

[EXECUTIVE ORDER NO. 219, July 14, 1987]

APPROPRIATING FUNDS FOR THE SETTLEMENT OF THE LETTER OF UNDERTAKING DATED MAY 18, 1985, AND FOR OTHER PURPOSES.

WHEREAS, Planters Products, Inc., (PPI) has been a major importer and distributor of fertilizers and pesticides and other agricultural chemicals in the Philippines;

WHEREAS, PPI is heavily indebted to foreign creditors;

WHEREAS, PPI is currently encountering financial difficulties which adversely affect its operations, viability and ability to meet its obligations to its foreign creditors;

WHEREAS, its foreign creditors now require the Philippine Government to ensure the rehabilitation and financial viability of PPI pursuant to a Letter of Undertaking (LOU) issued by the Philippine Government on May 18, 1985, so that PPI shall be able to meet its obligations to its foreign creditors;

WHEREAS, the said LOU potentially exposes the Philippine Government to liabilities in excess of the amount owed by PPI to its foreign creditors;

WHEREAS, the present circumstances require the Philippine Government to accept a compromise arrangement calling for a 12.5% principal condonation of PPI's foreign obligations to its foreign creditors, which arrangement shall include the appropriation of funds to be used in redeeming the LOU from the foreign creditors;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. The sum of ₱620 million is hereby appropriated out of the General Fund in the National Treasury not otherwise appropriated which is necessary for the government to enter into a compromise payment so that it will be able to redeem said LOU thereby permanently setting any issue or problem with the beneficiaries/holders of said LOU.

SEC. 2. Considering the adverse financial condition of PPI, the Secretary of Agriculture is hereby authorized to effect a write-off of the receivables of NFAC from PPI in the amount of ₱170 million plus whatever interest/charges may have accrued.

SEC. 3. All laws, orders, issuances, rules and regulations or parts thereof inconsistent with this Executive Order are hereby repealed or modified accordingly.

SEC. 4. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 14th day of July, in the year of Our Lord, nineteen