

Gov't optimistic of hitting annual GDP growth goals

March 29, 2011

ANNUAL economic growth targets of 7-8% are being kept by the Aquino government even if unforeseen events have increased the likelihood the goal will not be achieved this year.

While no decision has been made as to whether the 2010 target would be lowered or maintained, Socioeconomic Planning Secretary Cayetano W. Paderanga, Jr. told reporters yesterday the government remained confident with respect to prospects for the next five years.

National Economic and Development Authority (NEDA) director Myrna Asuncion, in a telephone interview, said: "Targets for 2012 to 2016 will still be attainable even if the target for this year is revised or if actual growth is lower than the target".

"We expect investments to come in with the continued confidence in the government."

Recent external events such as widening unrest in the Arab world and a disaster in Japan have prompted economic managers to order a review of current macroeconomic assumptions.

Mr. Paderanga, reiterating concerns, said the two events had made meeting this year's 7-8% target "a little bit difficult..."

"[B]ut whether you will give up explicitly on the target or whether you will just try to see if you can have alternative programs to try to make up for that is something that will have to be done..." he added.

Asked about assumptions for next year and beyond, Mr. Paderanga replied: "It's too early to make any changes in the 2012 [targets] because the medium term development plan is really based on trends that have been developing over the past few years... it really would take much in order to adjust these targets."

Finance Undersecretary Gil S. Beltran said a "high current account surplus" would provide the wherewithal to achieve the growth goals, while Finance Assistant Secretary Ma. Teresa S. Habitan said the government expects a "positive impact from PPPs (public-private partnership) and a benign external environment."

Budget Undersecretary Laura B. Pascua concurred, saying that starting next year, "the PPP projects would be on stream already, your inflation and interest rates have normalized and hopefully business confidence would be greater."

Mr. Paderanga, meanwhile, yesterday also announced that the NEDA Board had approved the Aquino administration's Medium Term Philippine Development Plan for 2011 to 2016.

He said the road map would allow for "inclusive growth." – LDD

Taken from:

<http://www.bworldonline.com/content.php?title=Gov%E2%80%99t%20optimistic%20of%20hitting%20annual%20GDP%20growth%20goals&id=28894>