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Brazil: $886 Million Interest Arrears Payment To Foreign Banks

by Barbara Khol
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On July 1, the Economy Ministry reported that the government paid $886 million in interest arrears to foreign commercial banks. A total $1.114 billion in monthly payments are scheduled for the remainder of 1991. Interest arrears accumulated between July 1989 and December 1990 totaled $8.5 billion. The remainder of the arrears payments are to be made in the form of bonds issued to creditor banks. The 10-year bonds have a three-year grace period. The Senate approved on June 19 an agreement between government negotiators and the New York-based bank committee, comprised of 20 banks accounting for 45% of the nation's debt to foreign commercial banks. Negotiations for rescheduling the government's $54 billion medium- and long-term commercial bank debt are expected to begin in the near future. (Basic data from AFP, 07/01/91)

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