

Honda to build new China factory

TOKYO: Honda said on Tuesday it will build a new factory in China, as the Japanese automaker expands its reach into the world's biggest vehicle market.



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The firm, which already has several factories in China, would build its new plant in the city of Wuhan, a Tokyo-based company spokeswoman said, without supplying further details. The factory will start operating in 2019, the leading Nikkei business daily said.

The plant will be able to produce 120,000 vehicles a year in the beginning, eventually doubling to 240,000 units, according to the report. That would be roughly a 20% boost from Honda's current China factory capacity of 1.08 million units, excluding facilities solely for exports, the Nikkei story said.

Honda has three plants in southern Guangzhou and two in Wuhan, in addition to a factory dedicated to exports mainly to the Middle East, Russia and Africa.

Last year, Honda said it would delay building a planned \$822 million plant in Wuhan owing to an industry wide slowdown. But it revived the plan as sales began to recover late last year following the introduction of a tax cut on purchases of smaller vehicles, a key business for Honda, reports said.

Source: AFP

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