

VinFast starts building EV unit in TN

Firm seeks import duty cut; unit may see an initial investment of ₹4,000 crore

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Vietnam-based electric vehicle maker VinFast, a rival of Tesla in the global market, has set foot in India and began work on building its ₹16,000 crore EV manufacturing facility at Thoothukudi in Tamil Nadu on Sunday. The company has already sought a reduction in import duties on its cars for about two years until customers get familiar with the brand and its unit in the state.

The global major kicked off

the construction of the first phase of its integrated EV hub, which may see ₹4,000 crore of investment initially and will create more than 10,000 jobs. The Thoothukudi 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.

According to a report in *Reuters*, the firm's India chief executive officer, Pham Sanh Chau, said on Sunday that it has already proposed a two-year reduction in the import duty, bringing it down to at

least 70-80 per cent for a select number of cars. This, according to the company, is until customers get familiar with the brand. Chau — who has served as Vietnam's ambassador to India, Nepal, and Bhutan between 2018 and 2022 — was appointed as the CEO of the firm in India in November last year.

He said the Central government is still considering the request by the company. This comes at a time when its rival Tesla had also requested a 100

per cent cut on import duty on EVs. Tesla's entry has fallen into the slow track as the government is yet to come out with a favourable response. "With the addition of names like Vinfast to the list of EV Manufacturers in Tamil Nadu, we are proud that Chief

Minister M K Stalin has closed in on his aim of making Tamil Nadu the EV capital of South Asia and not just India," said state industries minister T R B Rajaa.

