manufacturing and bolstering our domestic supply chain, we will promote innovation and economic growth, ensure reliable and effective products for our constituents and families, and protect the safety and security of our country.

I thank the witnesses for their participation and look forward to today's discussion. I yield back.