

# PHILIPPINES TRADE UPDATE

## APRIL 2026: TRADE GAP AT FOUR-YEAR HIGH

### Philippine trade deficit widens further

The country recorded a trade deficit of USD 5.965 billion in April, 49.8% wider year-on-year (YoY), reaching a four-year high due to a steep rise in the cost of mineral fuels and lubricants amid the ongoing US-Iran conflict. Year-to-date (YTD), the Philippine's total trade deficit stands at USD 19.284 billion, wider by 17.3% YoY.

### Exports growth slows as Middle East conflict disrupts manufacturing

Total exports reached USD 7.208 billion in April, equivalent to a 6.3% YoY increase. This is slower than the Bloomberg consensus estimate of 16.8% and the previous month's upwardly revised figure of 20.8%.

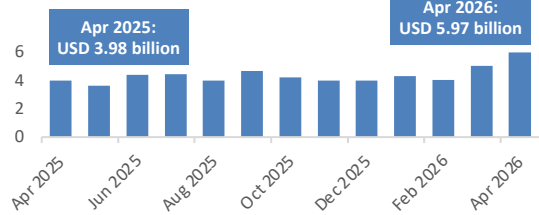
The easing of growth points to a sudden slowdown in manufacturing momentum, with the Philippine Manufacturing Purchasing Managers' Index (PMI) plummeting from 51.3 to 48.3 in April, entering contraction territory for the first time in five months. The escalation of the Middle East conflict resulted in critical disruptions and closures along major global trade routes, leading to halted shipments.

### Imports growth quicken on input frontloading and high energy costs

Total imports reached USD 13.173 billion in April, equivalent to a 22.4% YoY increase. This is faster than the Bloomberg consensus estimate of 12.9% and the previous month's upwardly revised figure of 17.0%.

Manufacturers aggressively front-loaded orders for inputs as geopolitical tensions worsened. Furthermore, the country had to pay higher prices for imported fuel.

Philippine Trade Deficit  
In USD billions



### Top Trading Partners (April 2026)

EXPORTS		IMPORTS	
Country	Value in USD million	Country	Value in USD million
United States of America	1,295.41 (18.0% of total)	China	3,915.85 (29.7% of total)
China	926.66 (12.9% of total)	South Korea	1,552.79 (11.8% of total)
Japan	914.64 (12.7% of total)	Japan	959.69 (7.3% of total)

Source: Philippine Statistics Authority

### Top Export Goods and Products

Rank	Product Category	Value and Share	YoY Change
1	MANUFACTURED GOODS	Export value of USD 5,236.88 m (down from USD 6,640 m in March) 72.7% share to total exports (down from 81.3% in March)	4.0% YoY decline (reversal from 21.9% growth in March)
2	MINERAL PRODUCTS	Export value of USD 899.04 m (up from USD 782.22 m in March) 12.5% share to total exports (up from 9.6% in March)	62.9% YoY growth (acceleration from 40.2% in March)
3	TOTAL AGRO-BASED PRODUCTS	Value of USD 876.53 m (up from USD 572.82 m in March) 12.2% share to total exports (up from 7.0% in March)	41.2% YoY growth (reversal from 7.2% decline in March)

### Top Import Goods and Products

Rank	Product Category	Value and Share	YoY Change
1	RAW MATERIALS AND INTERMEDIATE GOODS	Value of USD 5,025.78 m (up from USD 4,600.57 m in March) 38.2% share to total imports (up from 36.3% in March)	31.1% YoY growth (acceleration from 11.7% in March)
2	CAPITAL GOODS	Value of USD 3,676.28 m (down from USD 3,829.49 m in March) 27.9% share to total imports (down from 30.2% in March)	8.2% YoY growth (deceleration from 16.6% in March)
3	MINERAL FUELS, LUBRICANTS, AND RELATED MATERIALS	Value of USD 2,552.43 m (up from USD 2,001.76 m in March) 19.4% share to total imports (up from 15.8% in March)	105.6% YoY growth (acceleration from 35.1% growth in March)

Note: Figures are based on preliminary data from PSA.

## METROBANK'S TAKE

### Exports: Geopolitical tensions weigh on demand

Philippine exports growth weakened in April as global supply chain disruptions and high global oil prices at the height of US-Iran tensions disrupted global trade flows and delayed shipments. While agricultural exports posted a strong rebound, reversing the contraction seen in the preceding month, exports for manufactured goods declined and weighed on overall growth of exports.

Looking ahead, exports are expected to recover in the coming months, as shipping conditions in the Middle East are likely to normalize as geopolitical tensions ease, while relative easing of global oil prices should help partially reverse recent increases in shipping costs. Meanwhile, sustained global demand for AI infrastructure is expected to continue supporting the demand for electronic goods exports, potentially offsetting weak demand for other sectors amid a soft global economic backdrop.

### Imports: Higher growth but indicative of weak domestic demand

Imports expanded in April, largely driven by a surge in petroleum products imports amid high global oil prices. Capital goods imports also continued to rise, supported by continuous momentum in imports of telecommunications equipment, electrical machinery, and Office and EDP machines, likely reflecting ongoing digitization efforts and previously scheduled deliveries.

The overall increase in imports masks underlying weakness in domestic demand. Declines in other capital goods and consumer goods point to softening investment and consumption, as sentiment continues to deteriorate. In the near term, imports are expected to remain elevated but may present mixed signals, as higher import values, driven by more expensive global commodities, mask subdued demand conditions.

### Trade deficit: Just getting even wider

Global oil prices are likely to remain elevated despite its recent decline amid increasing optimism around US-Iran negotiations and expectations of safe passage through the Strait of Hormuz. Even with a resolution in the near term, the lingering effects of the conflict, including higher global inflation and slower economic growth, are expected to weigh on global trade dynamics.

The expectation of a wider trade deficit, particularly as the imports season arrives, is expected to exert further pressure on the peso.