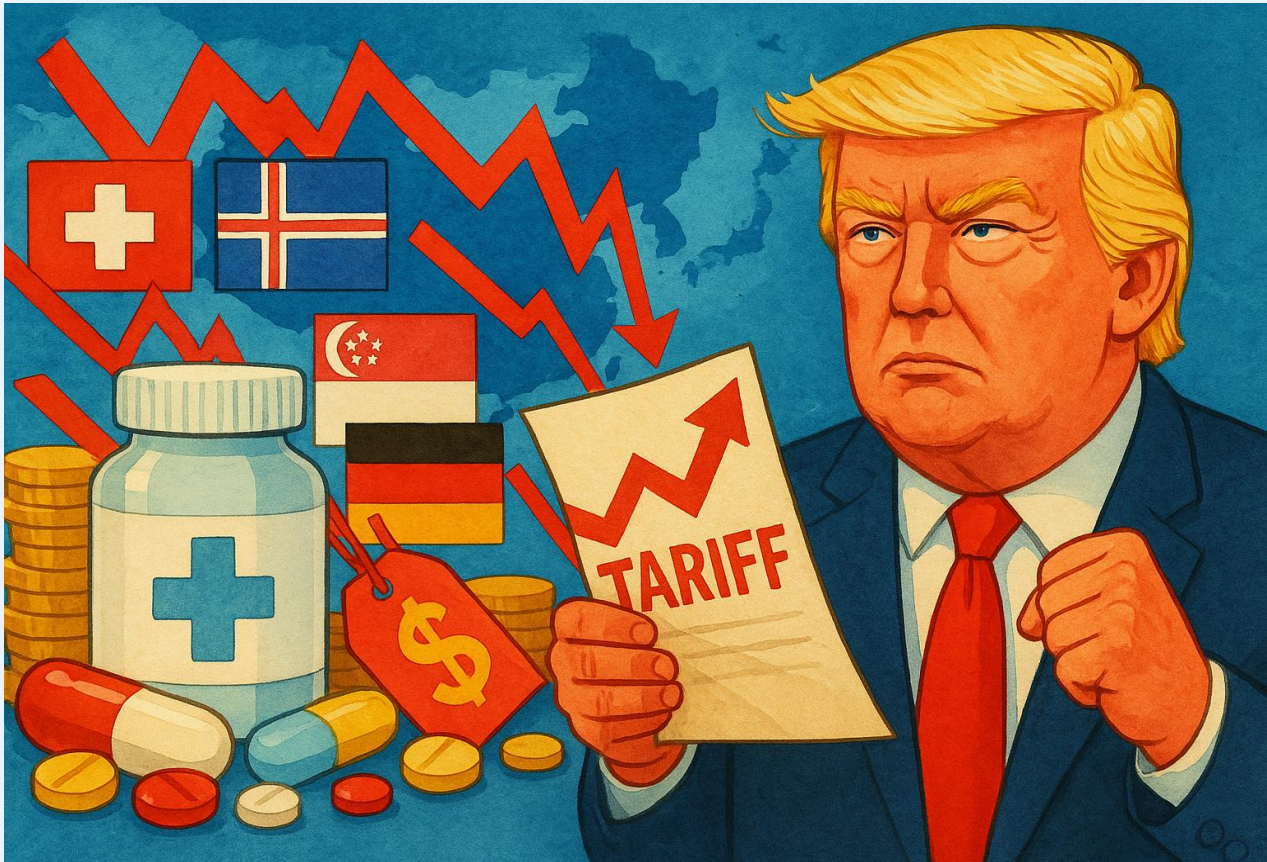


Pharma Wars: When Medicine Becomes a Trade Weapon



“When medicine becomes a bargaining chip, it is no longer just about trade — it is about who gets to live, and who must wait.”

From steel and cars to life-saving drugs, America’s trade war has entered a new frontier.

On October 1, 2025, President Donald Trump’s administration will impose a 100% tariff on branded and patented pharmaceuticals imported into the United States. The only exemption: companies that relocate production or build new factories on American soil.

This is no longer just about shielding traditional industries. It marks a turning point, healthcare goods are now treated as strategic trade assets, directly tied to human survival.

From Steel to Health: The New “America First”

The first phase of Trump’s trade war targeted steel, aluminum, and cars, the factories of the past. Today, the battlefield has shifted to pharmaceuticals and biotechnology.

The rationale is threefold:

1. Reduce foreign dependence. COVID-19 exposed that medicines and vaccines are as vital to national security as food or energy.
2. Force relocation. Punitive tariffs aim to pull global pharmaceutical supply chains back onto U.S. soil.

3. Expand “America First”. What began as protection for blue-collar industries has now extended to high-value, life-saving industries.

Yet legal uncertainties remain. In September 2025, a federal appeals court ruled 7–4 that Trump had exceeded his authority in earlier trade actions. The White House appealed, but the outcome remains unclear. Moreover, existing U.S.–EU trade agreements cap drug tariffs at 15% a sharp contrast to Trump’s proposed 100%.

The Market That Rules the World

The global alarm stems from one fact: America is the world’s largest pharmaceutical market.

In 2024, U.S. drug sales reached \$797.8 billion, accounting for more than 53% of global demand larger than China, Germany, Japan, and France combined. For multinational drugmakers, losing access to the U.S. market would be like losing their lifeline.

This dominance gives Washington unmatched leverage. By weaponizing its market power, the U.S. is not only shielding domestic firms but also forcing a reordering of the global pharma supply chain.

A Fragile Supply Chain

Each year, the U.S. imports more than \$200 billion worth of pharmaceuticals, with supply heavily concentrated. Ireland alone provides nearly a third — \$73.3 billion, or 29.7% of imports. Switzerland follows with \$21.7 billion (8.8%), Singapore with \$19.3 billion (7.8%), and Germany with \$17.3 billion (7.0%).

Together, these four nations provide over half of America’s imported medicines — a concentration that underscores both the

strength and fragility of the current system. A 100% tariff would not just hit companies it could shake the foundations of the global pharmaceutical trade.

Big Pharma Redraws Its Map

Faced with punitive tariffs, multinationals are already moving:

- Eli Lilly: \$6.5 billion new plant in Houston, plus \$5 billion in Virginia.
- Genentech: \$700 million facility in North Carolina, part of a \$50 billion U.S. investment plan.
- GSK: \$30 billion committed to U.S. expansion, including a \$1.2 billion AI-powered plant.
- Amgen: \$650 million expansion in Puerto Rico, adding 750 jobs.

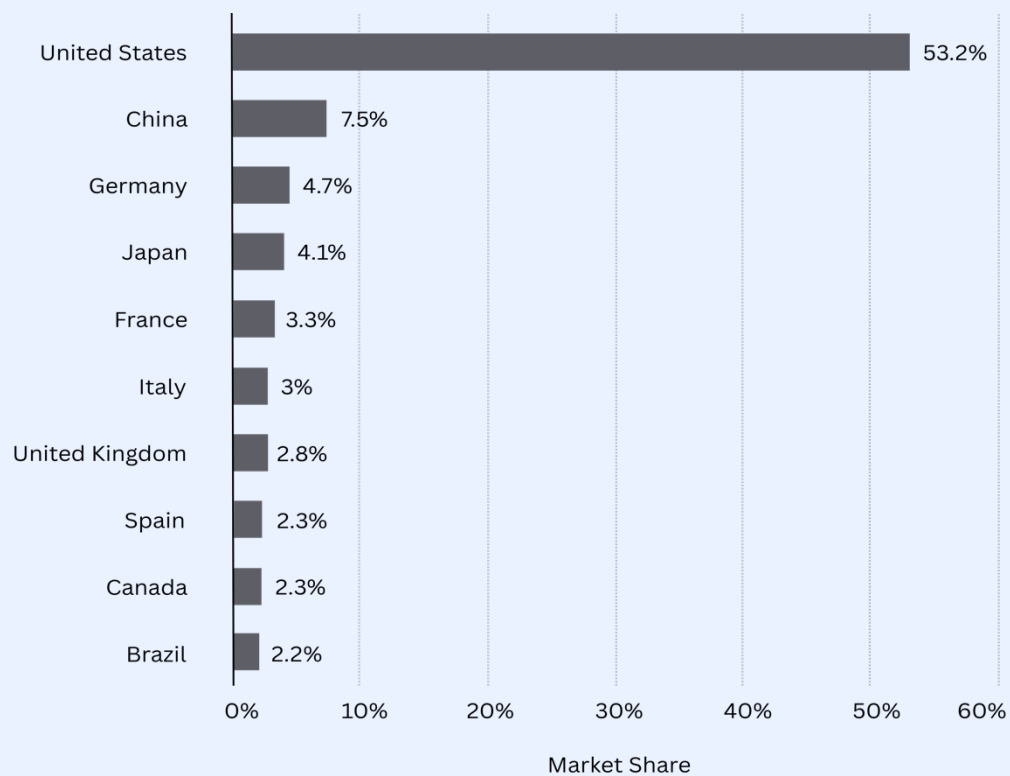
Texas and North Carolina are emerging as the new industrial heartlands of global pharma. What was once Europe and Asia’s domain is now being drawn back across the Atlantic.

Who Pays the Price?

For U.S. hospitals, insurers, and patients, the impact is immediate: higher prices. A 100% tariff could sharply raise the retail cost of patented drugs, especially cancer and chronic-disease treatments. Shortages are another looming risk as supply chains scramble to adapt.

Globally, exporters like Ireland, Switzerland, and Singapore face revenue losses from the world’s largest market. Their industrial edge could fade if production shifts to the U.S. The result may be broader restructuring of global supply chains and possibly retaliatory measures from trading partners.

Chart1: Market Share of Top 10 National pharmaceutical markets worldwide in 2024



Source: Statista.

Meanwhile, China and India — key suppliers of generics and raw ingredients — risk losing ground if the reshoring trend accelerates.

For Thailand and ASEAN, the ripple effects could be serious: imported U.S. drugs will become more expensive, public healthcare budgets will come under pressure, and local manufacturers could lose orders if U.S. companies move production back home. Patients may face slower or more expensive access to new, cutting-edge treatments.

A Regional Wake-Up Call

Crisis, however, can be a catalyst. The U.S. tariff shock is a reminder for Southeast Asia to strengthen pharmaceutical self-reliance:

- Invest in generics and biosimilars to reduce import dependence.

- Build regional R&D and production networks within ASEAN to gain bargaining power.
- Offer tax incentives and research grants to attract global pharma investment.

This is not just about supply chains. It is about equity — who gets affordable access to medicine, and who is left behind when trade wars dictate the terms of health.

The First Trade War Over Health

If steel tariffs once reshaped global industry, drug tariffs could rewrite the rules of global health. The U.S. decision is more than an economic maneuver — it is a political declaration that medicine itself is fair game in geopolitics.

The world must now confront a sobering question:

When trade negotiations decide who gets life-saving drugs, do we measure the cost in dollars — or in lives?

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Chart2: Top 10 origins of pharmaceutical imports to the US, 2024

Country	Value	Share
Ireland	\$73.3B	29.7%
Switzerland	\$21.7B	8.8%
Singapore	\$19.3B	7.8%
Germany	\$17.3B	7.0%
India	\$13.1B	5.3%
Belgium	\$12.7B	5.2%
Italy	\$12.2B	4.9%
China	\$9.3B	3.8%
Japan	\$7.5B	3.1%
UK	\$7.4B	3.0%

Source: US Census Bureau

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Strategic Outlook and
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