

PH TRADE UPDATE

GROWING EXPORTS LEAD TO STRONGER TRADE BALANCE

Philippine trade deficit continues to narrow year-on-year

The country's trade deficit narrowed by 14.7% year-on-year (YoY) to USD 4.35 billion, despite a 9% month-on-month (MoM) rise. Year-to-date, the country's total deficit reached USD 37.18 billion, 5.7% narrower compared to the same period last year.

Exports see faster growth

The value of Philippine exports grew 15.9% YoY in September, quicker than the 5.5% growth of the month prior. This amounts to USD 7.25 billion in total export sales.

This quicker export growth is due to a large rise in exports of electronic goods, which saw 27.9% YoY growth in September compared to 8.5% growth in August. Electronic products also comprised 55.5% of the country's total exports in September. As a whole, exports of manufactured goods grew by 15.9% YoY and accounted for 79.2% of total exports. Other major types of goods that saw YoY growth were mineral products at 8.9 % and total agro-based products at 29.4%.

Year-to-date, total exports reached USD 63.02 billion, a 13.1% increase from the same period last year.

Imports rise on more capital goods

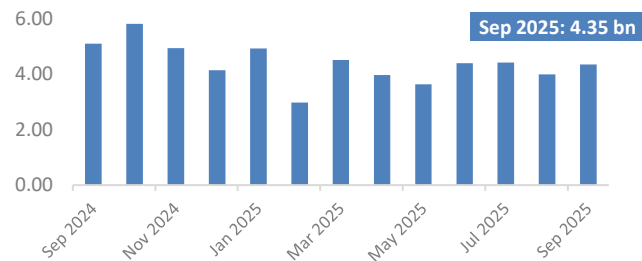
The value of Philippine imports also rose by 2.1% YoY to USD 11.6 billion in September, an improvement from the 0.3% contraction in August.

Electronic products were the fastest growing commodity import for the month, growing by 26.4% YoY and comprising 26.3% of imports. In terms of major type of goods, capital goods imports saw 23.8% growth, its fastest growth rate since June.

Year-to-date, total imports increased 5.3% YoY to USD 100.19 billion.

PH Trade Deficit

In USD billion



Source: Philippine Statistics Authority

Top Trading Partners (September 2025)

EXPORTS		IMPORTS	
Country	Value in USD million	Country	Value in USD million
United States of America	1,108.20 (15.3% of total)	China	3,291.15 (28.4% of total)
Hong Kong	1,097.43 (15.1% of total)	Republic of Korea	1,056.03 (9.1% of total)
China	959.19 (13.2% of total)	Japan	935.07 (8.1% of total)

Top Export Commodities

MANUFACTURED GOODS	
1	- Export value of USD 5,742.23 m (from 5,609.51 m in August) 79.2% share to total exports (from 79.4% in August) 15.9% YoY growth (acceleration from 2.3% in August)
MINERAL PRODUCTS	
2	- Value of USD 703.68 m (from USD 728.16 m in August) 9.7% share to total exports (from 10.3% in August) 8.9% YoY growth (slow down from 25.0% in August)
TOTAL AGRO-BASED PRODUCTS	
3	- Export value of USD 635.33 (from USD 577.17 m in August) 8.8% share to total exports (from 8.2% in August) 29.4% YoY growth (acceleration from 19.7% in August)

Top Import Commodities

RAW MATERIALS AND INTERMEDIATE GOODS	
1	- Import value of USD 4,133.31 m (from USD 3,822.25 m in August) 35.6% share to total imports (from 36.0% in August) 4.9% YoY decline (from 6.2% decline in August)
CAPITAL GOODS	
2	- Import value of USD 3765.3 m (from USD 3,239.97 m in August) 32.4% share to total imports (from 30.6% in August) 23.8% YoY growth (acceleration from 8.0% in August)
CONSUMER GOODS	
3	- Import value of USD 2377.3 m (from USD 2,309.98 m in August) 20.5% share to total imports (from 21.8% in August) 7.1% YoY decline (reversal from 3.1% YoY growth in August)

Note: Figures are based on preliminary data from PSA.

METROBANK'S TAKE

Low policy rate at play

Capital goods imports increased significantly in September compared to the preceding month, and compared to September last year, suggesting a pick-up in private investments. Noting the anticipated lagged impact of the BSP's monetary easing, Metrobank maintains its view that businesses will maintain a healthy level of capital goods imports in the coming periods as we continue to move toward a more accommodative policy environment. However, growth in capital investments could be capped by weakening business sentiment.

Smaller trade deficit supports Q3 GDP

In the third quarter, the Philippines' trade deficit narrowed by 11.2% YoY to USD 12.8 billion from 14.4 billion in the same period last year. Strong exports supported the country's trade balance, with total exports growing by 12.8%. However, total imports still outweighed total exports, albeit a slower imports growth of 2.5% YoY in Q3.

Metrobank forecasts Q3 GDP growth at 5.2% on the back of a relatively moderate growth in consumer spending and a narrowing trade deficit.

Exports to sustain robust growth?

Metrobank projects sustained momentum in goods exports in the last quarter of the year as the demand for semiconductors remains robust. However, the possibility of 100% tariffs on semi-conductor exports to the US could alter this view.

Meanwhile, goods imports could continue to grow at a relatively slower pace in the near term but could accelerate in the medium term as both consumer and investments spending fully pick up following the BSP's monetary easing.