



Member Since 1993

Press Sec. and Presidential Spokesman Ignacio R. Bunye says:

RP businesses see 2008 as better year than 2007

MANILA, Jan. 13 (PGON) - With the economy on a sustained growth momentum, there's every reason to expect that 2008 will be an even better year than 2007 for businesses in the Philippines, Press Secretary and Presidential Spokesman Ignacio R. Bunye said today.

In his column *The View From the Palace*, which comes out tomorrow (Monday), Bunye cited the survey conducted by the global audit and accounting firm Grant Thornton International, which showed that Indian and Philippine businesses were the most optimistic about business prospects in 2008. Indian and Philippine businesses were tied at the top of the "most optimistic" survey, which covered 34 countries, at 95 percent.

"Their optimism can be attributed to the robust economic growth of recent years and wide spread expectations that the momentum will be sustained during 2008," the survey showed. Indeed, "if business is the engine of growth, then we can expect 2008 to be an even better year than 2007," Bunye said.

The other countries whose businesses were "most optimistic" about 2008 were Singapore, 84 percent; Hong Kong, 82 percent; Poland, 78 percent; Australia and China tied at 77 percent; South Africa, 75 percent, and Denmark, 74 percent.

Bunye also quoted Greg Navarro, managing partner of Punongbayan and Araullo, GTI Philippine Associate, as saying that the "factors that could have contributed to this optimism for the Philippines" included the government's efforts at fiscal discipline and in enhancing the country's appeal to investors; solid economic growth numbers fueled by industry and services, and rapid expansion of the BPO (business process outsourcing) industry.

Also cited by Navarro were the keen interest in the resurgent mining industry, peso as one of the best performing currencies in Asia; and the country's benign inflation rate.

"Businesses are resilient in the face of global financial turmoil," according to the GTI report.

It added that the "annual survey of privately held businesses shows that despite intense media coverage of the global financial crisis, 42 per cent of businesses report feeling optimistic about the economic outlook for the next 12 months. This is only three percentage points lower than that reported in January 2007."

The survey also showed that the "most pessimistic" bunch of private businessmen this year are Japanese. "Japanese businesses are the least optimistic. In a reversal of the trend seen since 2003, pessimism levels in this year's survey slumped from a balance of -5 per cent to -44 per cent," GTI said.

On the other hand, "optimism in the United States has even gone up this year to 22 per cent from 14 per cent, despite the sub-prime mortgage crisis and resulting credit crunch," the international audit and accounting firm said. #

Office of the President - released 1/13/2008