

Brazilian Supermarkets Say High Interests Are Hurting Sales

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Sales in Brazilian supermarkets were down 0.64% in May, compared to April, according to the supermarket association (Abrás), which represents 90 firms that account for around 90% of sector revenue.

However, cumulative sales for the first five months of the year are up 4.27%, compared to the same period last year.

The president of Abrás, João Carlos Oliveira, says that although sales will probably fall again in June, he believes that they will be up around 3% for the year, compared to 2004 (when supermarket sales rose 2.7%, compared to 2003).

Oliveira declared that the government's decision to keep interest rates high is inhibiting consumption (the Brazilian basic interest rate is 19.75% per year).

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