

Porsche to open Malaysia factory, first outside Europe

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Porsche's new factory in Malaysia's Kedah will carry out final assembly of specific models for the local market.

German luxury carmaker Porsche will open its first factory outside Europe next year in Malaysia, officials said Friday, seeking to meet strong demand in the Southeast Asian country.

The manufacturing site in the northern state of Kedah will carry out final assembly of specific models for the local market, the company and Malaysian officials said.

Malaysian Trade Minister Azmin Ali said the move was a "strategic decision by Porsche signifying its commitment to build a long-term presence in" Southeast Asia.

Albrecht Reimold, a board member of the Volkswagen-owned brand, said the new plant, being established in collaboration with a local partner, was a "standalone project and modest in size and capacity".

But he added that "it signals our willingness to learn and adapt to specific local market conditions".

Currently, Malaysians wanting to buy a Porsche have to pay high tariffs for imported vehicles. Other foreign carmakers have long operated assembly plants in the country to serve the local market.

Malaysia has a fast-growing middle class and has enjoyed robust growth rates in recent years, although a serious coronavirus outbreak has hit the economy hard.

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