

Duty Free Philippines sales dip by 2.3% to \$213m in 2017

Duty Free Philippines (DFP) has reported a 2.3% sales drop in 2017 (its 30th anniversary year) to \$213m compared to \$218m the previous year.

Net income, however, rose +9% to Php179m (\$3.5m) from the previous Php164m (\$3.2m).

This was due to the streamlining of operations and closure of underperforming outlets.

Speaking to *TRBusiness*, Duty Free Philippines Corporation Chief Operating Officer Vicente Pelagio Angala said the highlights of its 30th anniversary celebrations were two one-day events at its flagship DFP Fiestamall downtown outlet in May and October. He said: "These generated sales of \$1.4m and \$2m respectively.

"We also had a grand celebration on 12 May attended by officials from the Department of Tourism, suppliers, service providers and of course DFPC officers and employees."

STRONG START

This year has also started well, according to Angala, who added: "Through the first four months of 2018, sales were up +7.5% compared to the same period last year and 4% ahead of target for this particular period."

June and July will be particularly exciting for DFP with some key openings on the horizon. "We will be opening DFP Luxe, a 4,200sq m luxury store at the Mall of Asia Complex featuring fashion boutiques, perfumes and cosmetics, high-end liquor and wines and chocolates.

"Other openings include a DFP landside store at Ninoy Aquino International Airport Terminal 3, a 3,600sq m arrivals outlet selling most of the categories found in our flagship Fiesta Mall and a Mactan [Cebu] Terminal 2 departures outlet."

Angala, who cites confectionary and chocolates, liquor and wines, tobacco, perfumes and cosmetics and fashion as its top-five categories, also revealed the planned launch of DFP's new online platform in 2018.

He explained: "This will allow passengers to pre-order items and pick up at the arrival terminals. Eventually, a delivery service to residences in the Philippines will be included."



The DFP Luxe store at the Mall of Asia Complex is due to open in the next month or two.



The Duty Free Philippines flagship Fiesta Mall

ENTERPRISE RETAIL SOLUTION

This year will also see the roll-out of its Enterprise Retail Solution, “which is an end-to-end finance, supply-chain management and retail system, which allows us to be more efficient in back-end and front-end operations.”

Amid all the planned commercial related projects, the company is undergoing an internal reorganisation to transform itself into a lean and mean workforce to reduce operational costs.

In terms of external challenges, Angala commented: “These include the proliferation of membership discount retailers, trade liberalisation which has eased the importation of goods for local retailers and increasing usage of online shopping platforms.”

See the [February issue](#) of *TRBusiness* for a full report on the Philippines DF market.

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Duty Free Philippines has a strong arrivals presence at Ninoy Aquino International Airport Terminal
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