

GMA windfall from US visit may not be what it seems

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WASHINGTON - Who says a bird in hand is better than two in the bush?

By counting the birds before they have hatched or counting them long after they've flown the coop, Malacañang has come up with a rosy estimate that "the Philippines generated at least \$6.2 billion in investments, trade, and aid from the recent visit of President Arroyo to the United States."

A Philippine embassy press statement on Wednesday quoted Press Secretary Cerge Remonde as saying the windfall from her visits to Washington and New York in July was higher than the total benefits generated in her combined foreign trips for 2007 and 2008.

Remonde said benefits received by the Philippines included \$136 million in security and development aid, \$350 million Millennium Challenge Corp. grant, \$1.6 billion involving the Generalized System of Preferences, \$198 million for the Filipino veterans' equity fund, \$1 billion in estimated garment exports, and \$1.2 billion in estimated investments.

He also cited a \$1-billion investment commitment by US-based Coca-Cola Co., \$300 million of which has already entered the country, the embassy statement said.

Remonde's tally as reported by the embassy does not conform to Generally Accepted Accounting Principles, a set of standardized accounting rules, so it is not surprising that the sum conjured seems totally out of whack with reality.

The STAR Washington bureau, parsing his tally, notes that:

- The \$350-million millennium grant has not yet been approved as the Philippines still has to pass a 'control of corruption' criterion.

- The \$1-billion in garment exports refers to a bill filed by Rep. Jim McDermott in June to allow certain types of clothing made in the Philippines to enter the US duty free or at substantially reduced tariff. If, and that's a big IF, Congress takes up the bill next year and approves it, Philippine garments exports to the US are projected to increase by \$1 billion after the first full year of implementation.

- The \$198-million for veterans was signed into law by President Barack Obama in February after decades of tortuous negotiations between both sides.

- On the \$1.6 billion involving the GSP, the Philippines has consistently not fully utilized its benefits under this program aimed at promoting economic growth in the developing world by providing preferential duty-free entry to the US for nearly 5,000 products.

- The rest of Coca Cola's proposed \$1-billion investment in the Philippines will be spent over five years for the construction of a new soft drink plant as well as the improvement of distribution networks.

President Arroyo is under fire at home for alleged extravagant dinners during her recent US visit and for overspending her travel budget and it appears the "Remonde Defense" is aimed at deflecting some of that criticism.