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## **Brazil Makes Another Payment On Overdue Interest**

*by John Neagle*

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On Jan. 12, Brazil made a \$360 million payment on overdue interest to foreign bank creditors, applicable to the second half of December. One third of the sum derived from Brazil's foreign reserves, while the rest was part of a loan from the creditors. The announcement was made in a joint communique by Brazilian Central Bank president Fernando Milliet, and head of Brazil's bank creditor committee, William Rhodes of Citibank. This payment was the second interest installment under a \$4.5 billion agreement designed to bring Brazil's interest payments up to date. The first payment of \$1.1 billion occurred in late December: Brazil paid \$385 million from its reserves, while the remainder derived from the banks. The sum was applied to the Oct. 1-Dec. 15 period. Brazil still owes \$3 billion in overdue interest covering the Feb. 20-Sept. 30 period. The remaining sum will be paid when the two sides arrive at a refinancing plan for 1988 and 1989. Discussion of the two-year refinancing began Jan. 12 in New York. (Basic data from AFP, 01/12/88)

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