

## Philippines reviews impact of U.S. trade deal on agriculture

Agriculture Secretary Francisco P. Tiu Laurel Jr. said on Wednesday that it is too early to determine how the recently concluded U.S.-Philippines trade agreement will impact Philippine agricultural exports.

U.S. President Donald Trump previously announced that the Philippines had agreed to allow American goods to enter the country tariff-free, while Philippine exports to the U.S. would face a 19% tariff, higher than the initially proposed 17% and just below the 20% rate later floated by the White House.



"Whether the Philippine agriculture sector will gain or not from this trade deal with the U.S. remains to be seen, especially as many of our competitors are still negotiating for better terms," Tiu Laurel said. The U.S. has already reduced tariffs on Indonesian exports to 19% from 32%. Vietnam secured a 20% rate, down from a proposed 46%, although transshipped goods from Vietnam will still be taxed at 40%. Thailand and Cambodia have yet to finalize their trade agreements and currently face a proposed 36% tariff.

While the Philippines posted a USD 3.98 billion trade surplus with the U.S. in 2024, it recorded a USD 1.95 billion agricultural trade deficit, an improvement over the USD 2.36 billion shortfall in 2023. Coconut oil remained the Philippines' top agricultural export to the U.S. last year, generating USD 558.7 million. On the import side, the Philippines' top agricultural goods from the U.S. included animal feeds (USD 1.36 billion), cereals and cereal products (USD 838.1 million), and other food and live animals (USD 384.1 million).

Secretary Tiu Laurel noted that, at first glance, the zero tariff on U.S. agricultural imports could help advance President Ferdinand Marcos Jr.'s goal of achieving a food-secure Philippines. Lower input costs, particularly for livestock production, could result from more affordable U.S. agricultural imports, he said.

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