

Brazil Seeks Refinancing Of \$31.5 Billion, Reduction Of Debt Service Payments From 4.5% To 2.5% Of Gdp

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Category/Department: General

Published: Thursday, October 2, 1986

Brazil holds loan contracts with 750 commercial banks, and is currently attempting to refinance \$31.5 billion of its \$105 billion-plus foreign debt. Approximately 4.5% of the country's gross domestic product (GDP) is channeled into debt service payments. Negotiators are demanding a reduction of payments to 2.5% of GDP. A reduction of this order would mean that in 1987 Brazil would pay some \$6.7 billion instead of the \$9.2 billion it is scheduled to pay in 1986. Annual exports have surpassed \$12 billion, while about 80% of export earnings are employed in debt service payments. (Basic data from EXCELSIOR, 9/5/86)

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