

Roaring away

Harley-Davidson shifts some production out of America

An isolated response to Donald Trump's trade war, or the first of many?

Print edition | Finance and economics >

Jun 28th 2018

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commissioner, on news that Harley-Davidson plans to move some production out of America to avoid tariffs imposed by the EU on motorcycles imported from America. Those tariffs

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trade war. Not only have its inputs, namely metals, risen in price, but it makes a fair chunk of its sales, 16%, in Europe. It puts the cost of absorbing the EU's tariffs up to the end of this year at \$30m-45m. It has facilities in countries

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Other American industries have fewer options. Mexico and Canada, as well as the EU, have targeted foodstuffs, from pork and apples to cheese and orange juice. American farmers will have to find other markets, lower prices or cut production. The EU has also put tariffs on whiskey; Jack

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nowhere in a hurry. But jeans, another target, are made all over the world. Textiles firms may be able quietly to siphon production away.

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many preferential trade agreements with other countries—and, thanks to NAFTA, plenty of spiffy car factories. Rather than react as Mr Trump wants, auto manufacturers may expand in Mexico and make less in America for sale abroad.