

## Škoda Auto expands strategic collaboration in Kazakhstan, focusing on production, sales, and support for technical training

- › Škoda Auto opens a new chapter in its operations in the Kazakh market with an official visit and signing agreements with Allur
- › Local assembly of Octavia, Kamiq, Karoq, and Kodiaq models from SKD kits will start gradually in first quarter; feasibility of CKD assembly to be evaluated by end of 2024
- › Both partners commit to supporting technical training in Kazakhstan through a memorandum of understanding (MoU)
- › Four dealerships soon to open featuring brand's new corporate design, with official sales launching in second half of February

Mladá Boleslav, 8 December 2023 – Škoda Auto is steadily expanding its previously announced partnership with Allur in Kazakhstan. Martin Jahn, Board Member for Sales and Marketing, along with partner representatives in Astana, signed key documents shaping the future of this collaboration. Beyond sales and production, the companies agree to enhance technical training in Kazakhstan as part of the memorandum of understanding (MoU). The commitments include assembling vehicles from Semi Knocked Down (SKD) kits as well as exploring the feasibility of local production from Completely Knocked Down (CKD) kits, potentially starting after 2025. During his visit, Jahn also met with Roman Sklyar, Deputy Prime Minister of Kazakhstan, to discuss strategic plans and the automotive industry in both countries.

**Klaus Zellmer, Škoda Auto CEO**, says: “Internationalisation is crucial for Škoda Auto, and re-entering the Kazakh market aligns well with our plan, including launching our brand in Vietnam. I am pleased with the rapid progress of our cooperation with our new manufacturing and sales partner in Kazakhstan, Allur. Following the announcement of our cooperation in October, we have now signed additional vital agreements, paving the way for assembling Škoda vehicles in Kazakhstan next year and establishing the framework for our future collaboration.”

**Martin Jahn, Škoda Auto Board Member for Sales and Marketing**, adds: “Kazakhstan is a highly attractive market for us with significant growth potential, which dovetails perfectly with our internationalisation strategy. It was an honour to meet Roman Sklyar, Deputy Prime Minister of Kazakhstan, during my visit and to discuss the current state of the automotive industry in both countries. We also talked about our common interest in supporting Kazakhstan's technical training alongside Allur, and I presented our strategy for the coming period. Our plan is to progressively begin producing four models in the first quarter, open

dealerships in Almaty, Astana, Karaganda, and Shymkent as soon as possible, and officially enter the market and commence sales in the second half of February. Our long-term goal is to achieve a 5% market share by 2028.”

#### **Feasibility assessment of CKD-based vehicle production by the end of 2024**

Among the agreements signed by Škoda Auto and Allur is an MoU, which includes evaluating the feasibility of locally producing vehicles from CKD kits after 2025. If successful, this would lead to a more comprehensive manufacturing process at the production plant, including welding, painting, and final assembly, and would also allow for greater involvement of local suppliers. This collaboration between both companies would support employment in Kazakhstan as well as the Czech Republic. The final feasibility assessment will be completed by the end of 2024.

#### **MoU on supporting technical training in Kazakhstan**

Škoda Auto and Allur have also committed to working together to strengthen and enhance technical training in Kazakhstan. The foundation of this collaboration will be exchanging knowledge about training young professionals who are preparing for new roles in the automotive industry. The Mladá Boleslav-based automaker has long focused on promoting technical education through the Škoda Auto University and its own vocational school, as well as collaborations with dozens of secondary vocational and higher education institutions across the Czech Republic. The support consists of direct material assistance to improve teaching. Škoda Auto also intends to initiate collaboration with the educational sector in Kazakhstan. In line with this plan, the visit to Kazakhstan included meetings with representatives of the country's leading universities.

#### **Extensive development plan: Joint creation of authorised partner network**

An integral part of the collaboration between Škoda Auto and Allur will be building a network of authorised dealerships rolled out in the new corporate design. The initial showrooms will open in the coming months in the largest Kazakh cities. Customers in Almaty, Astana, Karaganda, and Shymkent will be the first to experience the services of Škoda Auto's authorised partners. The official market entry and sales launch is slated for the second half of February, while the number of modern showrooms will increase throughout 2024.

#### **Škoda Auto's internationalisation strategy continues**

Škoda Auto had [previously announced](#) that vehicle production for the Kazakh market would begin in early 2024. The vehicles will be manufactured at the plants in Mladá Boleslav and Kvasiny, with final assembly from SKD kits taking place at the Allur plant in Kostanay. From the outset, customers will be able to choose from Škoda's most popular models: the Kamiq, Karoq, and Kodiaq SUVs, along with the best-selling Octavia. Škoda Auto's re-entry into the Kazakh market reflects the consistent implementation of its internationalisation strategy. In

another stride towards global expansion, Škoda Auto officially launched its sales operations in Vietnam in September 2023. In addition, it had earlier taken over the strategic management of the Volkswagen Group’s Core volume brands for the entire ASEAN (Association of Southeast Asian Nations) region, aiming to leverage the combined potential for further growth. Škoda Auto also strategically manages the Volkswagen Group’s activities in the rapidly developing Indian market.

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Media images



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Pictured here are Martin Jahn, Škoda Auto Board Member for Sales and Marketing, and Oksana Cholstininova, General Director of Allur, during the ceremonial signing of the MoU.

Source: Škoda Auto



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Martin Jahn, Škoda Auto Board Member for Sales and Marketing (centre), and Allur’s Vice Presidents Syrym Semejbajev (left) and Maxim Myagchilov during the signing of the agreements.

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.
- › effectively leverages existing potential in important growth markets such as India, North Africa, Vietnam and the ASEAN region.
- › currently offers its customers eleven passenger-car series: The Fabia, Scala, Octavia, Superb, 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 components such as MEB battery systems, engines and transmissions as part of the Volkswagen Group; these components are also used in vehicles of other Group brands.
- › 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 around 100 markets.