

## DIVE BRIEF

# Johnson & Johnson boosts US manufacturing as big pharma reshores

The company is pledging \$55 billion over the next four years to open new production facilities.

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*Joaquin Duato, CEO of Johnson & Johnson, testifies before the Senate Health, Education, Labor, and Pensions Committee at on Feb. 8, 2024 in Washington, D.C. The company announced a major expansion in U.S. manufacturing plants and other facilities on March 21, 2025. Kevin Dietsch via Getty Images*

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## Dive Brief:

- Johnson & Johnson is planning a major U.S. expansion, announcing Friday it will spend \$55 billion over the next four years on manufacturing, research and development and technology in its domestic market.
- The investments will support three advanced manufacturing facilities and expansion of other sites in its pharmaceutical and medical technology businesses, J&J said. The company officially broke ground Friday on a new 500,000-square-foot biologics manufacturing facility in Wilson, North Carolina.
- J&J's announcement follows splashy releases from Eli Lilly, Merck & Co. and Amgen emphasizing their investment in U.S.-based manufacturing. The companies are hoping their effort will ease the burden of tariffs as well as persuade the Trump administration to extend tax cuts enacted in his first term and soften the blow of Medicare price cuts.

## Dive Insight:

J&J said the U.S. expansion plan will represent a 25% increase in its investment compared to the past four years. In its annual reports, the company said it spent around \$4 billion each year between 2021 and 2024 on “additions to property, plant and equipment,” a measure that largely captures the company’s capital expenditures.

The Trump administration has pushed corporations to open more facilities in the U.S., emphasizing its “America first” policies that seek to discourage imports and increase manufacturing employment.

Big pharmas say their decisions to reshore manufacturing has been enabled by the Tax Cut and Jobs Act enacted in 2017 — which, in addition to cutting the base corporate rate, also lowered taxes on profits that are earned by overseas subsidiaries and paid back to the U.S. parent.

Rising demand for pharmaceutical products, as well as the risk of tariffs from overseas production, is driving manufacturing expansions. Lilly has struggled to meet the appetite for its GLP-1 product tirzepatide, sold as Ozempic in diabetes and Zepbound in obesity. Sales of the drug tripled between 2023 and 2024. J&J also has fast-growing biologic medicines like Darazalex and Carvykti in cancer and Tremfya in psoriasis, underscoring the need to build production facilities close to their biggest-selling markets.

J&J said the North Carolina plant will employ 5,000 people in construction and create 500 permanent positions. The remaining manufacturing sites will be announced at a later date, as will expansions of R&D facilities and “increased technology investments to help make drug discovery and development faster, support workforce training and enhance our business operations.”

Before these expansions are accounted for, J&J claims its benefit to the U.S. economy exceeds \$100 billion a year.