

Honda to come up with e2W plant in India by '28

Company to also focus on capturing growing demand for hybrids with new models

SHINE JACOB

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Even as it's realigning and reducing its global electric vehicle (EV) targets and investments, Honda Motor is all set to move aggressively into the Indian market, coming up with a dedicated electric two-wheeler (e2W) manufacturing unit by 2028 as part of its goal to capture the number one slot in EVs.

"Honda will modularise models developed exclusively as electric models and begin production at a highly efficient and dedicated electric motorcycle production plant, which will become operational in India in 2028. This will enable further strengthening of the electric motorcycle business structure," Honda Motor's global chief execu-

tive officer (CEO) Toshihiro Mibe (*pictured*) said on Tuesday. "Through these initiatives, Honda will offer more affordable electric motorcycle models to more customers, and further down the road, it will strive to capture the No. 1 market share in the electric motorcycle market as well," he added.

Mibe said the automaker has lowered its planned investment in electrification and software through the 2030 business year to 7 trillion yen (\$48.4 billion) from 10 trillion yen previously, due to slowing demand. It will also be focusing on capturing growing demand for hybrids with new models. The Japanese auto major said that it will introduce 13 new hybrid electric vehicles (HEVs) across the globe by 2030.

For the 2024-25 financial year

(FY25), Honda's motorcycle sales reached 20.57 million units, which account for approximately 40 per cent of the global motorcycle market, setting an all-time record for financial year sales in 37 countries and territories. The company said global demand is projected to grow from 50 million to 60 million units by 2030, particularly in the Global South, including India, and Honda plans to capture this demand with tailored products and an optimised supply system.

As for electric motorcycle models, in February of this year, Honda began sales of the Activa e and QC1, which were announced in India last year.

The investment cut is based on its decision to postpone the project to establish a comprehensive EV

value chain in Canada and change the timing to construct dedicated EV production plants. "Based on the current market slowdown, we expect EV sales in 2030 to fall below the 30 per cent that we previously targeted," Mibe said, adding that battery-powered cars might make up only around 20 per cent of the company's sales by then. Honda expects to sell 2.2 million to 2.3 million hybrid vehicles by 2030.

This comes after the announcement in early May that the company had put on hold for about two years a \$10.7 billion plan to build an EV production base in Ontario, Canada, due to slowing demand for electric cars. The company has set a target of achieving carbon neutrality by 2050 while having 100 per cent EV sales by 2040.



“HONDA WILL OFFER MORE AFFORDABLE ELECTRIC MOTORCYCLE MODELS AND IT WILL STRIVE TO CAPTURE NO. 1 MARKET SHARE”

Toshihiro Mibe, Global CEO, Honda Motor