EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)
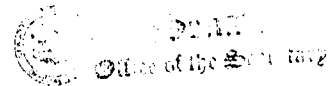
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S E N A T E

P.S. Res. No. 356

Introduced by SENATOR RAMON BONG REVILLA, JR.

RESOLUTION
CALLING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT A FULL ASSESSMENT, IN AID OF LEGISLATION, ON THE APPROPRIATENESS OF SEEKING A DEBT MORATORIUM

1   **Whereas,** on March 8, 2020, President Rodrigo Roa Duterte declared a State
2   of Public Health Emergency throughout the Philippines under Proclamation No. 922
3   to address the COVID-19 pandemic;
4
5   **Whereas,** a national policy to address the Public Health Emergency is
6   embodied in the provisions of Republic Act No. 11469, otherwise known as the
7   *Bayanihan* to Heal as One Act, which was passed by Congress during a special
8   session held on 23 March 2020;
9
10   **Whereas,** in a study released by the National Economic and Development
11   Authority (NEDA) as early as 19 March 2020, it mentioned that -- "In total, given
12   the simultaneous adverse effects on the supply and the demand side of the
13   economy, we expect a cumulative loss of PHP428.7 to PHP1,355.6 billion in gross
14   value added (in current prices), equivalent to 2.1 to 6.6 percent of nominal GDP in
15   2020. Without mitigating measures, this would imply a reduction in the Philippine's
16   real GDP growth to -0.6 to 4.3 percent in 2020.[1]";
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[1] 19 March 2020. NEDA. Addressing the Social and Economic Impact of the COVID-19 Pandemic

1   **Whereas**, undoubtedly, economies around the world, the Philippines
2   included, will face economic recession because of COVID-19 pandemic;

3

4   **Whereas,** in the government's efforts to address the impacts of the
5   worldwide pandemic, discussion on possible debt moratorium has been brought up
6   and opened;

7

8   **Whereas,** the Chairperson of the Senate Committee on Economic Affairs,
9   Senator Imee Marcos, has suggested the debt moratorium to the government's
10   economic managers to possibly assist the State's efforts in addressing the crisis;

11

12   **Whereas,** debt moratorium may be understood as the withholding by the
13   borrower of the payments on principal and *interest* due on outstanding credits, and
14   it usually takes place in a situation of economic emergency as they are used as a
15   mechanism to free up resources previously reserved for debt repayments for other
16   purposes. Debt moratoriums can be adopted on a multilateral or unilateral basis[2];

17

18   **Whereas,** the Chairperson stated that the "budget for interest payments on
19   the country's debts in the General Appropriations Act of 2020 amount to P451 billion,
20   which can be used for cash aid by the government under the *Bayanihan* Heal As One
21   Act.[3]" This presents a huge amount which can be used to support the State's
22   programs in addressing the impacts of the pandemic;

23

24   **Whereas,** in response, Finance Secretary Carlos G. Dominguez III dismissed
25   Marcos's suggestion saying that "integral to our country's remarkable turnaround
26   story is how credible and responsible a borrower it has become since 1986[4]."

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[2] Accessed: . . . . . . **A debt moratorium for Low Income Economies** 27 March by **Eurodad , Daniel Munevar**
[3] Accessed: . . . . IMEE: NEGOTIATE DEBT MORATORIUM FOR MORE COVID-19 CASH AID
[4] Accessed: . . . . Dominguez to Imee Marcos: Debt payment moratorium will 'never be part' of COVID-19 response

1 **Whereas**, even the financial leaders of the 20 largest economies (G20) are
2 discussing an immediate debt moratorium to help poor countries free up funds in
3 their fights against the COVID-19 pandemic[5];
4
5 **Whereas**, the State must exhaust all possible means to effectively and
6 efficiently address the impacts of the COVID-19 pandemic with all the resources and
7 capabilities they may utilize with the end in view of aiding its citizenry;
8
9 **NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED,**
10 that the appropriate Senate committee conduct a full assessment, in aid of
11 legislation, on the appropriateness of seeking a debt moratorium.

Adopted.

RAMON BONG REVILLA, JR.

[5] Accessed: . . . . **G20 eyes debt moratorium worth up to $14 billion for poor countries: official**