

FOR IMMEDIATE RELEASE

HARLEY-DAVIDSON LEAVES ITS INDIAN DEALERS IN THE LURCH WITH ITS SUDDEN ANNOUNCEMENT OF CLOSING INDIA OPERATIONS

- *The exit of the brand from the Indian market will end up with a loss of US\$ 1,750-2,800Mn and over 2,000 jobs*
- *FADA may also seek arbitrary solutions to address the problem*

New Delhi (INDIA), September 30, 2020: The iconic American cult motorcycle brand **Harley-Davidson** has recently announced the discontinuation of its manufacturing and sales operations in India. This decision has left its Indian Dealers stranded like an abandoned baby without any compensation package.

Surprisingly, the Indian Customers and Channel Partners of Harley-Davidson were unaware of its 8-K filing in the USA on September 23, 2020 until Indian media broke this story. Post this and FADA's press statement, the company wide mail dated September 24, 2020 to its Channel Partners in India informed them about the non-renewal of the dealership contract once the current contract lapses on December 31, 2020.

With Harley-Davidson suddenly shutting down its operations, it makes it impossible for **approximately 23,500 customers** who own these premium bikes worth **Rs. 1,900 crores (US\$ 19 Bn)** to accept this departure. The loss of value and the loss of trust which gets triggered when an auto OEM leaves the country unannounced creates a vacuum in the customer's mind w.r.t. the brand and the Dealer Partner who interacts with these customers on a day-to-day basis.

Mr Vinkesh Gulati, President, Federation of Automobile Dealers Associations (FADA) said: *"It is very unfortunate that India has witnessed 4th Auto OEM exiting its shore after General Motors, MAN Trucks and UM Lohia within last three years. On behalf of the entire fraternity, I would urge Harley-Davidson to come up with a compensation formula to support its dealer partners. Setting up a dealership of Harley-Davidson costs anywhere between **Rs 5-8 crores (US\$ 50-80 Million)**. **With a total of 34 dealerships in India, Rs 110-130 crores (US\$ 1,750-2,800 Mn) will go down the drain.** This will also make 1,800-2,000 employees lose their jobs at a time when pandemic has hit us hard. Moreover, customers will face difficulties in accessing glitch-free servicing as there will be a short supply of spare parts, leading to lawsuits and harassment of dealers due to the delay which they will face."*

In the auto trade, the dealer is the link between a manufacturer and the customer. The customer makes his buying decision on the assurance of the dealer as he is the face of the manufacturer. Now Harley-Davidson dealers are in a fix on how to service the warranty claims on these vehicles.

To take their cause, **Federation of Automobile Dealers Associations (FADA)**, the apex national body of automobile retail industry in India, representing over 15,000 automobile dealers who in turn have ~26,500 dealerships has decided to take all necessary steps to safeguard the interest of Harley-Davidson dealers in the best possible manner, during these hard times.

About FADA India

Founded in 1964, Federation of Automobile Dealers Associations (FADA), is the apex national body of Automobile Retail Industry in India engaged in the sale, service and spares of 2/3 Wheelers, Passenger Cars, UVs, Commercial Vehicles (including buses and trucks) and Tractors. FADA India represents over 15,000 automobile dealers having 26,500 dealerships including multiple Associations of Automobile Dealers at the Regional, State and City levels representing the entire Auto Retail Industry. Together we employ ~4 million people at dealerships and service centres.

FADA India, at the same time also actively networks with the Industries and the authorities, both at the Central & State levels to provide its inputs and suggestions on the Auto Policy, Taxation, Vehicle Registration Procedure, Road Safety and Clean Environment, etc. to sustain the growth of the Automobile Retail Trade in India.