



## Tariffs Push Harley-Davidson to Produce Overseas

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A year after Trump pulled the USA out of a 12-nation trade deal, the Trans-Pacific Partnership, in January 2017, Harley announced it would close its factory in Kansas City, Mo., and consolidate production in York, Penn., eliminating about 260 jobs.

In the early days of his administration Trump had embraced Harley-Davidson, which sells about 40,000 motorcycles a year in Europe, as an emblematic USA industrial firm. Mr. Trump raged. "Their employees and customers are already very angry at them".

American President Donald Trump had frequently embraced the firm as an emblematic U.S. industrial company, but Harley-Davidson's decision to move some work overseas to avoid retaliatory European Union duties left him disappointed and upset.

On Monday, White House press secretary Sarah Huckabee Sanders complained during a press briefing that the European Union "is trying to punish USA workers" by increasing tariffs on American-made products. "Harley must know that they won't be able to sell back into USA without paying a big tax!"

And while Harley-Davidson may appear to be on an island right now, it would seem unlikely that they are the last company to make an investment decision that is net negative for the USA economy - either by pulling investment, employees, or both - from the country given the current state of play. That makes it a symbolic target for foreign leaders looking to hit back at America in a trade war. Multinationals that expand overseas, such as Harley, typically add jobs to their US operations, he said.

"Will Harley use any excuse to ship jobs overseas?" He tweeted, "Harley must know that they won't be able to sell back into USA without paying a big tax!" "That was long before the **tariffs** were announced", the President went on. Trump blasted Harley-Davidson in remarks Tuesday afternoon, accusing them of using the **tariffs** as an "excuse".

Trump said a Harley-Davidson motorcycle "should never be built in another country" and if they follow through on the move, it "will be the beginning of the end". Presumably the manufacture of the Harley-Davidson Street 500 and 750 in India plays a part in this decision.

The company is only the latest targeted by Trump for various reasons. "No, it's not surprising at all", said Scott Lincicome, an global trade attorney and an adjunct scholar at the Cato Institute who has been critical of Trump's approach.

The new taxes are meant to answer **tariffs** the Trump administration is requiring on steel and aluminum imports from Europe. "We will now wait for the USA decision on the vehicle **tariffs**", an official in Germany's economy ministry said. Shows how unbalanced & unfair trade is... "I think you're going to even expand".

Rep. Thomas Massie (R-Ky.) weighs in on Harley-Davidson's decision to move some of its production outside the U.S. The president hosted Harley executive at the White House in 2017 and has repeatedly praised the company as a strong homegrown product.

Harley-Davidson has fallen 20% this year. Because most of the company's business involves long-term contracts signed years ago, he is stuck delivering products at prices that no longer generate almost as much profit. "I know your business is now doing very well and there's a lot of spirit right now in the country that you weren't having so much in the last number of months".

So far, though, those hurt by Trump's **tariffs** do not appear to be European Union countries but American workers.