

MINISTRY PAPER # 80/107

NATIONAL INSURANCE FUND/SMALL AND MEDIUM ENTERPRISES/CREDIT FACILITY

1. The House of Representatives is asked to note the following information regarding the National Insurance Fund Small and Medium Enterprises Credit Facility.

Background

2. This \$1 billion dollar Credit Facility was established by the Government of Jamaica (GOJ) in early 2007 to assist in the support of small businesses in Jamaica in recognition of the contribution of small and medium sized enterprises to economic activity.

3. The Credit Facility operates through the provision of funds by the National Insurance Fund to participating financial institutions for on-lending to small and medium enterprises on terms established by the Government of Jamaica.

Status

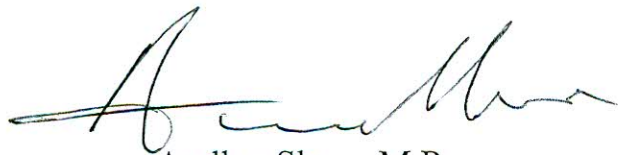
4. At September 30, 2007 approximately \$198.175 million of the \$1 billion allocation had been disbursed. This represents a disbursement of approximately 20% of the \$1 billion, which has been fully allocated to fifteen participating financial institutions.

5. Four of the fifteen institutions to which the funds have been allocated have not yet made any disbursements of the funds. At September 30, 2007 the greatest disbursement had been from the Development Bank of Jamaica.

6. Allocation of the funds under the Credit Facility to the participating financial institutions for on-lending to small and medium enterprises was approved by the NIF Board in accordance with the Guidelines governing the Credit Facility.

7. Outlined below is the breakdown of the allocation to the participating financial institutions and the amounts disbursed by those financial institutions as at September 30, 2007:

	Allocations(\$M)	Disbursed (\$)
1. Development Bank of Jamaica	250	97,297,971
2. NCB	150	0
3. MIDA	150	42,133,000
4. JN Small Business Loans Ltd.	100	9,500,000
5. EX-IM Bank	100	10,000,000
6. Access Financial Services Ltd.	40	5,000,000
7. Montego Co-op Credit Union Ltd.	50	0
8. City of Kingston Co-op Credit Union	50	2,500,000
9. Churches Co-op Credit Union	20	10,814,573
10. First Union Financial Co.	25	1,250,000
11. Cope Foundation Ltd.	20	4,000,000
12. Self Start Fund	20	6,000,000
13. NDF/J	10	9,680,000
14. PMC Industrial & Provident Society	5	0
15. St. Elizabeth Co-op Credit Union	10	0
Total		<u>198,175,544</u>



Audley Shaw, M.P.
 Minister of Finance & the Public Service
 November 13, 2007