

Honda Wants Local Assembly Plant

By [The Moscow Times](#)

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Honda Motor Co. plans to set up its first assembly plant in Russia, Nikkei business daily reported Sunday, as Japan's No. 3 automaker looks to lift its competitiveness in the fast-growing auto market.

The company is looking to invest several billion yen (tens of millions of dollars) to produce 30,000 to 50,000 cars annually, Nikkei said, adding that Honda has submitted plans to the Russian government and started talks with officials.

Honda is consulting with officials on the location of the assembly plant, which will use components imported from its global facilities, and the Russian Far East is seen as one candidate, Nikkei said.

A Honda spokesman declined to comment on the report.

General Motors, Renault and a host of other top players have already announced plans to ramp up production in Russia in exchange for lower import tariffs for parts.

Honda, which sold about 18,000 cars in Russia last year, has been selling its cars with tariffs of about 50 percent, making them more expensive than automobiles produced by rivals locally.

Russia's vehicles market is expected to double sales to about 4 million units a year by mid-decade.

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