

PHILIPPINES TRADE UPDATE

MARCH 2026: GEOPOLITICS WEIGH ON TRADE

Philippine trade deficit widens to USD 4.512 billion

The country recorded a trade deficit of USD 4.512 billion in March, only 0.1% wider year-on-year (YoY) as more expensive oil prices weigh on overall trade. Year-to-date, the Philippine's total trade deficit stands at USD 12.805 billion, wider by 2.8% YoY.

Exports growth surge on strength of electronics

Philippine exports continued to grow in March, with total exports reaching USD 8.167 billion in March, equivalent to a 20.4% YoY growth. This is faster than the Bloomberg consensus estimate of 9.3% and the previous month's upwardly revised figure of 8.9%.

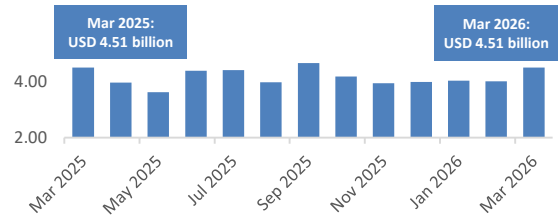
Electronic goods remain the main driver for exports growth, led by semiconductors. Machinery and transport equipment also continued to contribute largely to exports growth amid a global manufacturing recovery and frontloading ahead of trade policy changes.

Imports growth ease amid global volatility

Philippine imports growth slowed to 12.3% YoY, reaching USD 12.679 billion in March. Imports grew faster than the 7.6% Bloomberg consensus estimate but slower the previous month's upwardly revised figure of 16.6%.

Growth in imports continues to be supported by a large volume of capital goods imports, largely led by telecommunication equipment and electrical machinery.

Philippine Trade Deficit
In USD billions



Top Trading Partners (March 2026)

EXPORTS		IMPORTS	
Country	Value in USD million	Country	Value in USD million
United States of America	1,400.52 (17.1% of total)	China	3,503.22 (27.6% of total)
Hong Kong	1,301.42 (15.9% of total)	South Korea	1,432.37 (11.3% of total)
Japan	962.41 (11.8% of total)	Japan	1,068.17 (8.4% of total)

Source: Philippine Statistics Authority

Top Export Goods and Products

Rank	Category	Value	Share	YoY Growth
1	MANUFACTURED GOODS	Export value of USD 6,640 m (from USD 5,961.29 m in February)	81.3% share to total exports (unchanged from February)	21.9% YoY growth (acceleration from 5.2% in February)
2	MINERAL PRODUCTS	Export value of USD 782.22 m (from USD 615.26 m in February)	9.6% share to total exports (from 8.4% in February)	40.2% YoY growth (deceleration from 52.7% in February)
3	TOTAL AGRO-BASED PRODUCTS	Value of USD 572.82 m (from USD 608.06 m in February)	7.0% share to total exports (from 8.3% in February)	7.2% YoY decline (reversal from 7.5% growth in February)

Top Import Goods and Products

Rank	Category	Value	Share	YoY Growth
1	RAW MATERIALS AND INTERMEDIATE GOODS	Value of USD 4,600.57 m (from USD 3,221.43 m in February)	36.3% share to total imports (from 29.3% in February)	11.7% YoY growth (reversal from 13.7% decline in February)
2	CAPITAL GOODS	Value of USD 3,829.49 m (from USD 4,148.75 m in February)	30.2% share to total imports (from 37.7% in February)	16.6% YoY growth (deceleration from 55.5% growth in February)
3	CONSUMER GOODS	Value of USD 2,186.14 m (from USD 2,135.23 m in February)	17.2% share to total imports (from 19.4% in February)	7.6% YoY decline (reversal from 10.4% growth in February)

Note: Figures are based on preliminary data from PSA.

METROBANK'S TAKE

Exports: Near-term headwinds

Despite the surge seen in March, exports growth could weaken in the near term as the initial front-loading surge in the first quarter of the year tapers off. While exports remain generally resilient, growth will likely normalize as the Middle East conflict continues to pressure supply chains and soften global demand. Specifically, volatile energy prices are raising production and logistics costs for manufacturers, while a likely transition to El Niño could adversely impact agricultural exports. Nevertheless, sustained global demand for AI infrastructure will continue to support the exports of electronic goods, specifically semiconductors.

Imports: Imported inflation

Import growth remained robust in March, likely reflecting the arrival of shipments booked ahead of the escalating Middle East conflict and higher global costs stemming from these tensions. Capital goods imports were largely driven by telecommunication equipment and electrical machinery imports, which grew 38.6% year-on-year. However, momentum in capital goods imports is likely to have peaked, as weak demand persists and conflict-related risks overshadow earlier improvements in sentiment.

While growth in capital goods imports may signal some business investment in the near term, household demand continue to show signs of cooling as consumer goods imports declined, driven by a drop in durable goods imports.

Looking ahead, disruptions in the Strait of Hormuz are expected to continue pushing up prices for imports of some raw materials, in particular oil and fertilizers. Second-round effects are expected, driving inflation faster and further dampening private consumption.

Trade deficit: Wider on more expensive oil

Higher shipping costs, driven by elevated oil prices, are likely to weigh on overall global trade activity. Weaker export demand, amid a bleak global economic outlook and more expensive imports on higher peso spot rate, are expected to result in a wider trade deficit.

Imports season beginning in Q2 is likely to intensify pressure on the peso. With this, any move toward the 60-level in USD/PHP could present an opportunity for any impending dollar requirements, as seasonal import demand is likely to push spot rates higher.