


Vehicle Supplier Industry Priorities


Improve Trade Competitiveness




Background




 Motor vehicle suppliers and our nation's competitiveness rely on rules-based free and fair-trade, benefiting both manufacturers and consumers. MEMA supports a strong North American system of trade that benefits our nation's competitiveness. MEMA was a strong supporter of the U.S.-Mexico-Canada Agreement (USMCA). However, implementation of key elements of the auto agreement must be transparent and flexible and must include compliance with the USMCA dispute resolution decision on "super-core rollup" on key components.

 The competitiveness of the industry is contingent upon being able to actively participate in the world's fastest-growing large market for new vehicles, therefore, U.S. vehicle suppliers must still be able to manufacture in China. Additionally, global trade and supply chains are evolving. The industry sources inputs and provides components manufactured in each region for vehicles produced in that region.

 Section 301 tariffs on Chinese Imports and Section 232 tariffs on steel and aluminum are taxes on American businesses, workers, and consumers, which have cost American industry more than \$188 billion and have placed a financial burden on U.S. parts and component manufacturers, undermining global competitiveness.


MEMA urges policy makers to:




 Reopen the exclusion process for Section 301 tariffs on Chinese imports.

 Eliminate Section 232 tariffs on steel and aluminum. The quotas now in place with the European Union, Japan, and the United Kingdom are helpful but not sufficient.

 Ensure compliance with the USMCA dispute resolution decision.

 Narrowly define export controls on critical technologies shipped to competitor nations based on military applications for technology.

 Finalize the Indo-Pacific Economic Framework (IPEF) and add market-opening export objectives like those of other trade negotiations. The IPEF should strive to achieve the substance and standards of the USMCA on major issues.

About MEMA and the Vehicle Supplier Industry



MEMA is the leading national trade association representing motor vehicle parts manufacturers, which is the largest sector of manufacturing jobs in the United States.

Vehicle suppliers:

- **Directly employ 907,000 people**, making the industry the largest sector of manufacturing jobs in the United States.
- Operate in **all 50 states**.
- Direct, indirect, and induced vehicle supplier employment accounts for **4.8 million U.S. jobs** and contributes **2.5 percent** to the U.S. GDP.

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