

HD Hyundai plans shipyard in Thoothukudi for \$2 billion

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South Korea's HD Hyundai, one of the world's largest ship manufacturers, is planning to build a shipyard in Thoothukudi. The project may see an investment of around \$2 billion, said a government source.

Addressing the Tamil Nadu Investment Conclave 2025 in Madurai on Sunday, Hannae Choi, vice-president and head of corporate planning division at HD Korea Shipbuilding & Offshore Engineering (HD KSOE) said the plan was initially referred to as SMITH Project — Shipbuilding Make in India Together with Hyundai.

“But today, standing here in Tamil Nadu, I believe it is time to say: Shipbuilding ‘Make in Tamil Nadu’ with Hyundai,” he said.

This comes after Cochin Shipyard and Mumbai-based Mazagon Dock Shipbuilder, in two different projects, agreed to invest a total of ₹30,000 crore in Thoothukudi. These projects may create around 55,000 jobs.

The Government of Tamil Nadu has welcomed the decision by HD Hyundai to move forward with a new shipyard in our state. This step reflects the confidence that global industry leaders place in Tamil Nadu's vision, stability and economic strength, said a source.

“The shipyard will be built in Thoothukudi, which offers climatic and geographic conditions suitable for a world class ship-



According to sources, HD Hyundai chose Tamil Nadu as it offered a clear policy roadmap

yard. With strong industry presence and major investments planned in port infrastructure, there is a clear pathway for expansion,” the source said.

The agreement was signed in the presence of chief minister MK Stalin, Industries minister TRB Rajaa and senior leadership from HD KSOE.

“Tamil Nadu was chosen by HD Hyundai because it offered a clear policy roadmap, fast coordination and a strong coastal ecosystem for a project of this scale. The state identified viable sites early and backed them with talent, infrastructure and incentives. Tamil Nadu provided a dependable and scalable environment for long-term shipyard operations,” he said.

The shipbuilding employment multiplier is high, often cited around sixfold in India, meaning one direct job supports

nearly six total jobs (direct, indirect, and induced).

Shipbuilding is labour-intensive and supports numerous ancillary sectors (60-65 per cent of value addition), making it a key driver for industrial growth and technological innovation in regions. Tamil Nadu has been advancing its maritime ambitions, treating shipyard development as a priority to boost coastal economies, attract investment and build talent.

“Amid growing momentum in the shipbuilding sector in India, Tamil Nadu has moved early and decisively. The state government has been working to identify sites that can support long-term operations,” he added.

“Incentives, modern infrastructure and focused policy have created an environment where global companies can grow with confidence. We will soon be releasing the proposed Tamil Nadu maritime manufacturing policy. This is why HD Hyundai has chosen Tamil Nadu as its preferred partner,” the official said.

The Indian shipbuilding industry is likely to grow at an exponential rate from around \$90 million now to \$8.12 billion by 2033, said a report by Finextra Research, .

Interestingly, an industrial revival is expected in southern Tamil Nadu districts — including Thoothukudi, Dindigul, Kanyakumari, Madurai, Ramanathapuram, Sivaganga, Theni, Tirunelveli, and Virudhunagar — as the region has been seeing a huge influx of investments from mostly foreign companies since May 2021.