THE US-CHINA BUSINESS COUNCIL
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US-China Business Council Comments on Section 232 National Security Investigation of Imports of Personal Protective Equipment, Medical Consumables, and Medical Equipment, Including Devices

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Bureau of Industry and Security, Department of Commerce

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The US-China Business Council (USCBC) welcomes the opportunity to submit comments to the Bureau of Industry and Security (BIS) on the Section 232 National Security Investigation of Imports of Personal Protective Equipment, Medical Consumables, and Medical Equipment, Including Devices.

USCBC represents about 270 US companies that do business with China. Many of our member companies play leading roles in the medical technology sector and across related industries, including biomedical research, pharmaceutical and medical device manufacturing, healthcare logistics, and clinical applications. Collectively, these companies provide American patients with access to some of the highest-quality medical technologies in the world. The US medical technology sector contributes more than $250 billion in annual economic output and supports nearly three million manufacturing jobs nationwide. At the same time, trade in medical technologies remains strong, maintaining a trade surplus with major trading partners including China.

We appreciate the Trump administration's efforts to investigate the national security implications of certain imported goods and to engage industry stakeholders. While approximately 70% of the medical technologies consumed in the United States are manufactured domestically, the broader supply chain leverages globally diversified production and distribution networks to ensure cost efficiency, quality, and reliability. For instance, high-value equipment and precision components are predominantly sourced from dependable trading partners such as Japan and the European Union. We are concerned that tariff actions taken on upstream components or sub-assemblies could trigger a ripple effect, affecting various stages of the supply chain, compounding the impacts of other tariffs and trade restrictions, and risking retaliation by foreign countries. As a result, the costs of intermediate goods throughout the value chain will rise sharply, imposing undue burdens on downstream distributors, healthcare providers, and patients in the United States.

In practice, tariffs lead to higher production costs and prices. Without accompanying policy incentives, companies may choose to forgo investing in and maintaining new US production capacity. Expanding tariffs to a broad range of medical products would impose additional costs on manufacturers, healthcare providers, and patients already grappling with inflation.

Instead of solely relying on tariffs, we respectfully urge BIS to clearly articulate a comprehensive strategy that enables US companies to expand their domestic manufacturing footprint while maintaining their competitiveness in international markets, including in China.

In our comments below, USCBC strives to serve as a constructive partner to the Department of Commerce as it seeks to advance policies that strengthen the United States' medical technology sector. Our submission provides specific feedback on China's role in the global medical device supply chain and offers recommendations from US industry stakeholders that do business with China.

I. US reliance on Chinese medical devices and current trade policy impacts

There is insufficient evidence to indicate that the United States is critically dependent on any single source for medical device supply. Approximately 30% of US medical technologies are imported, the majority of which comes from allies in North America and Europe.

In 2024, medical technology imports from China were valued at roughly $7 billion, representing less than 3% of the United States' $250 billion medical technology market. By contrast, China's domestic medical device production output amounted to only $48.8 billion and remains largely concentrated in lower-value products. As a result, China's potential capacity to influence or disrupt US medical device supply chains in the foreseeable future is limited.

Imposing tariffs would reduce US medical technology companies' ability to invest in R&D, job creation, and production expansion, ultimately weakening US global competitiveness. The cumulative effects of these tariffs, when combined with the previously announced Section 232 pharmaceutical tariffs and other import restrictions on China, would further strain the US healthcare system.

II. Key recommendations

a. Ensure investigations and resulting restrictions related to PPE and medical consumables are narrowly focused

The current scope of the 232 investigation is overly broad and lacks sufficient definition and clarity. As written, it could encompass an overly wide range of products, including certain personal care items, self-administered testing equipment, and consumer-grade finished goods that are widely available to the public and present no national security implications.

For example, products used in routine dental care, such as dental floss, picks, and toothbrushes, are clearly beyond the intended focus of this investigation. However, without clear parameters, such products could be inadvertently captured if the scope is interpreted too expansively.

We therefore urge BIS to publish a detailed list of product categories specifically included within the investigation, along with corresponding Harmonized System (HS) codes, when preparing the report. Providing such clarity will enable stakeholders to accurately assess potential exposure and avoid unnecessary reporting or classification burdens.

b. Take remedial actions to avoid undermining US medical technology companies' global competitiveness

US medical technology companies are global leaders. Their competitiveness stems not only from innovation, talent, and market scale, but also from expertise in international standard-setting, regulatory compliance, and global supply chain management. Many of these companies utilize global supply chains for sourcing upstream materials and components, including from China. The imposition of tariffs would increase manufacturing costs, constrain access to critical inputs, and reduce financial resources available for innovation. Taken together, these impacts erode US competitiveness vis-à-vis non-US competitors.

BIS should carefully weigh these considerations to ensure that any resulting trade restrictions do not inadvertently erode US competitiveness, and, by extension, national security. To mitigate such risks, USCBC recommends that BIS adopt remedial actions to minimize disruption to the US healthcare system and supply chain. These actions include providing reasonable transition periods, fast-tracking manufacturing approvals, and establishing a transparent tariff exclusion process for medical products essential to building domestic manufacturing capacity.

c. Align tariff policies with humanitarian and free trade commitments

It is essential to preserve duty-free treatment for medical products already covered under existing humanitarian commitments and regional free-trade agreements. As medical products are critical components of humanitarian aid, most countries — including the United States — have collectively committed to zero-for-zero tariff arrangements on essential, life-saving items.

Consistent with these commitments, the Trump administration should prioritize reciprocal, tariff-free trade with allies and partners. Upholding these international obligations not only ensures regulatory consistency but also strengthens the United States' credibility in trade negotiations.

III. Conclusion

The strength of the US medical technology sector rests on its capacity to innovate and compete globally, which are factors that contribute to US national security and economic prosperity. Broad tariffs risk undermining these foundations by heightening trade uncertainty and constraining US investment. We urge BIS to refrain from imposing unilateral tariffs or import quotas, particularly in the absence of tariff

exemptions for essential manufacturing equipment and reasonable adjustment periods. Such measures will raise healthcare costs and limit Americans' access to vital medical products.

BIS should also ensure that any resulting restrictions are narrowly tailored, complemented by domestic policy incentives that support investment, and consistent with existing US commitments to key trading partners.

USCBC appreciates the Department of Commerce's continued engagement and supports further opportunities for business consultation, such as public hearings and industry roundtables, to ensure the practical implications of proposed measures are fully understood and unintended consequences minimized.