

Akebono Brake Mulling Mexican Parts Plant

Akebono Brake Industry Co. (7238) is thinking about constructing a parts factory in Mexico, where it already supplies automakers with products sent from bases in Japan and the U.S.

By switching to local production, the firm aims to reduce transport expenses. Upfront investment in the plant will likely reach around 2 billion yen. Akebono Brake plans to solidify such details as the location before year-end and break ground with a goal of launching operations as early as 2013.

Akebono Brake hopes to win orders from Japanese automakers planning to build new Mexican plants, such as Mazda Motor Corp. (7261) and Honda Motor Co. (7267). The brake manufacturer acquired a portion of German concern Robert Bosch GmbH's North American brake operations in 2009, absorbing a customer base that includes General Motors Co. But amid soaring materials expenses and high transport fees, the North American operations have continued to bleed red ink.

Source: Nikkei English News 08-11-11.