



May 6, 2025

Eric Longnecker  
Deputy Assistant Secretary for Technology Security  
Bureau of Industry and Security  
Department of Commerce  
1401 Constitution Ave Nw  
Washington, DC

**Re: XRIN 0694-XC120 Comments on Section 232 National Security Investigation of Imports of Pharmaceuticals and Pharmaceutical Ingredients**

The Canadian Chamber of Commerce represents over 200,000 businesses, of all sizes and in all sectors, operating in Canada. This includes Canadian affiliates of many American global businesses. We are deeply concerned with proposed tariffs or import restrictions on pharmaceutical products included in the Department of Commerce's Section 232 National Security Investigation of Imports of Pharmaceuticals and Pharmaceutical Ingredients. Across-the-board tariffs on pharmaceutical products would be counter-productive in achieving the U.S. government's goal of more secure medical supply chains; it would also restrict access to critical treatments, raise medical costs and insurance premiums, and jeopardize high-paying jobs in the U.S.

Demand for pharmaceuticals will increase substantially in the U.S. in the coming years, driven largely by a growing population, of which the fastest growing demographic are those aged 65 and over. Technological innovation in the pharmaceutical sector, supported by free and open trade, is also driving demand for higher quality and more effective treatments, which can reduce other forms of healthcare spending. In 2023, total U.S. pharmaceutical expenditures were **\$722.5 billion**, forecasted to grow by **4-7%** annually through 2028. Indiscriminate tariffs on pharmaceuticals will substantially raise the price of drugs while restricting their availability. This could significantly increase the rate of growth of drug spending, but if prices become prohibitive and less pharmaceuticals are consumed, patient health outcomes will worsen, and additional costs will be shifted onto other segments of the healthcare system.

While strategic reshoring of critical supply chains is a legitimate goal, these proposed actions can only be viewed within the context of the broader trade actions pursued by the American government. Placing tariffs on medical goods or otherwise restricting their trade would mark a significant break with precedent, where actions that could directly jeopardize the health and safety of citizens were typically exempted from the scope of trade conflicts. Unfortunately, the negative consequences on Americans resulting from import restrictions on pharmaceutical products will be born primarily by the most vulnerable.

To ensure a secure supply of pharmaceutical products, the U.S. should work more closely with trusted allies, including Canada, and pursue deeper integration of pharmaceutical supply chains with these partners. This approach will allow the U.S. to benefit from the expertise, innovations, and manufacturing capacities of a vast international network, while minimizing the ability of hostile powers to harm the U.S. by cutting off access to critical medicines. This approach will also strengthen the capacities of America's allies, which is critical given the importance of global coordination against emerging health threats.

Attempting complete self-sufficiency in the pharmaceutical supply chain is a risky proposition. Even if manufacturers wished to relocate to the U.S., they would face years of delays, labour shortages, and higher costs, not least due to steel and aluminum tariffs that are making construction more expensive. The goals of the administration will be better served by protecting the free and open trade of pharmaceuticals and other medical goods with trusted partners.



Thank you for considering these comments. We look forward to working with the Department of Commerce on policies that serve the interests of both our nations.

Sincerely,

Kathy Megyery  
Senior Vice-President and General Manager, Québec  
Canadian Chamber of Commerce