

Honda to build major EV plant in Canada: govt source

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Honda hopes to sell only zero-emission vehicles by 2040, with a goal of going carbon-neutral in its own operations by 2050.

Japanese auto giant Honda will open an electric vehicle plant in eastern Canada, a Canadian government source familiar with the multibillion-dollar project told AFP on Monday.

The federal government as well as the province of Ontario, where the plant will be built, will both provide some financial incentives for the deal, according to the source, who spoke on condition of anonymity.

The official announcement is due Thursday, though Ontario premier Doug Ford hinted at the deal on Monday.

"This week, we've landed a [new deal](#). It will be the largest deal in Canadian history. It'll be double the size of Volkswagen," he said, referring to a battery plant announced last year, for which the German automaker pledged Can\$7 billion (US\$5 billion) in investment.

Canada in recent years has been positioning itself as an attractive destination for electric vehicle investment, touting [tax incentives](#), renewable energy access and its rare mineral deposits.

The Honda plant, to be built an hour outside Toronto, in Alliston, will also produce electric-vehicle batteries, joining existing Volkswagen and Stellantis battery plants.

In January, when news of the deal first bubbled up in the Japanese press, the Nikkei newspaper estimated it would be worth Can\$14 billion—numbers backed up by Canadian officials recently.

In the [federal budget](#) announced last week, Prime Minister Justin Trudeau's government introduced a new business tax credit, granting companies a 10 percent rebate on [construction costs](#) for new buildings used in key segments of the electric vehicle supply chain.

Canada's strategy follows that of the neighboring United States, whose Inflation Reduction Act has provided a host of incentives for green industry.

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