


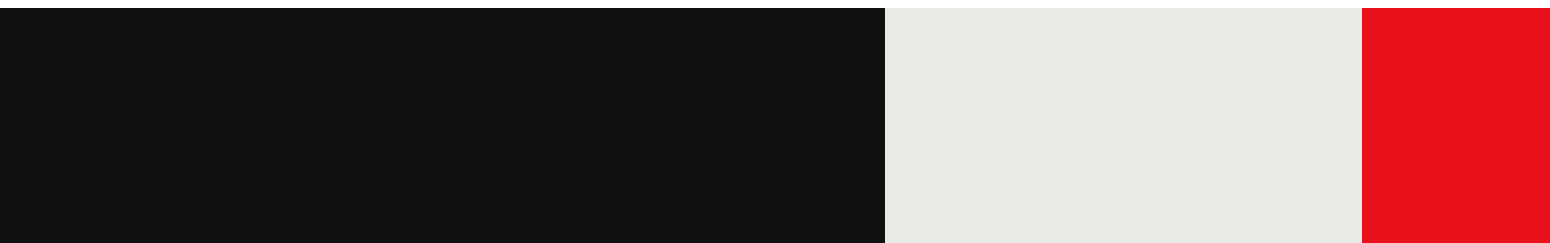
Pharma amps US manufacturing amid tariff threats

Article



The news: Merck opened a \$1 billion vaccine manufacturing site in North Carolina, on the heels of Eli Lilly's plans to build out its US drug manufacturing with an added \$27 billion investment.

Driving the news: Pharma companies are eager to dodge President Trump's threatened 25% tariff on drug imports and gain favor with a new administration that has sweeping influence on



drug approval and pricing.

The new US manufacturing commitments could take the wind out of tariff threats. Lilly CEO David Ricks told CNBC it wouldn't make sense to levy tariffs on companies working to move manufacturing back to the US.

Other pharma companies are pledging more US manufacturing:

- **Novo Nordisk** last year committed \$4 billion to construct a plant in North Carolina.
- **Amgen** opened a half-billion dollar North Carolina manufacturing facility in January and at the same time, broke ground on a \$1 billion plant nearby.
- **Pfizer** CEO Albert Bourla told investors that Pfizer can shift manufacturing to the US if the Trump tariffs materialize, per Fierce Pharma.

The added upside is a potential easing of administration [views on drug price negotiations](#) and anti-trust regulations, although that's less certain.

Yes, but: Building new US manufacturing facilities costs billions of dollars and takes 5 to 10 years to construct per facility, PhRMA says.

- Plus, Trump is threatening up to 60% tariffs on goods from China, [where most generic drug ingredients are made](#).
- More than 90% of prescriptions written in the US are for generics. The already slim margin means fewer reshoring moves by generic makers.

Marketing bonus: Pharma companies that can pull off reshoring drug manufacturing won't just benefit from secure and reliable medicine supply chains. US manufacturing gives pharma "Made in USA" labeling which could boost the industry's lagging US reputation.