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**TESTIMONY OF RALPH F. IVES
REPRESENTING
THE ADVANCED MEDICAL TECHNOLOGY ASSOCIATION
BEFORE
THE COMMITTEE ON SECTION 301
MAY 17, 2018**

Thank you for the opportunity to present the views of the Advanced Medical Technology Industry (AdvaMed) before the Section 301 Committee. We provided this committee a detailed written submission, which we hope will be the basis for any decisions USTR makes concerning its proposed action affecting our industry.

AdvaMed supports the Administration's determination to ensure that China abides by international trade rules that have served the global community well since 1948. But, for our industry, the proposed additional tariff of 25 percent on imports of nearly \$3 billion of medical technology products is the wrong action at the wrong time.

Imposing tariffs on the imports of medical technology will not help our industry. We are an American success story. Much of the medical technologies on the market today were invented in the United States.

We are winning by the Administration's own metric – the trade deficit. Our industry has consistently run a global merchandise trade surplus. Our industry's trade with China in all medical technology products is running a negligible deficit, and our trade with China of the products on the USTR list are in slight surplus. We rely on international trade, including imports of components and semi-finished products from China, to retain our leadership in a highly and increasingly competitive global market.

This is the wrong time to take action affecting our industry. We share the Administration's concern about measures China might adopt to capture our industry under "Made in China: 2025." That is why we developed an Action Plan, first proposed by Ambassador Lighthizer, to address our main problems in China. Our Action Plan calls for comparable reciprocal market access for medical technology trade between China and the United States and includes specific actionable issues that need to be resolved. We received favorable comments about this Action Plan from the relevant US agencies.

We have been making progress with China on some of the issues identified by that Action Plan. We do not want progress to stop, or even worse go backwards, because medical technology products are on the USTR retaliation list.





Our concerns are compounded because we are a heavily regulated industry in China. Chinese retaliation for USTR's actions could easily be taken by Chinese regulators in a number of areas adversely impacting our industry – also undermining our ability to compete with Chinese medical technology companies.

We respectfully request that import tariffs not be implemented at this time on the medical technology HTS categories identified in our written submission. We ask that our Action Plan be the basis for advancing our issues in China.