

**Before the
DEPARTMENT OF COMMERCE BUREAU OF INDUSTRY AND
SECURITY
Washington, D.C. 20230**

**In The Matter of Notice of Request for Public Comments on Section 232
National Security Investigation of Imports of Pharmaceuticals and
Pharmaceutical Ingredients**

Comments of the American Consumer Institute

The American Consumer Institute (ACI) is an independent 501(c)(3) education and research organization. Its mission is to identify, analyze, and protect the interests of consumers in selected legislative and rulemaking proceedings in information technology, health care, insurance, and other matters.

ACI submits these comments with the goal of expressing concerns regarding the Section 232 National Security Investigation of Imports of Pharmaceuticals and Pharmaceutical Ingredients. Imposing tariffs on imports of pharmaceutical products and active pharmaceutical ingredients (APIs) risks consumer welfare. Tariffs will increase medicine prices, exacerbating existing problems of drug affordability, and potentially cost lives, without increasing national security or pharmaceutical supply chain security.

In 2023, the United States imported \$177.85 billion worth of pharmaceuticals and APIs.¹ Imposing a 20 percent tariff on these imports would add roughly \$36 billion in additional costs—costs that will be passed to patients. These aren't luxury goods; they're essential medicines. Making them more expensive means some Americans will be forced to choose between treatment and other basic needs.

The impact will be especially severe for low-income communities.² Price increases disproportionately hurt these populations, where adherence to prescription regimens is already a challenge. Even without tariffs, an estimated 1.1 million Medicare patients are expected to die over the next decade because they cannot afford their medications.³ Tariffs will only worsen this grim statistic.

[1] "United States Imports of Pharmaceutical products," Trading Economics, accessed April 30, 2025, <https://tradingeconomics.com/united-states/imports/pharmaceutical-products>.

[2] Micheal Chernew et al., "Effects of Increased Patient Cost Sharing on Socioeconomic Disparities in Health Care," *Journal of General Internal Medicine* 23, no. 8 (2008): 1131 – 1136 <https://pmc.ncbi.nlm.nih.gov/articles/PMC2517964/>.

[3] "High Drug Prices and Patient Costs: Millions of Lives and Billions of Dollars Lost," Council for Informed Drug Spending Analysis, November 18, 2020, <https://www.cidssa.org/publications/xcenda-summary>.

Currently, around eight percent of Americans admit to not taking their medications as prescribed to save money.⁴ That number climbs to 14 percent among the uninsured. These figures make it clear: raising prices through tariffs will reduce medication adherence, with deadly consequences.

The increased prices will likely come with shortages in generic drugs as well.⁵ Reducing accessibility would exacerbate the risk of increased non-adherence to prescriptions for people who could otherwise afford medicine.

It is, at best, unclear what benefits will come to the pharmaceutical market while patients pay more for medicine. Pharmaceutical imports account for \$177.85 billion out of a \$722.5 billion U.S. pharmaceutical market in 2023.⁶ That means most of our supply is already domestic. Of those imports, the Census Bureau data⁷ shows the vast majority come from reliable allies. Ireland is the largest source by value, followed by Germany and Switzerland. In fact, the European Union (EU) supplies 62 percent of all foreign-sourced pharmaceutical products. These are not adversarial nations or a threat to national security; they are long-standing trade partners. Broad ranging pharmaceutical tariffs would hinder the health and security of America.

The potential threat some identify is China and the ability for China to cut off its supply of pharmaceuticals to America.⁸ Thankfully this is not the case. Chinese pharmaceutical imports are minimal—just 4 percent of total pharmaceutical imports by value in 2023.

While China does supply the majority of imported vitamins and a significant share of imported antibiotics, these products represent a relatively small share of the overall market. For example, \$812 million in vitamin imports from China is dwarfed by the \$53.58 billion size of the U.S. supplements market.⁹ Similarly, \$199 million in imported antibiotics is a small fraction of the \$13.36 billion U.S. antibiotics industry.¹⁰ Using tariffs as a blunt tool, rather than developing a targeting solution, would increase costs for patients without making America more secure.

[4] “Strategies Used by Adults to Reduce Their Prescription Drug Costs: United States, 2013,” Center for Disease Control National Center for Health Statistics, Data Brief No. 184, January 2015, <https://www.cdc.gov/nchs/products/databriefs/db184.htm>.

[5] Diederik Stadig, “US drug prices and shortages set to rise despite Trump’s latest executive order,” ING Think, April 17, 2025 <https://think.ing.com/articles/us-drug-prices-shortages-increase-despite-executive-orders-trump/>.

[6] “U.S. Pharmaceutical Market Size, Share & Trends Analysis Report By Molecule (Biologics & Biosimilars, Conventional Drugs), By Product, By Type, By Route Of Administration, By Disease, By Age Group, By Distribution Channel, And Segment Forecasts, 2025 – 2030,” Grand View Research, accessed April 28, 2025, <https://www.grandviewresearch.com/industry-analysis/us-pharmaceuticals-market-report>.

[7] USA Trade Online, The United States Census Bureau, accessed April 28, 2025, <https://usatrade.census.gov/>.

[8] “A Bitter Pill: America’s Dangerous Dependence on China-Made Pharmaceuticals,” Exiger, April 16, 2025, <https://www.exiger.com/perspectives/a-bitter-pill-america-dependence-on-china-made-pharmaceuticals/>.

[9] “U.S. Dietary Supplements Market Size, Share & Trends Analysis Report By Application-End User, By Application-Ingredient, By Form, By Type, By Distribution Channel, And Segment Forecasts, 2024 – 2030,” Grand View Research, accessed April 28, 2025, <https://www.grandviewresearch.com/industry-analysis/us-dietary-supplements-market-report>.

[10] “U.S. Antibiotics Market Size & Outlook, 2023-2030,” Horizon Grand View Research, accessed April 30, 2025, <https://www.grandviewresearch.com/horizon/outlook/antibiotics-market/united-states>.

Moreover, imposing pharmaceutical tariffs could violate the World Trade Organization's Pharmaceutical Agreement, risking retaliatory tariffs from trade partners.¹¹ As the third-largest pharmaceutical exporter in the world, the U.S. stands to lose significantly from a global trade war in medicine.¹² While some argue pharmaceutical tariffs will help national security, imposing tariffs in this sector would actually disrupt supply chains, raise costs, and risk retaliation from allies—all without clear improvements in security or resilience.¹³

In short, pharmaceutical tariffs will not increase national security. Instead, they will undermine trade relationships and weaken our competitive position in the global pharmaceutical market, while simultaneously increasing drug prices and costing Americans their lives.

Respectfully,

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[11] The WTO's Pharma Agreement," World Trade Organization, accessed 4/30/2025, https://www.wto.org/english/tratop_e/pharma_ag_e/pharma_agreement_e.htm.

[12] "World Merchandise Exports and Imports by Commodity (HS) - Pharmaceutical products | Imports and Exports | 2023," TrendEconomy, November 7, 2024, https://trendeconomy.com/data/commodity_h2/30.

[13] McGregor McCance, "Supply Chains Explained: How They Work and Why Tariffs Can Strain Them," University of Virginia Darden School of Business, March 11, 2025, <https://news.darden.virginia.edu/2025/03/11/supply-chains-explained-how-they-work-and-why-tariffs-can-strain-them/>.