

# Strong exports to push growth

**THE** continued growth of the country's export sector will pave the way for a stronger-than-expected growth of the gross domestic product (GDP) next year.

Economic growth, in terms of the GDP would grow by 5.2 percent in 2004 due to better exports and increased agricultural production.

The gross national product (GNP), boosted by billions of dollars sent home by overseas Fili-

pino workers, is expected to grow by 5.9 percent next year.

The GDP refers to the total value of goods and services produced within the country while the GNP refers to the country's total earnings abroad plus the GDP.

Economic Planning Secretary Romulo Neri said that the negative factors that have affected the economy this year, such as the El Nino weather phenomenon and the US-Iraq war, have already

abated.

For this year, growth has been forecast at 4.2 percent, higher than the 3.9 percent forecast by most analysts. For the fourth quarter, growth is expected at 4.2 to 4.3 percent.

Neri said from 2.0 to 3.0 percent average growth this year, exports are seen to grow by 5.0 to 10.0 percent in 2004.

A rebound in the construction sector is also foreseen to contrib-

ute to overall growth.

The expenditure slowdown for public infrastructure because of the deficit problem is a factor in the poor showing of the construction sector.

The services sector, agriculture and consumption spending were the growth propellers for the year.

The Philippine economy—powered largely by electronics exports, domestic demand and overseas remittances—would also get a boost from better agricultural production after the end of El Nino in the middle of this year.

Neri said that investments made in call and service centers in the Philippines, mostly by multinational companies, would augur well for the overall economy.

The GDP rose by 4.3 percent for the first nine months of the year, compared to the same period in 2002, while the GNP grew by 5.7 percent.

Analysts said that the rosy economic projections for 2004 would be bolstered if the government continues to keep the budget deficit in check and revenue targets are met.

The encouraging fiscal performance in 2003 is reflective of the government's stand in maintaining discipline in its fiscal agencies by enhancing revenue generation and ensuring prudent spending, which translated to the continued below target budget deficit for this year.

For November 2003, the budget deficit was P8.3 billion, way below the P17.8 billion target, as revenue collections continued to be robust and government spending was 9.7 percent lower than target.

The month also saw government revenues reaching P56.9 billion or 6.5 percent higher than the P53.4-billion target for the month.