

Section 232 and the pharmaceutical proclamation of 2026

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The second instrument was the investigation under Section 232 of the Trade Expansion Act of 1962, which authorises the President to restrict imports that threaten to impair national security. The Department of Commerce opened such an investigation into imports of pharmaceuticals and their ingredients in April 2025.¹ The argument for treating medicines as a security matter drew on the experience of shortages during the pandemic and on the dependence of the United States on active ingredients from China and India. The investigation was nevertheless used chiefly as a lever on branded medicines from Europe, Switzerland and Japan, whose manufacture outside the United States had long been organised for tax reasons as much as for industrial ones.

In September 2025 the President announced a tariff of one hundred per cent on branded and patented pharmaceutical products from 1 October 2025, unless the manufacturer was building production facilities in the United States.² The announcement was not immediately implemented in legal form. A proclamation under Section 232 followed in April 2026, which, according to practitioner summaries, imposed a tariff of one hundred per cent on patented pharmaceutical products and their ingredients with a delayed effective date. It provided for a reduced rate of fifteen per cent for products from trading partners with bilateral agreements, among them the European Union, Japan and Switzerland, and for a rate of zero for manufacturers that had concluded agreements with the administration on both pricing and domestic production.³ Generics, biosimilars and orphan medicines were exempted, at least initially.

The legal structure is significant because it differentiates by company as well as by country. A Swiss pharmaceutical group with an agreement on pricing and onshoring faces no tariff, whereas a group without such an agreement faces the rate applicable to its country of origin. The general

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Swiss rate under the framework of November 2025 forms a ceiling for Swiss products only to the extent that the bilateral agreement covers them. Tariff exposure thus became a matter of individual negotiation between the American government and each multinational group. For Basel, this means that decisions on where to manufacture a medicine for the American market are no longer driven solely by cost, tax and regulatory considerations. They also depend on the state of each group's relationship with the American executive, which can change with each administration.⁴

1 Notes

1. Section 232 of the Trade Expansion Act of 1962, 19 U.S.C. § 1862; notice of the Department of Commerce of April 2025 on the initiation of an investigation into imports of pharmaceuticals and pharmaceutical ingredients. Status to be verified. ↩
2. Announcement of the President of the United States of 25 September 2025 on a tariff of 100 per cent on branded or patented pharmaceutical products from 1 October 2025, with an exception for companies building manufacturing plants in the United States. Status and implementation to be verified. ↩
3. Presidential proclamation of 2 April 2026 under Section 232 on imports of pharmaceuticals, as summarised in practitioner publications (e.g. Jones Day, "A Tough Dose: 100% Tariffs Target Foreign-Manufactured Brand-Name Pharmaceuticals", April 2026): 100 per cent on patented products, 15 per cent for products from the EU, Japan, Korea, Switzerland and Liechtenstein, 0 per cent for manufacturers with MFN and onshoring agreements, exemptions for generics, biosimilars and orphan medicines; effective dates 120 or 180 days after the proclamation. Date of proclamation and details to be verified. ↩
4. On the company-specific structure of US pharmaceutical tariffs and the resulting incentives for manufacturing location, see the analyses of the Swiss Business Federation *economiesuisse* and of Interpharma in 2025–2026. Status to be verified. ↩

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