

Honda Adjusts Plans Due To Parts Shortages

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The Associated Press

Honda Motor Co. said Tuesday that it was tweaking production rates again at some of its North American plants because of flooding in Thailand, which has caused shortages of certain electronic plants.

Honda previously cut production by half at its U.S. plants until Thanksgiving and through Nov. 25 in Canada. On Tuesday, the Japanese automaker said production at its U.S. facilities would vary from plant to plant, but that production at some plants would exceed the 50 percent level it had set on Oct. 31.

Honda said it was making progress in finding new suppliers, and it might adjust production rates again.

But the Japanese automaker also scheduled an additional non-production day for Nov. 18, in addition to the one already scheduled for Friday. On non-production days, employees can report for work, use a vacation day or take a day off without pay and without being penalized.

Despite the production cuts, Honda said its redesigned CR-V sport utility vehicle will be launched on schedule in December.

Last year, 87 percent of the vehicles Honda sold in the United States were produced in North America. The company operates six Honda plants in North America.

Honda said that while most of the parts it uses to make those vehicles also are made in North America, it does source some electronic parts from Thailand and elsewhere overseas.

Japanese automakers had already been battered by parts shortages caused by the March earthquake and tsunami disaster in northeastern Japan when the flooding in Thailand began.

Thailand's worst floods in more than half a century were caused by massive monsoon rains.

Honda, which suffered a 56 percent drop in July-September quarterly profit, has not given a profit prediction for the fiscal year that ends in March, acknowledging that the Thai flooding made that too difficult.

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