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# President Ferdinand Marcos Jr.’s “Independent” Foreign Policy and the Philippines’ Position in the New World Order

*In the Southeast Asian region, the Philippines plays an important role in the strategies of the United States and China. The Philippine government is trying to establish a balance between the two world powers and at the same time take advantage of this situation. This goal is also served by the ‘independent’ foreign policy of President Ferdinand Marcos Jr., who took office in 2022. The aim of this paper is to briefly summarise the key elements of Marcos’ foreign policy halfway through his term. It emphasises that, despite the risks, closer cooperation with the United States currently appears to be more rewarding, while geopolitical tensions with China are limiting the full development of the economic partnership.*

**Keywords:** Southeast Asia, Philippines ‘independent’ foreign policy, Ferdinand Marcos

## Introduction

Parallel to the region’s growing importance, the member states of the Association of Southeast Asian Nations (ASEAN) are playing an increasingly significant role in U.S. and Chinese strategy. Geopolitically, the countries of the region are balancing between the United States and China, avoiding unilateral commitments and striving to act as a bridge. The Philippines is no exception; although it is a military ally of the U.S., it also seeks economic cooperation with China. After Benigno Aquino III’s presidency (2010–2016), during which an open commitment to the U.S. did not yield the desired results, the presidency of Rodrigo Duterte (2016–2022) saw the country’s foreign relations become more balanced through a policy of opening up to China, while its relationship with the U.S. was also reassessed. In the summer of 2022, with the inauguration of Ferdinand Marcos Jr., a modified ‘independent’ foreign policy began, whose most important principle is that the country is ‘friend to all, enemy to none’, meaning that Manila seeks pragmatic cooperation with any partner willing to work with the Philippines in exchange for economic benefits.

The aim of this paper is to briefly summarise the essential elements and results of Marcos’ foreign policy halfway through his presidential term, with particular focus on relations with the U.S. and China. To this end, it first explores the interpretation of the term ‘independent’ foreign policy, and then presents how cooperation with the United States and tensions with China can be characterised, while also highlighting the role of

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other key partners. The paper discusses Washington and Beijing's strategies towards the Philippines, and ultimately seeks to answer the question of what role Manila can play in the changing world order.

## Interpreting Marcos's "independent" foreign policy

When Marcos took office in June 2022, he was expected to continue Duterte's "independent" foreign policy. This was foreshadowed not only by his previous statements, but also by the alliance between the Duterte and Marcos families (the daughter of the former Head of State, Sara Duterte-Carpio, was elected vice president).

According to the 1987 Constitution, which is still in force, an independent foreign policy essentially means that a country has a duty to defend itself and, to this end, must create strategic institutions that enable it to protect its national sovereignty, territorial integrity, national interest, and the right to self-determination.<sup>2</sup>

During the Cold War, the President's father, the late dictator Ferdinand Marcos Sr., advocated a flexible, pragmatic and development-oriented foreign policy, that focused on preserving the dignity and national integrity of the nation, promoting regional cooperation and reducing dependence on the great powers. During his "independent" foreign policy strategy, the elder Marcos sought to exploit multilateral relations with the Soviet Union, China, ASEAN, developing UN member states, the Islamic Conference, and the socialist countries of Eastern Europe, while maintaining harmonious relations with the United States. In seeking solutions to internal problems, the elder Marcos adopted a more open economic policy than before, which also required an "open foreign policy". He took advantage of the détente following the end of the Vietnam War to strengthen relations with neighbouring countries, which became possible in both security and economic terms after the establishment of ASEAN in 1967.<sup>3</sup>

During the term of Benigno Aquino (2010–2016), "independent" foreign policy was understood as the preservation of a liberal, rules-based international order that is fair and equitable to all states, "regardless of their size and relative power".<sup>4</sup> In practice, under Aquino's presidency, the country embraced the rebalancing concept aimed at restoring the balance of U.S.–Philippine relations in exchange for military and political support, thus becoming one of Washington's most important pillars. In response to China's tough stance, the Philippines sought to strengthen its ties with its traditional ally, the United States, and to secure its support for military modernisation.<sup>5</sup>

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<sup>2</sup> The Constitution of the Republic of the Philippines Article XVIII. Transitory Provisions. [online], 1987. Source: officialgazette.gov.ph [13.08.2025].

<sup>3</sup> Resos, Archie B.: *International Realities and Philippine Foreign Policy Under Ferdinand Marcos*. [online], Foreign Policy Journal, 28.10.2013. Source: foreignpolicyjournal.com[13.08.2025].

<sup>4</sup> Amador, Julio S. III. – Merced, Loui Dane – Teodoro, Joyce: *The Philippines' Foreign Policy and Relations towards Major Powers*. [online], Étude, 2014/2015. Source: scribd.com [11.07.2023].

<sup>5</sup> Klemensits, Péter (2017): *Defence Reform and Military Modernization in the Philippines in the Perspective of the South China Sea Conflict*. In Kamiński, Tomasz (ed.): *Overcoming Controversies in East Asia*. Łódź: Łódź University Press, 87–103.

From the outset, the Duterte administration has emphasised the need to pursue an “independent foreign policy” based on the principles of sovereignty, sovereign equality, non-interference and peaceful settlement of disputes.<sup>6</sup> Essentially, reducing dependence on the United States and fostering cooperation with China and non-traditional partners such as Russia and India were the main elements of his policy to find a middle ground in the national interest. The essence of the “Duterte doctrine” can be summarised as follows: creating a more favourable image for China; modifying the country’s U.S.-influenced strategy; mobilising the power inherent in the relationship between the state and society to strengthen Chinese influence; and transforming the country’s Western-style institutions in line with Chinese expectations and incentives.<sup>7</sup>

The most important principle of Marcos Jr.’s “independent foreign policy” is that the country is “friend to all, enemy to none” meaning that Manila seeks pragmatic cooperation with anyone willing to work with the Philippines in exchange for economic benefits.<sup>8</sup> Marcos emphasised that Asian countries should refrain from taking sides in the competition between the U.S. and China and instead take advantage of their growing interest in the region, while keeping their own interests in mind. His flexible government policy can be interpreted as trying to promote the national interests of the Philippines by avoiding armed conflict and promoting peace, while maintaining relations with both the United States and China, thereby guaranteeing security and potential economic gains. The sustainability of this policy is, of course, heavily dependent on the behaviour of the major powers.

According to some researchers, Marcos is actually pursuing a flexible foreign policy that “helps states adapt to changing geopolitical realities. Flexible foreign policy is pragmatic. Hardline political ideologies do not guide strategy and only national interests are put first.”<sup>9</sup> The expected positive outcome is that this will strengthen the alliance between the Philippines and the United States in order to meet Manila’s security needs, while strengthening relations between the Philippines and China, which could pay off in the long term from an economic perspective.

According to other opinions, Marcos’ balancing act “[n]ot only does the balancing advance the Philippines’ territorial integrity and national security, but it also puts the Philippines in a vital position in preserving global stability” with regard to the South China Sea<sup>10</sup>

In essence, we can agree with the view that an “independent” foreign policy should be judged on the spectrum of effectiveness, based on the number of national security

<sup>6</sup> *National Security Policy For Change and Well-Being of the Filipino People 2017–2022*. [online], National Security Council Secretariat, 27.07.2017. Source: pagba.com [13.08.2025].

<sup>7</sup> Magcamit, Michael Intal: *The Duterte Doctrine: A Neoclassical Realist Guide to Understanding Rodrigo Duterte’s Foreign Policy and Strategic Behavior in the Asia-Pacific*. [online], 2018. Source: researchgate.net [12.12.2025].

<sup>8</sup> Rocamora, Joyce Ann L.: *Marcos Charts Independent Foreign Policy, ‘Friend to All’ Stance*. [online], Philippines News Agency, 25.07.2022. Source: pna.gov.ph [13.08.2025].

<sup>9</sup> Banlaoi, Rommel: *Marcos Jr Fashions a Flexible Foreign Policy for the Philippines*. [online], East Asia Forum, 21.01.2023. Source: eastasiaforum.org [13.08.2025].

<sup>10</sup> Balboa, Jenny: *Marcos Jr’s Delicate Balancing Act between China and the United States*. [online], East Asia Forum, 12.04.2023. Source: eastasiaforum.org [13.08.2025].

interests it has been able to assert.<sup>11</sup> Although this is far from easy to achieve in practice, Marcos currently maintains his "independent" foreign policy.

When assessing Marcos' foreign policy, its domestic political implications cannot be ignored. Today, political divisions within the elite are deepening over the appropriate foreign policy direction, as Marcos, the army leadership, and part of the government are pro-American, while Vice President Duterte-Carpio, the Chinese-born economic elite, and Rodrigo Duterte's close allies advocate opening up to China and view Marcos' opposing actions with disapproval.<sup>12</sup>

## Closer cooperation with the United States

The biggest change compared to the Duterte era is that Marcos has openly spoken out in favour of strengthening economic ties with Washington and improving military relations. During Marcos' visit to Washington from 18–24 September 2022, President Joe Biden reaffirmed the United States' "rock-solid commitment" to the defence of the Philippines, which he reiterated in October, while the U.S. pledged \$3.9 billion in investments.<sup>13</sup>

In February 2023, during U.S. Secretary of Defense Lloyd Austin's visit to Manila, the Marcos administration offered the U.S. military access four additional military facilities, in addition to the five bases already provided for in the 2014 Enhanced Defense Cooperation Agreement. Above all, this shows how much the Philippines trusts the U.S. in terms of its defence, while at the same time not shying away from China's expected reaction, i.e. they consider business with Beijing possible despite everything.<sup>14</sup>

In the Spring of 2023, President Marcos travelled to Washington again, where a trilateral summit with President Biden and Japanese Prime Minister Fumio Kishida took place on 11 April. In addition to implementing this landmark strategic cooperation, the summit announced the creation of the Luzon Economic Corridor, an initiative to promote investment and economic prosperity in Central Luzon, Subic Bay, Clark, Metro Manila and surrounding areas.<sup>15</sup>

Marcos travelled to the U.S. capital again between 30 April and 4 May 2023, where the Biden administration pledged to support the modernisation of the Philippine Armed Forces and promote regional development through military bases, in addition to expanding economic and cultural cooperation. The two countries also issued their first bilateral defence guidelines, a document that sets out key priorities in the area of defence cooperation.

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<sup>11</sup> Banlaoi, Rommel: *Marcos Jr Fashions a Flexible Foreign Policy for the Philippines*. [online], East Asia Forum, 21.01.2023. Source: eastasiaforum.org [13.08.2025].

<sup>12</sup> Malvar, John: *Washington's War Drive against China Fuels Political Conflict in the Philippines*. [online], World Socialist Web Site, 8.11.2023. Source: wsws.org [13.08.2025].

<sup>13</sup> Geducos, Argyll Cyrus: *Marcos US Trip Nets \$3.9-billion in Investment Pledges*. [online], Manila Bulletin, 29.09.2022. Source: mb.com.ph [13.08.2025].

<sup>14</sup> *Marcos: Increased US Access to Bases Not Meant to Worsen Tensions*. [online], Business World, 13.02.2023. Source: bworldonline.com [13.08.2025].

<sup>15</sup> Murphy, Erin L. – Poling, Gregory B.: *A 'New Trilateral Chapter' for the United States, Japan, and the Philippines*. [online], CSIS, Center for Strategic & International Studies, 15.04.2024. Source: csis.org [13.08.2025].

In 2024, economic cooperation reached a new level alongside military cooperation. In March 2024, a presidential trade and investment delegation led by U.S. Secretary of Commerce Gina Raimondo arrived in Manila, resulting in more than \$1 billion in investments and playing a key role in promoting innovation, clean energy and food security.<sup>16</sup> In 2024, the United States was the top export market of the Philippines, accounting for nearly \$950 million, or 17% of total exports.

To improve the Philippines' defence capabilities, the U.S. deployed the state-of-the-art Typhoon medium-range missile defence system to the islands for training purposes in April, and by the end of the year, the Philippine military leadership was already discussing plans to purchase the system.<sup>17</sup>

In July, the strengthening of the Philippine armed forces was the central topic of the 2 + 2 dialogue between the foreign and defence ministers, during which, among other things, \$500 million was made available under the Foreign Military Financing (FMF) programme to expand the capabilities of the Philippine armed forces and the Philippine Coast Guard.<sup>18</sup>

The importance the Biden administration attaches to the Philippines is highlighted by the fact that in July, at the initiative of Republicans, Congress introduced the Philippines Partnership Act of 2024, which aims to strengthen bilateral relations between the United States and the Philippines through increased cooperation in the areas of defence, trade, economic development, and regional security.<sup>19</sup> But there were other congressional initiatives as well.

Donald Trump's inauguration on 20 January 2025 promised harmonious cooperation, but the possible withdrawal of the U.S. from the international arena prompted the Marcos administration to exercise caution and decide to strengthen cooperation with Washington's allies.

In February, at the Munich Security Conference, foreign ministers Marco Rubio and Eduardo Manalo emphasised to each other the importance of maintaining a rules-based world order in Asia. (It was encouraging for Manila that Rubio, who had proposed the 2024 Partnership Act, became U.S. Secretary of State.) In the context of tensions in the South China Sea, the Trump administration also worked to strengthen the alliance between the two countries.<sup>20</sup>

However, the suspension of USAID raised questions about Trump's intentions. The Southeast Asian country was a major beneficiary of aid: the Americans had provided the country with more than \$5 billion in aid since 1961, including \$2.81 billion between 2001

<sup>16</sup> *Secretary Raimondo Leads Successful Presidential Trade and Investment Mission to the Philippines, President's Export Council Trip to Thailand*. [online], U.S. Department of Commerce, 19.03.2024. Source: commerce.gov [13.08.2025].

<sup>17</sup> *China Slams Philippines' Decision to Acquire US Typhon Missile System*. [online], Al Jazeera, 23.12.2024. Source: aljazeera.com [13.08.2025].

<sup>18</sup> *Fact Sheet U.S.-Philippines 2+2 Ministerial Dialogue July 30, 2024*. [online]. Source: media.defense.gov [13.08.2025].

<sup>19</sup> *S.4703 – United States-Philippines Partnership Act of 2024*. [online]. Source: congress.gov [13.08.2025].

<sup>20</sup> Heydarian, Richard Javad: *Philippines Hopeful but Openly Hedging on Trump*. [online], Asia Times, 26.02.2025. Source: asiatictimes.com [13.08.2025].

and 2023.<sup>21</sup> In the Philippines, the temporary suspension of \$500 million in military aid raised concerns about possible changes in U.S. foreign policy, despite official statements that the measure would not affect security cooperation.

To allay the concerns of the government in Manila, Secretary of Defense Pete Hegseth visited the Philippines at the end of March, where he held talks with his Philippine counterpart Gilberto Teodoro. He reaffirmed the commitment of both countries to the 1951 U.S.–Philippines Mutual Defense Treaty, and emphasised that it covers armed attacks on the armed forces, aircraft and ships of both countries, including their coast guards, anywhere in the South China Sea. Agreement was also reached on the launch of several new initiatives to improve the Philippines' defence capabilities.

The first face-to-face meeting between the two leaders took place during Marcos' visit to Washington from 20 to 22 July. Significantly, Marcos was the first Southeast Asian Head of State to be received by Trump at the White House. President Marcos also held talks with Secretary of Defence Pete Hegseth, Secretary of State Marco Rubio and CIA Director John Ratcliffe, who reaffirmed the U.S.'s commitment to the defence of the island nation. The Trump administration also pledged its support for the Luzon Economic Corridor.<sup>22</sup>

The trade negotiations were an important part of Marcos' trip, after Trump had previously threatened to impose 20% tariffs on Philippine imports. As a result of the negotiations, U.S. tariffs were lowered from 20% to 19%, which is higher than the 17% "retaliatory tariff" that was briefly in effect in April.<sup>23</sup> Marcos agreed to remove all tariffs and other restrictions on imports from the United States, including quotas and import licence requirements, and to strengthen intellectual property protection.<sup>24</sup> With this move, the Philippines can encourage U.S. investment, that could benefit key sectors of the Philippine economy and strengthen supply chain diversification in the long run. The agreement appears to be a win-win situation for both countries, even if concrete results will only be visible in the second half of Marcos' presidency.

Following the October announcement by the United States and the Philippines of a working group to deter aggression and "re-establish deterrence" in the South China Sea,<sup>25</sup> security cooperation advanced significantly when, on 17 December, the U.S. Congress approved \$2.5 billion in new security assistance for the Philippines over the next five years. This demonstrates that Washington seeks to improve the preparedness of the Philippine armed forces through a specific programme in response to tensions in the South China Sea and the Indo-Pacific region.<sup>26</sup>

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<sup>21</sup> Baclig, Chistina Eloisa: *Impact of US Aid Freeze on PH: It's Small Anyway*. [online], Inquirer, 07.02.2025. Source: [newsinfo.inquirer.net](https://newsinfo.inquirer.net) [13.08.2025].

<sup>22</sup> *United States–Philippines Joint Statement on Secretary Hegseth's Inaugural Visit to the Philippines*. [online], U.S. Department of War, 28.03.2025. Source: [defense.gov](https://defense.gov) [13.08.2025].

<sup>23</sup> Buchwald, Elisabeth: *Trump Announces Trade Agreement with the Philippines and Terms of Deal with Indonesia*. [online], CNN, 23.07.2025. Source: [edition.cnn.com](https://edition.cnn.com) [13.08.2025].

<sup>24</sup> Strangio, Sebastian: *Trump Announces Trade Deal With Philippines, Small Reduction in Tariff Rate*. [online], The Diplomat, 23.07.2025. Source: [thediplomat.com](https://thediplomat.com) [13.08.2025].

<sup>25</sup> *US, Philippines Announce Task Force for Deterrence in South China Sea | The wRap*. [online], Rappler, 31.10.2025. Source: [rappler.com](https://rappler.com) [13.08.2025].

<sup>26</sup> Chi, Christina: *Philippines to Get \$2.5 Billion in US Defense Aid as South China Sea Tensions Rise*. [online], Philstar, 19.12.2025. Source: [philstar.com](https://philstar.com) [13.12.2025].

## Ambivalent relations with China

Originally, successful economic cooperation with China also played an important role in President Marcos' foreign policy plans. Between 3 and 6 January 2023, the Head of State held talks in Beijing with the aim of opening a new chapter in strategic cooperation between the two countries. Marcos and Xi Jinping eventually signed 14 bilateral agreements in areas such as agriculture, infrastructure, development cooperation, maritime security and tourism. In total, China pledged investments worth \$22.8 billion. During the talks, it was also agreed to resume joint oil and gas exploration in the South China Sea and to establish a direct communication channel to resolve contentious issues.<sup>27</sup> Like his predecessor, Marcos hoped to count on Chinese assistance in the form of loans, grants and investments. In this context, the Belt and Road Initiative (BRI) projects in the Philippines were also an important part of the discussions. However, the desire to strengthen economic ties did not prevent Marcos from staunchly defending Philippine interests in the South China Sea, as an important part of his foreign policy was to raise public awareness of what he considered China's unlawful actions, while at the same time airing his grievances bilaterally.

Despite Marcos' hopes, geopolitical tensions soon prevented economic co-operation from reaching its full potential. On 22 October, a Philippine and a Chinese ship collided near the disputed Second Thomas Shoal, with both sides blaming each other for the incident.<sup>28</sup> A week later, the Philippines accused China of firing water cannons at a supply ship.<sup>29</sup>

The cooling of relations between Manila and Beijing was undoubtedly exacerbated by President Marcos not only not travelling to Beijing for the third Belt and Road Forum, but also announcing the cancellation of three major railway construction projects worth \$4.9 billion, that were part of the BRI, because the desired Chinese financial support had not arrived.<sup>30</sup> The Marcos administration thus made the delicate strategic decision to withdraw from the Chinese initiative in order to achieve its goal of diversifying its funding sources and reducing its dependence on Beijing. The reason for this decision was undoubtedly the fact that only a fraction of the projects promised by China would be completed by 2023 and there was little prospect of significant progress. As a result, public-private partnerships (PPPs) and multilateral institutions such as the Asian Development Bank (ADB) and the World Bank played a much greater role in Marcos' strategy.

While China did not look favourably on the ever-closer military partnership with the U.S., particularly the relocation of bases, the Marcos administration had significantly lowered its expectations of economic cooperation with Beijing by this time.

<sup>27</sup> Heydarian, Richard Javad: *Marcos Jr Returns from China with a Pocketful of Promises*. [online], Asia Times, 06.01.2023. Source: asiatictimes.com [13.08.2025].

<sup>28</sup> *Philippines Says Chinese Vessels Hit Two of Its Boats Near Disputed Shoal*. [online], NPR, 22.10.2023. Source: npr.org [13.08.2025].

<sup>29</sup> *China Deploys Water Cannon vs Philippines in New Ayungin Resupply Mission*. [online], Rappler, 10.11.2023. Source: rappler.com [13.08.2025].

<sup>30</sup> Heydarian, Richard Javad: *Why the Philippines is Exiting the Belt and Road*. [online], Asia Times, 02.11.2023. Source: asiatictimes.com [13.08.2025].

On 23 March 2024, the Chinese Coast Guard deployed water cannons to prevent a Philippine supply ship from reaching the Sierra Madre shipwreck, which was serving as a garrison on the Ayungin sandbank, leading to renewed tensions.<sup>31</sup> In the meantime, it became known that the Duterte government had previously tried to prevent similar incidents by concluding a kind of “gentleman’s agreement”. The agreement allowed the Philippines to carry out supply missions, provided they gave prior notice, delivered only essential goods and limited their operations to one coast guard vessel and one civilian ship. According to China, these conditions were violated in February 2023 when a Philippine Navy ship delivered construction materials to the wreck.<sup>32</sup> Marcos rejected the conclusion of a similar secret agreement, and instead called for public diplomacy.

After the Chinese Coast Guard repeatedly rammed Philippine warships with motor-boats and then seized two Philippine warships on 17 June to prevent Filipino personnel from delivering food and other supplies, including firearms, to a ship stationed in shallow waters near Second Thomas Shoal, the incident threatened to escalate seriously. Eventually, a temporary agreement was reached – which China did not comment on – but which in principle does not violate the national position of either party. Essentially, China allows delivery missions after prior notification and “on-site inspection”, but rejects the delivery of “large quantities” of building materials needed for the construction of “permanent structures”.<sup>33</sup>

Although tensions between the two countries have persisted, after Donald Trump took office in early 2025, Marcos offered China closer cooperation and even agreed to withdraw the U.S. Typhoon missile system from the Philippines on the condition that Beijing cease its violent maritime provocations and give up its territorial claims in the region.<sup>34</sup> Unsurprisingly, no real negotiations began between the parties, while the incidents in the South China Sea continued.

While the two countries celebrated the 50<sup>th</sup> anniversary of diplomatic relations in June 2025, tensions persisted. In Autumn 2025, it had become clear that Marcos was attempting to strike a balance between asserting his country’s claims to the resource-rich South China Sea with maintaining key relations with Beijing. At the ASEAN summit in October, Marcos said he would welcome Chinese President Xi Jinping, who last visited the Philippines in 2018, to Manila. However, he added that this would depend on whether there was “significant progress” in the negotiations on a code of conduct for the South China Sea.<sup>35</sup>

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<sup>31</sup> Cupin, Bea: *China Causes ‘Heavy Damage’ on Philippine Resupply Ship in Ayungin Shoal – AFP*. [online], Rappler, 23.03.2024. Source: rappler.com [13.12.2025].

<sup>32</sup> Rabena, Aaron Jed: *The Philippines Navigates Shifting Political Currents in the South China Sea*. [online], East Asia Forum, 04.25.2025. Source: eastasiaforum.org [13.12.2025].

<sup>33</sup> *Philippines Says Reached Deal with China to Avoid Disputed Shoal Clashes*. [online], Al Jazeera, 21.07.2024. Source:aljazeera.com [13.12.2025].

<sup>34</sup> Cupin, Bea: *Marcos Offers China a ‘Deal’: Want US Missiles Out? Leave West Philippine Sea*. [online], Rappler, 30.01.2025. Source: rappler.com [13.12.2025].

<sup>35</sup> Cai, Vanessa – Wei, Alcott: *New South China Sea Clashes Erupt as Beijing Pushes for Better Philippine Ties*. [online], South China Morning Post, 12.12.2025. Source: scmp.com [13.12.2025].

While incidents continued in the South China Sea in December, Beijing also demonstrated a willingness to engage, as shown by the appointment of a new ambassador to Manila, Jing Quan, who emphasised that a healthy relationship is essential for both countries' development and beneficial to regional prosperity and progress.<sup>36</sup>

Despite the conflicts with Beijing, the economic partnership with China remains crucial for Manila. In 2023, China was the country's largest trading partner, exporting goods worth \$52.4 billion to the Philippines. The Philippines, which was China's 20<sup>th</sup> largest trading partner, exported \$10.65 billion worth of goods.<sup>37</sup> In 2024, China was Manila's third largest export market behind the United States and Japan. However, between June 2024 and June 2025, Philippine exports decreased by \$135 million (15.5%), from \$869 million to \$734 million, while imports increased by \$509 million (18.6%), from \$2.73 billion to \$3.24 billion.<sup>38</sup>

While China provided \$30.5 billion in official development finance between 2015 and 2023, only \$700 million of this was actually disbursed.<sup>39</sup> In terms of investments, projects worth more than 1 billion pesos (approximately \$18 million) from Chinese sources were approved by September 2024, an increase of 237% from the same period last year, and also exceeding the total amount of Chinese investments in the Philippines in 2023.<sup>40</sup> The trend of significant Chinese investments on paper in the Southeast Asian country is evident, but their practical realisation remains uncertain.

## Other key partners

Duterte's foreign policy was already characterised by the government's efforts to balance its dependence on China through closer cooperation with other Indo-Pacific powers. Under Marcos, these fruitful relationships with America's partners have continued, with Japan being a perfect example. The East Asian country is a key partner of the East, with a strong interest in strengthening Manila's defence capabilities while providing an alternative to Chinese funding through its investments and aid.

It was a significant event when Japanese Prime Minister Fumio Kishida met President Marcos in Manila in early November 2023. He not only announced the first official security assistance to the Philippines, but also began negotiations on a Reciprocal Access Agreement that would allow Japanese soldiers to be temporarily stationed on the islands. In July 2024, an agreement was finally concluded that will come into force on

<sup>36</sup> Sun, Luna: *China Sends Seasoned 'America Hand' to Serve as Top Envoy to Philippines*. [online], South China Morning Post, 06.12.2025. Source: scmp.com [13.12.2025].

<sup>37</sup> Reinsch, William Allan – Samuel, Reena: *Rocking the Boat: The Philippines Trade Strategy Amid Rising Geoeconomic Tensions*. [online], CSIS, Center for Strategic & International Studies, 31.01.2025. Source: csis.org [13.12.2025].

<sup>38</sup> *Philippines/China*. [online], OEC. Source: oec.world [13.12.2025].

<sup>39</sup> Chi, Christina: *China Pledged More to Philippines than Any SEA Country but Spent the Least*. [online], Philstar, 22.07.2025. Source: philstar.com [13.08.2025].

<sup>40</sup> *Against All Odds: Chinese Investments in the Philippines Soar Despite Ongoing Maritime Row*. [online], Bilyonario, 01.10.2024. Source: bylionario.com [13.12.2025].

11 September 2025 and is considered a milestone in the partnership between the two nations in many respects.<sup>41</sup>

In economic terms, it is significant that Japan remains the largest source of official development assistance (ODA) for the Philippines in 2024, at \$13.23 billion, accounting for around a third of the country's total ODA.<sup>42</sup> Japanese Prime Minister Shigeru Ishiba last visited the Philippines in April 2025, and President Marcos visited Japan in June, with both sides discussing a number of economic and security initiatives during the high-level visits. In October, during the ASEAN summit in Malaysia, Marcos congratulated Japanese Prime Minister Sanae Takaichi on her recent victory and expressed his intention to strengthen relations between the two countries in 2026, the 70<sup>th</sup> anniversary of the normalisation of diplomatic relations. The Japanese prime minister agreed to further strengthen relations with the Philippines as a strategic partner to realise a free and open Indo-Pacific region.<sup>43</sup>

South Korea is also interested in strengthening Manila's defence capabilities, and the Marcos administration is seeking to capitalise on this opportunity. On 7 October 2024, during President Yoon Suk Yeol's visit to Manila, a strategic partnership was forged between the two countries, covering the areas of security, economy and culture.<sup>44</sup> The South Korean defence industry plays an active role in the development of the Armed Forces of the Philippines – from the mid-2010s until today, the East Asian country has become the source of the Philippine Navy's most valuable acquisitions.<sup>45</sup> South Korean companies also have considerable potential in the area of infrastructure investment. In 2024, South Korea was the Philippines' fourth largest trading partner, with bilateral trade totalling \$13.2 billion. South Korea was also the leading source of foreign tourists to the Philippines, accounting for 26.37% of all tourist arrivals.<sup>46</sup>

President Marcos also attaches great importance to the partnership with India. Between 4 and 8 August 2025, the Philippine Head of State was received by Prime Minister Narendra Modi in New Delhi to mark the 75<sup>th</sup> anniversary of the establishment of diplomatic relations between the two countries. The relationship has been upgraded to a strategic partnership, and a total of 18 agreements have been signed. The partnership covers the areas of defence, maritime cooperation, trade, digital technologies, tourism, space exploration, culture and science. The defence and security partnership is

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<sup>41</sup> *Exchange of Diplomatic Notes for Entry into Force of the Japan-Philippines Reciprocal Access Agreement*. [online], Embassy of Japan in the Philippines, 12.08.2025. Source: [ph.emb-japan.go.jp](http://ph.emb-japan.go.jp) [13.12.2025].

<sup>42</sup> *Japan Remains PH Top Development Partner*. [online], Japan International Cooperation Agency, 08.08.2025. Source: [jica.go.jp](http://jica.go.jp) [13.08.2025].

<sup>43</sup> *Marcos, Takaichi Agree to Bolster PH-Japan Cooperation*. [online], GMA News Online, 27.10.2025. Source: [gmanetwork.com](http://gmanetwork.com) [13.12.2025].

<sup>44</sup> Bajo, Anna Felicia: *PH, South Korea Elevate Ties to Strategic Partnership*. [online], GMA News Online, 07.10.2024. Source: [gmanetwork.com](http://gmanetwork.com) [13.12.2025].

<sup>45</sup> Háda, Béla: *A Fülöp-szigetek haderőfejlesztésének tengeri dimenziója – eredmények és kilátások* [The Maritime Dimension of the Philippines' Military Development – Results and Prospects]. [online], NKE, John Lukacs Stratégiai Védelmi Kutatási Elemzések, 2025/13. Source: [uni-nke.hu](http://uni-nke.hu) [13.08.2025].

<sup>46</sup> Gita-Carlos, Ruth Abbey: *Marcos, Lee Reaffirm PH-SoKor Strategic Ties, Eye Closer Cooperation*. [online], Philippine News Agency, 15.08.2025. Source: [pna.gov.ph](http://pna.gov.ph) [13.12.2025].

considered a central pillar, as evidenced by the Philippines' purchase of BrahMos cruise missiles from India in 2024–2025, which will significantly strengthen Manila's coastal defence capabilities.<sup>47</sup>

Australia is also an important partner. In September 2023, Prime Minister Anthony Albanese visited the Philippines and a strategic partnership agreement was signed between the two countries. On 28 and 29 February 2024, Prime Minister Albanese received President Marcos in Canberra for his first official visit to Australia. During the talks, agreements were reached on cooperation in the area of cybersecurity and a partnership in the area of maritime security, among other things.<sup>48</sup>

The Philippines and Australia reaffirmed their defence cooperation at the Philippines–Australia Defence Ministers' Meeting held in Manila in August 2025, highlighting that the two countries are working on a new defence agreement to be signed next year.<sup>49</sup>

## Conclusion

President Marcos' "independent" foreign policy is not without precedent. Like other Southeast Asian countries, the island nation is fundamentally forced to draw a cautious line between the U.S. and China, and adapt to the changing world order.

Since former President Duterte's opening towards China did not bring the results the Philippine government had hoped for, Marcos' desire for a closer partnership with the United States is understandable. During Joe Biden's presidency, the stable relationship between the U.S. and the Philippines promised significant results, but with the inauguration of Donald Trump, the situation is no longer so clear, as the Trump administration expects more from the Philippines, as evidenced by the trade agreement. The importance of the island nation to Washington is obvious, and it seems that the U.S. is willing to demonstrate this in environmental terms as well.

Although Marcos initially had high hopes for economic cooperation with China, he was prepared to accept the negative consequences due to geopolitical differences. China seems to be taking a wait-and-see approach for now, anticipating that Trump's unexpected moves might alienate even its allies, and that it might even strike a more favourable deal with a president who is more sympathetic to China after Marcos. For all these reasons, no significant improvement in Sino-Philippine political relations can be expected in the short term, even if the current level of economic partnership is likely to remain unchanged.

In fact, Marcos is walking a tightrope where it is very difficult to maintain the independence of his foreign policy, and where he is trying to combine elements of previous strategies that were considered successful, based on the experiences of the two previous presidencies – Aquino and Duterte.

<sup>47</sup> Cabato, Luisa: *18 Business Deals between PH, India Signed during Marcos' State Visit*. [online], Inquirer, 07.08.2025. Source: globalnation.inquirer.net [13.12.2025].

<sup>48</sup> Romero, Alexis – Mateo, Janvic: *'More Robust' Philippines-Australia Ties Seen in Marcos Jr. Visit*. [online], Philstar, 29.02.2024. Source: philstar.com [13.12.2025].

<sup>49</sup> Flores, Mikhail: *Philippines, Australia to Seal New Defence Pact as China Tensions Rise*. [online], Reuters, 22.08.2025. Source: reuters.com [13.12.2025].

The last three years have also made it clear that Marcos wants to strengthen partnerships with the U.S.'s regional allies and reduce its dependence on the two world powers. So far, this endeavour has been successful and, although it does not fundamentally affect the dynamics of relations with the U.S. and China, it may improve the Philippines' negotiating position with them.

However, Marcos' foreign policy can only be fully understood in the context of domestic political developments. Relations between the Marcos and Duterte families deteriorated rapidly after the elections, and they are now open rivals. Although the Marcos family appears to be the stronger side, the 2025 Senate elections have shown that the Duterte clan also enjoys significant support. Although interest groups and much of society support the Marcos' pro-American policies, the Duterte family is backed by the Chinese lobby, so the president must also consider their interests when thinking about his next moves. He also has a controversial relationship with his Vice President Sara Duterte, who has made no secret of her intention to run for president in 2028.<sup>50</sup>

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