

Harley-Davidson

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Trump warns Harley-Davidson it will be "taxed like never before" if it moves production abroad

Shares in Harley-Davidson Inc (NYSE:HOG) slipped again in early trading in New York after President Trump warned the bike maker it will "taxed like never before" should it move production outside of the US.

The manufacturer has said it will take some of its production overseas to avoid the increased export tariffs imposed by the EU in response to US duty hikes of its own.

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Taking to Twitter, Trump said: "A Harley-Davidson should never be built in another country-never! Their employees and customers are already very angry at them.

"If they move, watch, it will be the beginning of the end - they surrendered, they quit! The Aura will be gone and they will be taxed like never before!"

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— Donald J. Trump (@realDonaldTrump) June 26, 2018

....When I had Harley-Davidson officials over to the White House, I chided them about tariffs in other countries, like India, being too high. Companies are now coming back to America. Harley must know that they won't be able to sell back into U.S. without paying a big tax!

— Donald J. Trump (@realDonaldTrump) June 26, 2018

In a separate tweet, he added: "Harley must know they won't be able to sell back into [the] US without paying a big tax!"

Harley has said it is only moving some production outside of the US and that it will still operate four factories there.

It is doing so because the EU tariffs would add, on average, US\$2,200 (£1,660) to each bike exported to Europe.

Harley using tariffs as an "excuse"

Harley, which sold almost 40,000 motorcycles in Europe last year, has also said it planned to absorb these costs rather than raise its prices and risk damaging sales.

Trump accused the company of using the tariffs as an "excuse", claiming that they had been planning on shifting production abroad for a while.

Price: 36.59

Market Cap: \$5.6 billion

1 Year Share Price Graph



February 2017 August 2017 February 2018

Share Information

Code: HOG

Listing: NYSE

52 week High Low
43.47 14.31

Sector: Manufacturing & engineering

Website: www.harley-davidson.com

Company Synopsis:

Motorcycle maker, Harley-Davidson, is the parent company for the group of companies doing business as Harley-Davidson Motor Company, Buell Motorcycle Company and Harley-Davidson Financial Services. Harley-Davidson Motor Company, now the only major US-based motorcycle manufacturer, produces heavyweight motorcycles and provides a line of motorcycle parts, accessories, apparel and general merchandise.

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Early this year Harley-Davidson said they would move much of their plant operations in Kansas City to Thailand. That was long before Tariffs were announced. Hence, they were just using Tariffs/Trade War as an excuse. Shows how unbalanced & unfair trade is, but we will fix it.....

— Donald J. Trump (@realDonaldTrump) June 26, 2018

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Harley shares were down 2% to US\$40.74 shortly after the opening bell in New York.

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