

World Bank hails Philippines as next Asian 'miracle'

3-4 minutes

MANILA (AFP) - World Bank president Jim Yong Kim on Tuesday described the Philippines as the next "Asian miracle" and a global model in fighting corruption, as it emerges from decades as a regional economic laggard.

Mr Kim said President Benigno Aquino should take much of the credit for the turnaround, highlighting his anti-corruption campaign, efforts to build transparency in government and focus on "inclusive growth".

"Can the Philippines be the next Asian miracle? (After) coming here, I think there is no question that is the case," Mr Kim, who was on a two-day visit, told a forum at the presidential palace.

Mr Kim heaped praise on Aquino's anti-graft fight, which has seen the President's predecessor and three sitting senators charged with corruption, as well as the impeachment of a Supreme Court chief justice. "Among the most important things you can do is tackle corruption and... that is one of things that the (Aquino) government is doing frankly better than any government in the world," Mr Kim said.

"Around the world, the spread of information technology is converging with grassroots movements for transparency, accountability and citizen empowerment.

"Under your leadership, President Aquino, the Philippines is absolutely at the forefront of this transformation."

Mr Kim said the Philippines, where one quarter of the roughly 100 million people live in deep poverty, had huge potential. He cited its strong macroeconomic fundamentals, prudent monetary policies and young workforce.

He said the World Bank expected the Philippines' economy would expand by 6.6 percent this year, maintaining its status as one of the fastest growing in Asia.

The economy grew by 7.2 per cent last year, second only to China.

Mr Kim's strong endorsement was a timely boost for Mr Aquino, with two polls released this week showing the President's public support dropping to record lows amid deep controversy over a budget stimulus programme.

The Supreme Court this month ruled the programme was unconstitutional, with the 13 judges issuing a unanimous opinion that Aquino should not have bypassed Congress in spending 160 billion pesos (S\$4.5 billion).

Critics have linked the controversy to a giant corruption scandal engulfing potentially more than 100 politicians, including the three senators who have been charged and are behind bars.

But Mr Aquino has insisted the two issues are separate and that his administration is largely free of corruption.

He said on Monday he would appeal to the Supreme Court to reconsider its ruling, and in a speech alongside Mr Kim on Tuesday again defended the stimulus programme.

"We had to act. We knew that, if we were to bring about inclusive growth sooner rather than later, we needed to be proactive and

pump-prime the economy," he said.

The Philippines was last year ranked the 94th most corrupt of 175 countries by anti-graft group Transparency International.