Harley Leaps Trade Barriers

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President Donald Trump turned **Harley-Davidson** Inc. into a global trade issue in his address to Congress, saying barriers made it "very hard" for the Milwaukee motorcycle manufacturer to do business overseas.

It is hardly impossible, though, as the company's recent push into international markets reveals. Harley-Davidson this year announced the goal of expanding its foreign business to 50% of annual volume, up from 38% currently. A decade ago, overseas sales accounted for 22% of Harley's business.

"These markets are huge, especially in Asia," Chief Executive Matt Levatich said at an analyst conference this week. "We need to be there, and we are there." Mr. Levatich had expressed support for the Trans-Pacific Partnership, which would have lowered tariffs on U.S.-made motorcycles in countries such as Vietnam. Mr. Trump withdrew from the trade pact shortly after taking office, saying he would pursue better trade deals.

Most of the "Hogs" that Harley-Davidson sells abroad are exports from its factories in Pennsylvania, Missouri and Wisconsin. Its overseas motorcycle sales rose 2.3% last year, partly offsetting a 3.9% decrease in the U.S.

One of Harley-Davidson's biggest overseas markets is Japan, a frequent target of Mr. Trump's trade criticism, where people like 61-year-old retiree Masayuki Takeuchi have helped make Harley-Davidson models best-sellers in the big-engine category—in contrast with U.S.

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