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What Trump's Denmark Tariff Threat Means for Ozempic Drugmaker Novo Nordisk

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It is possible that Novo Nordisk could see new difficulties selling its medicines in the U.S. under Trump. Above, a production line of Wegovy injection pens at a Novo facility in Denmark. (CHARLOTTE DE LA FUENTE/BLOOMBERG)

President-elect Donald Trump's vow to "tariff Denmark at a very high level" if the nation does not hand sovereignty over Greenland to the U.S. will create new uncertainties for the Danish drugmaker [Novo Nordisk](#), the largest European Union company by market capitalization.

Novo Nordisk, which sells the weight loss drug Wegovy and the type 2 diabetes medicine Ozempic, among a long list of other medicines, depends heavily on the U.S. market, where it earned 60% of its revenues in the third quarter of last year.

Analysts and investors have worried their way through plenty of potential stumbling blocks for Novo, which is duking it out with U.S. heavyweight [Eli Lilly](#) over the market for GLP-1 drugs, the hottest pharmaceutical category in the world.

A tariff war tied to a U.S. attempt to annex Greenland, however, was likely not one of them.

Greenland, an enormous, frigid, sparsely populated island, has been ruled by northern European states for hundreds of years. President Trump has, in recent weeks, expressed unexpected support for claiming it for the U.S.

Now, the incoming president has tied his ambition to seize Greenland to his penchant for imposing tariffs, taxes importers pay when they bring foreign goods into the U.S. Trump has promised to impose a range of tariffs, though the threat to target Denmark in particular appears to be a new one.

It's not at all clear what a tariff would mean for Novo, which manufactures its medicines in facilities all over the world, including in the U.S.

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“In principle, such tariffs would be relevant only for products imported directly from Denmark,” Cornell University trade-policy professor Eswar

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Prasad told *Barron's* on Tuesday.

In practice, though, Prasad said that the Trump administration could tailor specific tariffs to target products made by Danish companies regardless of where they are manufactured.

The upshot is that it's at least possible that Novo could see new difficulties selling its medicines in the U.S. under Trump.

“He is trying to sow as much uncertainty on trade with the United States as possible to put a chilling effect on further production and investment in the United States’ trading partners,” says Brett House, a professor of economics at Columbia Business School. “This is all part of a general strategy to try to draw investment and production back to the United States, not necessarily by imposing tariffs, but by creating the threat of them, and adding more broadly to uncertainty in a way that makes it more costly, on a risk-adjusted basis, to produce and invest abroad.”

Damage to Novo from Trump’s tariff threat would come with a heap of irony. The company closed late last month on an \$11 billion deal that will allow it to [significantly expand its manufacturing within the U.S.](#)

Novo’s American depositary receipt was down 2.4% Tuesday, while the [S&P 500](#) was down 1%. Novo’s share price has stumbled since the autumn of 2024, when worries over the outlook for the company’s obesity drug began to mount amid growing pressure from an indomitable compounding industry selling legal knockoffs of Ozempic and Wegovy. There have also been questions about the strength of

demand for GLP-1, which some investors had assumed to be virtually bottomless.

The Novo ADR is now down 22.6% over the past 12 months.

Asked for a reaction to Trump's tariff threat, a Novo spokesperson said the company does not "comment on hypotheticals." The company would not say what proportion of the medicines it sells in the U.S. is manufactured in Denmark.

In prior comments, the company has said it has three sites in Denmark and two sites in the U.S. that make the active pharmaceutical ingredients in its medicines. Following its latest acquisition, it will have 14 sites where it does the highly complex work of packaging the drugs. Two of those sites are in the U.S. and six are in Denmark.

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