

PHILIPPINES TRADE UPDATE

DECEMBER 2025: EXPORTS MOMENTUM FURTHER NARROWS GAP

Philippine exports still in the lead

The country's trade deficit continued to narrow in December, reaching USD 3.52 billion. This is a 15% decline year-on-year (YoY) and an 11% decline month-on-month (MoM) from the upwardly revised November print showing an improving trade position. Year-to-date (YTD), the country's total deficit reached USD 49.17 billion, 9.5% narrower relative to the same period last year.

Electronics-driven hot streak

Philippine exports continued to be robust in December, reaching a total FOB value of USD 6.99 billion, which is 23.3% higher YoY, quicker than the revised 21.6% growth in the previous month and the Bloomberg consensus estimate of 19.2%.

Year-to-date, total exports reached USD 84.41 billion, a 15.2% increase from the same period last year.

The acceleration in export growth was driven by a 43.6% increase in electronic goods. With a USD 4.04 billion exports value, it is still the top export with a 57.8% share of the total.

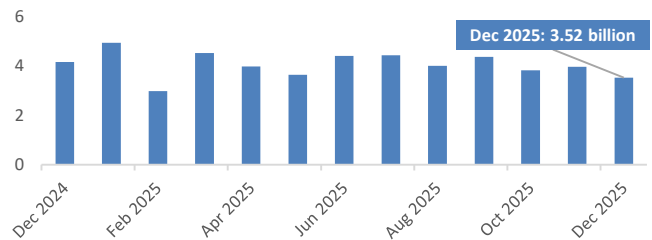
Imports bolstered by capital goods

Imports grew by 7.1% YoY to USD 10.52 billion in December, faster than the revised 2.3% increase in the month prior and the Bloomberg consensus of a 2.0% increase. Growth in imports was largely supported by strong capital goods imports, specifically telecommunication equipment, which offset the decline in consumer goods imports.

Year-to-date, the country's total imports reached USD 133.57 billion, a 4.7% increase from the same period last year.

Philippine Trade Deficit

In USD billions



Top Trading Partners (December 2025)

EXPORTS		IMPORTS	
Country	Value in USD million	Country	Value in USD million
United States of America	1,098.07 (15.7% of total)	China	2,982.91 (28.4% of total)
Hong Kong	1,053.58 (15.1% of total)	Korea	1,027.45 (9.8% of total)
Japan	975.84 (14.0% of total)	Indonesia	712.78 (6.8% of total)

Source: Philippine Statistics Authority

Top Export Goods and Products

Rank	Category	Value (USD m)	Share (%)	YoY Growth (%)
1	MANUFACTURED GOODS	5,588.02	79.9%	28.7%
2	TOTAL AGRO-BASED PRODUCTS	739.09	10.5%	20.2%
3	MINERAL PRODUCTS	514.85	7.4%	7.9% decline

Top Import Goods and Products

Rank	Category	Value (USD m)	Share (%)	YoY Growth (%)
1	CAPITAL GOODS	3,531.93	33.6%	20.4%
2	RAW MATERIALS AND INTERMEDIATE GOODS	3,400.14	32.3%	0.5%
3	CONSUMER GOODS	2,083.74	19.8%	0.6% decline

Note: Figures are based on preliminary data from PSA.

METROBANK'S TAKE

Exports: Momentum's on

Philippine exports remained robust despite higher US tariffs, largely driven by growth momentum in semiconductors. This suggests a full recovery from the 2024 global demand glut. Outside of the US, exports to East Asian economies also show strong demand.

Although new US tariffs have been imposed on certain advanced AI chips, the impact on the Philippines' semiconductor exports is expected to be minimal. The Philippines mainly exports legacy chips rather than the advanced chips affected by the tariffs. We expect semiconductor exports, along with other manufactured and agriculture-based products, to sustain momentum in 2026.

Imports: Strong investments demand

The growth in imports was driven by stronger inflows of electronic products, supporting the country's semiconductor exports sector, and a double-digit growth in capital goods imports. These partially offset weaker rice imports given current import restrictions.

The pick-up in capital goods signal stronger investments, as companies position themselves for increased business activity. Metrobank expects sustained growth in capital goods, along with a recovery in consumer goods, this year, as investor and consumer demand improves.

The trade story continues

Stronger export growth relative to imports resulted in a narrower trade deficit, supporting fourth quarter economic growth. This improvement in the country's trade position will likely be unable to fully offset the expected contraction in government construction amid ongoing governance issues. Metrobank expects quicker but still subdued YoY economic growth last quarter, with further acceleration in the coming quarters. This year, we expect sustained growth momentum for both exports and imports, with exports outpacing imports given strong global demand.

Metrobank expects the Bangko Sentral ng Pilipinas (BSP) to continue its easing cycle this year, given the subdued economic backdrop.