

Vinfast plans first EV factory in India

January 8 2024



Vinfast is looking to expand overseas but has had a rocky start.

Vietnamese carmaker VinFast said it will build its first electric vehicle factory in India as part of a planned \$2 billion investment, as it looks to expand into the rapidly growing market.

The facility will be in the southern state of Tamil Nadu, according to a

VinFast statement released Saturday, which said there was an initial intended commitment of \$500 million for the first five years of the project.

The communist state's first homegrown car manufacturer is hoping to compete with EV giants such as Tesla, and is trying to crack [international markets](#).

But VinFast's expansion overseas has faced a rocky start.

Of the 11,300 vehicles it sold in the first half of last year, 7,100 were bought by a [company](#) owned by the same parent company as VinFast.

The firm listed on the Nasdaq in August, hitting headlines around the world as its valuation skyrocketed and then crashed.

In the statement, the company said that the "VinFast Tamil Nadu project aims to evolve into a first-class electric vehicle production hub in the region, with an annual capacity of up to 150,000 units".

Construction of the plant is expected to begin this year, and create up to 3,500 local jobs.

"This initiative forms a crucial part of VinFast's strategy to establish a strong presence in key markets and strengthen its [supply chain](#) for global expansion," the statement added.

Tamil Nadu state chief minister M.K. Stalin welcomed the deal, calling it a "great leap in the industrial development" of the state, in a post on social media.

The announcement comes as VinFast named Pham Nhat Vuong, chairman of [parent company](#) Vingroup, as its new CEO on Saturday.

Vuong will "directly oversee the operations of VinFast, including [global production](#), sales, and marketing", the statement said.

Vuong, Vietnam's richest man, replaces Le Thi Thu Thuy, who has held the post since 2021 and now becomes the chairwoman of the board of directors.

His [net worth](#) is around \$4.6 billion, according to Forbes, and in April last year, he provided VinFast with a \$1 billion grant.

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