Press Release

The Economic Impact of a Buy American Mandate for Medical Goods

ANDREW EVANS | JUNE 10, 2020

The Trump Administration has reportedly prepared an executive order that would strengthen the Buy American requirements for federal agencies purchasing medical supplies. In a new analysis, AAF's Director of Immigration and Trade Policy Jacqueline Varas examines the origin of such Buy American requirements, the broader legal regime around protectionism, and the potential consequences of this order. While a Buy American order may be appealing during a time of crisis, the mandate's impact on U.S. medical supply chains will be limited, and it will invite retaliation from our trading partners, she writes.

Varas concludes:

> The Trump Administration's Buy American executive order for medicines and medical goods is misguided. While its intention is to reshore medical supply chains during a pandemic, its impact will be to increase the prices and restrict the availability of medical goods. Because the order is limited to federal procurement activities, however, its impact will be small, and it will not significantly decrease U.S. imports of medical goods from China or any other country. It will, however, invite retaliation from our trading partners, potentially sparking new trade wars and harming relationships with our allies.

Read the Analysis