

# Vehicle sales skid on TRAIN impact

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Vehicle makers finally felt the impact of the higher excise tax on automobiles as sales plummeted in March, dealing a big blow to the industry's performance in the first quarter.

A joint report released yesterday by the Chamber of Automotive Manufacturers of the Philippines Inc. (CAMPI) and the Truck Manufacturers Association (TMA) showed combined sales skidded 23 percent to 28,216 units in March, pulling down the first quarter figure by 8.5 percent to 86,037 units from 94,026 units in the same period last year.

"The decline in sales in the first quarter of 2018 is not unexpected. The impact of the change in excise tax rates under the TRAIN (Tax Reform for Acceleration and Inclusion) Law was anticipated for this particular period. We remain confident the market will improve in the coming months," CAMPI president Rommel Gutierrez said.

The higher excise tax rates under the TRAIN Law was expected to dampen industry sales this year, prompting a number of automotive companies to forecast lower or flat sales for 2018.

Sales in both the passenger car and commercial vehicle segments plunged 9.5 percent and eight percent, respectively, in the first three months this year.

Among the 23 member firms of CAMPI and TMA, almost half or 11 brands reported lower sales in the first quarter, including market leader Toyota Motors Philippines Inc. which posted a 15.4 percent sales decline during the three-month period.

Ford Motor Co. Philippines Inc., Honda Cars Philippines Inc. and Isuzu Philippines Corp. were also among the bigger brands that recorded sales decline during the period, while Mitsubishi Motors Philippines Corp., Nissan Philippines Inc., Suzuki Philippines Inc., Foton Motor and Hino Motors managed to sell more units.

Meanwhile, 17 of the 23 CAMPI-TMA member firms sold fewer units last month than they did in March last year.

Of the 17, nine were among the 10 biggest members: Toyota, Mitsubishi, Ford, Honda, Nissan, Suzuki, Isuzu, Bernaza Auto Philippines and Hino Motors.

Amid the slowdown in sales, Toyota remained the market leader in the first quarter with a share of 40.03 percent, followed by Mitsubishi (22.73 percent), Ford (7.49 percent), Honda (7.18 percent) and Nissan (6.72 percent).