OpenVoiceNews U.S.

Transparent. Unbiased. Yours.

Manila Urges US to Roll Back New 20% Export Tariff

July 11, 2025
— Categories: Economics

The Philippine government is preparing to send top officials, including Special Assistant Frederick Go and Trade Secretary Cristina Roque, to Washington next week (July 20–22) to discuss concerns over the U.S. decision to impose a 20% tariff on Philippine exports effective August 1, 2025. This move comes amid mounting concern that the 20% reciprocal tariff announced by President Donald Trump, up from the earlier 17% threat, may erode Philippine competitiveness and strain export–driven sectors.

The Trade Department stated disappointment that, despite ongoing engagement, the United States advanced the tariff increase from the “Liberation Day” rate of 17% a rate previously suspended now elevated to 20%. The new measure, scheduled to take effect on August 1, will apply to a broad range of goods shipped to America. While the government was quick to point out that the tariff remains the second lowest among Association of Southeast Asian Nations (ASEAN) economies, next only to Singapore’s 10% export groups worry that any additional cost will be passed down to local industries and workers already grappling with rising operational challenges.

Frederick Go, the President’s special assistant for investment and economic affairs, confirmed that he will lead the delegation alongside Trade Secretary Ma. Cristina Roque and two Trade Undersecretaries, Ceferino Rodolfo and Allan Gepty. They will hold talks from July 14 to 18, hoping to secure either a bilateral economic agreement or, preferably, a free trade deal to bring the tariff down. Philippine Ambassador to the United States Jose Manuel Romualdez said in a message to the media that they still plan to negotiate for lower duties.

The Philippine Exporters Confederation, Incorporated (Philexport), voiced frustration that while other countries have gained trade concessions, the Philippines appears to have lost bargaining leverage. Philexport President Sergio Ortiz-Luis, Jr., noted in an interview with BusinessWorld that Vietnam, a direct competitor, has secured more favorable terms, putting local exporters at a disadvantage. He criticized policymakers for what he described as lip service toward supporting micro, small, and medium enterprises (MSMEs), stating that meaningful funding and export development remain absent.

Finance Secretary Ralph Recto, meanwhile, confirmed there are no plans to retaliate by raising tariffs on U.S. imports, emphasizing that Manila prefers constructive negotiations. Business leaders, including Robert Young of the Foreign Buyers Association of the Philippines, are calling for more decisive action to improve domestic production and strengthen market diversification to offset potential losses.

Industry groups see this as a defining moment for the Philippines to reassess its heavy reliance on external markets and adopt reforms that will bolster long-term economic resilience.