

Brazil Trade Surplus Doubles

Contributed by Stênio Ribeiro
Friday, 22 October 2004

Direct foreign investments in Brazil have risen sharply in October and should reach US\$ 1.6 billion, up from US\$ 646 million in September.

The forecast was made by the head of Brazil's Economic Department at the Central Bank, Altamir Lopes, who reports that up to October 20 total inflow of foreign investments had already reached US\$1.1 billion.

Lopes went on to say that the now constant surpluses in Brazil's current transactions have established what he called "a very calm situation allowing us to even reduce our foreign debt."

He also pointed out that private sector debt is down, a factor which alleviates the country's vulnerability to shocks coming from abroad.

September was the fifth consecutive month that Brazil registered a trade surplus of more than US\$ 3 billion.

That has a positive impact on current transaction, with the result that the balance of payments surplus is now running at over US\$ 9.6 billion, more than double what it was for the whole of 2003 (US\$ 4 billion).

In conclusion, Lopes says the outlook is good, even though a lot of interest payments fall due this month.

He says the Central Bank is forecasting a balance of payments surplus of US\$ 900 million.

Agência Brasil
Translator: Allen Bennett