

World business leaders cite GMA, RP economy

President Arroyo's handling of the Philippine economy, which is experiencing its fastest growth in more than a decade, is nothing short of phenomenal.

This was the consensus of the 11 members of her International Board of Advisers (IBA) who met with the President in

Zurich before she proceeded to Davos to attend the annual meeting of the World Economic Forum (WEF).

Presidential Adviser for International Competitiveness Roberto Romulo, who attended the Zurich meeting on Wednesday, said the President decided way back in 2001 to

create the IBA composed of chief executive officers (CEOs) and noted businessmen from top international corporations to seek their views and comments on her economic programs.

During the meeting, Romulo said the advisers, including

Chairman Dr. Stephen Zuellig and other key international players from various industries, freely expressed their views on the President's handling of the country's economy.

According to Romulo, the advisers congratulated the

Turn to Page 2

World business

From Page 1

President for her sound economic programs and praised the Bangko Sentral ng Pilipinas (BSP) for its excellent handling of the country's monetary policies.

Romulo said the advisers expressed concern over a possible revenue shortfall but Finance Secretary Margarito Teves, who also attended the meeting, explained that any shortfall could be offset by earnings from the government's ongoing privatization program.

The advisers also said that the Philippines is well on its

way towards achieving a strong economy but expressed concern on whether the President's programs can be sustained even beyond the end of her term in 2010.

Romulo said the President expressed confidence that her programs, particularly in infrastructure and education, are strongly in place and the Philippines would continue to reap the benefits of these investments regardless of who succeeds her in 2010.

The Philippines was seen as being in the best position to survive what could possibly be

a worldwide economic crisis brought about by the slowdown in the United States economy.

In a meeting with Mrs. Arroyo at the sidelines of the WEF in Davos, Citigroup Inc.'s senior vice chairman William Rhodes said that the Philippines is "going into the crisis in very good shape."

Bangko Sentral ng Pilipinas Governor Amando Tetangco Jr., who was in the meeting with the President, agreed that the Philippine economy could buffer the possible slowdown or recession of the US economy but emphasized that it would still depend on the depth and duration of the

slowdown.

"There are mitigating factors in the case of the Philippines. We have a comfortable level of external liquidity and our reserves are high," Tetangco said.

"This is not to say we will not be affected; we will be, but we will have some buffer," he added.

Rhodes said that he believes the slowdown would last for a maximum of three quarters only.

He pointed out that one aspect of the current problem in the US is that lowly capitalized insurance companies have issued a significant amount of guarantees. — Marvin Sy