

Vietnam launch: Škoda Auto celebrates key internationalisation milestone

- › Škoda Auto celebrated its market entry in Vietnam with a special event, co-hosted with local distribution and production partner Thanh Cong Group (TC Group)
- › Sales of imported vehicles will begin on 25th September in Hanoi at Škoda's first dealership in the nation; local CKD production will start in 2024
- › Vietnam has the highest growth potential in the region and is the company's strategic gateway to ASEAN and the broader Indo-Pacific region.

Mladá Boleslav/Hanoi, 23 September 2023 – Škoda Auto has taken an important step in its internationalisation strategy today with its entry into the Vietnamese market. A celebratory event took place with representatives of the Vietnamese and Czech governments alongside Škoda's local distribution and production partner, TC Group. Škoda Auto projects a rapid expansion of the dealer network to as many as 30 partners and an annual sales potential of over 40,000 units beyond 2030. The first models, starting with the Karoq and Kodiaq, will be imported from Europe. Local CKD production, planned to start next year, aims to leverage synergies due to the country's proximity to India. Škoda views Vietnam as a gateway to the promising ASEAN region.

Klaus Zellmer, Škoda Auto CEO, says, "We are excited to engage with Vietnam's dynamic economy and a new group of customers in this fast-growing market. This is also the next step in our accelerating internationalisation strategy, strengthening our brand in the ASEAN region and intensifying the synergies between our two key markets of India and Europe. During the preparations, it has been clear that in TC Group we have an excellent partner for the production and sale of our attractive model portfolio. I look forward to starting a successful future together."

Martin Jahn, Škoda Auto Board Member for Sales and Marketing, says: "Today marks an important milestone in the history of Skoda Auto. By entering the Vietnamese market, we are further strengthening our position in the global automotive industry. We have a clear strategy, ambitious targets, and a strong local partner in TC Motor. Our medium-term plan is to engage around 30 local contractual partners, assemble around 30,000 cars from CKD kits, and realise a sales potential of more over 40,000 vehicles annually beyond 2030. This move solidifies Škoda's commitment to serving our Vietnamese customers and becoming an important presence in the local market."

Škoda Auto celebrates market launch with celebratory event, plans to expand dealer network

The Czech car manufacturer presented the Kvasiny-produced SUV model series Karoq and Kodiaq, which will be the first models available on the local market. Customers can purchase these at the first Škoda showroom in Hanoi from 25 September onwards. Additional showrooms in central and south Vietnam are in the pipeline. The goal is to expand the dealer network to 20 Škoda dealerships by 2025 and 30 by 2028.

First models imported from Europe in 2023, start of local CKD production in 2024

Škoda has a well-defined roadmap for the Vietnamese market, with plans to expand its model portfolio in response to customer preferences. The Octavia and Superb models are slated for importation to Vietnam in the medium term. Additionally, the all-electric Enyaq family is being introduced to cater to the growing demand for electric vehicles among Vietnamese consumers.

Starting in the second half of 2024, Škoda will be tapping into significant regional synergies. By then, the first Kushaq vehicles will have been exported from the Pune facility in India to Vietnam for assembly from CKD (Completely Knocked Down) kits, with the Slavia set to follow in 2025. Construction of a production line at the Viet Hung Industrial Park in Quang Ninh province by Škoda's local partner TC Group is already underway. Based on market trends, there are ambitions to ramp up production, potentially assembling as many as 27,000 vehicles annually after 2030.

High growth potential and projected annual deliveries of over 40,000 units beyond 2030

The automotive market in Vietnam is exceptionally dynamic. At present, Vietnam is the fourth strongest automotive market in Southeast Asia. Moreover, with only 38 vehicles per 1,000 inhabitants in a population of roughly 100 million people and given the anticipated national economic growth, Vietnam is emerging as the country with the highest growth potential in the region. The brand foresees annual sales of 30,000 units in the medium term, with that figure rising to more than 40,000 units after 2030. The capacity at the Viet Hung Industrial Park, where the TC Group-owned plant is located, could be used in the future to expand production with a view to potentially exporting Škoda models across the entire ASEAN region.

Contact

Tomáš Kotera

Head of Corporate and
Internal Communication

+420 326 811 773

tomas.kotera@skoda-auto.cz

Pavel Jína

Spokesperson for Sales, Finance,
and International Markets

+420 326 811 776

pavel.jina@skoda-auto.cz

Media images and infographic



Vietnam launch: Škoda Auto celebrates key internationalisation milestone

Martin Jahn, Škoda Auto Board Member for Sales and Marketing (on the right) and Le Do, General Director of Škoda project, during at the official event, celebrating Škoda Auto's market entry in Vietnam.

Source: Škoda Auto



Vietnam launch: Škoda Auto celebrates key internationalisation milestone

As part of the celebrations, the brand introduced the Karoq and Kodiaq SUVs, which will be the first models available in the local market.

Source: Škoda Auto



Infographic: Škoda Auto celebrates key internationalisation milestone

Škoda Auto has taken an important step in its internationalisation strategy with its entry into the Vietnamese market. Škoda Auto projects a rapid expansion of the dealer network to as many as 30 partners and an annual sales potential of over 40,000 units beyond 2030.

Source: Škoda Auto

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 or North Africa.
- › currently offers its customers eleven passenger-car series: the Fabia, Scala, Octavia and Superb as well as the Kamiq, Karoq, Kodiaq, Enyaq, Enyaq Coupé, Slavia and Kushaq.
- › delivered over 731,000 vehicles to customers around the world in 2022.
- › 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 MEB battery systems, engines and transmissions in association with the Group.
- › operates at three sites in the Czech Republic; has additional production capacity in China, Slovakia and India primarily through Group partnerships, as well as in Ukraine with a local partner.
- › employs over 40,000 people globally and is active in over 100 markets.