



OVERDRIVE

AVID Sales Performance & Outlook

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“AVID RECORDED 65,917 UNITS SOLD”

“AVID sales hit 65,917 units sold in the first nine months of the year as consumer vehicle demand is tempered by the rising commodity prices and interest hikes. Amidst the headwinds, AVID retained its rosy outlook that its wave of new product launches and customer-focused service offerings will augur well for the automotive industry.”

Ms. Ma. Fe Perez-Agudo

PERFORMANCE & DRIVERS

Dampened by the high inflation, interest rate hike and surge in oil prices, the Association of Vehicle Importers and Distributors (AVID) sales witnessed a slowdown, recording 65,917 units sold, a 13% year-to-date decline from last year’s 75,949 units sold. In Q3 2018, the association slipped by 18% with 22,774 units sold against Q3 2017’s 27,605 units sold.

Demand for Passenger Cars (PC) continues to dip in favor of SUVs with 23,531 units sold in the first nine months of the year, down by 20%. With 7,350 units sold, the PC segment dropped by 30% in Q3 2018. In terms of volume, Hyundai continues to spearhead the segment as it managed to sell 15,359 units from January to September this year.

Accounting for 63% of the total AVID sales, the Local Commercial Vehicles (LCV) segment reported a 10% year-to-date drop, bringing the year-to-date sales tally to 41,808 units versus previous year’s 46,683 units. A total of 15,279 units were sold during Q3 2018, 11% lower than the 17,108 units sold in Q3 2017. Ford recorded 17,600 units sold for the first nine months of the year, making it the top selling brand in this segment.

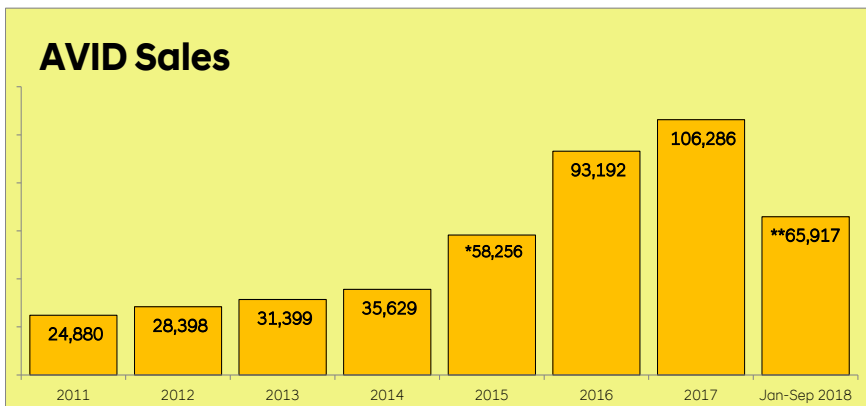
Represented by JAC Automobile Int’l Philippines Inc., AVID’s Commercial Vehicle (CV) segment sold 578 units from January to September 2018.

OUTLOOK

The government remained optimistic on the strength and stability of the country’s macrofundamentals despite the slashed growth forecasts by international agencies. The Asian Development Bank (ADB) downgraded its growth forecast to 6.4 percent from 6.8 percent for 2018 while the International Monetary Fund (IMF) and World Bank expect Philippine GDP to grow 6.5% this year, a downward revision from the 6.7% estimate. The lower growth forecasts are attributed to the weak agriculture sector, oil prices, continued global monetary tightening and high inflation.

While the government is looking at various countermeasures to high inflation, inflation in September stay elevated at 6.7% after Ompong caused P26.7 billion damage. The faster rate of increase in the commodity prices prompted the Central Bank to hike interest by a total of 150 basis points. This, coupled with food and other basic needs as the consumers’ priority and high inflation, are reasons for the household’s less favorable outlook on their buying conditions across all big ticket items. Nevertheless, AVID will continue to offer innovative products and services with the customers in mind amidst its expectation that both supply and demand factors will stabilize.

OVERVIEW CHARTS



AVID Members	Jan - Sep (units)	
	2017	2018
Auto Nation Group, Inc.	1,376	878
British Bespoke Automobiles, Inc.	3	3
British United Automobiles, Inc.	156	164
DBPHILS Motorsports, Inc.	16	17
Ford Group Philippines, Inc.	25,988	18,116
Hyundai Asia Resources, Inc.	27,451	25,440
JAC Automobile Int'l Phils. Inc.	-	596
Motor Image Pilipinas, Inc.	2,392	2,398
PGA Cars, Inc.	371	410
Scandinavian Motors Corporation	93	75
Suzuki Philippines, Inc.	13,792	14,650
Triesenburg Auto Corp.	-	39
The Covenant Car Company, Inc.	4,311	3,131
Total	75,949	65,917

*Ford Group Philippines, Inc. (FGPI) joined AVID in May 2015; FGPI figures represent sales from May 2015 onwards.

**Suzuki Philippines, Inc. (SPI) joined AVID in July 2015; SPI figures represent sales from July 2015 onwards.

**JAC AUTOMOBILE INT'L PHILS. INC. (JAIP) joined AVID in May 2018. JAIP figures represent sales from January 2018 onwards.

**TRIESENBURG AUTO CORP. (TAC) joined AVID in July 2018. TAC figures represent sales from April 2018 onwards.

