

Brazilian Banks Not Known for Generous Lending

Contributed by André Deak
Thursday, 23 February 2006

The total value of loans made in Brazil in January was US\$ 283.406 billion (R\$ 608.87 billion). This amount is equivalent to 31% of the Gross Domestic Product (GDP), the sum of wealth produced in the country.

According to the figures announced Wednesday, February 22, by the Central Bank (BC), credit was up 20% between January, 2004, and January, 2005.

Despite this growth, when it comes to credit granted by the country's financial system, "Brazil lends very little in comparison with other countries," in the assessment of Eivaldo Rodrigues, president of the Austin Rating economic analysis firm.

"Ours is one of the worst proportions in the world. In China and the United States the percentage is 120%. In Chile, which is a small economy, but one that grows more than ours, it is 65%. In Bolivia, which has an economy far inferior to ours, the percentage is 55%," he affirmed.

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