

LIKELY CHOICES SEEN FOR NEW MANILA ECONOMIC CHIEFS.By **Chaitanya Kalbag**

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MANILA, Sept 16 - A veteran development banker and the former head of one of the Philippines' five biggest commercial banks are tipped to occupy the country's two top economic posts, bankers and officials polled by Reuters said.

They said Public Works and Highways Secretary Vicente Jayme, former president of the state-owned Philippine National Bank (PNB) and the Private Development Corporation of the Philippines (PDCP) is the prime candidate to replace Finance Secretary Jaime Ongpin while PNB President Edgardo Espiritu is most likely to replace Central Bank Governor Jose Fernandez.

Espiritu, 52, joined the PNB last December after a 20-year career with the Metropolitan Bank and Trust Co, the last three of which were as its president.

Jayme, 58, assumed his government post last December when President Corazon Aquino dropped five cabinet ministers.

The latest government shake-up follows the resignations on September 9 of all 26 cabinet ministers after internal squabbles.

Official sources in the Finance Department and the Central Bank also said that speculation about replacements for Ongpin and Fernandez centred on Jayme and Espiritu.

Local and foreign bankers, who did not wish to be identified, said Jayme and Espiritu had low profiles and their economic outlooks were not widely known.

"Feelings in the banking community are mixed," the head of a large commercial bank said. He said most bankers would find the imminent exits of Ongpin and Fernandez unsettling because the two men had steered the country's economic recovery since Aquino took power in February 1986.

Ongpin and Fernandez have come under pressure in the new Congress, which convened in late July, for what many law makers saw as a soft line toward the Philippines' creditors.

Ongpin and Fernandez signed an agreement with Manila's commercial bank creditors on July 15, rescheduling 13.2 billion of the country's 28.4 billion dollar foreign debt over a 17-year period at an interest spread slightly lower than that granted earlier to Mexico and Argentina.

Both houses of Congress are considering bills that range from a debt-service ceiling of 10 pct of export receipts to a three-year moratorium on repayments.

Bankers said Jayme and Espiritu may have to pledge a harder stance in future talks before they are confirmed in their new posts by the Commission on Appointments.

Jayme and Espiritu, as well as Aquino's Press Secretary Teodoro Benigno, were unavailable for comment, but reporters at the presidential palace said Aquino this morning met Jayme, Fernandez, Benigno and Trade and Industry Secretary Jose Concepcion.

Official sources said Concepcion, Ongpin and Fernandez, along with Aquino's controversial Executive Secretary Joker Arroyo, were among several ministers expected to be sacked.

National Security Council chief Noel Soriano said on Tuesday the new appointments had been delayed because some of those approached had turned down the offers.

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