

Quote by Nikhil Dhaka, Vice President, Primus Partners

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## Want a Harley? Trump's tariffs could make it easier to own one

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### Article Content:

Call it what you will—the Trump tariffs threat or the Government of India scoring brownie points ahead of Prime Minister Narendra Modi's upcoming trip to the U.S. Regardless of the reasons behind this, the bottom line is that luxury motorcycles are about to become much more affordable. This includes global brands like Ducati, Honda, Yamaha, BMW, and more. The good news is that Finance Minister Nirmala Sitharaman has proposed cuts to the basic customs duty (BCD on the import of completely built-up units (CBUs, semi-knocked down (SKD), and completely knocked down (CKD units of motorcycles. Let's take a closer look at what this means for buyers.

Does the duty cut mean cheaper luxury motorcycles?

The Finance Minister has clarified that the proposal to cut customs duties on high-end motorcycles aims to strengthen India's economy by positioning the country as a global manufacturing hub. So, before anyone jumps to conclusions about this being a move to appease US President Donald Trump's tariff threats, it might not be as simple as it seems. Nikhil Dhaka, VP, Primus Partners, has an interesting take on the slash on import duties. He said, "It is important to recognize that Trump's stance on India's import tariffs, particularly on motorcycles like Harley-Davidson, has historically been a point of contention. The high import duties imposed by India have been criticized by U.S. manufacturers, and this budgetary decision may be seen as an effort to mend relations and attract American brands back into the Indian market. The reductions could also be interpreted as a strategic move to enhance bilateral trade relations ahead of diplomatic engagements between India and the U.S."

To put things into perspective, during Trump's first term, he praised Prime Minister Modi for reducing the import duty on motorcycles from 100 per cent to 50 per cent. However, he also called the 50 per cent duty on Harley-Davidson motorcycles "unacceptable."

From the Budget 2025 speech, the import duty on high-end motorcycles with engine capacities up to 1,600cc, imported as CBUs, has been reduced from 50 per cent to 40 per cent. This means that your dream Harley-Davidson now gets an additional 10 per cent rebate, making it more affordable than ever before in India. Harley-Davidson, in partnership with Hero MotoCorp, currently imports around 10 models directly, including the Pan America, Sportster S, and more. This is great news for sports bike enthusiasts as iconic nameplates like the Ducati Panigale and Kawasaki H2 SX Supercharged will also benefit from this import tax rebate.

For those considering a motorcycle with an engine capacity over 1,600cc, here's the real treat. Customs duties have been reduced from 50 per cent to 30 per cent. This includes popular models like the Harley-Davidson Fat Boy, Street Glide, and the Honda Goldwing, making premium bikes more accessible to buyers in India.

Dhaka explains, "... By lowering these duties, India aims to make local assembly a more attractive option for global manufacturers."

So, whether you're a Harley lover or a fan of other high-end brands, these duty cuts will likely make your dream motorcycle a bit closer to reality.

Goodies for SKD and CKD motorcycles

The Finance Minister isn't easing off the throttle just yet. For SKD (Semi-Knocked Down) units, there's a treat, the BCD has been cut by 5 per cent, bringing it down to 20 per cent. That's a nice little boost for brands looking to assemble bikes locally.

The CKD units get their own slice of the pie. The import duty on these has been trimmed from 15 per cent to 10 per cent. So, now, the only thing you'll be assembling are your riding dreams, not a hefty import tax.

With these changes, assembling motorcycles in India became a whole lot more attractive. Looks like the government's making sure our premium two-wheelers aren't just fast on the road but also easier on the wallet.