



Economy - 16 September 2009, 8:41 AM

JP Morgan hails Dominican Republic's economy

SANTO DOMINGO.- The JP Morgan Bank's vice president for emergent markets yesterday affirmed that Dominican Republic excels in economic stability, that next year's perspective is favorable, although a doubt persists that the government can maintain governance if it loses the congressional majority in the 2010 elections.

Franco Uccelli, the third most important executive of the bank based in the United States and the world's oldest, with US\$1.3 billion in assets, forecasts the Dominican economy will grow 2% this year and 4.5% in 2010, well below the 9.5% average from 2005 to 2007.

Speaking before business leaders, Uccelli said more money is spent in national elections than what's budgeted, a waste he said may affect the fiscal cost in the coming year.

The economist is in favor of an agreement with the International Monetary Fund (IMF), and noted that it may increase the levels of confidence on the Government in the international markets.

He said with the currency the agreement may produce would make it unnecessary to issue sovereign bonds in the billions of dollars.

Uccelli cited macroeconomic and positive and negative variables, and affirmed the consolidated fiscal deficit would be 4.7 percent of the Gross Domestic Product next year, adding that the Central Bank's current account deficit in 2008 was 9.7%, but will fall to 4 percent this year.

He said according to the IMF the Central Bank's international reserves will increase and predicted growth in communications, agro, financial intermediation and insurance, tourism, foreign investment, family remittances, and stability in the interest as well as the exchange rates.

The bank executive spoke on "Dominican Republic under the international market's microscope," held in the Spanish Chamber of Commerce, headed by the magnate Manuel Garcia Arevalo, with the presence of Inter-American Development Bank representative Manuel Labrado and Spanish Embassy commercial attaché Norberto Barrera, and Central Bank and Government Economic Cabinet officials.