VinFast to expand facility for electric 2Ws, buses in TN

SHINE JACOB
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VinFast and the Tamil Nadu government on Thursday signed a memorandum of understanding (MoU) to allocate approximately 500 acres of land in the Sipcot Industrial Park in Thoothukudi to support the expansion of the firm's existing facility to produce electric buses and escooters.

This is likely to be seen as an additional $500 million second-phase investment by the company in Thoothukudi to develop new dedicated workshops and production lines for electric buses and escooters, covering manufacturing, assembly, testing and other related operations. During the first phase, it had already invested $500 million, and has already lined up a cumulative investment of $2 billion.

This milestone provides an opportunity to VinFast to broaden its product portfolio from electric cars to electric buses, escooters and charging infrastructure, while reaffirming the company's long-term commitment to the world's third largest automotive market.

For VinFast's proposed $500 million investment, the state government will apply all applicable incentives, financial support measures, and statutory exemptions in accordance with the prevailing regulations and relevant policies, a statement said.

Under the MoU, Tamil Nadu will allocate nearly 500 acres of land adjacent to VinFast's existing facility in Thoothukudi. The state will provide support in securing required permits and in establishing essential infrastructure connections such as electricity, water, internal road access and drainage.

"The proposed expansion of the Tamil Nadu plant will enable us to broaden our product line-up in India, from electric cars to electric buses and escooters, allowing us to meet a wider range of customer needs. We also expect this initiative to create new job opportunities, advance localisation, and strengthen the skills of the local workforce," said Pham Sanh Chau, Vingroup Asia chief executive officer.