

## Final Numbers In: Brazil's Economy Grew Mere 2.3% in 2005

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The Brazilian economy ended up growing 2.3% in 2005 in comparison with 2004, when the Gross Domestic Product (GDP) - the sum of all wealth produced in the country - rose 4.9%, the highest rate in the last nine years.

The GDP expanded 0.8% in the final quarter of 2005, according to data released on Friday (24) by the Brazilian Institute of Geography and Statistics (IBGE). The institute also revised its figures on GDP growth in the third quarter of 2005 from its previous announcement of -1.12%, to -0.9%.

According to the institute, family spending rose for the second straight year. Last year's increase of 3.1% was stimulated by the 5.3% growth in the mass of workers' salaries.

Another factor contributing to the increase was the 36.7% net growth in individual loans by the country's financial system with repayment guaranteed by payroll discounts. Government consumption was up 1.6%.

Gross fixed capital formation (investments) also rose, 1.6%, in comparison with 2004. Exports were up 11.6%, and imports, 9.5%, less than in 2004, when they increased, respectively, 18% and 14.3%.

Agriculture grew 0.8% in 2005, the lowest rate since 1997 (-0.8%), while industry expanded 2.5%, and services, 2%.

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