

## Philippines trade deficit is steady in May

A smaller-than-expected dip in imports and slightly slower export growth left the Philippines' trade deficit roughly unchanged in May from April



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# USD4.6bn

 May trade deficit

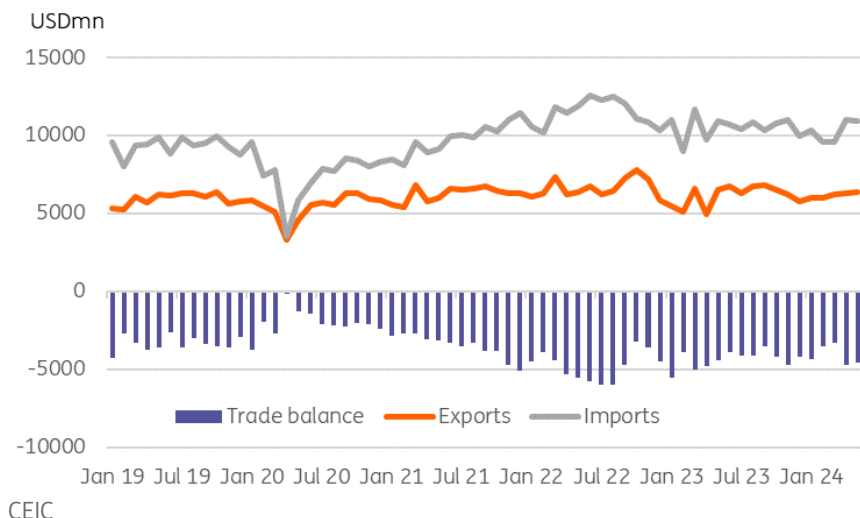
As expected

### A steady but still substantial deficit in May

Although the May trade data was in line with consensus forecasts, coming in at USD4.601bn, we had hoped to see a narrower deficit. Export growth slowed slightly in May from a very substantial 27.9%YoY rate in April to -3.1%YoY in May, though this is almost entirely a base effect and in USD terms, exports were slightly bigger in May at USD6.33bn, up from an upwards revised USD6.288bn in April.

Imports were flat in year-on-year terms, and down only slightly in USD from April, resulting in a less favourable deficit than we had been hoping to see. However, the net result of no change in the deficit was in line with expectations and should have no substantial or lasting consequences for the PHP.

## Trade deficit wide but steady in May

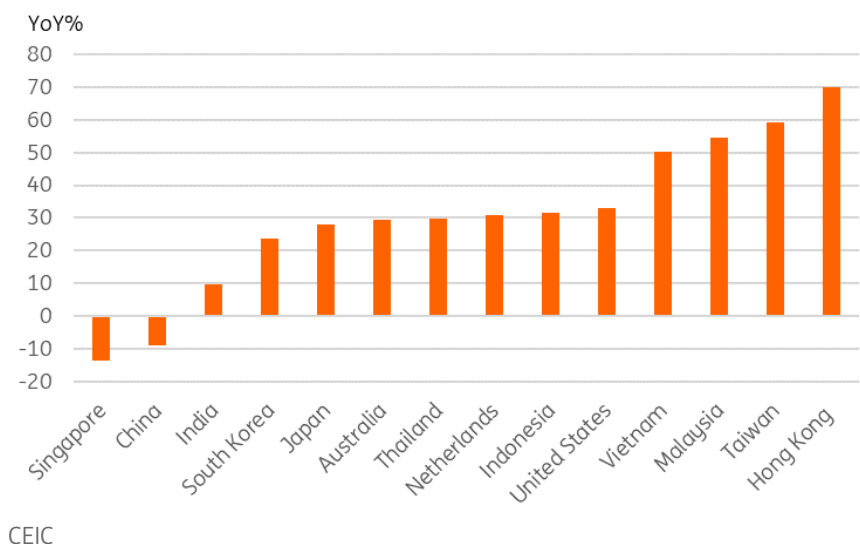


## Electronics exports also steady

By major component, electronic exports, which make up the lion's share of the Philippine export basket, were fractionally lower than the previous month, but nothing to be alarmed by. There were also some better figures for manufactured exports.

By country, exports to Mainland China remain weak, falling by 9.1%YoY, but imports to Hong Kong are holding up much better and these are probably destined for Mainland China too. Exports to Taiwan, Malaysia and Vietnam are also growing strongly from a year ago.

## Export growth by country (YoY%)



## Author

### Robert Carnell

Regional Head of Research, Asia-Pacific

[robert.carnell@asia.ing.com](mailto:robert.carnell@asia.ing.com)

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