

Vietnam's VinFast targets US electric car market

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After launching its electric vehicles in Vietnam, VinFast is now eyeing the US market.

Vietnamese electric vehicle maker VinFast has made its debut on the Nasdaq, and its shares soared to push its stock market valuation past

Ford and General Motors on its opening day of trading.

Here's what we know about VinFast and its push to make it in the crowded EV market:

What is VinFast?

VinFast is Vietnam's first homegrown car manufacturer. It has launched two EV models in North America, becoming the first-ever Vietnamese car sold in the US market.

It hopes to compete with giants such as Tesla and began building a factory in the US state of North Carolina last month.

The carmaker is a subsidiary of Vietnam's largest private conglomerate, Vingroup, which is owned by the country's richest man, Pham Nhat Vuong.

Vuong started out selling dried noodles in the former Soviet Union before amassing a \$5 billion fortune from enterprises in a range of sectors including real estate, tourism and education.

Once his focus shifted to cars with the launch of VinFast in 2017, he transformed a muddy patch of swampland near northern Vietnam's port city of Haiphong into a state-of-the-art factory within two years.

The factory was kitted out with 1,200 robots, German, Japanese and Swedish machinery, and a global team from auto giants including BMW and General Motors.

However, in 2022 VinFast posted a loss of \$2.1 billion.

What happened on its Nasdaq debut?

Shares of VinFast—trading under the ticker "VFS"—entered the market Tuesday at \$22 and rose sharply, closing at more than \$37. That gave it a market value of around \$85 billion after the day's trade, much higher than Ford's \$48 billion valuation and General Motor's \$46 billion.



VinFast has more than 10,000 orders for its EVs in North America but only 350 are currently on the road - all VF-8 models (pictured).

Vuong's wealth jumped by \$39 billion, according to Bloomberg.

He owns about 99 percent of the company's shares, meaning only a small number are being actively traded. This makes them prone to big price swings.

As a way to get the company listed in the United States, VinFast completed a merger with casino mogul Lawrence Ho's Black Spade Acquisition.

Black Spade is a "blank check" company, or a special purpose acquisition company (SPAC) introduced to public markets with the sole purpose of merging with an operating company.

Some companies using SPACs—including other EV startups—have suffered big market drops.

What's next for VinFast?

VinFast launched its EVs last year across Vietnam, where they are slowly gaining in popularity. It also introduced a taxi service in major cities in April using the EVs.

In North America, more than 10,000 orders for two models—the VF8 and the VF9—had been placed by customers, VinFast told AFP Wednesday.

But only 350 cars—all of them VF8s—are currently on the road.

Elliot Richards, a presenter for the EV-focused YouTube channel Fully Charged, told AFP that VinFast had succeeded in the US market where other bigger names in the electric space, such as China's BYD, had failed.

"It shows a lot of confidence," he said.

The listing on the Nasdaq gives VinFast a second chance, he added, after "the first car was pretty much a flop" due to "fixtures and fittings that weren't up to expectations, as well as the drive".

VinFast hopes the factory in North Carolina will begin production in 2025, and has also opened showrooms in Canada and Europe.

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