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DOF Economic Bulletin on the March 2021 Merchandise Trade

- Total merchandise trade amounted to \$15.8 billion in March, surging by 22.49%. This continues the recovery observed in February when total merchandise trade increased by 4.52%. What is noteworthy is that not only did the February and March 2021 total merchandise trade figures surpass their respective 2020 levels but also their respective 2019 pre-pandemic levels.
- Both exports and imports rose with export growth at 31.6% and imports at 16.6%.
- This recovery trend in trade is also seen in the improvement in the manufacturing indicators. In the first 3 months of 2021, manufacturing Purchasing Managers' Index (PMI) from both the Philippine Institute of Supply Management's (PISM) and IHS Markit remained above 50, indicating expansion of manufacturing activities. Manufacturing PMI from IHS Markit dropped to 49.0 in April, when stricter community quarantine measures were imposed in the NCR and its surrounding regions during the month.

DOF View

- The continued rebounding in merchandise trade and indications of expansion in manufacturing activities signify that the green shoots of economic recovery are growing, albeit precariously, given the downside risks posed by SARS-CoV-2 virus and the uncertainties of its variants, as recently seen in the dipping of the PMI to below 50. Managing the spread of the virus and its risks, either through pharmaceutical and non-pharmaceutical interventions, will be key in restoring and maintaining the growth of economic activities.

Table 1 Monthly Total Trade*, US\$ Million

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2019	14,858	13,237	15,397	15,103	16,049	14,936	16,145	15,610	15,568	16,256	14,898	14,463	182,520
2020	15,359	12,833	12,884	6,827	10,397	12,487	13,532	13,179	14,839	14,622	13,910	14,158	155,026
YoY Growth, %	3.37	(3.05)	(16.32)	(54.80)	(35.22)	(16.39)	(16.18)	(15.57)	(4.69)	(10.05)	(6.64)	(2.11)	(15.06)
2021	13,920	13,412	15,782 ^p										
YoY Growth, %	(9.37)	4.52	22.49										

Source of Basic Data: PSA

Notes: * - Imports plus exports; p - preliminary

Table 2 Manufacturing Purchasing Managers' Index (PMI)

	2020												2021			
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
PISM	54.6	54.4	28.4	30.6	41.1	47.7	48.8	46.5	46.3	47.3	48.6	51.1	52.7	50.3	53.2	-
IHS Markit	52.1	52.3	39.7	31.6	40.1	49.7	48.4	47.3	50.1	48.5	49.9	49.2	52.5	52.5	52.2	49.0

Source: Bangko Sentral ng Pilipinas, Philippine Institute for Supply Management (PISM), IHS Markit

Note: PMI above 50 indicates expansion

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