



**Questions for the Record**  
**United States Trade Representative Katherine Tai**  
United States Senate Finance Committee  
Thursday, February 23, 2021

1. The nutritional supplement industry is a \$45 billion industry in the United States with a compound annual growth rate of between 9 and 12% annually. Today, more than three-quarters of the United States population takes a dietary supplement as part of their health lifestyle. Unfortunately, previously established tariffs of up to 25% remain in place for several other commodities including whey protein concentrates. To illustrate our reliance on Chinese ingredient suppliers, over 60% of the ingredients supplied for finished product manufacturing in the dietary supplement industry originate from China. With many nutritional supplements manufacturing businesses at risk of being forced to close up shop because China is the single largest global supplier of raw materials, how do you plan to address the industry's concerns during?
2. In a 2017 American Chamber of Commerce survey found that more than three-quarters of US-based companies expressed doubts about investing in China, while over 45% of those already in the country stated that their revenues were dropping. A successful joint venture can present valuable opportunities while reducing costs and risk, especially in times of slow or accelerated growth. It can also help companies gain access to new markets and distribution networks, along with new resources. Joint Ventures are a unique approach to doing business in China, however, in China, joint ventures work different and often times American firms have to deal with State-owned businesses having a majority or sometimes full ownership of the business for a fixed amount of time. This has put a strain on American intellectual property rights. In the dietary supplement space, the Food and Drug Administration is continuously bombarded by industry expressing their desire for the Agency to use their authority to issue import alerts on product that "piggybacks" off their New Dietary Ingredient Notification. Safeguarding intellectual property must remain an important element to negotiating a balance trade agreement with China. What details can you share with the committee about how you plan to address these concerns in the dietary supplement industry and other American industries?
3. China is the single largest global supplier of safe, reliable, and cost-effective raw materials for the nutritional supplement industry's products. This is the result of years of collaboration between our two countries, including the development of quality, safety, and good manufacturing practices, and regulatory compliance. The industry's reliance on Chinese ingredient suppliers is further illustrated by the fact over 60% of the ingredients supplied for finished product manufacturing in the nutritional supplement industry originates from China. US watchdogs have warned US vendors of a crackdown on price gouging. Unfortunately, many commodities not included in the Federal Register notice from August 20, 2019 have the previously established tariffs of up to 25% intact,



how do you plan to address Chinese raw material ingredient suppliers potentially price gouging American clients?