



From risk to resilience

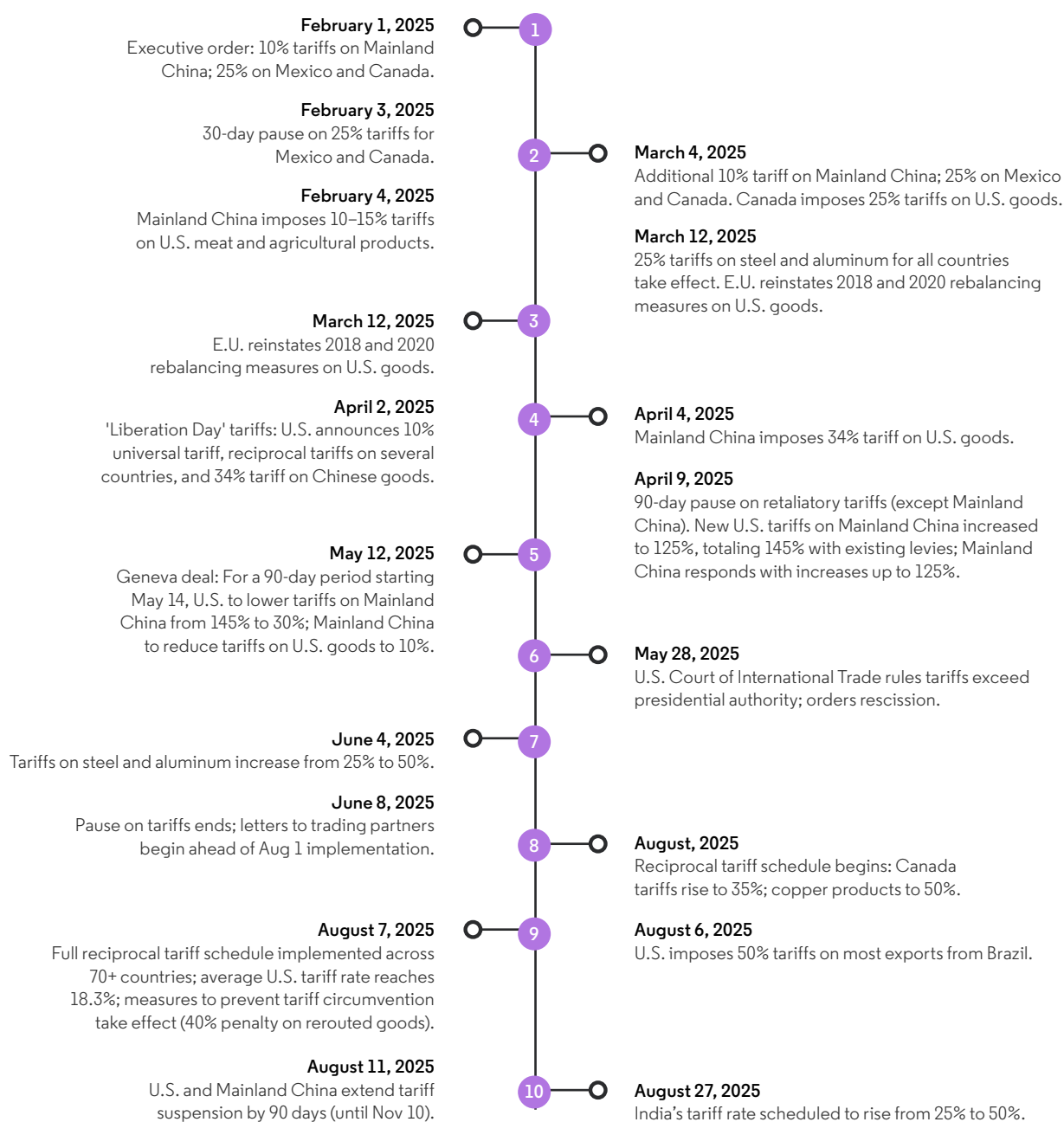
How medtech firms are adapting to tariff uncertainty



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Recent shifts in global trade policy, particularly under the current U.S. administration, are contributing to heightened uncertainty across international markets. Newly announced U.S. tariffs on imports from countries are expected to have a cascading effect throughout the medtech value chain.

Figure 1: U.S. tariff timeline



This timeline reflects tariff activity through August 2025, but the situation remains fluid, with ongoing negotiations between the U.S. and Mainland China, a November hearing on tariff legality, and newly announced 100% tariffs on branded (non-generic) pharmaceutical imports unless manufacturers are building U.S.-based facilities. Additional proposals targeting medical devices and robotics are also under consideration. The landscape is evolving rapidly, and industry stakeholders across medtech are closely monitoring developments.

Source: [Medtech 360](#) and [DRG Medtech Competitive Intelligence](#)

Impact of tariffs on medtech supply chains



Rising costs & operational pressures

- Tariffs on electronics & precision components increase costs for manufacturers, hospitals, and end-users.
 - Cross-border supply chains face elevated import duties, affecting cost structures.
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Global competitiveness

- Reciprocal tariffs from major markets like the E.U. & Mainland China could impact U.S. medtech export competitiveness.
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Operational pressures

- Supplier diversification or manufacturing relocation may lead to higher logistics costs & potential delays.
- Rising costs may lead to budget tightening, slower R&D investment, and longer product development timelines.

Market spotlight: orthopedic & cardiovascular devices

The following sections highlight recent developments in the orthopedic and cardiovascular device markets, two illustrative examples of how U.S. tariff changes are impacting specific segments in the broader medtech landscape.

Impact on the orthopedic device industry

Recent U.S. tariff policies have increased costs for orthopedic device manufacturers, particularly for materials such as titanium, cobalt-chromium, and ceramics sourced from Mainland China, Switzerland, and the EU. These cost pressures have prompted leading companies to implement mitigation strategies.

Table 1: Major orthopedic firms and overview of U.S. tariff impact

Company	Overall tariff impact estimate (2025-2026)	% of revenues coming from orthopedic business in H1 2025
Johnson & Johnson MedTech	\$200M	27%
Zimmer Biomet	\$40M	100%
Stryker	\$175M	39%
Smith & Nephew	\$15-\$20M	68%

Source: [Medtech 360](#) and [DRG Medtech Competitive Intelligence](#)

Find out more

Check out the e-book for a comprehensive chart with analyst insights. Reach out to us [here](#) for more details.

Impact on the cardiovascular device industry

The cardiovascular device industry is undergoing significant growth in the U.S. and globally, thanks in part to key U.S. Food and Drug Administration (FDA) approvals for novel devices and new indications. As the primary revenue source in the medical device market overall, it receives most of the tariff impact. Despite increased tariff rates on the EU, Canada, Mexico,

and other countries in the Latin American and Asia Pacific regions, MedTech firms with significant revenues coming from the vascular segment have recently significantly reduced their projected tariff impact. Most firms are reporting a reduction in tariffs by approximately half of what was initially reported at the end of Q1 2025.

Table 2: Major cardiovascular firms and overview of U.S. tariff impact

Company	Overall tariff impact estimate (2025-2026)	% of revenues coming from cardiovascular business in H1 2025
Medtronic	\$185M	38%
Abbott Laboratories	\$200M	61%
Boston Scientific	\$100M	66%
Johnson & Johnson MedTech	\$200M	27%
Edwards Lifesciences	\$12.5-15M	100%

Source: Medtech 360 and DRG Medtech Competitive Intelligence

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Industry response



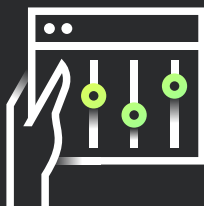
Risk mitigation tactics

- Inventory buffering to manage short-term supply risks.
 - Portfolio optimization to prioritize resilient product lines.
 - Enhancing operational flexibility to reduce exposure.
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Supply chain adaptation

- Dual sourcing to reduce dependency on single suppliers.
 - Establishing operations in tariff-neutral regions.
 - Nearshoring/reshoring to move production closer to end markets.
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Financial and operational planning

- Financial planning to absorb and forecast tariff-related costs.
 - Driving operational efficiencies to offset rising expenses.
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Cost absorption and pricing strategies

- Companies have absorbed tariff costs internally.
- This has limited impact on end-user pricing to maintain competitiveness and customer trust.

Turning disruption into opportunity

The evolving global trade landscape presents both challenges and opportunities for the medtech industry. While trade policy shifts have introduced cost pressures and operational complexities, the sector has shown resilience and agility through strategic

adaptation, ranging from supply chain diversification to targeted cost management. Ultimately, these developments may serve as a catalyst for long-term transformation, helping position the sector to manage future uncertainty with greater agility and preparedness.

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