



OVERDRIVE

AVID Sales Performance & Outlook

January 18, 2019
Volume 1 No. 51



“AVID CLOSSES OUT THE YEAR WITH 88,700 UNITS SOLD”

“Full year 2018 AVID sales recorded 88,700 units sold amidst unfavorable economic conditions. With new product launches and economic pressures seen abating moving forward, AVID expects that the industry will recover from the sales slump in 2019.”

Ms. Ma. Fe Perez-Agudo

President, Association of Vehicle Importers and Distributors

PERFORMANCE & DRIVERS

Due to the confluence of high inflation, rising borrowing costs, soaring oil prices, and tax hikes, the Association of Vehicle Importers and Distributors sold 88,700 units, a 17% full-year contraction from last year’s 106,285 units sold, with dismal performance across all segments.

Accounting for 35% of the total AVID Sales, the Passenger Cars (PC) segment slipped by 22% in 2018 with 30,960 units sold. Leading the segment, Hyundai’s full year 2018 sales hit 19,905 units sold.

Posting lower decline, the Local Commercial Vehicles (LCV) segment saw sales drop by 14%, bringing the full year sales tally to 57,027 units versus preceding year’s 66,564 units. With 22,946 units sold, Ford ended the year as the best-selling brand in this segment.

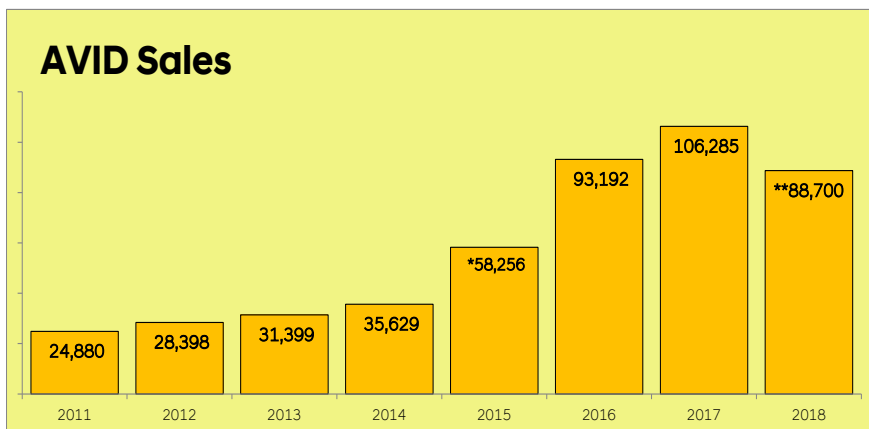
Represented by JAC Automobile Int’l Philippines Inc., AVID’s Commercial Vehicle (CV) segment sold 713 units in 2018.

OUTLOOK

The GDP growth as of end-September 2018 was slower compared to last year, averaging 6.3 percent from 6.8 percent in 2017. Even so, 6.3 percent is still among the fastest economic growth rates in the East Asia & Pacific region. Meanwhile, World Bank downgraded its PH growth forecast to 6.4 percent and 6.5 percent in 2018 and 2019, respectively on the back of slowdown in private consumption and high inflation.

For this year, inflation may ease back to the two to four percent target based on the Central Bank’s assessment. In fact, inflation slowed to seven-month low at 5.1 percent in December 2018 as the liberalized importation of key commodities and aggressive monetary tightening took effect. With more anchored expectations and risks to the inflation outlook appeared tilted to the downside, the Bangko Sentral ng Pilipinas (BSP) is likely to loosen its monetary policy. As the economic backdrop for robust vehicle sales becomes intact, AVID is bullish on its outlook as the industry is projected to grow by 10% in 2019.

OVERVIEW CHARTS



*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.
 ** LEGADO MOTORS, INC. (LMI) joined AVID in September 2018. LMI figures represent December 2018 sales.

AVID Members	Full Year (units)	
	2017	2018
Auto Nation Group, Inc.	2,129	1,142
British Bespoke Automobiles, Inc.	5	3
British United Automobiles, Inc.	250	235
DBPHILS Motorsports, Inc.	18	23
Ford Group Philippines, Inc.	36,623	23,571
Hyundai Asia Resources, Inc.	37,678	35,401
JAC Automobile Int’l Phils. Inc.	-	735
Legado Motors, Inc.	-	33
Motor Image Pilipinas, Inc.	3,704	3,035
PGA Cars, Inc.	544	585
Scandinavian Motors Corporation	122	103
Suzuki Philippines, Inc.	19,263	19,740
Triesenburg Auto Corp.	-	77
The Covenant Car Company, Inc.	5,949	4,017
Total	106,285	88,700

