

Hyundai breaks ground on \$5.5B electric car plant in Georgia

October 25 2022, by Russ Bynum



Chung Eui-sun, left, executive chairman of Hyundai Motor Group, Georgia Gov. Brian Kemp, and Jose Munoz, president and COO of Hyundai, celebrate with a champagne toast during the official groundbreaking for the Hyundai Meta Plant on Tuesday, Oct. 25, 2022 in Ellabell, Ga. Credit: Richard Burkhardt/Savannah Morning News via AP

A robotic dog delivered a champagne toast and Georgia's governor and junior U.S. senator shared a brief bipartisan celebration ahead of high-stakes elections as Hyundai Motor Group broke ground Tuesday on its first U.S. plant dedicated to making electric vehicles.

Just five months after Hyundai announced the \$5.5 billion manufacturing plant in Bryan County west of Savannah, vast areas of the site have already been cleared of trees. Euisun Chung, executive chairman of Hyundai Motor Group, said the plant will be the envy of the industry.

The South Korean company plans to open the factory in 2025, with at least 8,100 employees producing up to 300,000 electric vehicles per year. Georgia officials say it's the largest economic development project the state has ever seen.

"This is transformational for the region, not just for people's children now, but for their grandchildren," Gov. Brian Kemp said. "This is going to be a project that will resonate for generations to come."

The timing couldn't have been better for Kemp, a Republican, and Democratic Sen. Raphael Warnock. The groundbreaking ceremony was held two weeks before the Nov. 8 election in which both men face formidable challengers at the top of the ballot.

After a yellow-and-black robotic dog delivered champagne flutes for Kemp and top Hyundai executives to make a celebratory toast, the officials joined other dignitaries in picking up shovels to turn ceremonial scoops of dirt. Afterward, Kemp and Warnock shared a brief handshake.



Georgia Gov. Brian Kemp speaks during the official groundbreaking for the Hyundai Meta Plant on Tuesday, Oct. 25, 2022 in Ellabell, Ga. Credit: Richard Burkhardt/Savannah Morning News via AP

"I'd like to see more of this kind of collaboration, quite frankly," said Warnock, whose race with Republican Herschel Walker will help determine which party controls the U.S. Senate. "At the end of the day, we want to see more jobs in Georgia."

Kemp, facing an Election Day rematch with Democrat Stacey Abrams, worked with state and local officials to lure Hyundai to Georgia with a package of \$1.8 billion in tax breaks and incentives.

President Joe Biden has also embraced boosting U.S. production and

sales of electric vehicles as a key part of his strategy for slowing climate change and adding manufacturing jobs. The White House recently announced \$2.8 billion in grants to ramp up production of EV batteries in 12 states.

A sweeping climate and health care law passed by congressional Democrats in August also includes incentives for manufacturing and purchasing electric vehicles, including tax credits for EV buyers worth [up to \\$7,500](#).



Chung Eui-sun, center left, executive chairman of Hyundai Motor Group, shakes hands with Georgia Gov. Brian Kemp as dignitaries join in for the official groundbreaking for the Hyundai Meta Plant on Tuesday, Oct. 25, 2022 in Ellabell, Ga. Credit: Richard Burkhardt/Savannah Morning News via AP

However, the tax credit has injected some tension into Hyundai's dealings with Washington. Changes made to the tax credit by Congress limit eligibility only to electric vehicles produced in North America. That means Hyundai EVs will no longer qualify until the company starts production in Georgia.

South Korea's ambassador to the U.S. told dignitaries at the Tuesday event that his country believes the revised EV tax credit unfairly excludes Hyundai as it commits to expanding EV production in America.

"Korean companies are now at risk of being disadvantaged by the electric vehicle tax credit provision," Ambassador Tae-yong Cho said. "I believe it is not good for Korea's partnership, for the state of Georgia, and not even for the common cause of climate change by limiting the consumer choices."



Cho Tae-yong, South Korea's Ambassador to the United States., speaks during the official groundbreaking for the Hyundai Meta Plant on Tuesday, Oct. 25, 2022 in Ellabell, Ga. Credit: Richard Burkhart/Savannah Morning News via AP

Warnock voted in support of the Inflation Reduction Act that contained the revised tax credit. He defends the law overall, saying it shows the U.S. is serious about investing in EV manufacturing. Meanwhile, he has introduced a bill that would push back the date the tax credit revisions take effect. He has also asked the Treasury Department to use "maximum flexibility" in adopting regulations to carry out the new criteria.

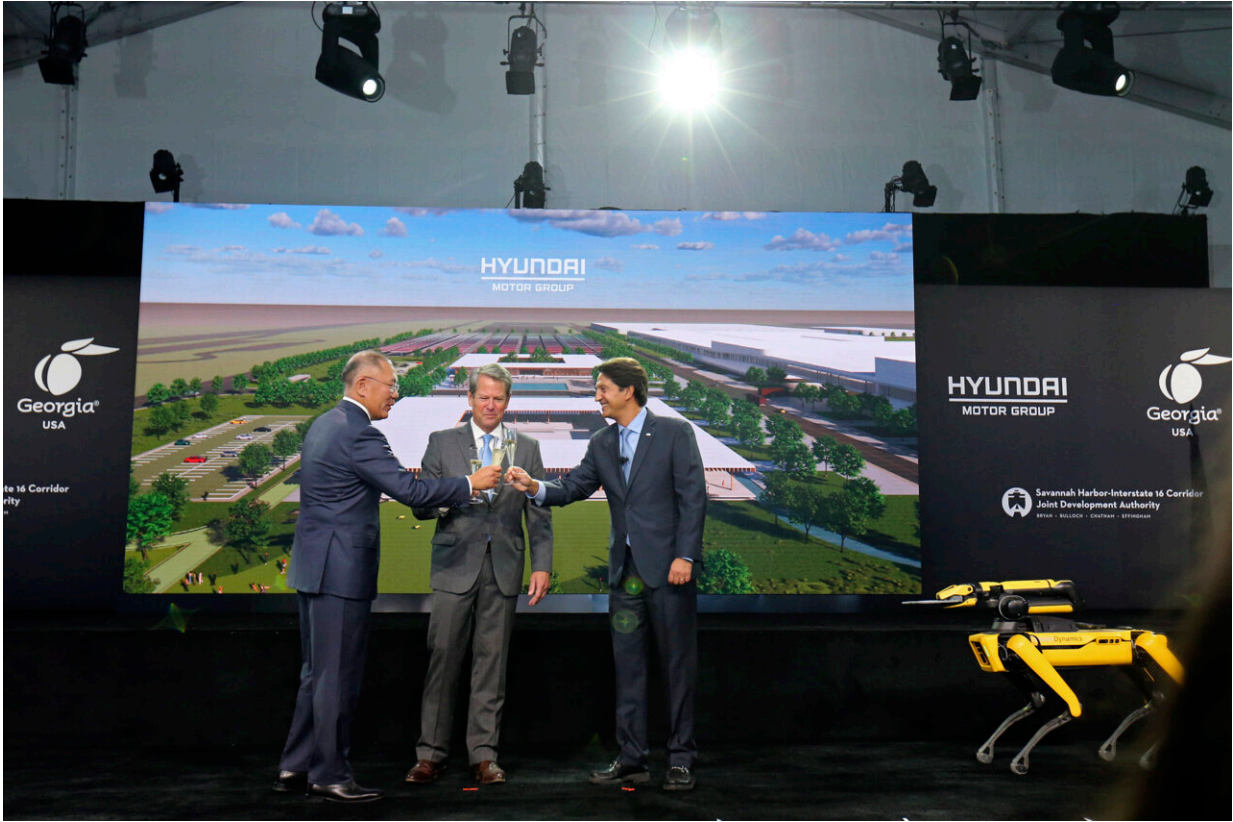
"I will continue to work with Ambassador Cho as well as with other officials to do everything we can to perfect what is already clearly a win," Warnock said after the ceremony Tuesday.

While Georgia officials celebrated the Hyundai project, the state's other big deal for a \$5 billion EV plant east of Atlanta has run into deeper problems.

Electric truck maker Rivian announced last year plans to employ 7,500 workers in Georgia. But a Morgan County judge last month rejected local governments' plan to exempt Rivian from an estimated \$700 million in property taxes, with the company agreeing to pay \$300 million in lieu of taxes. State and local officials are weighing an appeal of the judge's decision.



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Chung Eui-sun, executive chairman of Hyundai Motor Group, talks about Hyundai's charitable donations during the official groundbreaking for the Hyundai Meta Plant on Tuesday, Oct. 25, 2022 in Ellabell, Ga. Credit: Richard Burkhart/Savannah Morning News via AP



Jose Munoz, president and CEO of Hyundai North America, speaks during the official groundbreaking for the Hyundai Meta Plant on Tuesday, Oct. 25, 2022 in Ellabell, Ga. Credit: Richard Burkhardt/Savannah Morning News via AP

The property tax break was a major piece of \$1.2 billion in incentives offered to Rivian, a California automaker that has seen its stock value decline sharply this year and recently announced a big [recall](#) to tighten a loose fastener that could affect drivers' ability to steer.

Asked Tuesday if he thinks Rivian's Georgia plant will still happen, Kemp said: "I'm very confident."

"The vast majority of people want the Rivian project to come," the governor said, adding: "We're excited about the whole EV marketplace

here in Georgia."

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