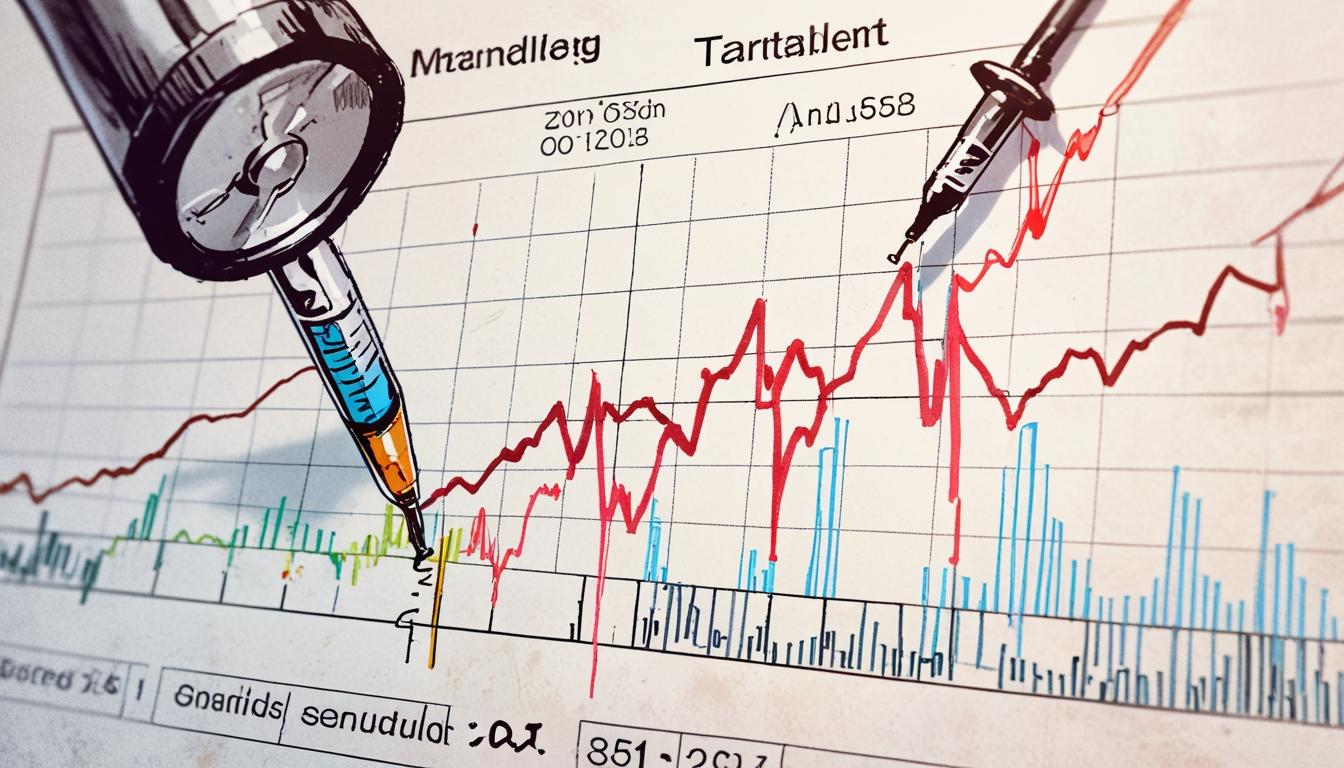
# Tariff uncertainties cast shadow over pharmaceutical sector, notably aesthetic injectables



Recent developments concerning tariffs have significantly impacted the pharmaceutical sector, particularly those involved in aesthetic injectables like Botox. The recent announcement of reciprocal tariffs by former President Donald Trump has raised concerns among investors and manufacturers alike, despite pharmaceuticals not initially being included in the import restrictions.

Ireland, a key site for the manufacturing of Botox and other similar products, voiced apprehension regarding the potential inclusion of pharmaceuticals in future tariff implementations. This unease emerged even after Trump’s declaration of a 90-day pause on the proposed tariff scheme, indicating a broader anxiety within the industry regarding its implications for trade and profitability.

Investors have responded to these uncertainties with caution, as evidenced by the sharp decline in share prices of pharmaceutical companies on both sides of the Atlantic. Notably, firms specializing in aesthetic products have experienced significant losses; for instance, Galderma, which was spun off from Nestlé in 2019, has seen its value drop over 35 per cent since reaching a peak in February, while AbbVie, the parent company of Botox, has similarly lost about one-fifth of its market value since early April.

The potential for future tariffs poses a particular threat to the market for aesthetic injectables. According to RBC Capital, over 90 per cent of the US market for aesthetic injectables by value is supplied by international sources, with many products being manufactured in Europe and South Korea, including Dysport, which is specifically produced in the UK. The health of this market is intrinsically linked to the US, which accounted for 41 per cent of Galderma’s $4.4 billion in net sales last year.

The complexities of shifting production lines for neuromodulators discourage quick adjustments, as their manufacturing is strictly regulated. Analysts predict that should the pharmaceutical sector become a target in trade disputes, it would likely lead to price increases for these products and a decrease in sales in the already uncertain US market. Prior to the recent tariff debates, there were existing concerns regarding consumer sentiment in the US, which had begun to show signs of weakening amidst rising competition.

Despite these challenges, there are still factors propelling the growth of aesthetic injectables. A notable trend has been the rise of "Ozempic face," referring to facial sagging associated with users of anti-obesity medications, which has generated ongoing interest in aesthetic solutions. Additionally, while Galderma's sales in the US remained flat last year, its international sales increased by 15 per cent, suggesting that the global market still holds potential for growth.

However, the ongoing concerns regarding tariffs need to be addressed before a recovery in investor confidence is realised in the beauty and aesthetics sector.

Source: [Noah Wire Services](https://www.noahwire.com)

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