



ŠKODA
SIMPLY CLEVER

PRESS RELEASE

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ŠKODA AUTO poised to enter Vietnamese market

- › Czech car manufacturer to offer European models as early as 2023
- › Also available from 2024: made-in-India KUSHAQ followed by SLAVIA shortly after
- › Sales potential: initially 30,000 vehicles, prospectively 40,000 units annually
- › Thanh Cong Motor Vietnam as the carmaker's local partner
- › Construction of a CKD assembly plant in Vietnam to be completed in H1 2024

Mladá Boleslav, 7 October 2022 – ŠKODA AUTO continues to advance the company's internationalisation and is on the cusp of entering the Vietnamese market. In cooperation with its local partner, the Thanh Cong Motor Vietnam (TC Motor) the Czech carmaker will be offering the first European models in the country as early as 2023. The assembly of CKD (Completely Knocked Down) kits of the KUSHAQ and SLAVIA models will start in 2024. The production line is currently under construction. With its dynamically growing economy and significant potential on the automotive market, the country presents the ideal conditions to further strengthen ŠKODA AUTO's position in the region. The company anticipates an initial sales volume of 30,000 vehicles per year.

ŠKODA AUTO CEO Klaus Zellmer emphasises: "For ŠKODA AUTO, entering the Vietnamese market is the next logical step in our internationalisation strategy. Our attractive model portfolio offers exactly the right products for our customers, and we will be able to play to our strengths in this highly dynamic market. In addition, the geographical proximity to India provides great synergy effects; as early as 2024, we will be exporting vehicle kits from our Indian plant in Pune to Vietnam, marking a major advancement of our INDIA 2.0 project. Ultimately, this will significantly strengthen our presence in Southeast Asia."

ŠKODA AUTO Board Member for Sales and Marketing Martin Jahn adds: "Internationalising our business is an integral part of our NEXT LEVEL – ŠKODA STRATEGY 2030. We see considerable growth potential in Vietnam, and the Czech presidency of the EU Council and the EVFTA free trade agreement create very favourable economic policy conditions. We have also found a strong and reliable partner in the TC Motor to quickly gain a foothold in Vietnam. We are convinced that our model portfolio perfectly reflects the wishes of the Vietnamese people, and we are looking forward to launching early next year."

Thanh Cong Motor Vietnam (TC Motor) is the partner responsible for local production and sales

Initially, the KODIAQ, KAROQ, SUPERB and OCTAVIA model series will successively be imported from Europe, starting in 2023. As ŠKODA AUTO's local partner in the Vietnamese market, the TC Motor will take over the local production and distribution of the vehicles. With over 20 years of experience in vehicle manufacturing and sales on a contract basis, the Hanoi-based group is also investing in the acquisition and development of industrial sites, such as the Viet Hung Industrial Park. In the future, ŠKODA models will be rolling off the production line at the site in Quang Ninh province.



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CKD production of KUSHAQ and SLAVIA as early as 2024, ENYAQ iV family available after 2025

The construction of a TC Motor-owned production line is already underway and should be completed in the first half of 2024. Assembly of the made-in-India KUSHAQ and SLAVIA model series from CKD format will then begin in 2024. The KUSHAQ will be available to order in the first half of 2024, and orders for the SLAVIA can be placed from the fourth quarter of 2024. A 16,000-square-metre plant is being built in Pune to manufacture the respective subassemblies. The all-electric ENYAQ iV family models will round off the local portfolio in Vietnam after 2025.

Exporting vehicles from India is the next step in the INDIA 2.0 project

By exporting vehicles from India, ŠKODA AUTO is pressing ahead with the implementation of the INDIA 2.0 project and emphasising India's strategic importance in the automaker's development. Exports of the first left-hand drive ŠKODA KUSHAQ to the Gulf States began recently. ŠKODA AUTO has led the Volkswagen Group's activities on the Indian market since 2019. The Group's investments to date amount to one billion euros, of which 250 million euros have been allocated to research and development. In the long term, ŠKODA aims to achieve a market share of five percent alongside the Volkswagen brand, depending on market and segment developments.

Rapid expansion of the dealer network in Vietnam, high sales potential

The vehicles will be distributed through a regional dealer network of local partners. The first dealerships are planned in Hanoi and Ho Chi Minh City – taken together, these two cities record the vast majority of new car sales in Vietnam. Subsequently, ŠKODA AUTO expects to quickly expand the dealer network to include more than 50 partners. ŠKODA AUTO projects an annual sales potential of 30,000 units initially and over 40,000 units annually from 2030, thanks in part to interest in volume models based on the [MQB-A0-Global platform](#) and rising demand for electric vehicles in the country's major cities.

Strongly growing economy, highly dynamic automotive market and free trade agreements incentivise engagement

Entering Vietnam is also worthwhile due to the particularly dynamic growth of the region's car market; despite having a population of around 100 million people and currently only around 34 vehicles per 1,000 inhabitants, the country is already the fourth strongest automotive market in Southeast Asia. At the same time, European brands are likely to become increasingly prominent in Vietnam due to the gradual elimination of customs duties on goods from the EU by 2030. For this reason, ŠKODA AUTO expects the total annual market volume to increase to around one million vehicles beyond 2030.

Further information:

Tomáš Kotera
Head of Corporate and
Internal Communications
T +420 326 811 773
tomas.kotera@skoda-auto.cz

Simona Havlíková
Spokesperson for Sales, Finance and
International Markets
T +420 734 299 135
simona.havlikova@skoda-auto.cz



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Infographic and media images:



Infographic: ŠKODA AUTO poised to enter Vietnamese market

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Source: ŠKODA AUTO



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Representatives of ŠKODA AUTO, the Czech Ambassador to Vietnam Hynek Kmoníček (top row, third from the left) and representatives of the local partner Thanh Cong Motor Vietnam signing the partnership agreement today in Vietnam.

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Source: ŠKODA AUTO



ŠKODA AUTO poised to enter Vietnamese market

Representatives of ŠKODA AUTO and the local partner Thanh Cong Motor Vietnam signing the partnership agreement today in Vietnam.

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ŠKODA AUTO

- › is successfully steering through the new decade with the NEXT LEVEL – ŠKODA STRATEGY 2030.
- › aims to be one of the five best-selling brands in Europe by 2030 with an attractive line-up in the entry-level segments and additional e-models.
- › is emerging as the leading European brand in important growth markets such as India and North Africa.
- › currently offers its customers twelve passenger-car series: the FABIA, RAPID, SCALA, OCTAVIA and SUPERB as well as the KAMIQ, KAROQ, KODIAQ, ENYAQ iV, ENYAQ COUPÉ iV, SLAVIA and KUSHAQ.
- › delivered over 870,000 vehicles to customers around the world in 2021.
- › has been a member of the Volkswagen Group for 30 years. The Volkswagen Group is one of the most successful vehicle manufacturers in the world.
- › independently manufactures and develops not only vehicles but also components such as engines and transmissions in association with the Group.
- › operates at three sites in the Czech Republic; has additional production capacities in China, Russia, Slovakia and India primarily through Group partnerships, as well as in Ukraine with a local partner.
- › employs 45,000 people globally and is active in over 100 markets.