

Guarantee of Loan of J\$13,000,000 to the
Urban Development Corporation

The House of Representatives should note that by a recently concluded agreement, Royal Bank Jamaica Limited agreed to provide loan financing of J\$13,000,000 to Urban Development Corporation.

2. The need for this loan is to enable the Corporation to finance its operations as under:

(1)	For onlending to National Hotels and Properties Limited as Working Capital in the Hotels	-	J\$10,900,000
(2)	For additional Funding of the Water-front Apartments	-	1,500,000
(3)	For interim Funding of the Cruise Ship Pier at Ocho Rios	-	<u>600,000</u>
			<u>J\$13,000,000</u>

3. The Loan carries the following terms and conditions:

Amortization:	repayable in twenty (20) quarterly instalments each in the amount of Six Hundred and Fifty Thousand Dollars (J\$650,000).
Rate of Interest:	1½% in excess of the Commercial Bank Prime lending rate on the 15th day of each month.
Security:	Formal Guarantee of the Government of Jamaica.
Other Conditions:	No assignment of loan agreement rights, duties or obligations without the prior consent of the Bank.

4. In keeping with the Bank's request for a formal Government Guarantee, the House of Representatives is accordingly asked to approve under the provisions of the Approved Organizations and Authorities Loans (Government Guarantee) Act, the guarantee of the repayment of principal and payment of interest on a loan of J\$13,000,000 from Royal Bank Jamaica Limited to Urban Development Corporation on terms and conditions listed at paragraph three (3).

5. Attached is a list of outstanding guarantees.

6. In due course I will move a resolution to this effect:

ERIC O. BELL
Minister of Finance & Planning
March 19, 1979.

GUARANTEE OUTSTANDING AMOUNTS

AT 31/3/78

<u>NAME OF ORGANIZATION</u>	<u>AMOUNTS AUTHORISED</u>		<u>ESTIMATED</u> <u>OUTSTANDING</u>
		<u>J\$000</u>	<u>BALANCE</u> <u>J\$000</u>
Points Inter-Continental Hotel		8.684	6.121
Rose Hall Inter-Continental		15.438	12.698
Rose Hall Holiday Inn		6.562	6.195
Pegasus (B.O.A.C.)		2.000	1.664
Jamaica Development Bank		51.400	32.447
Kingston Waterfront		10.132	9.351
Trelawny Resort		15.722	7.861
Rutland Point		8.085	8.085
Jamaica Mortgage Bank		54.451	49.252
Frome Monymusk		14.919	13.496
Mallards Reef		12.690	11.916
Air Jamaica		52.252	38.452
Jamaica Public Service Company		17.658	77.692
Jamaica Telephone Company		56.144	55.241
Port Authority		16.723	15.085
Urban Development Corporation		27.287	20.693
University of the West Indies		3.433	.175
National Housing Corporation		.878	.878
Jamaica Nutrition Holdings		5.775	2.730
Jamaica Soya Products		4.631	2.454
Banana Board		5.189	3.053
Electricity Authority		4.725	2.835
New Kingston Hotel		2.285	.977
Water Commission		20.790	5.991
Jamaica Railway Corporation		4.033	-
	TOTAL	<u>541.880</u>	<u>385.342</u>

RATES OF EXCHANGE

1. U.S. Dollar - U.S. \$1.00 = J\$1.0000
2. Pound Sterling - £1.00 = J\$1.951250
3. Canadian Dollar - Can. \$1.00 = J\$0.925625
4. German Mark - DM 1.00 = J\$0.511389