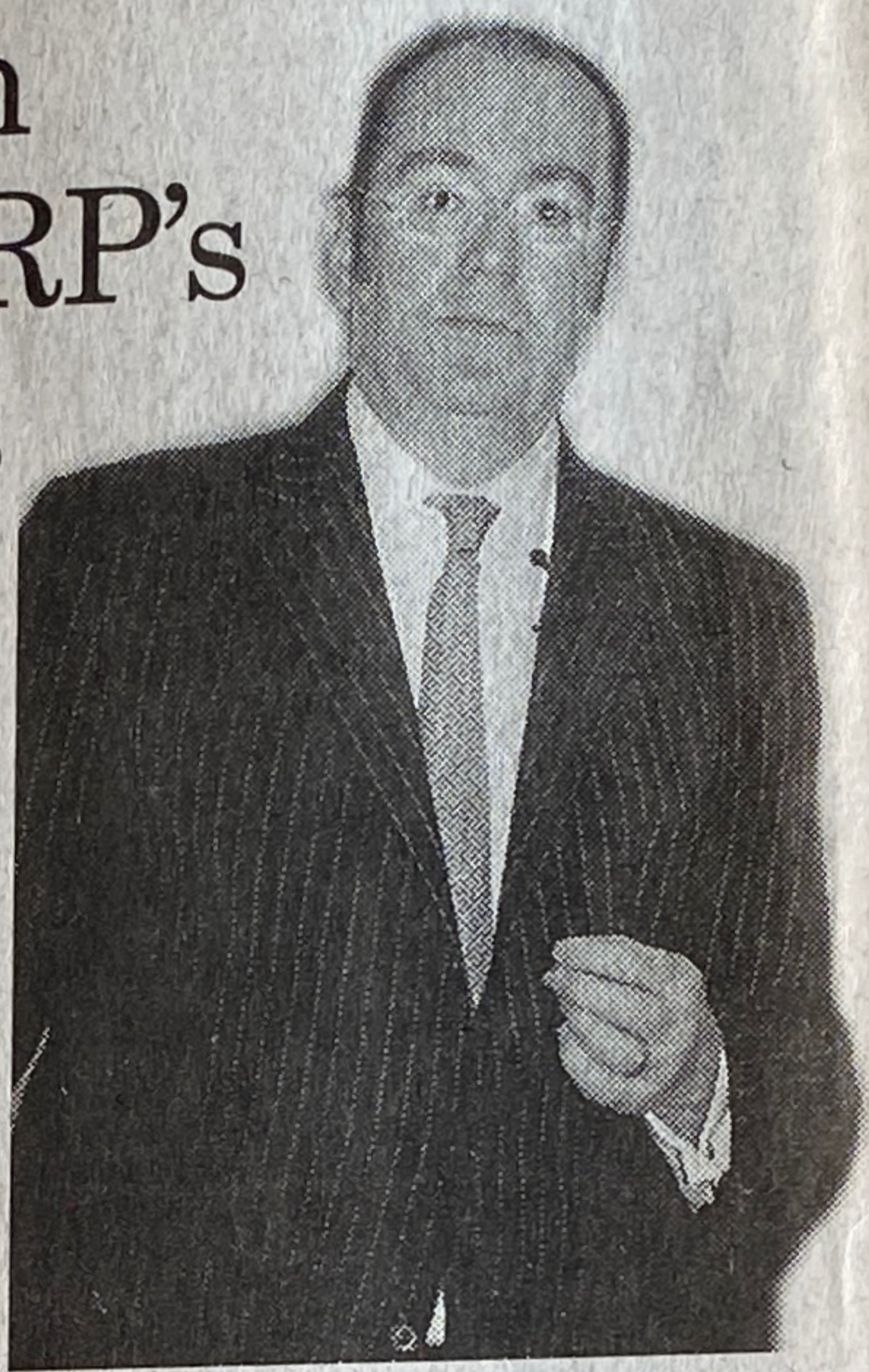


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**LYONS: Pricing is key for RP's \$500-M bond issue.**

*BW photo: Teodoro L. Pelaez*

Camacho said.

The DoF last Friday tapped Credit Suisse First Boston to manage its planned \$500-million borrowing. The debt may take the form of a 10-year global bond issue.

The Finance chief said the borrowing would take place within the month, even before government officials tour financial centers in US, Japan and Europe.

Yesterday, Mr. Camacho said the government would go ahead with its plan to issue bonds despite jitters in the bond market.

Last Friday, bond spreads on emerging markets widened after the Argentina government failed to agree to a funding deal with the country's provinces. As a result, the J.P. Morgan Emerging Bond Index plus lost 8.6% in the week ending July 6, closing at 809 basis points over Treasuries.

Market watchers feared this would not be a good time to float bonds in the international market. But the National Government will still brave the international market by going ahead with the CSFB-led borrowing. The State has programmed some P182-billion in borrowings this year to help fund an anticipated P145-billion budget gap.

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