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## **Honda Vietnam to expand its production capacity to meet demand**

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Vietnam News Agency reported that Honda Viet Nam Company Limited has recently decided to expand its production capacity to an additional 500,000 motorbikes per year to fully tap the Vietnamese market.

In 2009, the company provided more than 1.43 million vehicles while its current production capacity is 1.5 million per year. In 2009, the company achieved a sales growth rate of 18% compared with 2008. This year, it is expected to grow with more than 1.5 million motorbikes to be sold.

Mr Koji Onishi general director of HVN said that such a capacity would not be able to ensure supplies of vehicles for the market in coming years.

He added that the use of Honda motorbikes in Viet Nam was growing. Viet Nam is the fourth largest strategic market of Honda motorcycles in the world, after China, India and Indonesia.

Viet Nam is a lucrative market for motorbike makers, particularly foreign companies. In the last five years, between 2.5 and 3 million vehicles were sold each year. In 2009 alone, motorbike makers sold more than 2.7 million vehicles, of which 2.3 million were from foreign invested companies.

Manufacturers of luxury motorbikes are also optimistic about sales. The Indochina Automotive IC Auto recently introduced new expensive models, like the Ducati, each with prices ranging from USD 24,000 to USD 60,000.

Mr Lawson Dixon auto director at IC said that the Vietnamese motorbike market has large potential. Although the market share for expensive vehicles is still small, it shows signs of expanding rapidly in the future.

(Sourced from [www.vietnamnews.vnnet.vn](http://www.vietnamnews.vnnet.vn))

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