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## **Brazil: Payments In Arrears To Paris Club Renewed**

*by John Neagle*

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On July 18, Central Bank spokesperson Murilo Murza said Brazil had renewed payments in arrears since June 30 on its debt to Club of Paris creditors. He said, "The payments represent a large portion of contracts with government agencies." Scheduled payments to the Club of Paris this month total \$812 million. Murza declined to specify how much of the outstanding debt had been paid, adding the payments are in correspondence with the government's policy of maintaining foreign reserves adequate to meet its primary payment responsibilities. On June 30, Finance Minister Mailson da Nobrega announced a series of measures aimed at preserving Brazil's foreign currency reserves above a three-month equivalent of trade surpluses. The measures also included the centralization of all exchange operations under the central bank, a 12% devaluation of the country's currency and the creation of national treasury bonds. [On July 10, the Central Bank devalued the new cruzado 1.113% for purchase of the dollar, and 1.1186% for sales. The official exchange rate on July 7 was 1.808 new cruzados per dollar for purchase, and 1.817 new cruzados for sale. Thus far in 1989, Brazil's currency has been devalued 140 times for a total 1,692%.] The Club of Paris is an informal group consisting of government creditors, including the US, Canada, Japan and most Western European nations. [Basic data from Gazeta Mercantil (Brazil), 07/11/89; AFP, 07/18/89]

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