

ENVOY SAYS U.S. TO MAINTAIN STRONG ROLE IN PHILIPPINE ECONOMY.By **Chaitanya Kalbag**

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MANILA, Jan 22, Reuter - The United States is committed to helping the Philippines achieve economic recovery by stepping up investments, keeping its doors open to imports, and maintaining the flow of aid, Ambassador Nicholas Platt said on Friday.

He told a meeting of American businessmen that Manila had a trade surplus of 640 million dollars with Washington last year, compared with a surplus of 461 million dollars in 1986.

A 33 per cent increase in the Philippines' garment export quota under a new agreement had resulted in the U.S. buying garments worth 600 million dollars last year, he added.

Platt noted that the U.S. imposed no import duty on Philippine coconut oil imports and was the only current foreign purchaser of Philippine sugar.

In apparent reference to a series of coup attempts last year that seemed to cast doubt on President Corazon Aquino's ability to survive, he said: "With the ASEAN (Association of South East Asian Nations) summit past, and the local elections, the situation is clearly settling down.

"This is a profitable place to work and invest."

The Philippines' gross national product, the sum total of goods and services it produces, grew by 5.1 per cent last year after a hesitant 1.5 per cent growth in 1986 and a contraction of 10.6 per cent over 1985 and 1984.

Analysts have said foreign investment has to rise in 1988 to prevent the Philippine economy from stagnating. Platt said U.S. investors accounted for a third of all foreign investments last year and totalled over 200 million dollars.

He said an American Chamber of Commerce audit showed that U.S. multinational corporations employed over 78,000 Filipinos, paid wages of over 241 million dollars, and purchased goods in the economy worth over 338 million dollars.

Platt said U.S. aid to the Philippines totalled nearly 500 million dollars in 1987 and Congress had approved military, economic and development assistance and food aid totalling about 350 million dollars this year.

However, the provision of more funds depended on Manila's ability to end project bottlenecks and better utilise blocked foreign aid, he said, adding that 2.1 billion dollars in committed foreign assistance remained unspent.

"Along with the need to demonstrate better implementation, a lot will also depend upon the plausibility and technical feasibility of plans developed by the Philippine government for absorbing the new funds," Platt said.

He said the two U.S. military bases in the Philippines also played a major role in the economy. The bases employed over 68,000 Filipinos and contributed about 500 million dollars to the economy in 1987, he said.

The bases had stepped up purchases of Philippine goods and services for the use of military personnel to 167 million dollars last year from 104 million in 1986, and 1988 purchases might top 200 million dollars.

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