

**PHILIPPINE CENTRAL BANK CHIEF SEES HEALTHY GROWTH IN 1987.**By **Chaitanya Kalbag**, Reuters

282 words

2 June 1987

Reuters News

English

(c) 1987 Reuters Limited

MANILA, June 2, Reuter - The Philippine economy's impressive growth in this year's first quarter suggests the government's ambitious economic targets are within reach, Central Bank Governor Jose Fernandez said today.

"I don't see anything on the horizon that should cut (growth) short," Fernandez said after the government announced gross national product rose 5.5 per cent in the first quarter over the same period in 1986.

The government is aiming at GNP growth of between six and 6.5 per cent for the whole of this year.

The first-quarter figure, unveiled yesterday by the National Economic Development Authority (NEDA), was the best in three years.

GNP grew a modest 1.5 per cent last year after contracting more than 10 per cent over 1984 and 1985.

Fernandez told Reuters in an interview he was happiest about a recovery in manufacturing, which surged 9.6 per cent in a sign that the recession had ended.

He said consumption had risen since January, fuelled by a construction boom in the dry months, but might drop off later this year as the rainy season set in.

"I do not see any shortage in external resources ... We are under no immediate pressure so far as our monetary targets are concerned," Fernandez said.

Gross foreign exchange reserves stood at 2.5 billion dollars at the end of 1986 and are expected to rise to 3.4 billion dollars this year.

"We have had one year of fairly good results," Fernandez said. "Certainly we continue to have a fairly heavy drain on our external availabilities simply by servicing our debts."

Document lba0000020011204dj6200w5o

