

NEW DELHI: [Harley-Davidson](#)

, the iconic American bike, is at the centre of a trade battle between India and the US. But a higher duty is unlikely to significantly impact one of the world's best known motorcycle brands.

If US president [Donald Trump](#)

has used tariffs on Harley-Davidson as a symbol of Indian protectionism, the government too has opted to counter the American administration's move to raise import duty on some steel and aluminium products by targeting the premium bike for additional duty, along with 29 other products - such as almonds, fresh apples and walnuts. High-end bikes currently face 40-50 per cent import duty and India plans to counter the US move by proposing 50 per cent additional duty on bikes with over 800cc displacement.

In fact, sale of bikes in India has been a special focus for American presidents. [George Bush](#) junior had pushed for standards in India for bikes with a higher engine capacity, in what was seen as a mangoes for Harley-Davidson trade deal with [Manmohan Singh](#)

AT CENTRE OF TRADE WAR



➤ In 2017-18, Harley's sales in India stood at 3,413 units (marginally lower than 3,668 units in 2016-17), while exports rose to 6,108 units from 5,438

➤ While it exports fully-built motorcycles to Europe

and other parts of the world, the US gets them as part of large-size shipments, which are then assembled in the country

"We support free-and-fair trade and hope for a quick resolution to this issue. We believe import tariffs on steel and aluminium will drive up costs for all products made with these raw materials, regardless of their origin. We are currently evaluating our options for managing anticipated cost increases related to the proposed tariffs," a company

spokesperson said, days after India notified its plan to the WTO.

The government has estimated total damages of higher tariffs on high-end bikes to be about \$5 million (around Rs 35 crore), with officials suggesting that the bike-maker was not unduly worried about import duty in the country and is lining up expansion, including a focus on the sale of apparel and accessories.

Company sources said Harley-Davidson is trying to understand, whether the proposed duty hike is on fully-imported ones or even on extended locally-made manufactured motorbikes. Its big fear is whether the hike in duty may extend to import of parts in future.

Unlike several of its rivals, Harley-Davidson's operations are somewhat insulated as it locally assembles a majority of motorcycles it sells in India, which helps lower the duty burden. The company has its facility at Bawal in Haryana and its portfolio in the country includes 16 motorcycles.