Press Release

Trump Administration's Trade Changes in Response to Pandemic Will Have Mixed Results

ANDREW EVANS | MARCH 18, 2020

The Trump Administration recently announced that medical supplies from China will not be subject to tariffs, but it is reportedly also preparing an executive order that will bar the federal government from purchasing medical supplies made anywhere other than the United States. These two changes are both in response to the coronavirus pandemic, but they will work at cross purposes, argues AAF's Director of Immigration and Trade Policy Jacqueline Varas: One will increase supply and lower prices, while the other will heighten shortages of needed supplies.

An excerpt:

> Rolling back regulations that inhibit U.S. manufacturing of medicine is a beneficial policy change that will spur U.S. production and economic growth. On the other hand, mandating that all government procurement of medical supplies be of American-made goods, especially in the middle of a public health crisis, is not. Research has shown that Buy American laws increase the cost of goods purchased by the government, and these costs are often passed down to consumers via higher prices. In this current outbreak, Buy American laws will make it more difficult and expensive for the United States to obtain needed medical supplies to combat the coronavirus, exacerbating current shortages.

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