

GM seeks to exempt Buick SUV from looming Trump tariffs

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The Buick Envision SUV is manufactured in China but a small number are imported into the US market, and GM has asked that it be spared the 25% import tariffs President Donald Trump is threatening to impose

Auto giant General Motors has asked US authorities to exclude its Buick Envision SUV from the sweeping tariffs Washington has threatened to



impose on auto imports.

The Envision, a key part of the Buick lineup, is manufactured and mainly sold in China, GM's largest <u>market</u>, and the automaker requested it be exempt from US <u>import</u> tariffs if they are imposed.

GM sells 80 percent of the Envisions in China, importing only 42,000 into the US market in 2017, the company told AFP, meaning that "assembly in our home market is not an option for this vehicle."

But GM President Dan Ammann told reporters Friday that "The profits that we generate from selling the vehicle here are re-invested in the United States."

Citing threats to US national security, President Donald Trump in May threatened to impose tariffs of 25 percent on all auto imports, which could take effect as soon as next month.

Trump last month agreed to shelve the auto, at least concerning European imports, following a visit from EU Commission President Jean-Claude Juncker.

GM has warned the <u>auto</u> tariffs, although intended to protect domestic manufacturers, could harm them instead. The company also says the current trade wars should cost it \$1 billion this year, mainly due to rising input costs.

The government has solicited comments from the public on the tariff proposal through the end of the month, and GM on July 30 submitted a request to spare the Envision.

That came during another week of escalating threats in the intensifying battle between Washington and Beijing, with Chinese authorities



targeting another \$60 billion in American goods after Trump unveiled plans to jack up looming tariff rates on \$200 billion in Chinese products.

"GM has determined that importing the Envision with an added 25 percent tariff on the vehicle could limit the Envision's ability to compete in the luxury SUV market in the US," the company said.

The Envision accounted for 19 percent of Buick's US sales last year, competing with Fiat Chrysler's Jeep Grand Cherokee and Cadillac XT5.

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