



Hearing on “China’s Evolving Healthcare Ecosystem: Challenges and Opportunities”

Thursday, May 7, 2020
Washington, DC

Opening Statement of Commissioner Lee

Thank you, Chairman Cleveland, and thank you again to the witnesses for participating in today’s hearing.

China’s efforts to improve its healthcare system offer a potential opportunity for the United States. China confronts an aging population and rising incidence of noncommunicable diseases. The Chinese government correctly recognizes that as the world leader in medical innovation, the United States can help meet China’s rapidly expanding demand for healthcare services and close widening gaps in provision of critical services to underserved populations. In theory, this should provide a lucrative opportunity for U.S. companies to sell goods and services to China and for U.S. researchers to work collaboratively with their Chinese counterparts on new therapies and devices.

In reality, Beijing seems more interested in dominating emerging healthcare industries than in achieving mutually beneficial outcomes. This is a pattern we have seen repeated many times before across a range of industries from steel to semiconductors. Although China’s Ministry of Commerce has placed certain healthcare subsectors on its list of “encouraged investments,” U.S. companies hoping to participate in China’s healthcare system must comply with byzantine regulations, contend with investment restrictions and lengthy approval wait-times, and navigate procurement processes that systematically favor domestic Chinese firms. Meanwhile, Chinese companies have pursued acquisitions and commercial arrangements in the U.S. healthcare market that would grant them access to large troves of U.S. patient data and valuable medical intellectual property.

The Chinese government has also used talent recruitment programs and exploited legal gray zones to orchestrate the transfer of pre-commercial research discoveries and develop applications within its own market. Chinese universities and laboratories have simultaneously tightened control over foreign researchers access to and usage of data that could help lead to future medical breakthroughs.

I look forward to hearing thoughts from today’s panelists on these issues. Before we get started, I want to remind everyone that our next hearing, “China’s Strategic Aims in Africa,” will be streamed live tomorrow on the Commission’s website starting at 9:30 am.

For now, I will turn the floor back over to Chairman Cleveland to introduce today’s panelists.