Trump works towards US tariffs on drug imports

Observers warn of the negative health consequences if US President Donald Trump follows through on his promise to impose tariffs on pharmaceuticals. Susan Jaffe reports.

Prescription drugs were excluded from US President Donald Trump's tariffs that have rocked global markets and fuelled trade wars. But two recent actions signal the administration's intention to eliminate that protection. Last month, Trump ordered the Department of Commerce to investigate whether the USA's dependence on imported pharmaceuticals is a potential national security threat. If so, imposing tariffs would be a likely defence against imports.

"Shortages of critical drugs and medical equipment during the COVID-19 pandemic revealed the grave dangers of America's dependence on foreign imports", White House spokesman Kush Desai told *The Lancet*. The investigation began on April 1 and will "determine the effects on national security of imports of pharmaceuticals and pharmaceutical ingredients, and their derivative products", according to the administration's announcement.

The investigation could conclude sometime in the summer, although Trump indicated tariffs on drugs may come sooner. "We're going to be announcing very shortly a major tariff on pharmaceuticals", he said at a National Republican Congressional Committee dinner on April 8. "And when they hear that, they will leave China. They will leave other places because they have to sell—most of their product is sold here and they're going to be opening up their plants all over the place."

In a second action, on May 5, the administration recognised that the USA is not prepared to replace imported drugs with those made at home. Trump signed an executive order to restore "a robust domestic manufacturing base for prescription drugs, including key ingredients and materials necessary to manufacture prescription drugs", according to a White House fact sheet. It requires the Food and Drug Administration and Environmental Protection Agency to speed up approvals for new facilities as well as clear away other "bureaucratic obstacles". Construction of these facilities can take 5–10 years, "which is unacceptable from a national security standpoint", the fact sheet continued. The order did not mention the staffing and funding cuts at both agencies.

Details are scarce about which drugs may eventually be tariffed from which countries at what amounts, and whether tariffs would take effect within days or months. So far, the Trump administration has doubled the tariff on pharmaceuticals from China to 20% and excluded them from the 125% punitive tariff on other products from China. Yet, the prospect of tariffs has drawn criticism from drug makers, hospital associations, and doctors. The Pharmaceutical Research and Manufacturers of America, which represents biopharmaceutical research companies, said: "Tariffs on medicines add production costs, making it more difficult for biopharmaceutical companies to invest in American research, manufacturing and jobs".

The American Hospital Association has asked Trump not to apply tariffs to pharmaceuticals and medical devices from Mexico, Canada, and China (even though tariffs are temporarily paused for Mexico and Canada). Of particular concern are "products already in shortage and for which production in the countries subject to increased tariffs supply a significant part of the U.S. market", Association President Richard Pollack wrote in a letter to Trump.

Tariffs are most likely to have an adverse impact on generic drugs by increasing prices and shortages, said Aaron Kesselheim, a professor of medicine at Harvard Medical School and Brigham and Women's Hospital in Boston. "Brand name drug companies' bottom lines will be less affected because they sell their drugs at thousands of percent higher than the cost of production."

An estimated 91% of all prescription drugs used in the USA in 2022 were generics, according to the FDA. "Virtually all active pharmaceutical ingredients are imported", said John Murphy, President of the Association for Accessible Medicines, which represents generic drug manufacturers. "About 40% of the solid oral doses used in the US market are finished in the United States, and about 60% of sterile injectables." But those products rely on imported ingredients, mostly from China, India, and the EU. China is the world's largest supplier of active pharmaceutical ingredients. Writing in *The Lancet* on April 29, Sijia Liu and Jialao Ma said that tariffs could raise drug costs and threaten equitable access to affordable drugs.

Murphy said that the USA lacks the capacity to produce pharmaceutical ingredients and base materials, and that is unlikely to change with tariffs. Because generic drug manufacturing has thin profit margins, industry cannot afford to build the facilities and pay higher operating costs in the USA to make the materials that are now imported.

Imposing tariffs on drugs could instigate retaliatory tariffs from other countries where drug makers rely on US patents and other intellectual property assets, said Jessica Samuels, who has written about the impact of pharmaceutical tariffs for the Harvard Law School Petrie Flom Center. A trade war over life-saving medicine that increases costs for patients "would be devastating to the health care system", she said.

Susan Jaffe

For **more on the May 5 executive order** see https://www.whitehouse.gov/fact-sheets/2025/05/fact-sheet-president-donald-j-trump-announces-actions-to-reduce-regulatory-barriers-to-domestic-pharmaceutical-manufacturing/

For **Pollack's letter** see https://www.aha.org/lettercomment/2025-02-05-aha-urges-administration-grant-exceptions-tariffs-medications-and-medical-supplies

For the **Correspondence** by **Liu and Ma** see page 1659

For **Samuels' article on pharmaceutical tariffs** see https://petrieflom.law.harvard.edu/2025/04/14/whos-gonna-pay-the-impact-of-tariffs-on-pharmaceutical-products/#:~:text=Tariffs%20on%20pharmaceutical%20products%20are,patients