

Awash in Dollars, Brazil Buys Back US\$ 2.3 Bi in Foreign Debt Bonds

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The head of Brazil's Secretariat of the National Treasury, Joaquim Levy, reports that the government has been buying back foreign debt bonds since January. Levy says that US\$ 2.3 billion of the country's reserves, totaling US\$ 57 billion, have been used.

The government's objective is to reduce its short- and mid-term debt, so it has been buying bonds that are due before 2010. Those bonds can be bought back up to December 2006.

Levy said that with a favorable balance of payments, three years of consecutive trade surpluses and a sound economy, the government was now moving to reduce the country's debt and modify the debt profile.

"This is a good moment because we have never had so many dollars," he said. Levy added that the goal was to maintain fiscal discipline in order to achieve sustained growth and more investments.

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