

Loan of \$1.5M to National Hotels Supplies Ltd. from the Bank of Nova Scotia Ja. Ltd.

The House of Representatives is asked to note that the Bank of Nova Scotia has agreed to make a loan of \$1.5M available to National Hotel Supplies.

National Hotel Supplies is a wholly owned subsidiary of National Hotel and Properties Ltd. which is a wholly owned subsidiary company of Urban Development Corporation. National Hotels Supplies Ltd. started operations in January 1978, supplies foods, beverages, operating equipment and miscellaneous items to all hotels and other tourist related businesses in Jamaica including those hotels owned and/or operated by National Hotel and Properties.

The original loan of \$1.5M was used to cover the shortfall experienced during the 1978 Winter Tourist Season and was negotiated with Jamaica Citizens Bank on the 1st December 1978, the loan was then taken over by the Bank of Nova Scotia on the 19th July 1979. The captioned loan was due for repayment on the 31st October 1980, however National Hotels and Properties Ltd were not in a position to repay due to the need to expand large sums to establish letters of Credit needed for the purchase of supplies for the 1980 Winter Tourist Season, the loan is scheduled to be repaid by June 30, 1982.

The Ministry of Finance gave its irrevocable and unconditional undertaking to provide Government guarantee for the abovementioned loan.

Amortization:- The principal is repayable by June 30, 1982
Interest:- Prime plus one percent (presently 13%)
Security:- Formal guarantee of the Government of Jamaica.

The House of Representatives is asked to approve the guarantee of the repayment of the interest and the repayment of the principal on the subject loan, under the provision of the approved Organisations and Authorities Loans Act.

EDWARD SEAGA
Minister of Finance & Planning
October 21, 1981.

File No 273/031

CHAPTER 18 GUARANTEED LOAN AND OUTSTANDING AMOUNTS AS
AT MARCH, 1981

NAME OF ORGANIZATION	AMOUNT AUTHORIZED J\$	ESTIMATED OUTSTAND- ING BALANCE J\$
National Sugar Company Limited	32,040,000	16,685,046
Jamaica Public Service Co. Ltd.,	274,372,820	107,714,740
Air Jamaica Ltd.,	80,324,280	34,485,720
Jamaica Mortgage Bank Ltd.,	123,960,000	77,745,860
Urban Development Corporation	16,343,800	7,703,780
Jamaica Telephone Company Limited	110,881,562	69,412,062
Point Hotel	29,462,800	17,239,510
Mallards Reef Hotel Ltd.,	22,483,300	14,607,340
Rose Hall Inter Continental Hotel	17,473,192	13,647,260
Rose Hall Holiday Inn	11,125,000	8,677,500
Port Authority	51,782,988	36,191,138
Jamaica Soya Products	7,815,580	1,641,160
Kingston Waterfront Hotel	11,047,300	7,890,864
Pegasus Hotel	2,980,931	1,480,931
National Commercial Bank	4,450,000	2,508,020
Jamaica Railway Corporation	8,052,339	4,924,184
Jamaica Omnibus Services Ltd.,	24,056,340	7,413,605
Kingston Sheraton Hotel	4,976,880	1,545,040
Ocho Rios Commercial Centre Ltd.,	2,342,650	1,521,644
West Indies Glass Co. Ltd.,	2,250,000	2,250,000
Jamaica International Telecom Ltd.	26,670,000	6,605,308
Jamaica Development Bank	95,852,880	55,759,922
National Water Commission	35,600,000	22,408,420
Airports Authority of Jamaica	22,250,000	19,631,620
West Indies Shipping Service	4,736,000	2,249,600
Banana Board	6,274,500	2,776,800
University of the West Indies	5,820,600	3,812,760
Forrest Industries Development Co.,	21,717,000	2,693,670
National Housing Corporation	1,714,500	1,626,870
Coffee Industry Board	13,716,000	13,716,000
Jamaica Merchant Marine Ltd.,	16,297,320	16,297,320
TOTAL J\$	1088,906,472	582,863,694

R E S O L U T I O N

The Honourable Minister of Finance and Planning to
move: -

BE IT RESOLVED THAT, with reference to Ministry
Paper No. 2 dated November 16, 1981, this Honourable
house does approve the granting of a Government Guarantee
under the Approved Organisation and Authorities Loans (Government
Guarantee) Act to the conclusion of a Loan Agreement between
National Hotels Supplies Ltd. and the Bank of Nova Scotia for
One and half million (\$1,500,000.00) Dollars.