Kia plans $2 billion expansion in state

Overall capacity to hit 630K units

SHINE JACOB
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Carmaker Kia India said on Thursday it will invest around $2 billion to expand manufacturing in Andhra Pradesh, taking its overall capacity to 630,000 units — a step that will "transform" India into an export hub for the company.

The company is an example of how partnerships between governments and private industry can create success, Gwanggu Lee, managing director and chief executive officer of Kia India, said at the 31st CII Partnership Summit 2026 in Visakhapatnam. The project is expected to generate around 12,000 jobs and increase Kia India's annual production capacity from 430,000 to 630,000 vehicles.



"We are planning to increase our production capacity by investing around $2 billion, increasing the capacity to 630,000 units. This stands for our long-term commitment to India. Our ambition is to transform India into a global manufacturing and innovation hub," Lee said.

According to news reports, the South Korean company is considering expanding its Anantapur manufacturing facility, potentially adding a new production line.

Kia India targets annual sales of 410,000 vehicles by 2030. In October, the company recorded its highest-ever monthly sales, clocking 33,462 units and registering 13.22 per cent annual growth.

"We are the fastest-growing original equipment manufacturer in India, clocking 1 million units within four years and pursuing 2 million in seven years," Lee said. The company, which signed a memorandum of understanding with Andhra Pradesh in April 2017, rolled out its first India-made car, the Kia Seltos SUV, in 2019. According to reports, the company has invested $2 billion so far to build an ecosystem in the state.

"We follow the 3S mantra: Speed, stability in our policies, and service. Once we shake hands, it becomes our project. That is the success mantra of Andhra Pradesh," said Nara Lokesh, Minister for HRD, IT & Electronics, Andhra Pradesh, at the summit.

The company's factory in Andhra Pradesh has an annual production capacity of 430,000 vehicles and is an export hub, shipping more than 410,00 vehicles and kits to nearly 100 countries.

"Our journey started in 2017, and the first plant came up within 14 months. The state has created an investment-friendly environment," Lee added.

He noted that Kia India's footprint extends beyond manufacturing to local supply-chain development and community programmes in education, healthcare, and skill training. The manufacturing expansion underscores the automaker's long-term commitment to India and its partnership with the Andhra Pradesh government as the state builds out its manufacturing sector.