LG to raise prices on US washers

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South Korean manufacturer LG Electronics Inc said on Wednesday that it will raise prices on most of its washing machines in the United States, the first reaction to President Donald Trump placing tariffs on imported washing machines.  
"As a result of the trade situation, we will be initiating pricing actions, which will be sent under separate cover shortly," Thomas Yoon, an executive at the manufacturer, told retailers in a memo dated Wednesday, according to The Wall Street Journal.  
The Journal said industry experts expect that LG will raise published retail prices on at least some of its washer and dryer models by approximately $50. An LG spokesman declined to discuss specifics about the price increases or their timing, the Journal said.  
"The penalties were more severe than recommended by the International Trade Commission, and we're making some adjustments," the spokesman told the newspaper, adding a goal was to minimize disruption for consumers.  
On Monday, Trump approved recommendations by the US Trade Representative to impose tariffs of up to 50 percent on imported large washing machines and parts, and up to 30 percent on solar panels. The tax on washing machines decreases and then expires after three years, while a duty imposed on solar cells and modules phases out after four years.  
John Taylor, senior vice-president for government relations at LG Electronics USA, said the Trump administration's "penalties are not justified."  
Tariffs were imposed despite LG's plans to build factories and its corporate headquarters in the United States, Taylor said on Tuesday. The tariffs could hamper those plans, he said.  
In the fourth quarter, LG accounted for 18 percent of US retail sales of washers, according to TraQline market data provided by the research firm Stevenson Co.  
LG is building a $250 million plant in Clarksville, Tennessee, that will employ about 600 people in the first phase. While company said the tariffs won't stop those plans, to build what LG calls "the most advanced factory in the world," they will slow them down, with fewer jobs in Clarksville long-term.  
"The result of this case hinders the ramp-up of the new plant and threatens many new US jobs. And the result also harms iconic American retailers that depend upon the sale of LG washers," the company said.  
Goldman Sachs on Tuesday forecast an 8 percent to 20 percent increase in the price of a new washing machine in the next year, depending on how much of the tax is passed on to US consumers.  
A US manufacturing trade group said that concern about higher prices for washing machines were overblown and the tariffs will ultimately create more jobs than they destroy.  
"You'll see more manufacturing workers in more states making more products with more innovation and R&D," Scott Paul, president of the Alliance for American Manufacturing, told USA Today.  
GE Appliances and Whirlpool, the two major US-based appliance manufacturers, applauded the tariffs.  
GE Appliances is a subsidiary of China's Qingdao Haier Ltd, but the tariffs won't apply to the washing machines made in the US. The manufacturer said in a statement that it was "pleased" with the decision to impose tariffs.  
"As we've always done, we will continue to focus on growing our business by investing in new technology," said Kim Freeman, manager of global public relations at GE Appliances.  
Samsung said in a statement that "this tariff is a tax on every consumer who wants to buy a washing machine. Everyone will pay more, with fewer choices".  
Aaron Hagstrom contributed to the reporting

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