

# Honda announces US\$11 bn EV battery and vehicle plant in Canada

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Honda's new Canadian factory will have a production capacity of 240,000 electric vehicles per year and a batteries output of 36 GWh per year.

Japanese auto giant Honda announced Thursday the largest automotive investment in Canada's history, worth Can\$15 billion (US\$11 billion),

for a massive new EV battery and vehicle assembly plant.

Honda chief executive Toshihiro Mibe told a joint news conference with Prime Minister Justin Trudeau and other officials that [electric vehicles](#) (EVs) will start rolling off the new assembly line in 2028.

Once fully operational, the factory will have a [production capacity](#) of 240,000 vehicles per year, and a batteries output of 36 GWh per year.

"The world is changing rapidly, and we must work toward realizing carbon neutrality to sustain the global environment," Mibe said.

Honda estimates that 1,000 new jobs will be created at the facility, which is to be built next to its existing Civic and CR-V assembly plants north of Toronto that already employ 4,200 workers.

Trudeau touted Ottawa's efforts to set up "a whole ecosystem" around the production of electric batteries, positioning Canada as an attractive destination for electric vehicle investment, with generous tax incentives, renewable energy access and its rare mineral deposits.

"Because of the choices our government has made over the past few years, Canada now ranks first, globally in Bloomberg's ranking of lithium-ion battery supply chains," Trudeau said.

## **Leading the 'EV revolution'**

Ontario Premier Doug Ford noted that his province is "the only place in the world that six of the largest automakers call home" and with Honda's investment is now "leading the world in the electric vehicle revolution."

In the [federal budget](#) last week, Trudeau's government introduced a new business tax credit, granting companies a 10 percent rebate on

[construction costs](#) for new facilities used in key segments of the electric vehicle supply chain.

The estimated value of the federal tax credit for Honda's new facility is Can\$2.5 billion, while Ford said the province is contributing another Can\$2.5 billion in incentives.

In the last four years, automotive and battery makers have announced more than Can\$31 billion in investments in electric vehicle manufacturing across Canada.

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

Since 2021, Honda has made big outlays as it aggressively pursues its objective of becoming 100 percent electric in its automobile segment by 2040.

Its new facility in Alliston, Ontario will be the first to tap into Canada's EV supply chain investment tax credit and joins recently announced Volkswagen and Stellantis battery plants in Canada.

Honda will also build a cathode active material and precursor processing plant as well as a separator plant through joint ventures with chemical companies POSCO Future M and Asahi Kasei in order to complete its local EV supply chain.

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