

St Lucia

Focus on Social Programs

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CASHFI - The Caribbean Association of Housing Finance Institutions

Overview

the climate continues to be stable. Proposals outlined in the 2000/01 Budget Presentation indicate that the ruling party fully intends to maintain its popularity by implementing a number of "social programs".

In 1999 the economy grew by 3.17% (1998 2.8%) - the highest achieved in the last seven years. the agricultural sector continues to struggle - banana production in 1999 decreased from the 1998 levels of 73,039 tonnes to 65,197 tonnes. Construction, which grew by 6% compared to 3.4% in 1998 was a primary contributor to the overall economic growth; the tourism sector grew by 2.6% compared with 2.4% in 1998, while there was no further decline in manufacturing, which had contracted by 2.1% in 1998. Inflation at 3.5% , though higher than 1998 (2.8%) remained relatively low despite the substantial increase in petroleum prices on the world market.

Last year's budget presentation had, as its focus the issue of Shelter, Housing and Home Ownership. In keeping with its policy of intervention only in the areas not adequately handled by the private sector, Government has provided in this budget, funds for the regularization of informal settlements - there is now a dedicated Ministry of Development, Planning, Housing and the Environment to oversee this project, code-named "PROUD".

The Government finally agreed not to terminate the SMFC's Operating Agreement, but to amend it to permit the Company to refinance dwelling houses to provide funding for such purposes as may be approved by the Board of SMFC. So far, in addition to loans to acquire other property (housing, tourism, agricultural or industrial properties), loans for medical or educational purposes, the board has also agreed to loans for the consolidation and refinancing of existing debt to provide capital for "investment". In order to make funding more accessible, the maximum loan to value ratio was increased by the Board to 95%.