



Trump warns Harley-Davidson of 'big tax' for shifting some production overseas

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"Their employees and customers are already very angry at them", he wrote on Twitter. For example, India is a rapidly-growing motorcycle market and they have huge taxes on imported motorcycles from America.

"I fought hard for them and ultimately they will not pay tariffs selling into the European Union, which has hurt us badly on trade, down \$151 Billion", Trump continued. During the campaign he often talked about the company and as president he invited Harley executives to the White House.

Harley-Davidson's announcement Monday was made in response to newly imposed **tariffs** by the European Union on American made items such as motorcycles, orange juice, bourbon, boats, cigarettes and denim products. "And I think that the people that ride Harleys are not happy with Harley-Davidson, and I wouldn't be, either".

"Thank you, Harley-Davidson, for building things in America", Trump said at the time.

In a series of Twitter posts on Tuesday morning, Trump suggested the famous American brand was using trade tensions over **tariffs** as an excuse to move production.

In one Tuesday tweet, Trump suggested that Harley was motivated by a hidden agenda, writing: "Harley must know that they won't be able to sell back into the US without paying a big tax!" At the very end, using written shouting, he warns Harley-Davidson they will be taxed like never before.

"To address the substantial cost of this **tariff** burden long-term, Harley-Davidson will be implementing a plan to shift production of motorcycles for European Union destinations from the United States to its worldwide facilities to avoid the **tariff** burden", said the company without indicating to which country it plans to move its production facilities to. The plant also enables CKD assembly of a number of bigger motorcycles from Harley's Sportster and Softail families. The company's USA factories are in York, Pa.; Kansas City, Mo., and Menomonee Falls, Wis.

President Donald Trump's tirade against motorcycle manufacturer Harley-Davidson represents a rather stunning reversal of his previous praise for the company.

The crisis began when the USA government imposed additional **tariffs** on steel and aluminium imports from the European Union (EU) region.

No one, not even Harley Davidson itself, which apparently wanted to settle the matter with India and other countries sans the hoopla that is now leading to a trade war.

Harley-Davidson says the shift to overseas production will take nine to 18 months to complete.

Europe is becoming more important to the company as United States sales slump. He hasn't spelled out what he would do to further that policy and his spokeswoman repeated that same position Tuesday when asked to react to Trump's tweets.

The European counter-measures to Trump's 25 percent **tariff** on steel and 10 percent on aluminium did not specifically target companies, but some sectors were chosen by Brussels for their symbolism.

"This is a piece of a larger discussion on trade and **tariffs** - this is a byproduct of a trade war, and there are few winners in this", Schreiber said.

Shares of Harley-Davidson fell 0.6% on Tuesday. "No, it's not surprising at all", said Scott Lincicome, an worldwide trade attorney and an adjunct scholar at the Cato Institute who has been critical of Trump's approach.

Trump said in one of several tweets about Harley-Davidson.

The EU's levies are only the latest blowback Harley has faced from Trump's trade policies.