Department for
Business & Trade

# Information Note on Deepening the UK's Trade Relationship with The Philippines

**July 2026**

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# 1 Introduction

## 1.1 Consultation on UK Trade Relationships

This consultation is to inform UK priorities in potential trade negotiations with

- Indonesia
- The Philippines
- United Arab Emirates (UAE)
- Uruguay

The UK is exploring how its trading relationships with these economies could be deepened.

CPTPP Parties, including the UK, established an Accession Working Group with Uruguay in 2025, and on 26 June 2026, CPTPP Parties announced the start of preparatory discussions on accession with Indonesia, The Philippines and the UAE. Uruguay's Accession Working Group is now well underway, with meetings scheduled throughout 2026.

The Government therefore wants to hear respondents' views on the opportunities, priorities and considerations associated with deepening the UK's trading relationships with these economies. CPTPP accession represents the most likely route to deepening trading relationships with the majority of them, but the consultation does not assume a single route and also invites views on other appropriate trade policy mechanisms, including bilateral free trade agreements where applicable and relevant.

## 1.2 Trade with the Philippines

The purpose of this Information Note is to provide information and data related to **the UK's trade relationship with The Philippines**. It is intended to be used by the public to help inform any consultation responses that they may have to the questions posed as part of the upcoming call for input on the future of the UK's trade relationships, which will open on 14th July 2026.

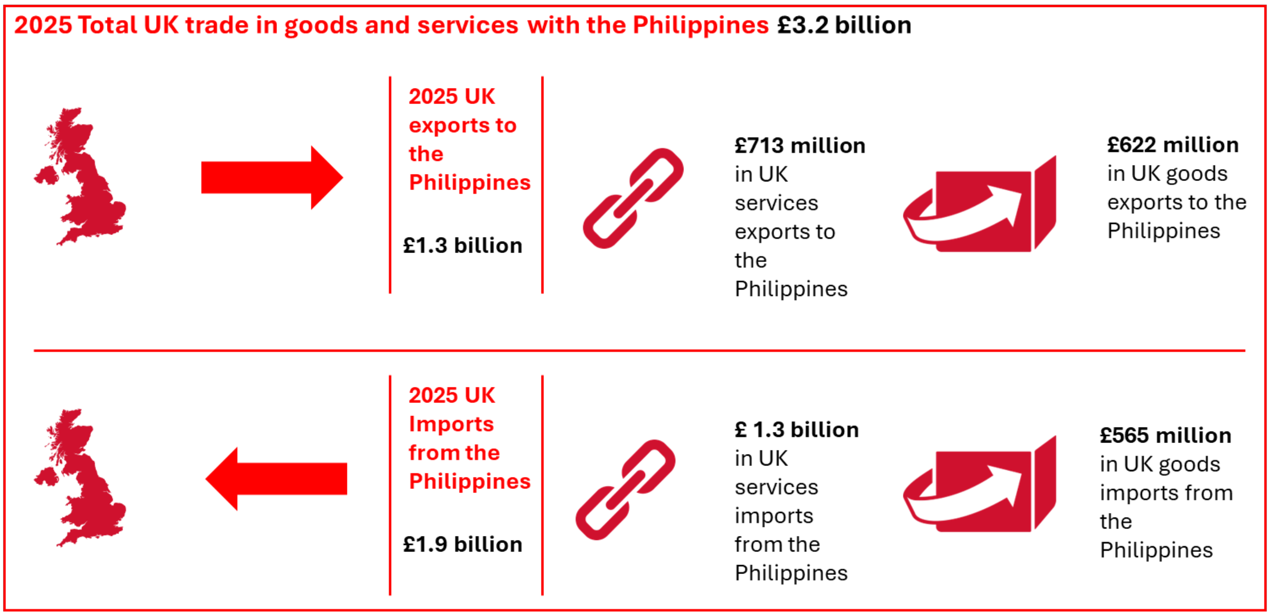
The Philippines is a member state of the Association of South East Asian Nations (ASEAN) alongside Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Singapore, Thailand, Timor-Leste and Vietnam. ASEAN is an intergovernmental organisation that aims to promote economic and security cooperation among its eleven member states.

The Philippines is party to the Regional Comprehensive Economic Partnership (RCEP), an FTA between ASEAN member states (minus Timor-Leste) plus Australia, China, Japan, New Zealand and South Korea). Timor-Leste officially became the 11th member of ASEAN on 26th October 2025. While this membership allows Timor-Leste to initiate the process of joining RCEP, it does not automatically make Timor-Leste an RCEP member.

On 26th June 2026, CPTPP Parties agreed to launch preparatory discussions with The Philippines.

The UK is party to CPTPP alongside Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

**Figure 1: Goods and services trade between the UK and the Philippines, 2025**




Sources: [ONS, UK total trade: all countries seasonally adjusted data] (Mar 2026).

## 1.3 Executive Summary

This Information Note brings together data to support informed and evidence–based submissions to the call for input regarding the future of the UK's trade relationship with the Philippines.

The information presented summarises the current trade and investment relationship between the UK and the Philippines. It outlines economic profiles and trade flows between the UK and the Philippines detailing goods, services, imports and exports. It includes analysis about trade and investment restrictions alongside a high-level breakdown of goods tariffs from the UK's Most-Favoured-Nation (MFN) schedule.

Feedback submitted will inform the UK's approach to trade with the Philippines and it is the aim of this call for input to encourage as wide a range of participants as possible.

A response can be submitted here: Call for Input on Deepening the UK's Trade Relationships and the questionnaire closes on 14th September 2026.

# 2. UK-Philippines Trade Relationship

## 2.1 Overview of Economic Profiles

In 2025, the Philippines had a gross domestic product (GDP) of £369 bn.[1] Total trade with the world (imports plus exports) is equal to 61% of GDP for the Philippines and 59% of GDP for the UK.[2]

**Table 1: Headline economic indicators for the UK, the Philippines and CPTPP, 2025**

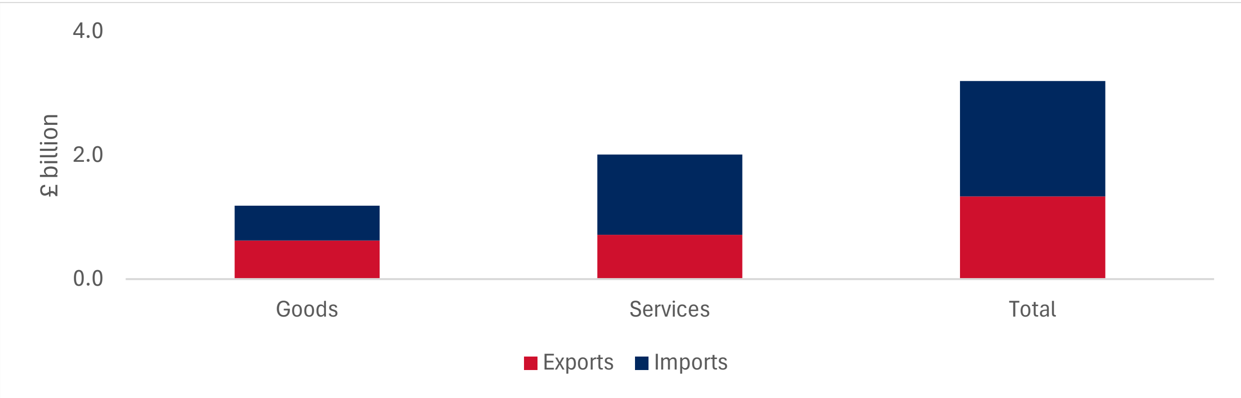
| Economic indicator | GDP (£billion) | GDP per capita (£) | Population (millions) | Trade (% of GDP) |
|---|---|---|---|---|
| **The Philippines** | 369 | 3,238 | 114 | 61 |
| **UK** | 3,036 | 43,692 | 69 | 59 |

Source: IMF, World Economic Outlook Database (April 2026). UNCTAD: Goods and Services (BPM6): Exports and imports of goods and services, annual (April 2026).

## 2.2 Trade Flows between the UK and the Philippines

The Philippines is the UK's 59th largest trading partner, accounting for 0.2% of total UK trade in 2025. Total trade in goods and services between the UK and the Philippines was £3.2 billion in 2025. As seen in Figure 2, UK exports to the Philippines were just under £1.3 billion in 2025, accounting for 0.1% of all UK exports. UK imports from the Philippines were around £1.9 billion over the same period, accounting for nearly 0.2% of all UK imports.[3]

**Figure 2: Trade between the UK and the Philippines, 2025 (£ billion)**




Source: ONS, UK total trade: all countries seasonally adjusted data (Mar 2026).

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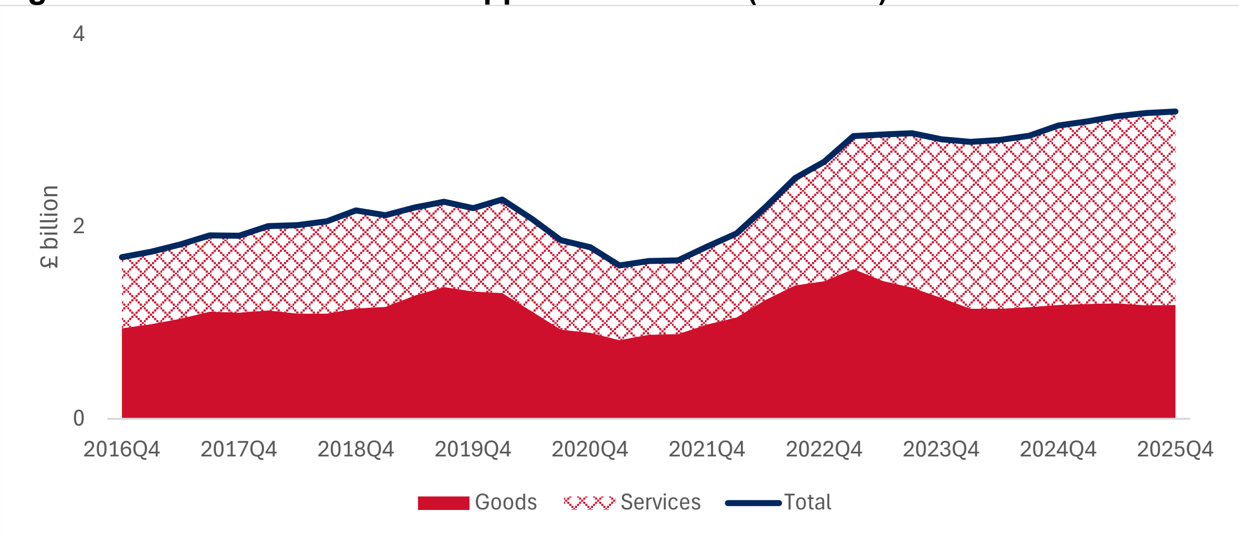
[1] IMF, World Economic Outlook Database (Oct 2025). Bank of England Data, average annual spot exchange rates (Dec 2025).
[2] UNCTAD, Goods and Services (BPM6): Exports and imports of goods and services, annual (Aug 2025).
[3] ONS, UK total trade: all countries seasonally adjusted data (Jan 2026).

Figure 3 shows how UK trade with the Philippines has evolved since 2016, broken down by goods and services. UK trade with the Philippines has increased by 89% in current prices from 2016-2025, from around £1.7 billion to around £3.2 billion and has been predominantly focused on services trade over the last two years.

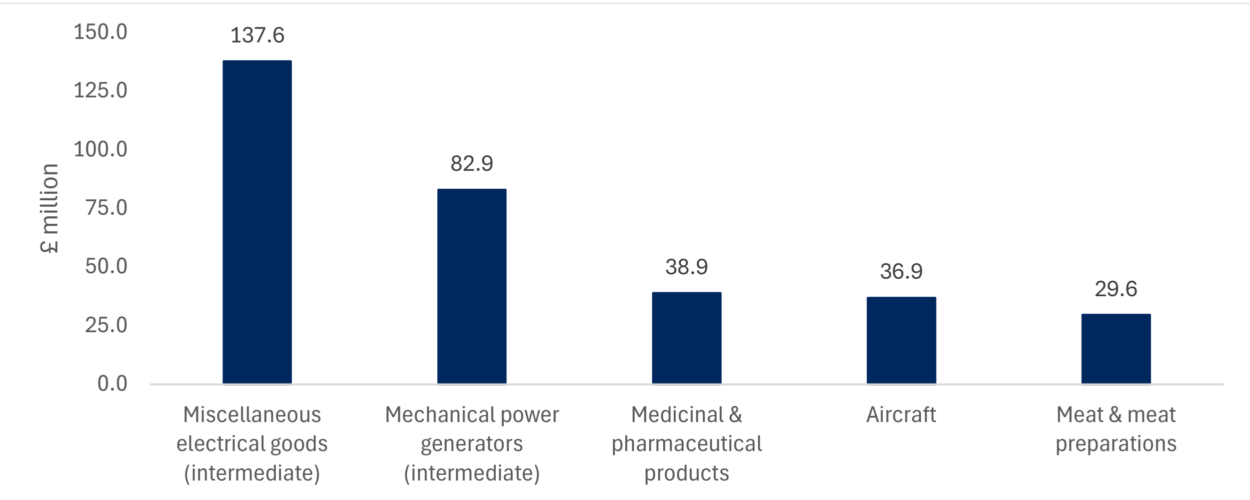
**Figure 3: UK trade with the Philippines over time (£ billion)**




Source: ONS, [UK total trade: all countries seasonally adjusted data] (Mar 2026).

The UK's top three goods exported to the Philippines in 2025 were miscellaneous electrical goods – intermediate (£137.6 million), Mechanical power generators (intermediate) (£82.9 million), and Medicinal & pharmaceutical products (£38.9 million). These categories account for 42% of all UK goods exports to the Philippines. The top five UK goods exported to the Philippines in 2025 are shown in Figure 4.

**Figure 4: Top 5 UK goods exports to the Philippines, 2025 (£ billion)**

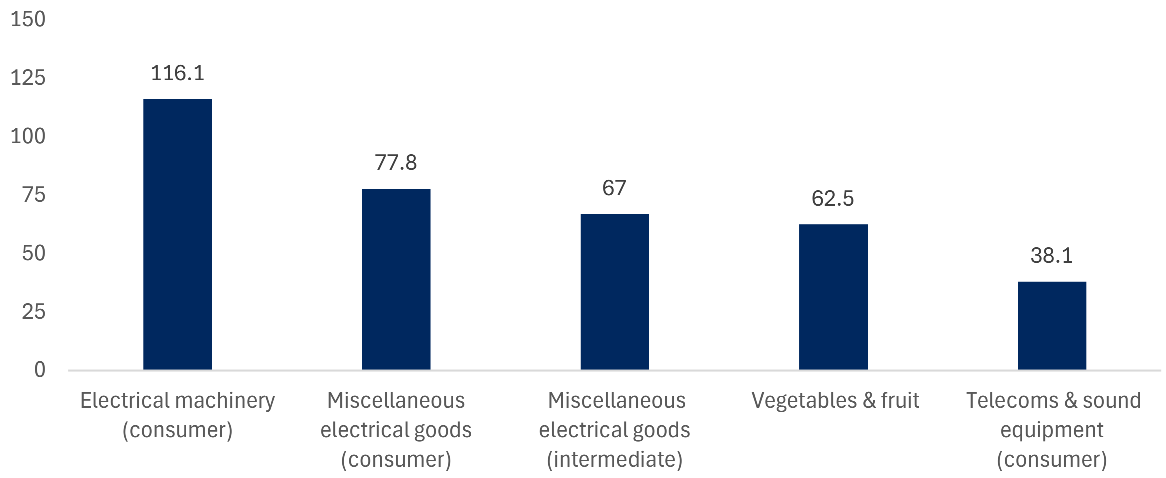



Source: ONS, [Trade in goods: country-by-commodity, non-seasonally adjusted] (Mar 2026)

The UK's top three goods imported from the Philippines in 2025 were Electrical machinery (consumer) (£116.1 million), Miscellaneous electrical goods (consumer)

£77.8 million), and Miscellaneous electrical goods (intermediate) (£67 million). These categories account for 42% of all UK goods imports from the Philippines.[4]

**Figure 5: Top 5 UK goods imports from the Philippines, 2025 (£ billion)**




Source: ONS, Trade in goods: country-by-commodity, non-seasonally adjusted (Mar 2026). The commodities are categorised based on SITC codes using level 2 and 3 codes.

### UK regional trade in goods with the Philippines

The UK does not currently collect data on regional trade in goods with the Philippines.

## 2.3 Basis of the Current Trade Relationship

### *2.3.1 Goods Market Access Between the UK and the Philippines*

In 2025, the Philippines was the UK's 62nd largest goods trading partner and the 56th largest goods export market.[5]

The UK and the Philippines currently trade under MFN terms although most of the Philippines' exports currently have preferential access to the UK market under the UK's Developing Country Trading Scheme (DCTS).

A simple average applied tariff is a numerical average of all tariff rates applied by a partner country. A trade weighted average tariff accounts for the proportion of trade on those tariff lines.

Under the Philippines' MFN tariff schedule, 13% of tariff lines are already subject to a zero MFN tariff. The simple average applied MFN tariff across all goods in the

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[4] ONS, Trade in goods: country-by-commodity, non-seasonally adjusted (Oct 2024). The commodities are categorised based on SITC codes using level 2 and 3 codes.
[5] DBT, Trade and Investment Factsheet: The Philippines (Feb 2026).

Philippines was 6% in 2024. UK exports faced a trade-weighted average tariff of 4.4%.[6] Examples of key UK exports facing high MFN tariffs into the Philippines include whiskies (15%), cars (30%), and turbojets (3%).[7]

Under the current UK Global Tariff schedule, 47% of tariff lines are already subjected to zero MFN tariff. The enhanced preferences under DCTS liberalise a further 45% of tariff lines. Currently for UK imports from the Philippines, 92% of the UK's tariff lines are fully liberalised. UK imports from the Philippines in 2024 faced a trade weighted average tariff of 0.2%.[8] Top UK imports from Philippines subjected to tariffs include pasta (£17 / 100kg), & dried roots (£7.90 / 100kg).

### *2.3.2 Services Relationship between UK and the Philippines*

The OECD Services Trade Restrictiveness Index (STRI) measures regulatory barriers to services trade, with higher scores indicating greater restrictiveness. The 2024 OECD STRI highlighted that the Philippines is above the OECD average and has the highest STRI score among all 51 countries included in the sample. This means that the Philippines is the most restrictive country when comparing the Philippines' sectors to the STRI average. Air transport, road freight transport, computer and financial services are the services sectors with the lowest scores, meaning that they are the least restrictive sectors for the Philippines compared to the average. By contrast, logistics customs brokerage is the most restrictive services sector in the Philippines. Professional services are also highly restrictive, with engineering and architecture services among the most restrictive sectors compared to the world average.

Regarding the UK's current trade in services relationship with the Philippines, in 2025 the Philippines was the UK's 51st largest services trading partner and the 61st largest services export market. In this period, UK services exports to the Philippines were led by travel (£174 million), followed by other business services (£153 million) and telecommunications, computer and information services (£115 million).[9]

Trade in services between the UK and the Philippines is governed by their respective commitments under the General Agreement on Trade in Services (GATS), which sets out the baseline level of access and treatment guaranteed to all members of the World Trade Organisation (WTO).

### *2.3.3 Temporary Entry between the UK and the Philippines*

Currently, the UK and the Philippines' trade relationship on Temporary Entry is governed by respective commitments in the GATS. The Philippines has taken one commitment under GATS for the supply of a service, but this commitment only

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[6] WTO, WTO Tariff & Trade Data (2024 data, accessed July 2026).
[7] WTO, Integrated Database and Consolidated Tariff Schedules (Apr 2024).
[8] DBT calculations using 2025 HMRC annual imports by preference (accessed July 2026) and DBT tariff estimates. This does not account for TRQs and may therefore differ from tariffs faced where reduced in-quota MFN rates apply.
[9] DBT, Trade and Investment Factsheet: The Philippines (May 2026).

applies if it is deemed that a person within the Philippines itself is unable to perform the service.

### *2.3.4 Investment between the UK and the Philippines*

Commitments on commercial presence (mode 3 services) with the Philippines are governed by GATS, which sets out the baseline level of access and treatment guaranteed to all WTO members.

The UK has a Bilateral Investment Treaty in force with the Philippines, which helps ensure fair treatment for investors, including rules to prevent unlawful expropriation.

In 2024 the stock of Foreign Direct Investment (FDI) from the UK in the Philippines was £1.9 billion. This accounted for 0.1% of the UK's total outward FDI stock.[10]

The OECD FDI Restrictiveness Index highlights that the Philippines' investment environment has become less restrictive since 2021. *'Foreign equity limits'* continues to be the most restrictive area for UK investors, with the most open area being *'screening and approval'*. The *'real estate'* sectors are most restrictive of foreign investment activity, with the least restrictive sector being 'activities auxiliary to financial service activities.'[11]

### *2.3.5 Government Procurement in the Philippines*

The Philippines is not a member of the WTO Agreement on Government Procurement, but it has been an observer since 2019. The UK has no existing international trade commitments on government procurement with the Philippines.

In 2024, the Philippines government expenditure accounted for 24.9% of national GDP.[12] In the same year, the value of the total awarded contracts was worth approximately 17.5 billion USD (£13.7bn).[13]

### *2.3.6 Labour Commitments in the UK and the Philippines*

There are currently no bilateral arrangements in place between the UK and the Philippines relating to labour standards.

Through their membership of the International Labour Organisation (ILO), the UK and the Philippines have committed to uphold internationally recognised labour rights in their domestic laws, including rights relating to freedom of association, the elimination of forced and child labour, and the elimination of discrimination in

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[10] ONS, Data related to Foreign direct investment involving UK companies (Jan 2026).
[11] OECD, FDI Regulatory Restrictiveness Index (Oct 2025).
[12] IMF, Government expenditure, percent of GDP (Dec 2025).
[13] Philippines Department of Budget and Management, ADB e-Procurement Education Program Country Report (Apr 2025). GBP figures calculated by DBT using Bank of England annual average spot exchange rate and GDP deflators at market prices (Dec 2025).

employment. The UK and the Philippines have both ratified eight of the ten ILO Fundamental Conventions.

#### *2.3.7 Environmental Commitments in the UK and the Philippines*

There are currently no legally binding bilateral arrangements between the UK and the Philippines relating to environmental protections and standards.

The UK and the Philippines both participate in the WTO’s environment-related plurilaterals on the Trade and Environmental Sustainability Structured Discussions (TESSD) and the Dialogue on Plastics Pollution. The UK and the Philippines are both party to key Multilateral Environmental Agreements including the Paris Agreement on climate change, the Convention on Biological Diversity, the Stokholm Convention on Persistent Organic Pollutants, and the Montreal Protocol on ozone-depleting substances, the Convention on International Trade in Endangered Flora and Fauna and the Basel Convention on hazardous waste.

## 3. Questions for Stakeholders

This call for input forms part of the Department for Business and Trade's work to consider its approach to future trade policy. It asks for views on deepening the UK's trade relationships with the Philippines plus three other economies – Indonesia, the United Arab Emirates and Uruguay.

Respondents will have the option to choose which economies from the above list they would like to submit views on.

For each economy the respondent chooses to submit views on, the survey asks two main questions:

1. What issues would you like us to consider regarding deepening the UK's trade relationship with this economy?

2. Based on your selection(s) in the previous question, please provide further detail on why you think the UK Government should consider these issues, regarding deepening the UK's trade relationship with this economy?

With this in mind, responses to this call for input could highlight:

- Challenges or constraints when trading or investing in the Philippines, and if so, what are these challenges and constraints, and how significant is the impact on your business activity?

- How would you expect your business to respond if restrictions were removed on trade or investment with the Philippines? For example, might you look to increase trade and investment or attract increased trade and investment from the Philippines?

- Are there any areas where you see opportunities from increased liberalisation of trade between the UK and the Philippines?

- Are there any areas where you would have concerns about increased liberalisation of trade between the UK and the Philippines?

# 4. Drafting a Response to the Questions

The Department for Business and Trade (DBT) is committed to delivering benefits across the UK.

The responses to this call for input will help inform the UK's strategy and positions for engaging with the Philippines and so it is important that you set out your priorities in your response.

Prior to submitting your response, we encourage you to talk to a range of experts in your organisation to understand the full picture of current trading priorities.

Where it is relevant, we welcome the inclusion of figures, data and evidence to illustrate the examples you give in your response. More detailed answers will help the UK to best understand your needs. Further, we are keen to ensure consideration is given to those with characteristics under the Equality Act 2010 as part of this questionnaire.

Once you have answered several questions to tell us who you represent, this call for input provides the opportunity to provide information in three ways:

1. You will be able to answer the questionnaire
2. You may submit your own evidence directly.
3. You will also have the option to complete both the questionnaire and submit your own evidence.

Please follow the link to see the questions: Call for Input on Deepening the UK's Trade Relationships

The questionnaire should take no longer than 15 minutes to complete and closes on 14 September 2026.

# 5. Conclusion

This Information Note has presented data about the UK and the Philippines' trade relationship.  It does not interpret the data and is available for respondents to the call for input to use this in their analysis if they wish to do so.

Respondents can also refer to experiences and insights from other sources to support their submission. The more detail that can be provided the better as this enables a more informed UK approach to trade with the Philippines. Ideas for what to include in a response have been provided in Section 4 of this document.

The UK Government encourages feedback from as wide a range of stakeholders as possible.

A response to the call for input can be submitted here: Call for Input on Deepening the UK's Trade Relationships and the questionnaire closes on 14th September 2026.

# 6. Glossary

**Accession:** Becoming party to CPTPP, signing on to its agreements.

**ASEAN**: Association of South East Asian Nations. An intergovernmental organisation that aims to promote economic and security cooperation among its eleven member states: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste and Vietnam.

**Bilateral**: Agreement between two parties.

**CPTPP**: Comprehensive and Progressive Agreement for Trans-Pacific Partnership. A trade agreement spanning 12 economies including the UK, which the UK officially acceded to on 15 December 2024. The other 11 Parties to the agreement are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

**DCTS**: Developing Countries Trading Scheme. The UK's preferential trading scheme for developing countries.

**Foreign Direct Investment (FDI)**: Investment by an entity in a foreign operation, or establishment of a new operation in another country.

**Free Trade Agreement (FTA)**: A treaty among two or more countries to form a free trade area. This means having zero tariffs (or reduced tariffs) and reducing other regulatory restrictions on trade in substantially all goods and/or services.

**GATS**: The WTO's General Agreement on Trade in Services.

**Gross Domestic Product (GDP)**: the standard measure of the value added created through the production of goods and services in a country during a certain period.

**International Labour Organization (ILO)**: United Nations agency for promoting labour rights.

**Market access**: Conditions set by governments to control which goods or services can or cannot enter their domestic market.

**Most-Favoured-Nation (MFN)**: A non-discrimination principle enshrined in many WTO rules that prohibits a WTO member from treating some WTO members more favourably than others. The MFN obligation requires each WTO member, in its trade with all other WTO members, to give the best ("most-favoured") treatment that it accords in trade with any other WTO member. If, for example, a country lowers tariffs on goods from the GCC, it must also do so on similar goods from Argentina. Exceptions to the MFN principle exist under WTO law, such as in the form of Customs Unions, Free Trade Agreements, Generalized System of Preferences and certain trade remedies. FTAs often contain their own MFN commitments between the treaty partners.

**Multilateral**: Agreement at global or near-global level.

**Multilateral Environmental Agreement (MEA)**: Binding international agreements for promoting cooperation on environmental issues.
**National Treatment**: A non-discrimination principle enshrined in many WTO rules that prohibits a WTO member from treating imported goods or foreign services and services suppliers less favourably than domestic goods or services and services suppliers in its domestic market. The national treatment obligation helps ensure imported goods and services are not unfairly disadvantaged compared with their domestic counterparts. Such obligations may also be included in FTAs between the country parties.

**OECD**: Organisation for Economic Co-operation and Development. An intergovernmental organisation which provides a forum for the promotion of policies which improve economic outcomes.

**Party (plural Parties)**: An economy that has entered into a legally binding agreement.

**Plurilateral**: An economy that has ratified or acceded to the CPTPP and for which the treaty is in force.

**RCEP**: Regional Comprehensive Economic Partnership. Free Trade Agreement between the 10 ASEAN members (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) and Australia, China, Japan, New Zealand and South Korea).

**Tariff Rate Quota (TRQ)**: The application of a higher tariff or tax on certain goods once an agreed quota (amount) of imports is reached.

**Tariffs**: Refers to customs duties on imports of goods, levied either as a percentage of value or on the basis of a formula (e.g. 10 per cent or £7 per 100 kg).

**WTO**: World Trade Organization. International organization dealing with the rules of trade between nations.

**Department for Business and Trade**

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