

## Honda hybrid outsells in Japan

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Published: May 11 2009 17:40 | Last updated: May 11 2009 17:40

In a milestone for the spread of low-emission "green" cars, **Honda's** newly introduced Insight petrol-electric hybrid outsold all other full-size passenger vehicles in Japan in April, the first time a hybrid model has topped national sales rankings.

Hybrids were pioneered a decade ago by **Toyota**, the world's second-largest carmaker, which introduced the Prius, the top-selling hybrid globally.

Now Toyota and Honda are hoping the increasing popularity of green vehicles will reverse a two-decade slide in Japanese car sales, which has worsened sharply with the current global recession, pushing both carmakers into unprecedented losses in the January-March quarter.

Overall car sales in Japan were down 28 per cent in April compared with a year earlier.

Honda, Japan's second-biggest carmaker behind Toyota, has been inundated with orders for the 41-mile-per-gallon, five-door hatchback since it launched the car in Japan in February.

It sold 10,481 Insights in April, more than double the number in March and about 1,000 more cars than the next best-selling model, the Fit subcompact, also manufactured by Honda.

Tax breaks on low-emission vehicles introduced at the start of April propelled the Insight to the top of the rankings, which are compiled by the Japan Automobile Dealers Association (Jada) and exclude sales of small-engine mini-cars.

Honda has also sped up production and diverted some vehicles originally intended for export to cope with demand.

The success of the Insight – a redesigned version of Honda's first hybrid offering, scrapped in 2006 because of poor sales – is helping to push once-marginal hybrids further into the mainstream.

At ¥1.89m (\$19,000) for the most basic model, the new Insight is the cheapest hybrid available.

Toyota will this month launch a new version of the Prius in Japan, setting up the first head-to-head competition between new hybrid models since the technology became widely available.

With a fuel-efficiency rating of 50 miles per gallon, the new Prius produces significantly less carbon dioxide than the Insight, although its more complex petrol-electric drive also makes it more expensive.

Toyota sold 1,952 units of the existing version of the Prius in April, putting it in 21st place in the Jada ranking. The car's best showing to date was in December last year, when it placed third.

In addition to tax breaks, Japan in April began offering ¥100,000 (\$1,025) to drivers who buy new vehicles that beat 2010 emissions standards by 15 per cent or more, a category that includes hybrids as well as about 40 per cent of new petrol-powered cars.

Separately, **Suzuki**, the mini-car specialist – which owns 54 per cent of Maruti Suzuki, India's biggest car producer – on Monday reported an 18 per cent fall in net profits for the three months to March. In spite of the decline, it was the only Japanese carmaker to make a profit for the quarter.

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