

Brazil's Lula Recognizes Economy Has Been Weak

Contributed by Nelson Motta
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Brazilian President Luiz Inácio Lula da Silva said Monday, January 30, that 2006 will be a positive year. "It will be a year of economic growth, increased productivity, export growth, and greater income for workers," he declared.

In his weekly radio broadcast, "Breakfast with the President," Lula affirmed that the minimum wage increase decided last week will inject US\$ 6.77 billion (15 billion reais) into the economy.

From his perspective, the expansion of the economy was the outcome of a process that required a powerful adjustment in 2003.

Although the initial results were "harvested" in 2004, the President acknowledged that the third quarter of 2005 was "weak."

"The GDP [Gross Domestic Product] grew less than we were hoping, but, beginning in October, we were able to discern signs in various sectors that the economy would pick up," he remarked.

Lula said that he is counting on the effort that is being made to propel Brazil on a new cycle of sustainable economic growth, not merely confined to company wealth and productivity indices.

"Let there be growth in company wealth and the productivity indices, but let there also be growth in workers' salaries and the quality of life of the Brazilian people," he added.

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