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Barbara Khol

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Brazil: Government Releases Bank Savings Accounts Frozen
In March 1990

by Barbara Khol
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On July 30, Economy Minister Marcilio Marques Moreira announced the government's decision to advance the release of part of about $22 billion in bank savings frozen last year. The minister said beginning Aug. 15, accountholders will be able to withdraw up to 200,000 cruzeiros (about $530) from frozen accounts. The date is one month earlier than the release was to begin. Savings in excess of 200,000 cruzeiros are to be accessed in 12 equal monthly installments. In March, 1990, President Fernando Collor de Mello ordered an 18-month freeze of about $115 billion in private and corporate bank accounts in an attempt to reduce inflation. The frozen savings accounts are equivalent to about 6% of GDP. The released money will be adjusted for inflation plus 6%. According to the July 31 issue of daily business newspaper Gazeta Mercantil, the minister's announcement on the tail of a $1.7 billion increase in the money supply, aggravated the pre-existing upward tendency in interest rates. [Basic data from EFE, AFP, AP, 07/30/91; Gazeta Mercantil (Rio de Janeiro), Xinhua, 07/31/91]

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