CAPITOL STREET

June 30, 2026

# MedTech 232 Tariff Action Likely This Fall

## 10%-25% Tariff Likely to Come with Exemptions

Relevant Companies

Abbott, Boston Scientific, Dexcom, Edwards Lifesciences, iRHYTHM, Insmed, Insulet, Johnson&Johnson, Medtronic, Resmed, Stryker, Tandem Diabetes Care, Zimmer

## Our Take & Next Up

**A MedTech tariff is not guaranteed and something in the 10%-25% range would likely come with significant exemptions (action likely fall/end of year).** The Commerce Department's Sec. 232 report deadline passed with a requirement to submit to the White House its Sec. 232 Report on medical devices by May 30. The White House has 90 days to announce its intended action (by Aug. 28, 2026).

**We have said that DME/medical consumables (gowns, PPE) would be the likely focus of a targeted tariff vs. more complex devices (implantables, etc.)**. Our take here. Historically, there has been wide bipartisan support for novel technologies including MedTech and we note the landscape of USMCA and other tariff authorities below.

## Key Points

**A MedTech 232 tariff remains on the table and could be announced before the end of August, but it could also slip to the fall/winter.** The content of the 232 report has not been made public and we have not heard that Commerce had issued its report to the interagency. The Commerce/232 process does seem to be backed up a bit, and that could be because of capacity in the government or because of the conflict with Iran.

**The White House is still very much interested in healthcare affordability and the interplay between trade issues and healthcare costs.** The administration is trying to get its arms around pricing dynamics, foreign actors undercutting US companies, and interplay with the 301 on industrial overcapacity. We have said that a MedTech 232 tariff would likely come with exemptions (see below).

**The prevailing opinion among companies is that industry will be in a position of 10% to 15% to 25% tariffs with nuances for some trading partners, and perhaps even some product categories.** Recall, the White House announced a 100% tariff on pharma products in April, but provided multiple ways to escape the costs via MFN agreements, domestic manufacturing plans, and exemptions for novel therapeutics including cell & gene therapies (our take here). We could see novel MedTech products similarly exempt from tariff costs.

**Who may be subject to a MedTech tariff? High-volume & commoditized products (PPE & medical consumables) are most at risk.** It remains unclear how a MedTech tariff would be implemented or if there's a possibility for appeals/delays or carve-outs; however, we believe high-volume & commoditized products (PPE & medical consumables) are likely most at risk.

**The Nairobi Protocol would likely exempt some (but not all) DME from Sec. 232 tariffs.** The "Nairobi Protocol," which supersedes Sec. 232 tariffs (here), allows importers to obtain duty-free treatment for products intended for handicapped or disabled persons. Some durable medical equipment (DME) is intended for handicapped or disabled persons (wheelchairs, hearing aids, etc.) and would likely qualify for the Nairobi Protocol exception (our take here).

- The Customs and Border Protection (CBP) uses a case-by-case analysis to determine if a product is "specially designed or adapted" for handicapped persons.
- CBP generally applies the Nairobi exemption to products used for permanent conditions (likely including diabetes equipment), rather than temporary conditions (likely including heart monitors and respiratory devices).

**Sec. 232 investigations have resulted in import tariffs on other industries including pharma, aluminum, steel, and copper.** However, not every investigation results in a tariff. The administration signaled the US will not impose tariffs on semiconductors in the near future (here), which was also the subject of a Sec. 232 investigation.

**MedTech tariffs could complicate USMCA negotiations.**

- MedTech tariffs may become a point of contention in renewing the USMCA (US-Mex-Can) trade agreement ahead of the mandatory joint review, scheduled for July 1, 2026. President Trump has said he's willing to reopen USMCA and possibly split it into separate deals with Canada and Mexico (here), which is a potential headwind. The U.S. and Mexico will hold bilateral negotiating rounds in Mexico City (between now and July 20) covering economic security, rules of origin, agriculture, and level playing field issues (here).
- We note that Canada and Mexico are no longer subject to IEEPA tariffs, but are subject to Sec. 122 tariffs of 10% (expires July 24). USMCA-compliant goods like MedTech are excluded from Sec. 122 tariffs and would likely be excluded from any future Sec. 232 tariff, in our view.

**BACKGROUND**

**As a reminder, the Sec. 232 investigation on MedTech products was initiated on Sept. 2, 2025 (here).** MedTech manufacturers had 21 days to provide input on future demand for their products, domestic production capacity, and dependence on foreign supply chains. The Federal Register notice named the following items, but noted that the list wasn't exhaustive. Sec. 232 investigations by the Commerce Dept. will determine whether imports of these products threaten U.S. national security and could pave the way for import tariffs on personal protective equipment (PPE), medical consumables, and equipment or devices.

- **Personal protective equipment (PPE).** Surgical masks, N95 respirators, gloves, gowns, and related medical parts and components.
- **Medical consumables**. Medical/surgical instruments (e.g., syringes, needles, infusion (IV) pumps, forceps, scalpels); medical/surgical supplies (e.g., intravenous (IV) bags, catheters, tracheostomy tubes,

anesthesia equipment, gauze/bandages, sutures, diagnostic and laboratory reagents); and related medical parts and components.

- **Medical equipment.** Carriages and wheelchairs; crutches; and hospital beds.
- **Medical devices.** Pacemakers; insulin pumps; coronary stents; heart valves; hearing aids; robotic and non-robotic prosthetics; blood glucose monitors; orthopedic appliances; electromedical apparatus (e.g., computed tomography scanners, magnetic resonance imaging machines); electrosurgical apparatus; x-ray apparatus/other radiation equipment; respiratory machines (e.g., ventilators, respirators, oxygen apparatus); and MRI machines.

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