

Top incumbents in trade sector show resiliency

NOTWITHSTANDING last year's inflationary pressures, the country's top retailers and wholesalers managed to boost sales last year.

Data from the Philippine Statistics Authority (PSA) showed that the sector's output, as measured by gross value added, went up by six percent to P1.55 trillion in 2018 from the P1.47 trillion recorded the year before. However, this was slower than 2017's 7.3% increase.

The contribution of trade to the country's gross domestic product (GDP) was unchanged at 16.9% last year, second only to that of manufacturing's 23.3%.

Accounting for 78.6% of the total output in the sector, the retail sub-component increased by six percent in 2018, lower than 2017's 7.2%.

Likewise, the wholesale trade subgroup also decelerated to 6.3% from the 7.7% growth recorded in 2017. Meanwhile, the maintenance and repair of motor vehicles, motorcycles, personal and household goods expanded by four percent from the previous year's six percent.

Separate PSA data showed that household consumption — which accounted for 68.5% of GDP in 2018 — grew by 5.6% last year, also slowing from the 5.9% growth in the previous year.

Remittances from overseas Filipinos, known to support local consumption, slowed to 3.1% last year from 2017's 4.3%, data from the Bangko Sentral ng Pilipinas showed.

The sector's slowdown was also reflected in auto sales. In 2018, ve-

hicle sales fell 16% to 357,410 units from 2017's 425,673 units, according to the joint report of the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) and the Truck Manufacturers Association (TMA). This drop marked the first time since 2011's 16% contraction.

Data from the Web site of the ASEAN Automotive Federation, which sources its data from the CAMPI and TMA for its Philippine estimates, showed that last year's decline was the first for the country since 2011 when vehicle sales also dropped by 16% to 141,616 units. The 2018 slide was also slightly bigger than the 10-15% drop the industry had expected.

The decline was blamed on the imposition of higher automobile taxes and faster inflation. Among key provisions in the first package of the Tax Reform for Acceleration and Inclusion law is the imposition of higher automobile taxes and the increased excise tax on fuel. In particular, automobiles worth P600,000 and below are taxed at four percent, compared to the two percent under the old tax system. Those that cost anywhere ranging from P600,000 to P1 million are now taxed at 10%, P1 million to P4 million at 20%, and P4 million and above at 50%.

Meanwhile, inflation for full-year 2018 came in at 5.2% against the central bank's 2-4% target range for the year and was the fastest in a decade, or since 2008's 8.2%.

This year, 249 companies engaged in wholesale and retail are included

on the Top 1000 list. Of these, 97 are retailers, 112 are wholesalers, and 40 are involved in the sale and servicing of passenger motor vehicles and motorcycles. These companies had an aggregate gross revenue of P2.65 trillion, up by 11.1% from 2017.

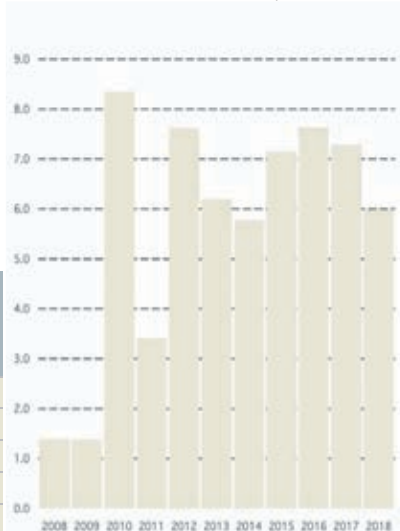
Retail drugstore Mercury Drug Corp. continues to be the sector's top market player, with a gross top line of P144.67 billion in 2018, nine percent more than P132.73 billion in 2017. It ranked tenth on the main list this year.

Puregold Price Club, Inc. follows with P111.05 billion, higher by 17.1% and grabbing the No. 15 spot. Chevron Philippines, Inc.'s P105.29 billion gross revenue earned it the No. 16 slot, while Zuellig Pharma Corp.'s P66.76 billion and Robinson's Supermarket Corp.'s P59.36 billion gross top lines brought them to the 31st and the 33rd places, respectively.

Rounding the sector's top 10 are Phoenix Petroleum Philippines, Inc. (No. 34); JT International (Philippines), Inc. (No. 35); Supervalve, Inc. (No. 39); Seaoil Philippines, Inc. (No. 43); and Sanford Marketing Corp. (No. 44). — **Jobo E. Hernandez** ■

GROSS VALUE ADDED

Wholesale and Retail trade
Growth in Percent (at constant 2000 prices)



SECTOR AT A GLANCE

YEAR	GROSS REVENUE % change	NET SALES % change	NET INCOME P billion	TOTAL ASSETS % change	TOTAL LIABILITIES % change	STOCK-HOLDERS' EQUITY % change	RETURN ON EQUITY	RETURN ON SALES	DEBT-TO-EQUITY RATIO
2014	12.6	12.6	33.00	10.9	10.9	11	0.2	0.0	2.5
2015	4.6	4.3	55.55	8.2	4.1	16.9	0.2	0.0	1.9
2016	11.0	10.9	55.80	12.2	9.8	17.1	0.2	0.0	1.9
2017	13.4	13.5	58.34	16.0	16.1	15.7	0.2	0.0	2.0
2018	11.1	11.4	53.71	12.1	12.0	12.4	0.1	0.0	2.0

Source: Financial statements from the SEC and companies included in the Top 1000