

American pricing pressure since 2025

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For the Basel groups, the decisive market is the United States, which accounts for close to half of the global sales of Roche and Novartis.¹ American prices for patented medicines are considerably higher than European ones. The industry has long argued that these prices finance a large part of global research. American politicians of both parties have, for their part, argued that the United States subsidises the rest of the world. The Inflation Reduction Act of 2022 gave Medicare for the first time the power to negotiate prices for a limited number of high-cost medicines, with the first negotiated prices taking effect in 2026.²

In May 2025 the President of the United States signed an executive order directing the administration to pursue "most-favoured-nation" pricing. Under this principle, Americans should pay no more for a medicine than the lowest price paid in a comparable developed country.³ In the following months the administration sent letters to the chief executives of large pharmaceutical companies, reportedly including Roche and Novartis, asking them to commit to such pricing, and announced agreements with several manufacturers. At the same time it threatened import tariffs on branded and patented medicines under the national security provisions of the Trade Expansion Act, unless companies built production facilities in the United States.⁴

The Swiss pharmaceutical industry reacted with large investment announcements. Roche announced investments of about fifty billion dollars in the United States over five years. Novartis followed with plans for about twenty-three billion dollars in American production and research facilities.⁵ Switzerland itself faced an exceptionally high general tariff on its exports to the United States from August 2025, from which pharmaceuticals were initially exempted, and negotiations on a trade agreement followed in the autumn.⁶ The outcome of these developments

remained uncertain at the time of writing. It will be revisited in the scenario chapter "Pharma, Geopolitics and Trade Policy" in Part K.

The most-favoured-nation principle creates a direct link between American and European prices. If an American price is pegged to the lowest price in a reference group that includes Switzerland, every concession in Bern can cost a company many times as much in Washington. Companies therefore have an incentive to delay launches in low-price countries, to raise list prices in Europe while granting confidential discounts, or to insist on higher prices in Switzerland as a reference market. Swiss health politicians fear that Switzerland may face higher medicine prices as an indirect consequence of American policy. The industry, for its part, warns that Europe will lose launches and clinical trials if it does not pay more for innovation.⁷

1 Notes

1. Annual reports of Roche Holding AG and Novartis AG on the regional distribution of sales, with the United States accounting for roughly forty to fifty per cent of group pharmaceutical sales in recent years. Figures to be verified. ↩
2. Inflation Reduction Act of 2022 (Public Law 117-169), Medicare Drug Price Negotiation Program, with the first negotiated maximum fair prices for ten medicines applicable from 1 January 2026. Status to be verified. ↩
3. Executive Order of 12 May 2025, "Delivering Most-Favored-Nation Prescription Drug Pricing to American Patients"; the precise legal effects depend on subsequent rule-making and agreements. Status to be verified. ↩
4. On the investigation under Section 232 of the Trade Expansion Act of 1962 concerning pharmaceutical imports, opened in April 2025, the announcements of tariffs on branded medicines and the agreements concluded with individual manufacturers in the second half of 2025, see the official announcements and press reporting. Status to be verified. ↩
5. Press releases of Roche (April 2025) and Novartis (April 2025) on planned investments in the United States of approximately USD 50 billion and USD 23 billion respectively. Figures to be verified. ↩
6. On the additional US tariff of 39 per cent on Swiss goods from August 2025, the exemption of pharmaceutical products and the subsequent negotiations and framework understanding between Switzerland and

the United States in late 2025, see the communications of the State Secretariat for Economic Affairs (SECO). Status to be verified. ↩

7. On the debate in Switzerland and the European Union about the effects of US most-favoured-nation pricing on European launch decisions and list prices, see statements by Interpharma, the European Federation of Pharmaceutical Industries and Associations and the Federal Office of Public Health in 2025–2026. Status to be verified. ↩

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