



OFFICE OF MINISTER OF FINANCE

WELLINGTON N.Z.

15 September 1978

Mr C H Speight,
General Manager,
Shipping Corporation of
New Zealand Limited,
P O Box 3344,
WELLINGTON.

Dear Mr Speight,

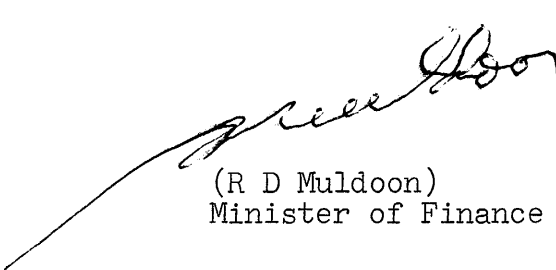
I have consented under Section 5 of the Shipping Corporation of New Zealand Act 1973 to certain borrowings by the Corporation for the financing of the containership "New Zealand Pacific". I have also consented to certain borrowings by the Shipping Corporation of New Zealand (Finance) Limited, as required under the Articles of Association of that Company.

Specifically, these borrowings are: an amount of up to US\$55 million to be borrowed by The Shipping Corporation of New Zealand (Finance) Limited from Citicorp International Group Hong Kong in two tranches at interest rate $\frac{3}{8}$ percent and $\frac{5}{8}$ percent above the London Interbank offered rate; an amount of US\$17 million to be borrowed by The Shipping Corporation of New Zealand Limited from Bankers Trust Company (Singapore Branch Office) at an interest rate $\frac{1}{2}$ percent above the Singapore Interbank offered rate; and an amount of 10.7 million Deutschemarks to be borrowed by The Shipping Corporation of New Zealand Limited from Kreditanstalt fur Wiederaufbau (KfW) at an interest rate of $4\frac{1}{2}$ percent. Bridging finance from Citicorp International Group Hong Kong for up to US\$55 million is also approved on the same terms and conditions as the principal loans.

I have also approved that under Section 61 (18) (b) of the Income Tax Act 1976, the interest on the loans is to be exempt from income tax in New Zealand. The Reserve Bank will write to you concerning the Overseas Investment Regulations and Exchange Control Regulations.

The loans from Citicorp and KfW will be guaranteed by the Crown at a fee to be paid in each year that the guarantee is in effect at the rate of one eighth of one percent of the average capital sum guaranteed in that year.

Yours sincerely


(R D Muldoon)
Minister of Finance