Honda To Sell Electrics, Plug-In Hybrids In 2012

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WAKO, Japan (AP) — Honda will start selling an electric vehicle as well as a plug-in hybrid in 2012 in the U.S. and Japan, joining the race to manufacture green cars in which rivals have already taken slight leads.

The plans were disclosed by Honda Motor Co. President Takanobu Ito at the Japanese automaker's facility in a Tokyo suburb Tuesday.

"Honda has no future unless we achieve significant reduction in CO2 emissions," he told reporters. "The next 10 years will be a true test for Honda's survival."

Coming up with good cars quickly and at affordable prices is now crucial to scoring success in changing times, Ito said. Customer needs are shifting to small and green vehicles, he said.

Ito declined to give details of the vehicles, including the batteries — the key component — they would use, except that it would be a commuter with a relatively short cruise range.

Tokyo-based Honda, Japan's No. 2 automaker, now makes the Insight and CR-Z hybrids but has not given concrete plans for a plug-in or EV previously.

Under its new strategy, Honda will resume preparations for its Yorii plant in Saitama Prefecture near Tokyo to begin production in 2013 and focus on green models.

Honda dropped a previous plan to build a new plant in Yokkaichi, Mie Prefecture, central Japan, it said.

Ito denied Honda was ever disinterested in electric vehicles as was the impression among some analysts and media reports.

Toshiyuki Fukuda, a freelance auto writer, said he remained skeptical about whether Honda's EV and plug-in would be successful because the automaker did not offer enough information.

"The plan is for a product that is just two years away," he said. "Maybe it just wants to ride on the EV boom."

Fukuda and others say Honda has fallen behind Toyota in gasoline-electric hybrids and plug-ins and Nissan and others in EVs, and it is still unclear whether it can catch up.

Japanese rival Nissan Motor Co. has already begun taking orders for its Leaf electric car, which is set to arrive in Japan and the U.S. later this year. Toyota Motor Corp. is

also planning an electric vehicle model for 2012.

Mitsubishi Motors Corp. began selling its mass-produced electric vehicle, the iMiEV, earlier this year.

The Japanese aren't the only ones planning EVs, with American, Chinese and other global makers also developing electric vehicles.

Toyota announced earlier this month it is working with U.S. electric vehicle upstart Tesla Motors Inc. to develop an electric version of Toyota's RAV4 small crossover vehicle, with plans to begin selling it in the U.S. in 2012.

Ito also said Honda, which also makes the Asimo walking childlike robot, will beef up its lineup of gas-electric hybrid models, while declining to give details.

Within the next year, Honda will introduce several hybrid models, mainly small models, including the Fit hybrid set to go on sale later this year in Japan, he said.

Honda has decided to focus on emerging markets such as India, China, Indonesia and Africa to boost growth while not being as aggressive as in the past on expanding Japan production, which will focus on advanced technology, said Ito.

Emerging markets still hold potential for tremendous growth while the Japanese market has been stagnant for years and cannot hope to recover unless North American demand recuperates, Honda officials said.

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