



Mr. Stephen Astle
Director, Defense Industrial Base Division
Bureau of Industry and Security
Office of Strategic Industries and Economic Security
Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

PUBLIC DOCUMENT
BIS-2025-0022
XRIN 0694-XC120

May 5, 2025

Re: Request for Comments on Section 232 National Security Investigation of Imports of Pharmaceuticals and Pharmaceutical Ingredients, 90 Fed. Reg. 15951 (Apr. 16, 2025)

Dear Mr. Astle

Interpharma (the association of research-based pharmaceutical companies in Switzerland), **scienceindustries** (the Swiss business association for Chemistry, Pharma and Life Sciences), **vips** (the association of pharmaceutical companies in Switzerland) and **Intergenerika** (the association of leading generics and biosimilars companies in Switzerland), welcome the opportunity to submit the following statement as part of the Section 232 Investigation on Pharmaceuticals and Pharmaceutical Ingredients.

The Swiss pharmaceutical industry makes an essential contribution to both American and global health: its products prolong life, improve quality of life, and save lives every day. These achievements are only possible through international cooperation, the free movement of goods, and globally integrated supply chains. The imposition of tariffs on pharmaceutical products would jeopardize this well-functioning system – with far-reaching consequences for patients, not only in the United States but worldwide.

We respectfully urge the U.S. Administration to refrain from imposing tariffs on pharmaceutical products, because:

- Companies are already investing in the United States as the best location for the pharmaceutical industry and will continue to do so in the future.
- The USA is already the global leader in the manufacturing of pharmaceutical products, even without tariffs.
- Switzerland serves as a vital and like-minded partner in ensuring a stable and secure supply chain for the United States. Due to the complexity of research and production, the introduction of tariffs would significantly increase costs, disrupt manufacturing processes, and lead to supply shortages.

The following arguments exemplify why it is crucial for patients in America, security of supply and pharmaceutical research and manufacturing to refrain from imposing tariffs on pharmaceuticals and pharmaceutical ingredients.

1. Switzerland – A Reliable and Fair Trade and Investment Partner to the United States

Switzerland has long been a trusted partner to the United States, especially in pharmaceutical research, development, and manufacturing. As a small yet highly innovative economy, Switzerland is committed to open markets, fair regulatory frameworks, and close transatlantic cooperation.

In 2023, Switzerland invested USD 9.1 billion in R&D activities in the United States. At the same time, USD 16.4 billion in licensing fees flowed to U.S. companies. Switzerland is the sixth-largest foreign direct investor in the U.S., supporting approximately half a million high-quality, well-paying jobs.

Two of the world's leading pharmaceutical companies – Novartis and Roche – are based in Switzerland. Like other Swiss companies, they have been long-standing, reliable partners of the U.S. and rank among the largest foreign investors in the American healthcare sector. With recent announcements to invest up to USD 75 billion in the U.S. market, they underscore the country's importance as a trade and investment partner. This clearly demonstrates that additional measures such as tariffs are unnecessary – investment naturally follows where excellent conditions already exist.

Therefore, the U.S. is already the global leader in pharmaceutical manufacturing: two-thirds of all medicines are produced domestically, while one-third are imported – most of which, by value, are from reliable countries including Switzerland. As a stable and trusted partner, Switzerland plays a vital role in ensuring a secure and uninterrupted supply of medicines in the U.S. and globally.

Switzerland follows a clear policy line: as of January 1, 2024, it has eliminated all tariffs on industrial goods – regardless of their origin. This includes duty-free access for pharmaceutical products including all pharmaceutical products imported from the United States. Switzerland consciously refrains from industrial policy, government subsidies, unfair trade practices, or export restrictions against the U.S.. As a small but significant player in global trade, Switzerland favors constructive solutions and dialogue.

Together, the U.S. and Switzerland have actively and successfully worked to reduce bureaucracy, strengthen supply chain resilience and improve trade efficiency. Thanks to the Mutual Recognition Agreement relating to Pharmaceutical Good Manufacturing Practice (GMP MRA) between Switzerland and the U.S., non-tariff barriers are reduced and duplicative cost-intensive inspections of production facilities can be dispensed.

Like the United States, Switzerland is committed to strong protection of intellectual property – an essential foundation for maintaining global leadership in research and development. In addition to providing strong intellectual property protections domestically, Switzerland has been a leading defender of intellectual property rights at the World Trade Organization and elsewhere, championing important intellectual property rights globally that benefit Swiss and U.S. pharmaceutical companies alike. Switzerland stands ready to deepen its cooperation with the U.S. in this area and to further strengthen the legal framework supporting innovation.

2. Global Collaboration is the Foundation of Medical Progress

Today, the research, development, and production of new medicines take place across borders. Innovation emerges through international networks linking academia, industry, and regulatory authorities. Switzerland, like the United States, plays a leading and collaborative role in this system: with around USD 10 billion in R&D investment annually, it is one of the world's most important research hubs with significant investments and collaborations with partners in the United States. Swiss companies, such as Roche and Novartis, have been long-standing, reliable U.S. partners and rank among the largest foreign investors in the American healthcare sector.

Tariffs on pharmaceutical products would disrupt this collaboration, jeopardize the quality of research, and weaken innovation – directly affecting the availability of medical treatments and the ability for the United States, Switzerland, and other reliable partners to prepare jointly for future pandemics.

3. Global Supply Chains Ensure Stable Supply

Pharmaceutical products pass through numerous international stages before reaching patients. Production is organized globally to ensure efficiency, quality, and availability. A purely domestic manufacturing approach is neither practical nor economically sustainable. Building such capacity would take years and require substantial resources.

Tariffs and similar trade measures have a cascading impact across the pharmaceutical supply chain – from raw materials and production to final distribution. These disruptions not only undermine the efficiency and resilience of global pharmaceutical networks but also compromise the reliability of supply for American patients. This concern extends beyond advanced treatments to include essential medications critical to everyday healthcare.

The introduction of tariffs would significantly increase costs, disrupt established manufacturing processes, and lead to supply shortages – not only for specialized medicines but also for essential healthcare products. Vulnerable patient groups would be particularly affected.

4. Collaboration Strengthens the Security of Supply

Pharmaceuticals are fundamentally distinct from standard consumer goods and warrant especially careful consideration in trade policy. Medical treatments are prescribed by licensed professionals based solely on their clinical efficacy and patient needs, irrespective of the product's country of origin. While a significant portion of prescribed medicines in the United States are produced domestically, millions of American patients also benefit from high-quality pharmaceuticals manufactured in Europe. Switzerland, in particular, serves as a vital partner in ensuring a stable and secure supply chain for the United States.

Many innovative treatments have few, if any, therapeutic alternatives. In such cases, supply disruptions can lead to serious, even life-threatening, consequences for patients. Where alternatives do exist, transitioning from an effective, established medication to a different product can carry significant medical risks, including reduced efficacy and increased adverse effects.

Maintaining open, reliable pharmaceutical trade channels is not simply a matter of economic policy – it is a matter of public health security. It is therefore in the strategic interest of the United States to preserve and strengthen collaborative trade relationships with key partners like Switzerland.

5. Tariffs Would Harm the U.S. More Than They Help

The United States already is the global leader in pharmaceutical manufacturing – domestic production accounts for two-thirds of the U.S. pharmaceutical market. This system functions efficiently because it relies on partnerships with trusted countries such as Switzerland. Switzerland is not only the sixth-largest foreign direct investor in the U.S., but also a central hub in the global pharmaceutical network: trusted, innovative, and legally stable.

Tariffs would jeopardize this supply system, may lead to higher prices for American consumers and reduce investment in U.S.-based research and development. This would not only undermine U.S. competitiveness but also increase dependence on less reliable production locations.

**Final Statement and Appeal**

The development, production, and distribution of medicines is a complex, globally interconnected process. Tariffs harm this system and endanger security of supply – especially in the United States. Access to medicines should not be restricted by tariff measures. The U.S. would risk its position as a global innovation leader, while American patients would bear the consequences.

Switzerland and the United States are like-minded partners, bound by decades of successful and friendly cooperation. Switzerland is ready to deepen this partnership – through a joint commitment to free and fair trade and to an innovation-driven healthcare sector that benefits patients in the U.S. and worldwide.

We respectfully urge the U.S. Administration to refrain from imposing tariffs on pharmaceutical products. Only through the free movement of goods, reliable partnerships, and international collaboration can American and global health be safeguarded in the future.

Sincerely,

Dr. René P. Buholzer
CEO and Delegate of the Board
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Dr. Stephan Mumenthaler
Director
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