



**BANCO CENTRAL
DO BRASIL**

Brazil as a Leading Player in the New World Economic Order

Henrique de Campos Meirelles

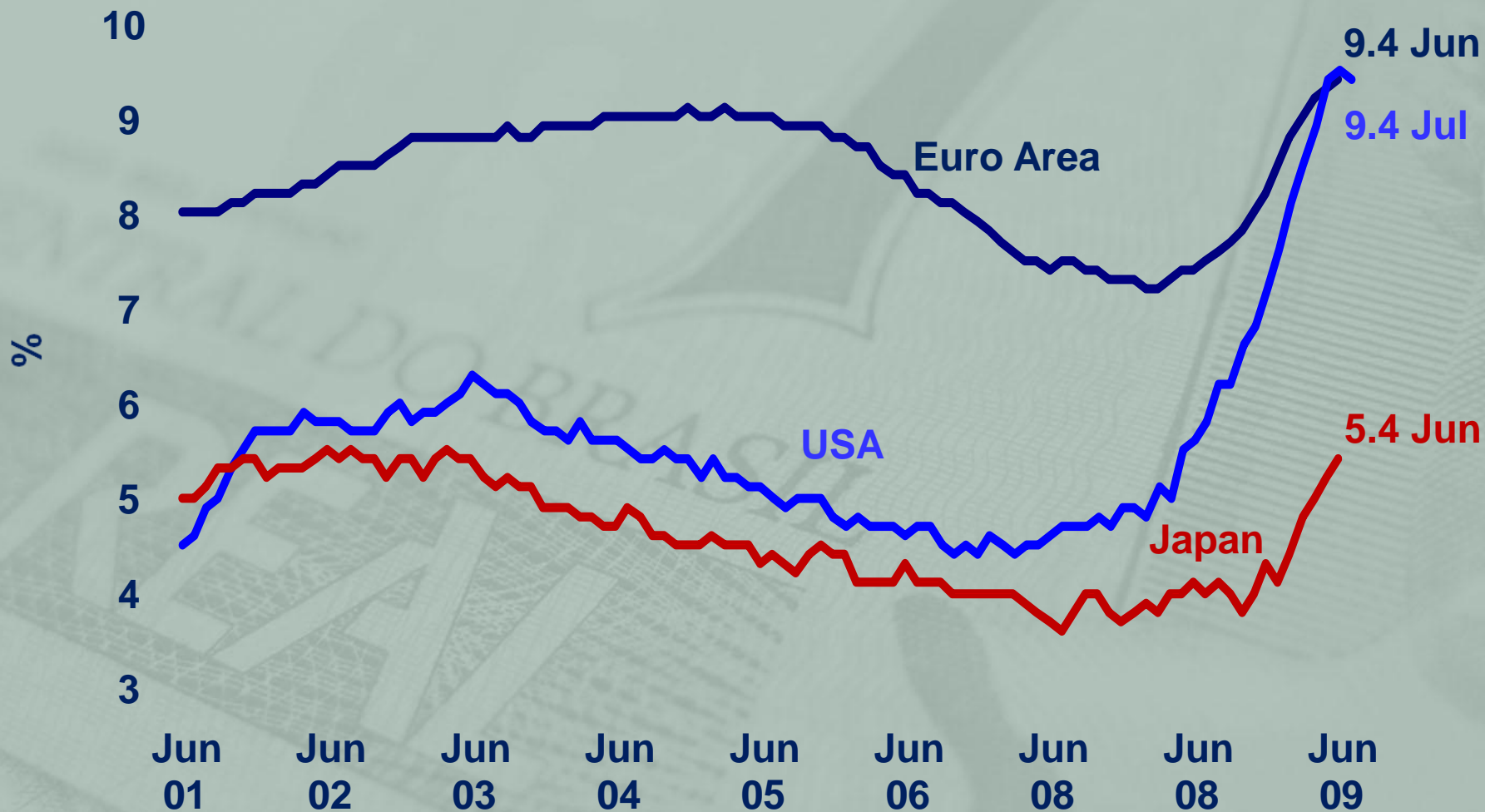
August 2009

GDP and International Trade



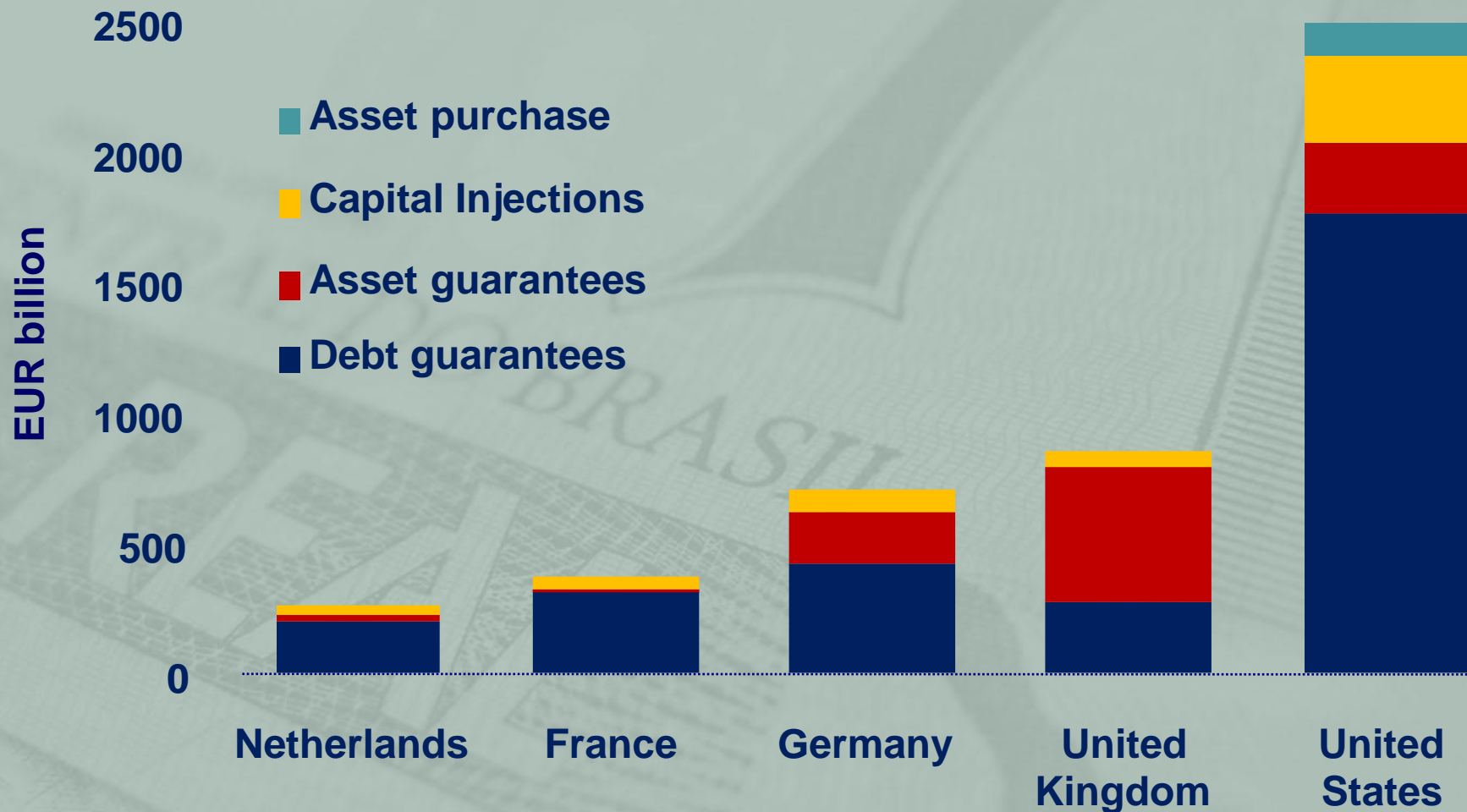
Unemployment Rate

seasonally adjusted

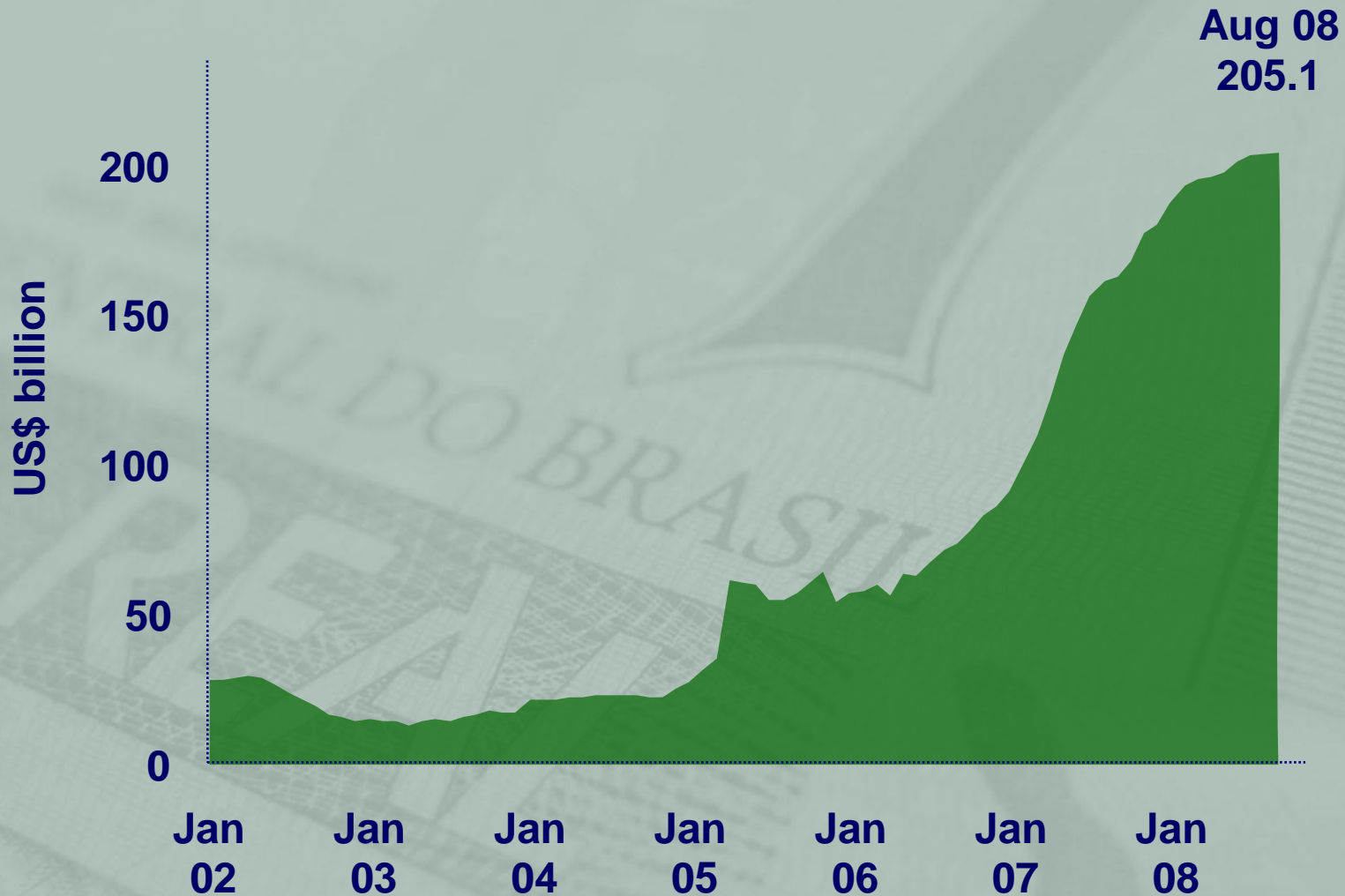


Government Financing of Banks

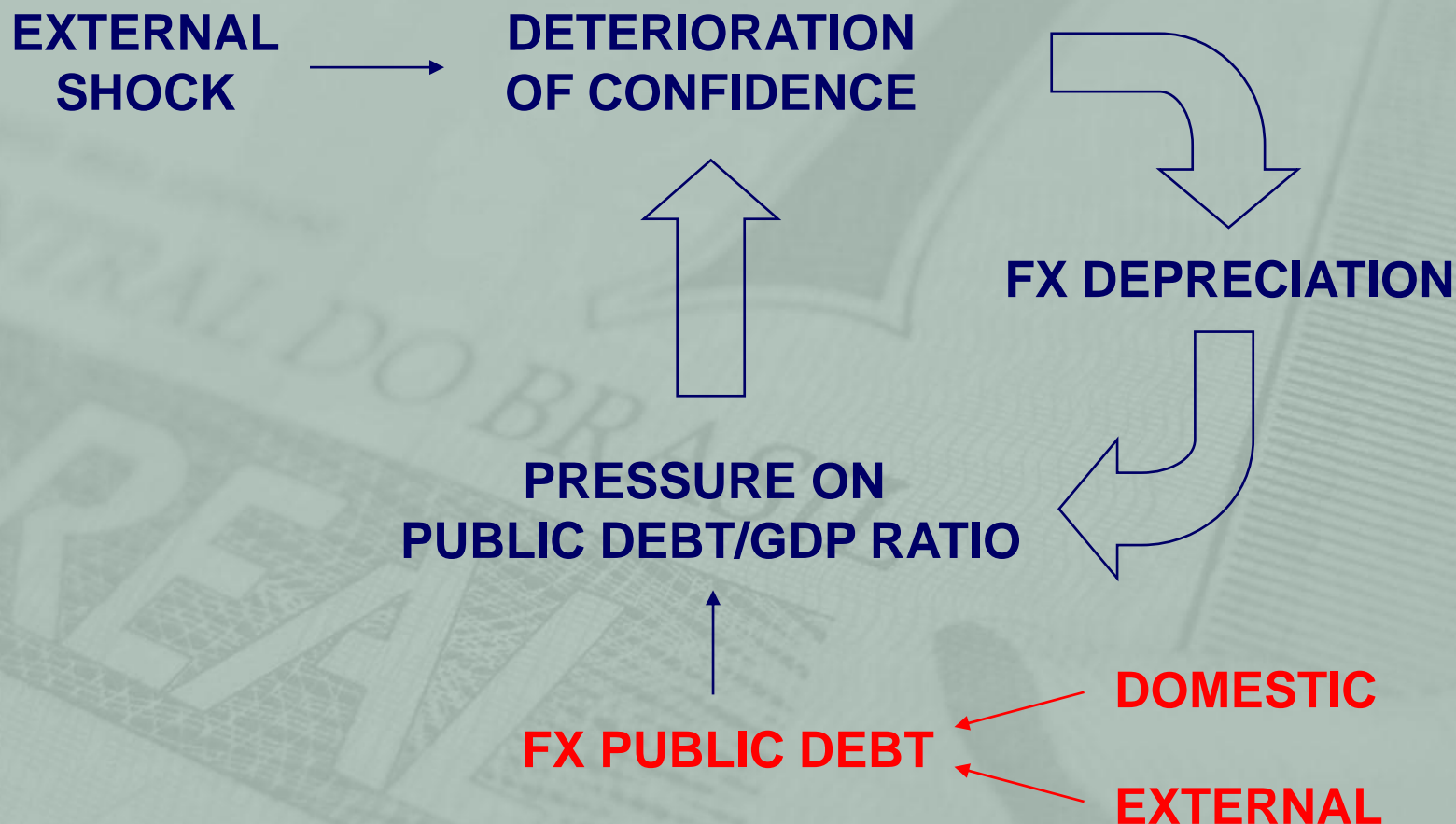
total commitment of government outlays



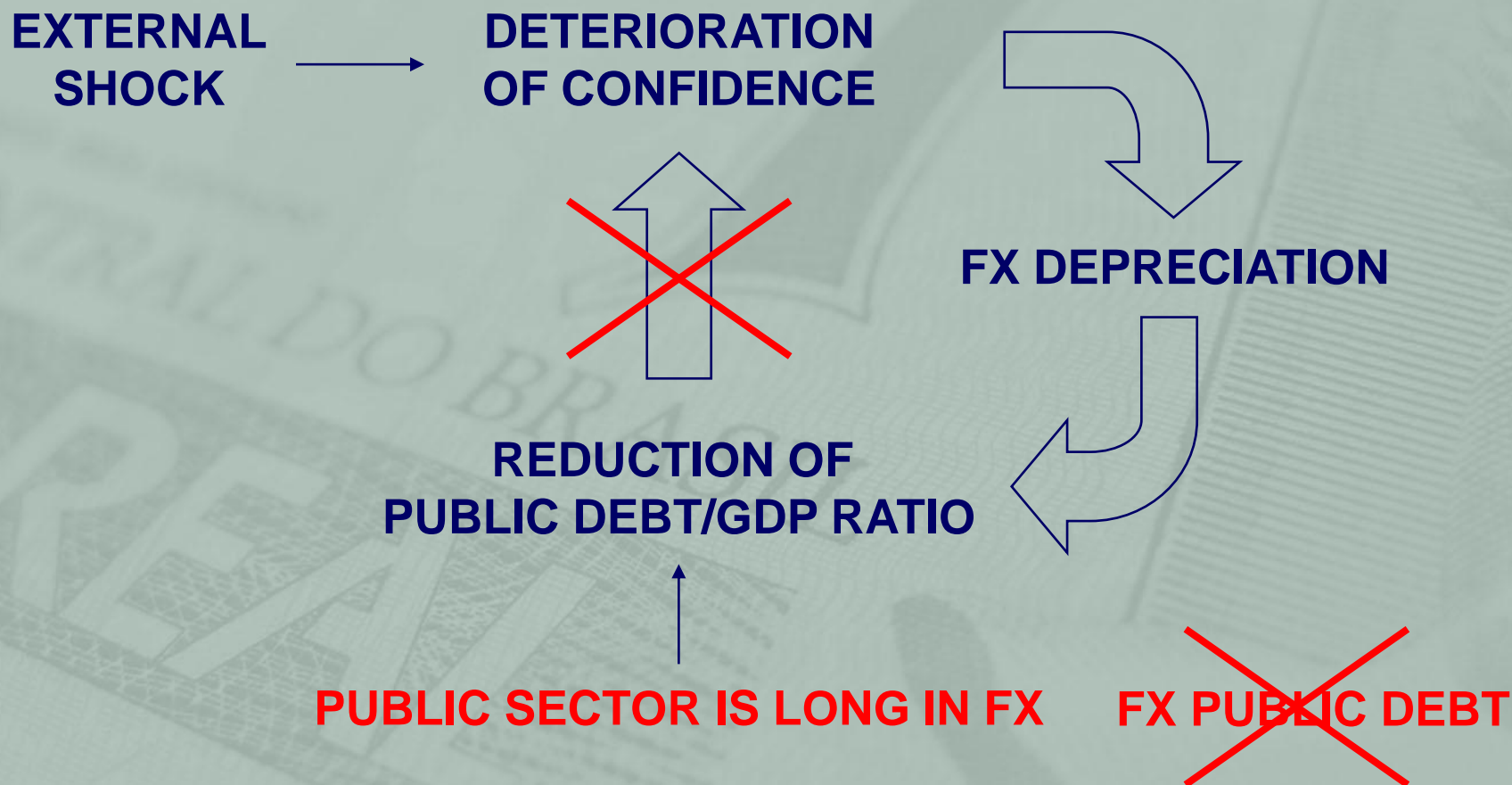
International Reserves



External Shock Feedback Loop: Before

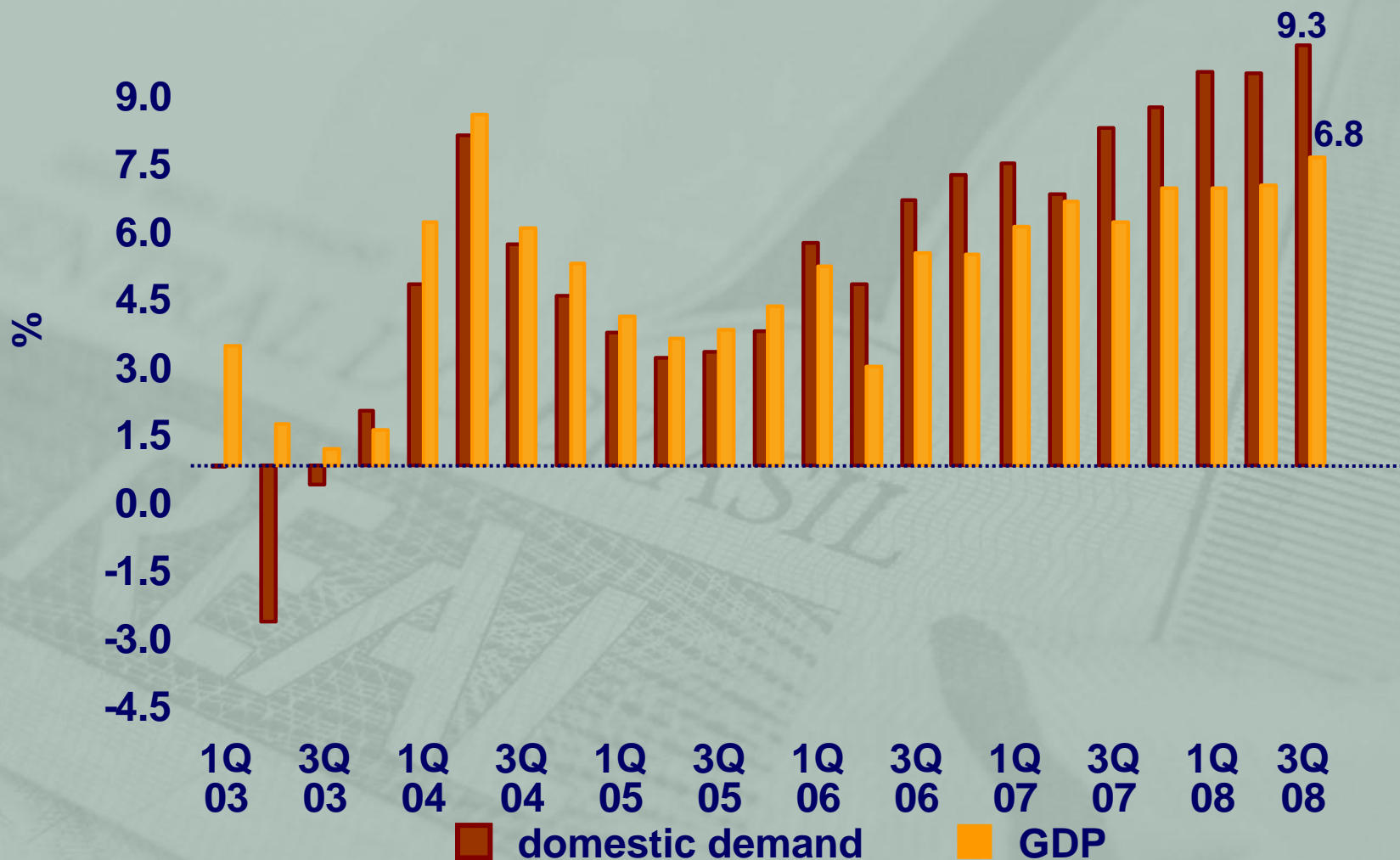


External Shock Feedback Loop: Now



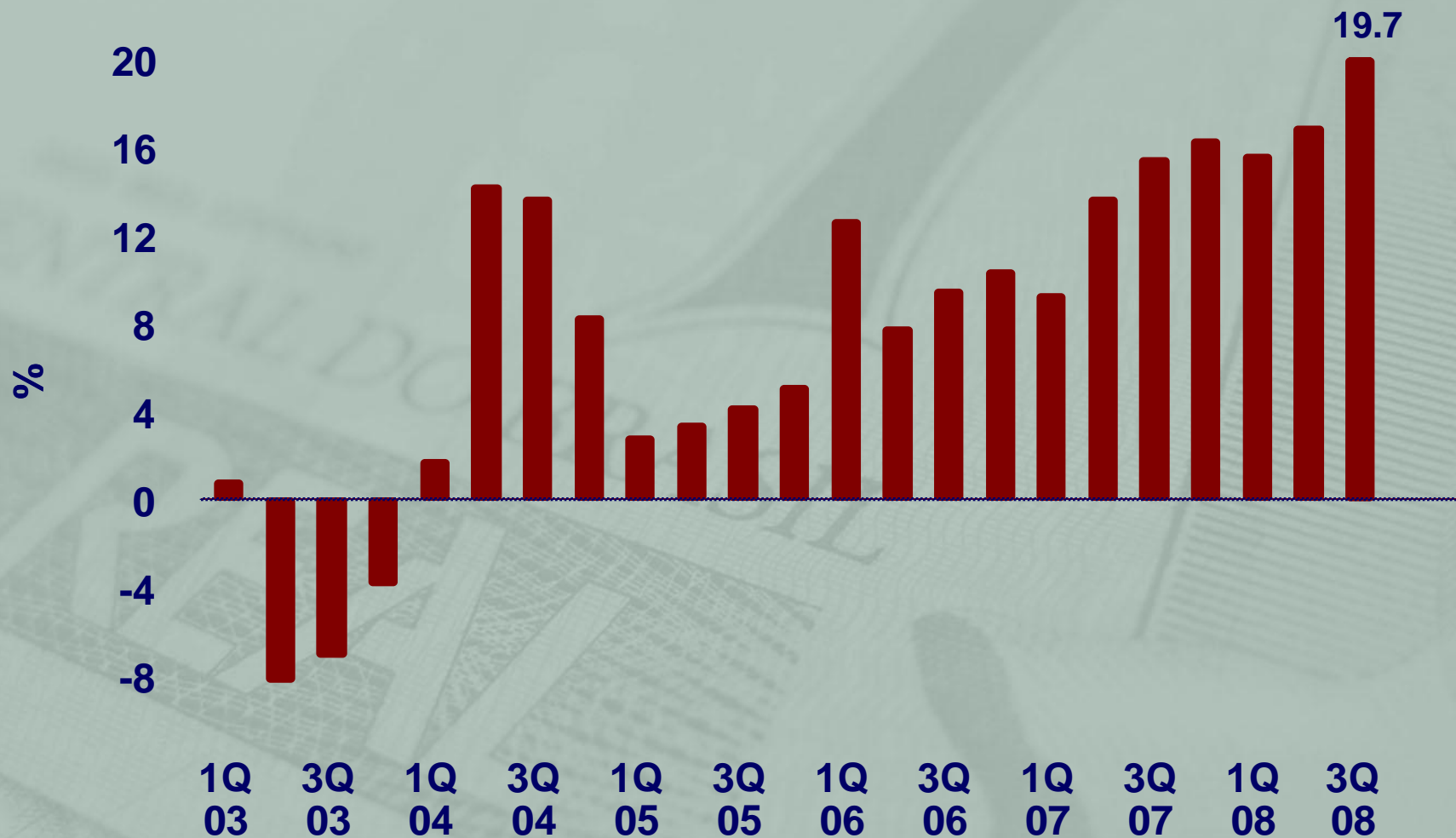
Domestic Demand and Supply

change year-over-year

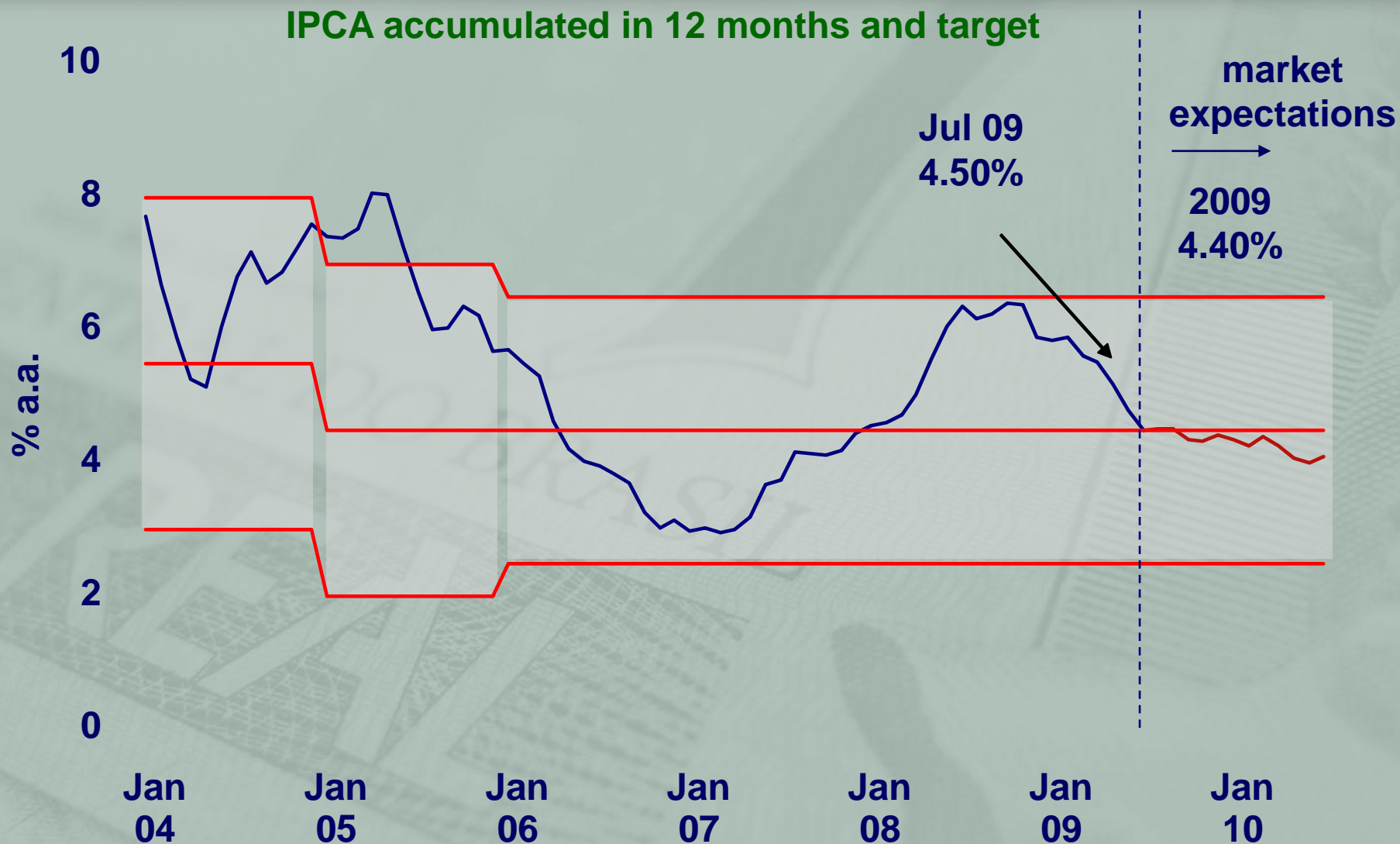


Fixed-Capital Investment

change year-over-year

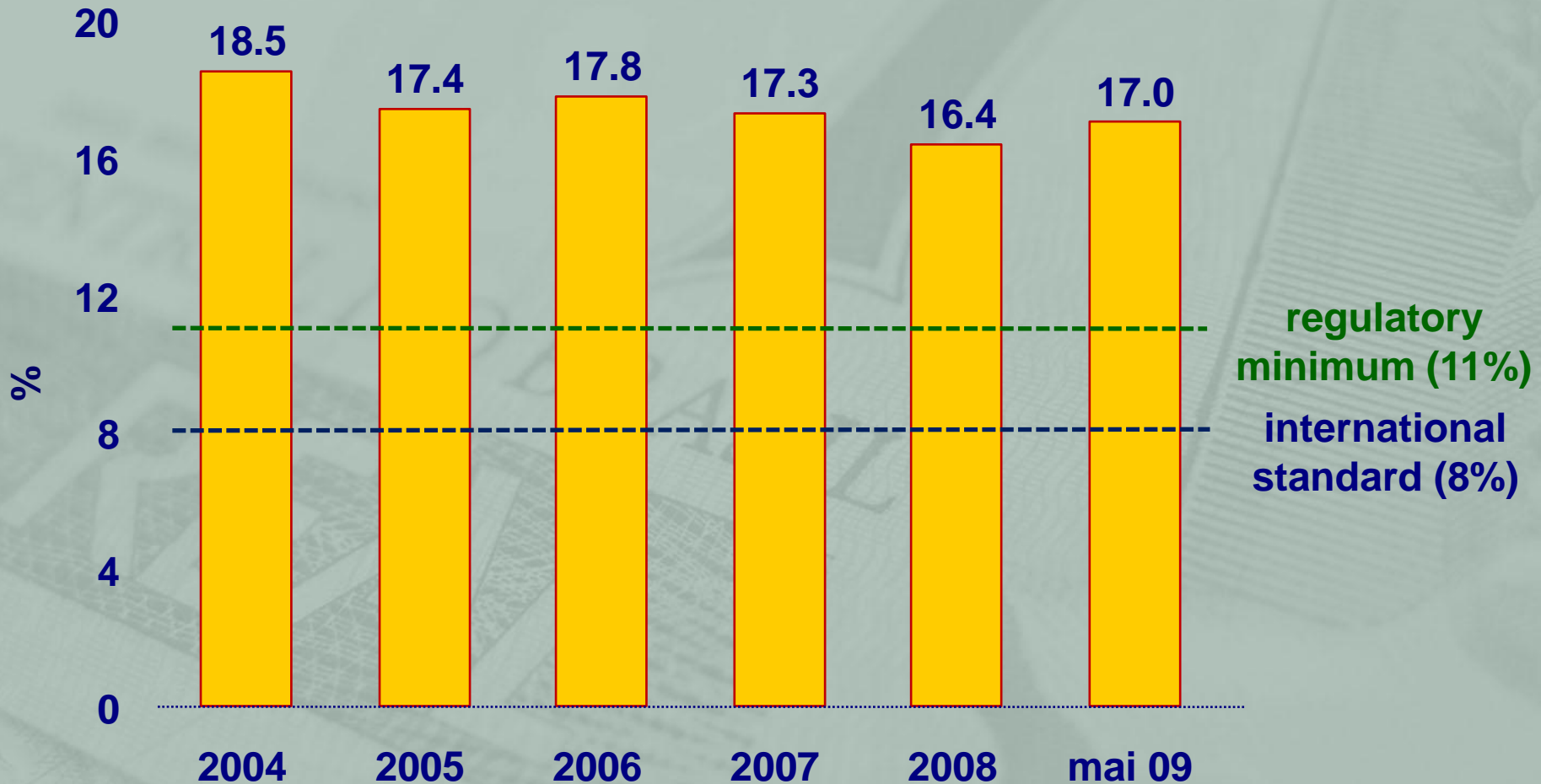


Inflation Targeting



Bank-Capital Adequacy: Basel Index

relation between capital and risk weighted assets



Effects of the Crisis on Brazil

- **The crisis in Brazil had smaller dimensions than in other countries**
- **The main effects were related to liquidity and credit rationing problems**
- **Solid regulation of financial sector minimized the effects of the crisis on Brazil**

Total Credit

(estimated. beginning of September/2008)



External (US\$ 97 billion)

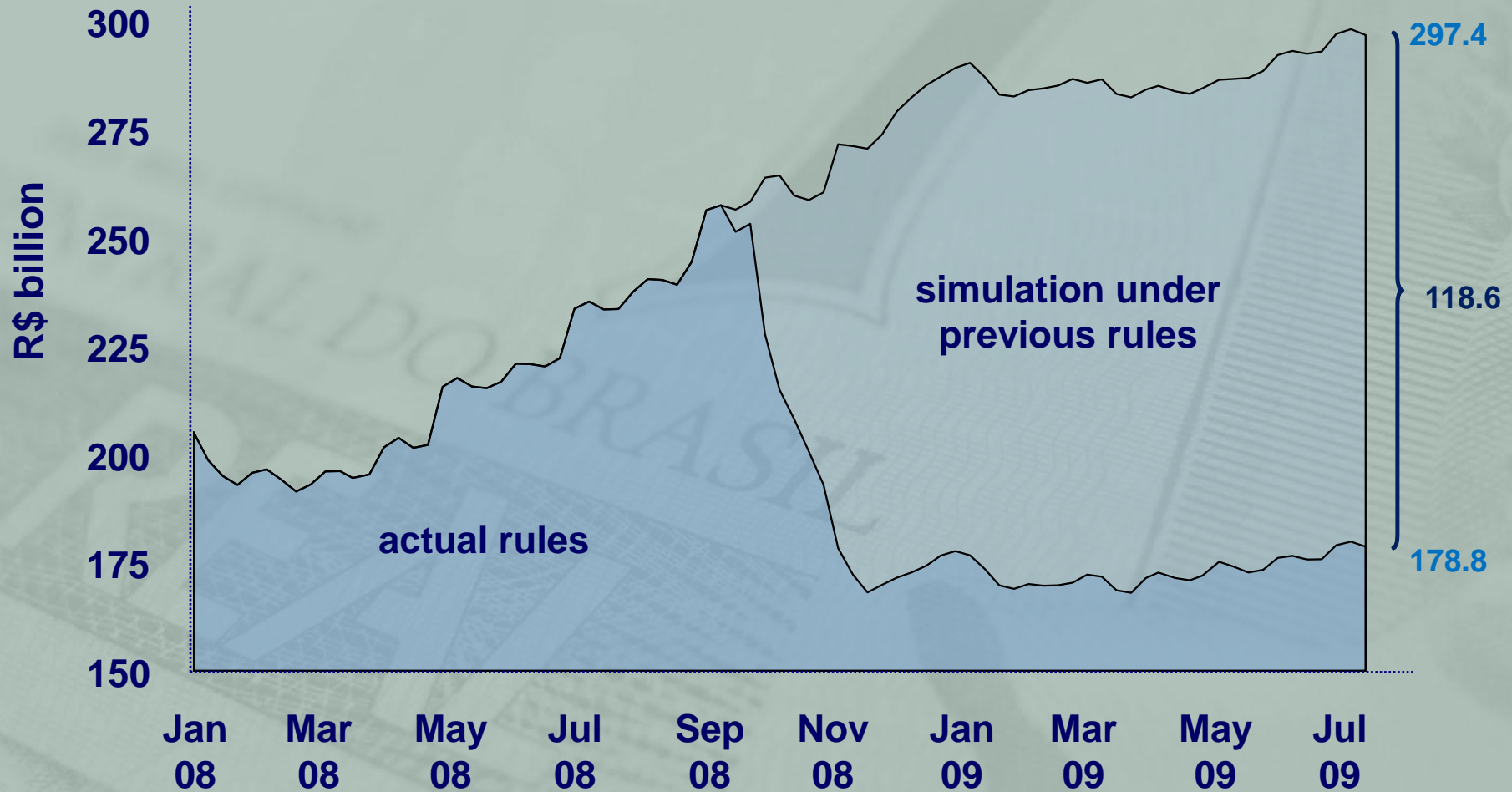
Domestic with external funding (US\$ 47 billion)

Domestic (US\$ 620 billion)

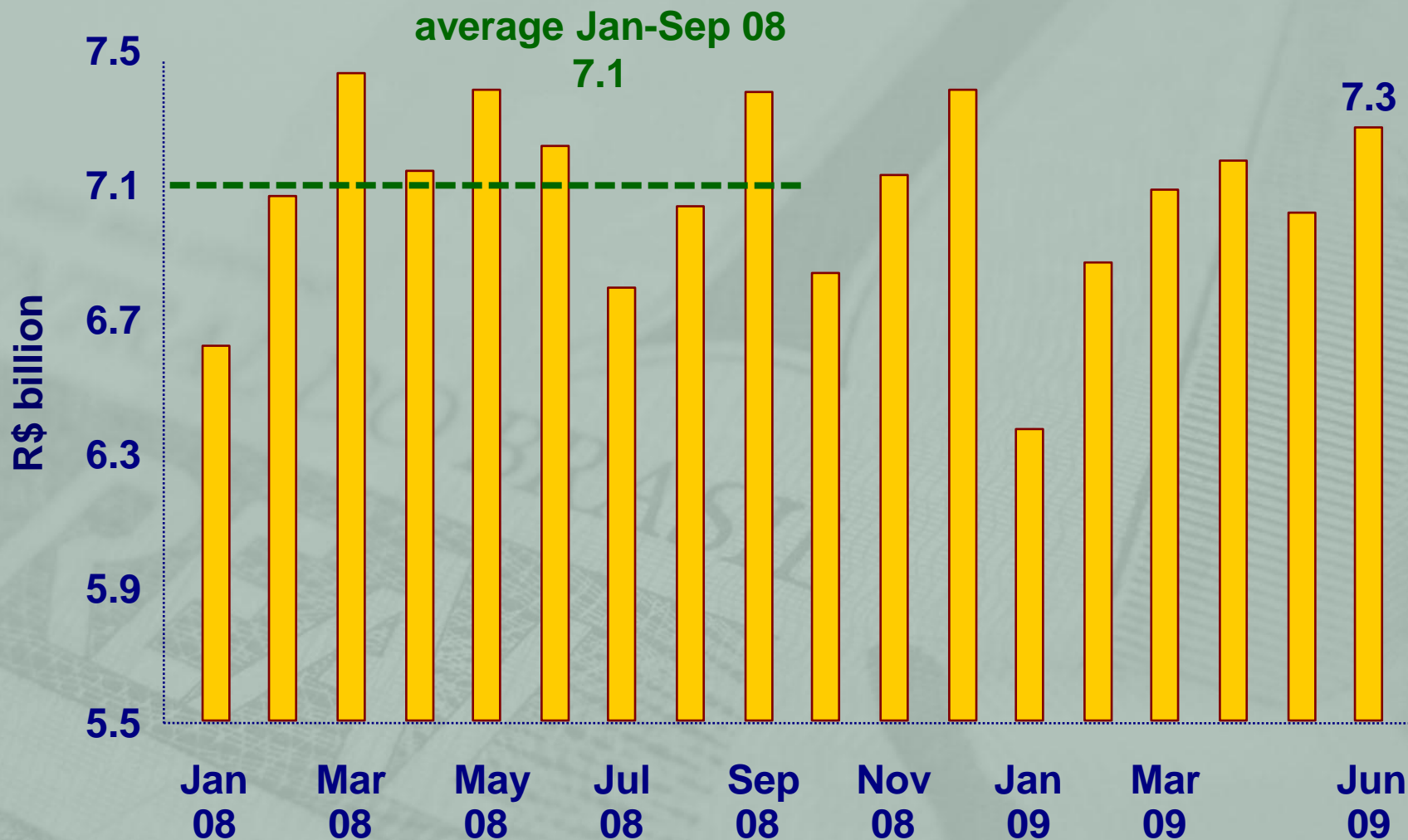
Anti-crisis Measures

- **Liquidity injection in national currency**
 - **Compulsory reserves reduction: R\$ 99.8 billion**
 - **Liquidity for smaller institutions: R\$ 41.8 billion**
 - **Authorization of Bank Deposit Receipt with up to a R\$20 million guarantee by FGC, the national private deposit insurance institution**

Compulsory Reserve Reduction

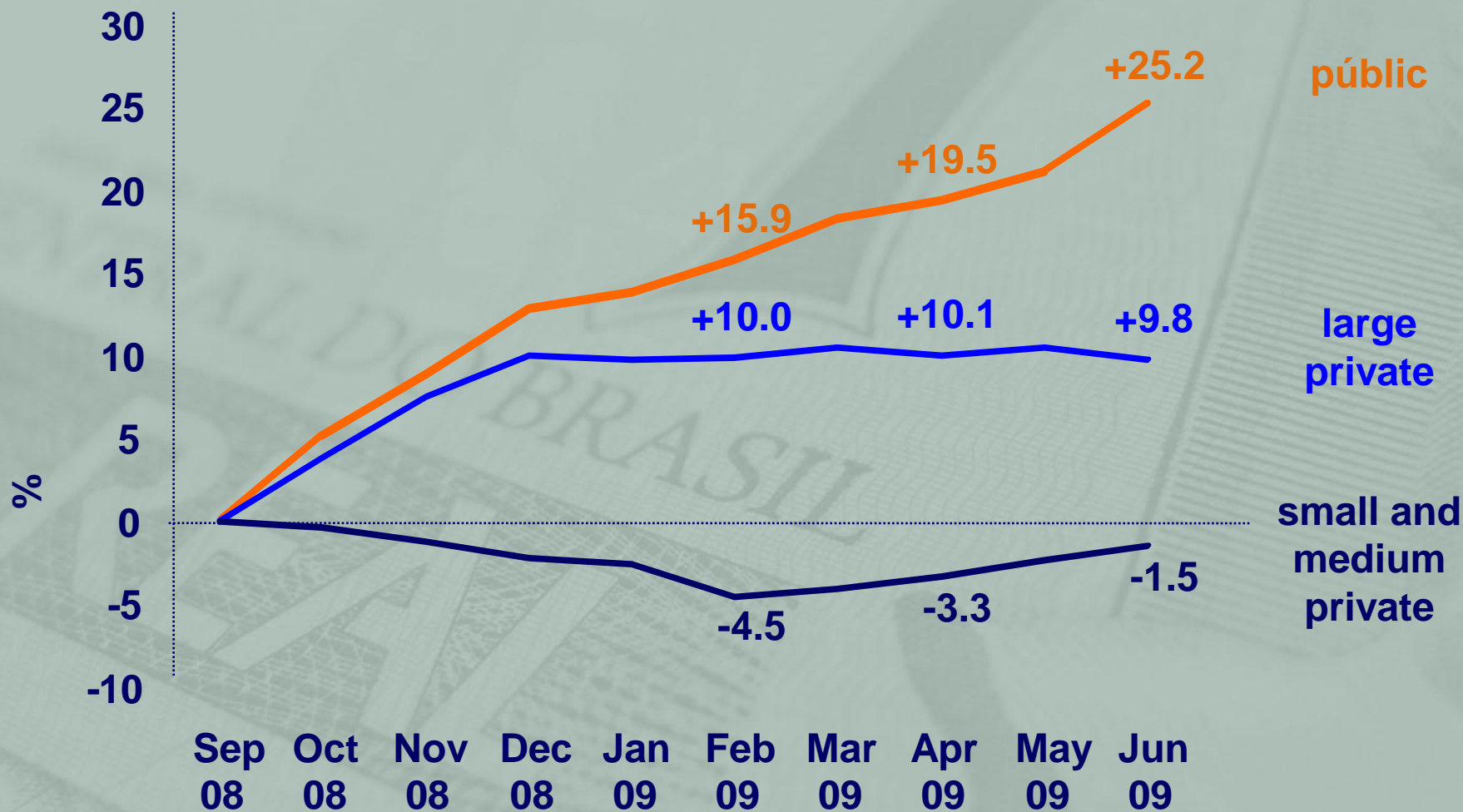


Credit Granting (Daily Average)



Domestic Credit

acummulated variation since Sep 08



Anti-crisis Measures

- **Liquidity injection in foreign currency**
 - **Auctions directed at exporters: US\$ 24.4 billion**
 - **Spot market sale of dollars: US\$ 14.5 billion**
 - **Exchange rate swaps auctions: US\$ 33 billion**
 - **Clearing of the Central Bank swap position**

Initiatives to Inject Liquidity in Foreign Currency Market

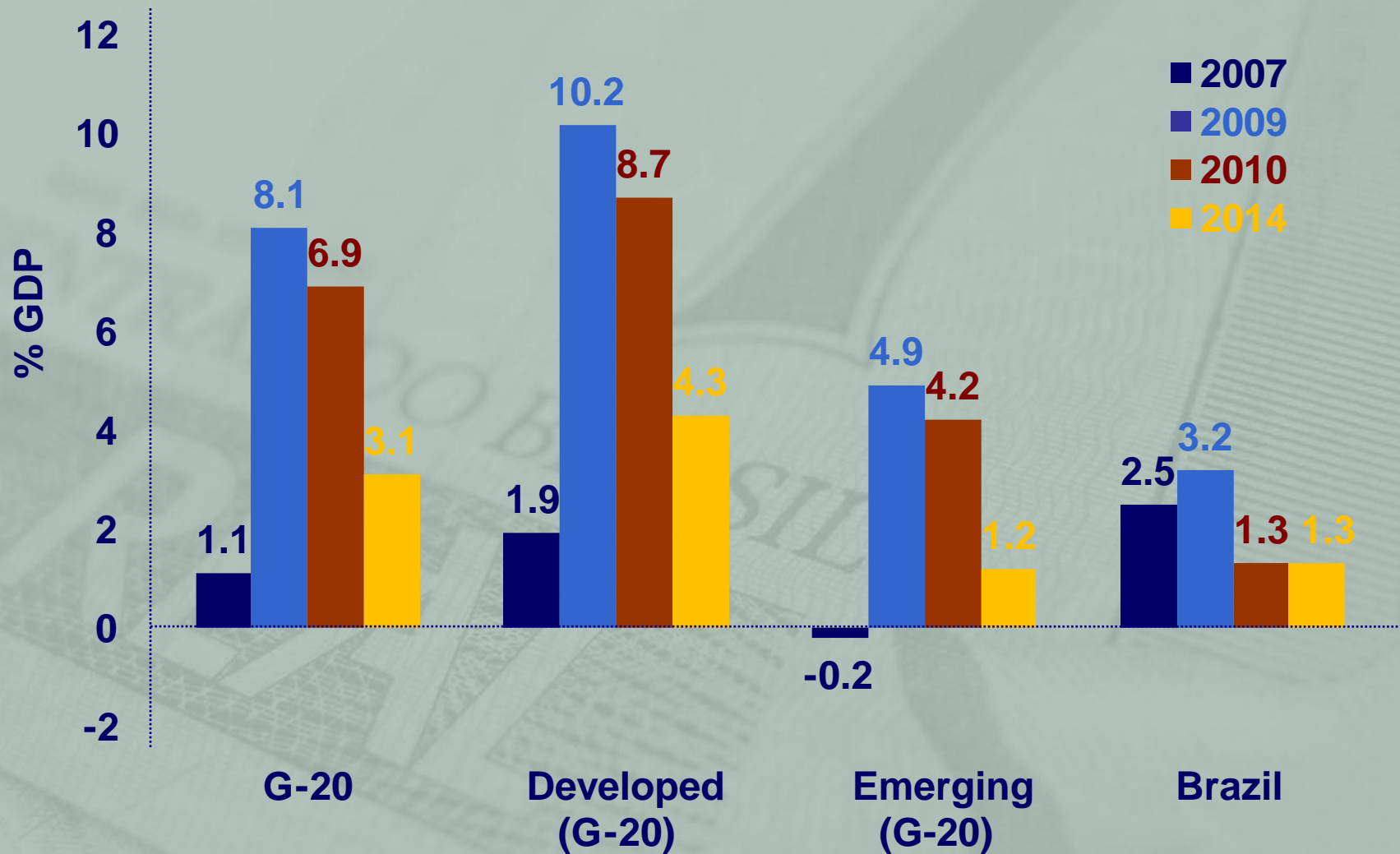
to Jul 30, US\$ billion

	Sales	Repayments	net
Spot	14.5	8.2	6.3
Export financing + repos	24.5	20.0	4.5
Total	39.0	28.2	10.8

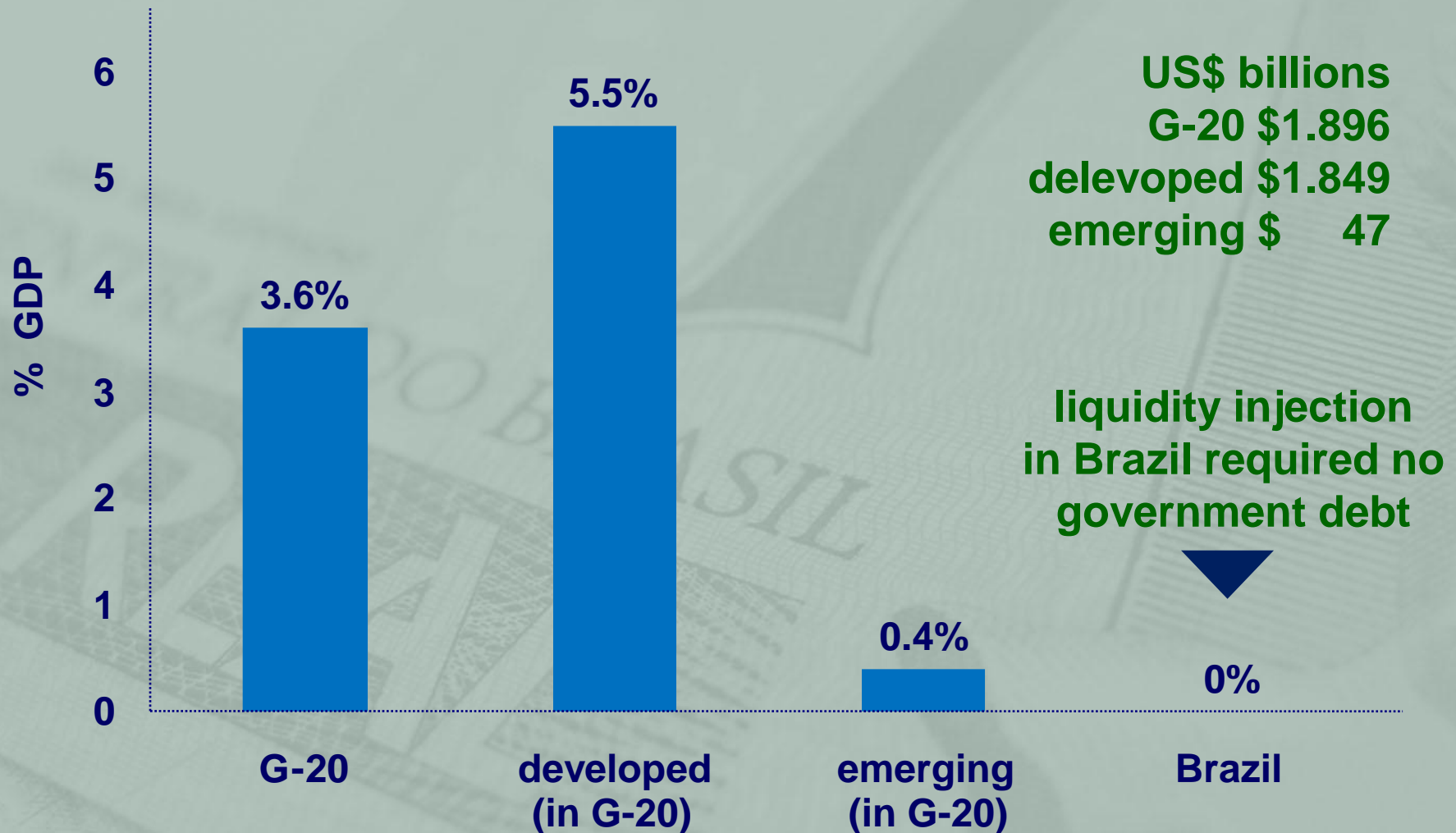
Initiatives to Inject Liquidity in Foreign Currency Market

	US\$ billion		
	Sales	Repayments	Net
Currency swaps	33	11	22
Balance			0

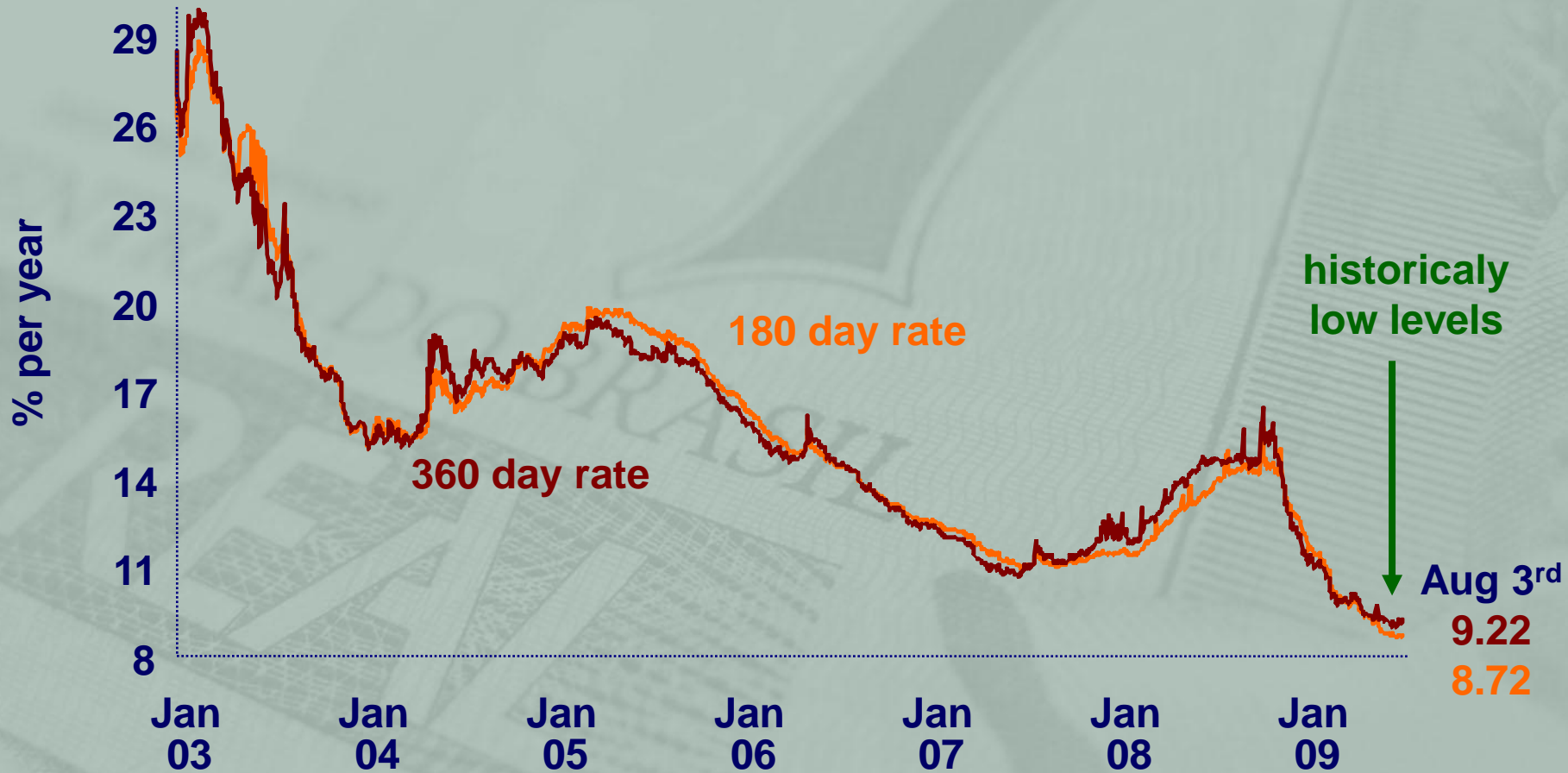
Fiscal Deficits for G-20 Countries



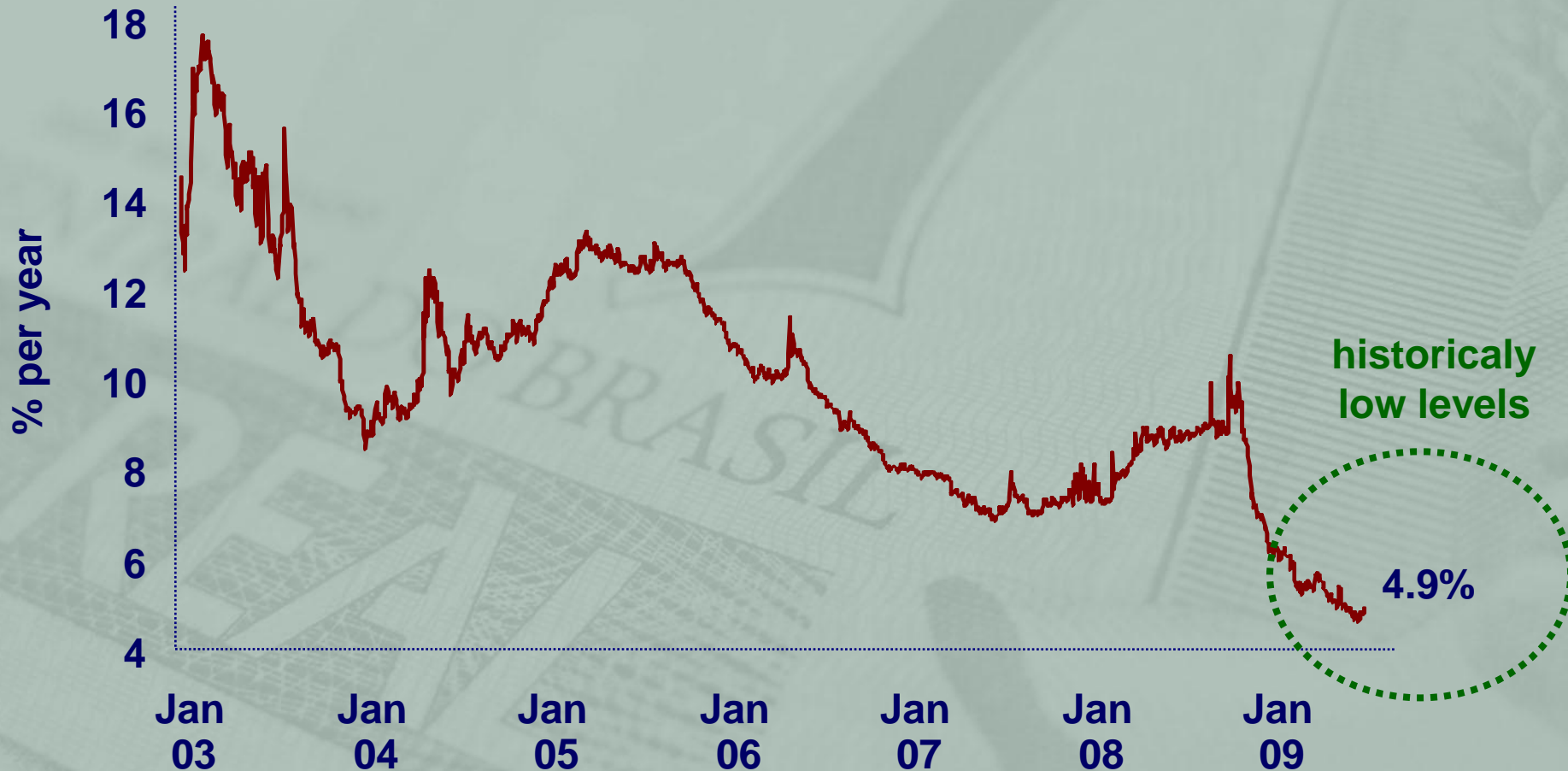
Government Financing of Banks



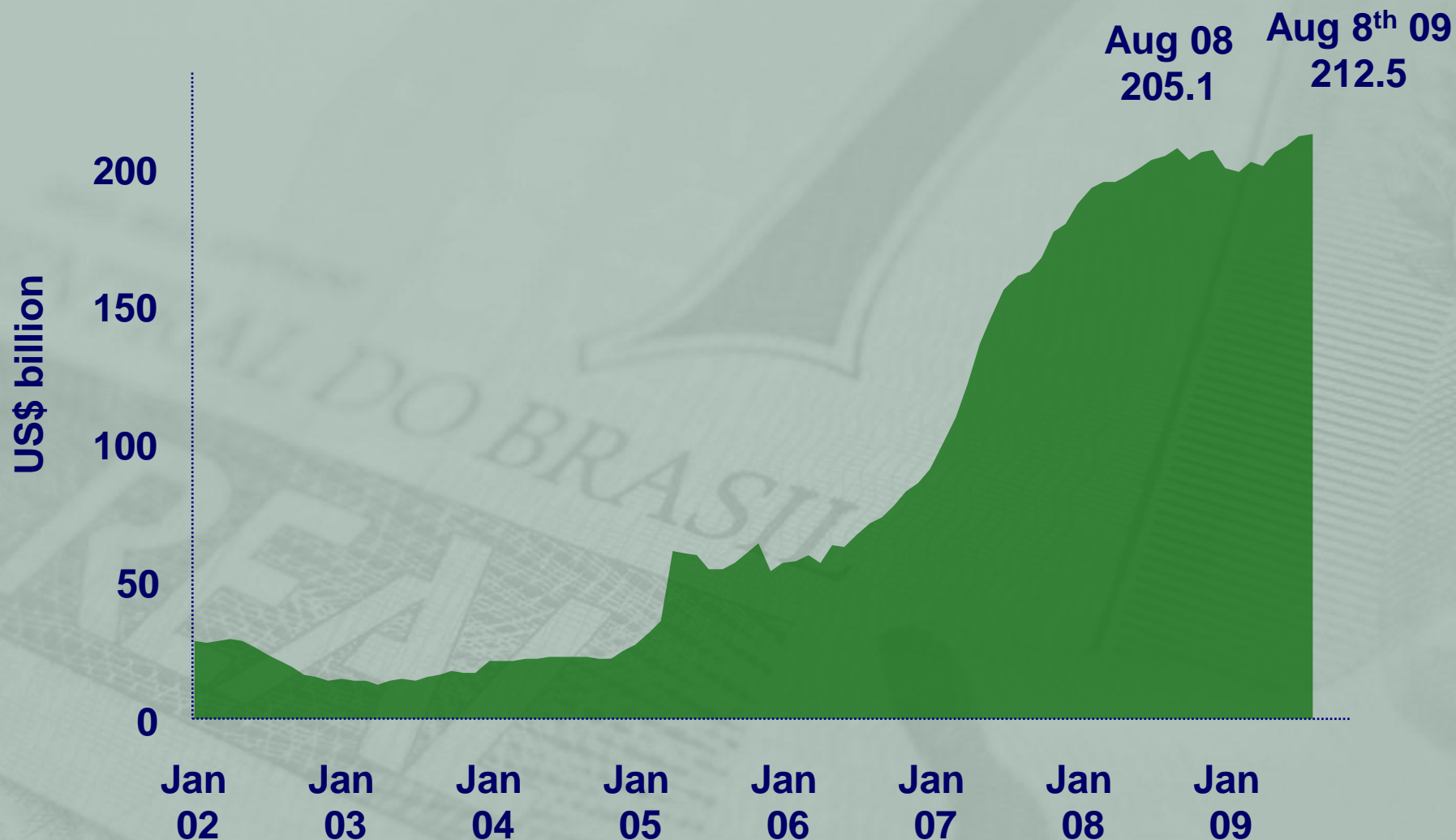
Market Interest Rates



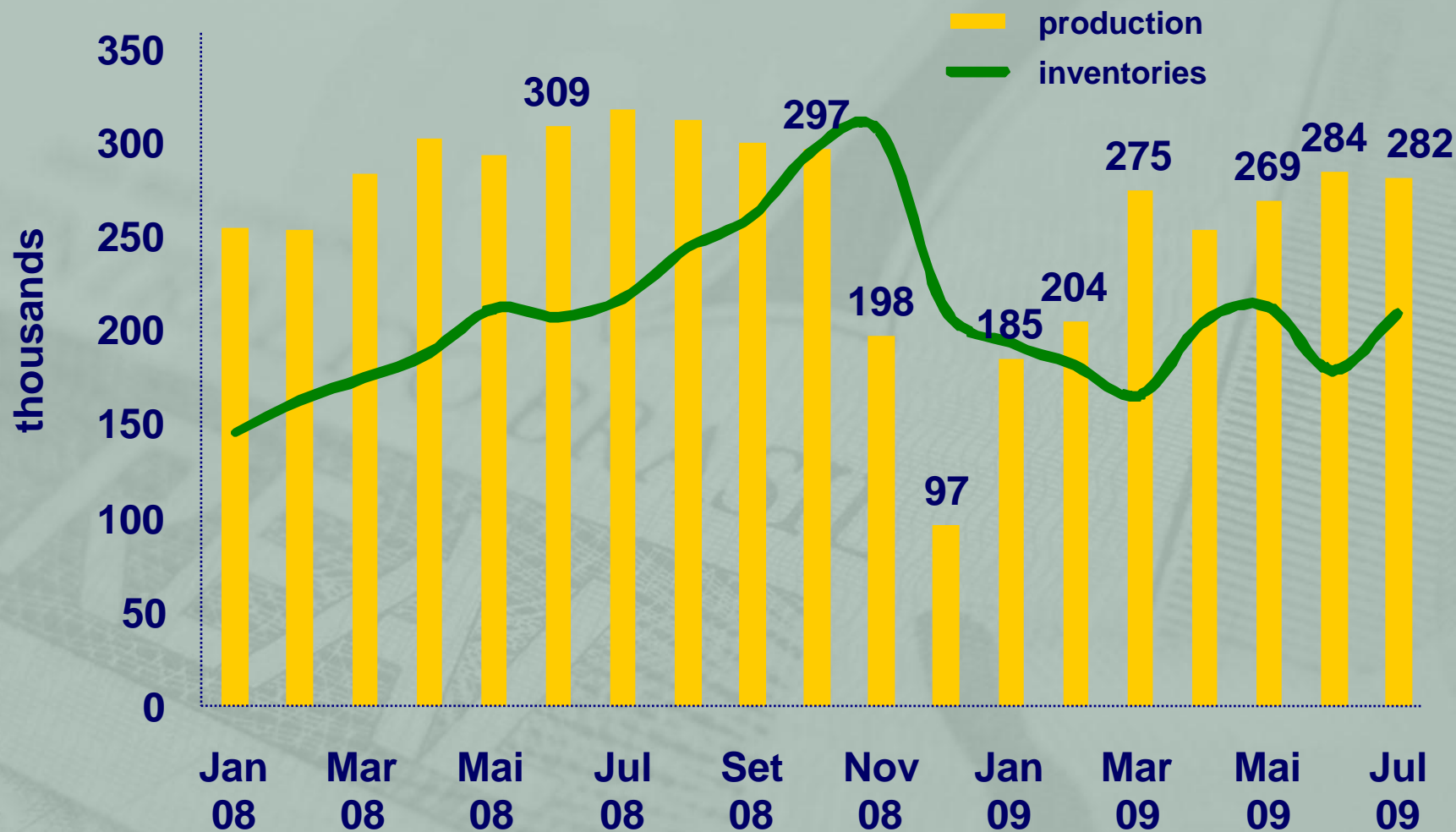
Real Interest Rate



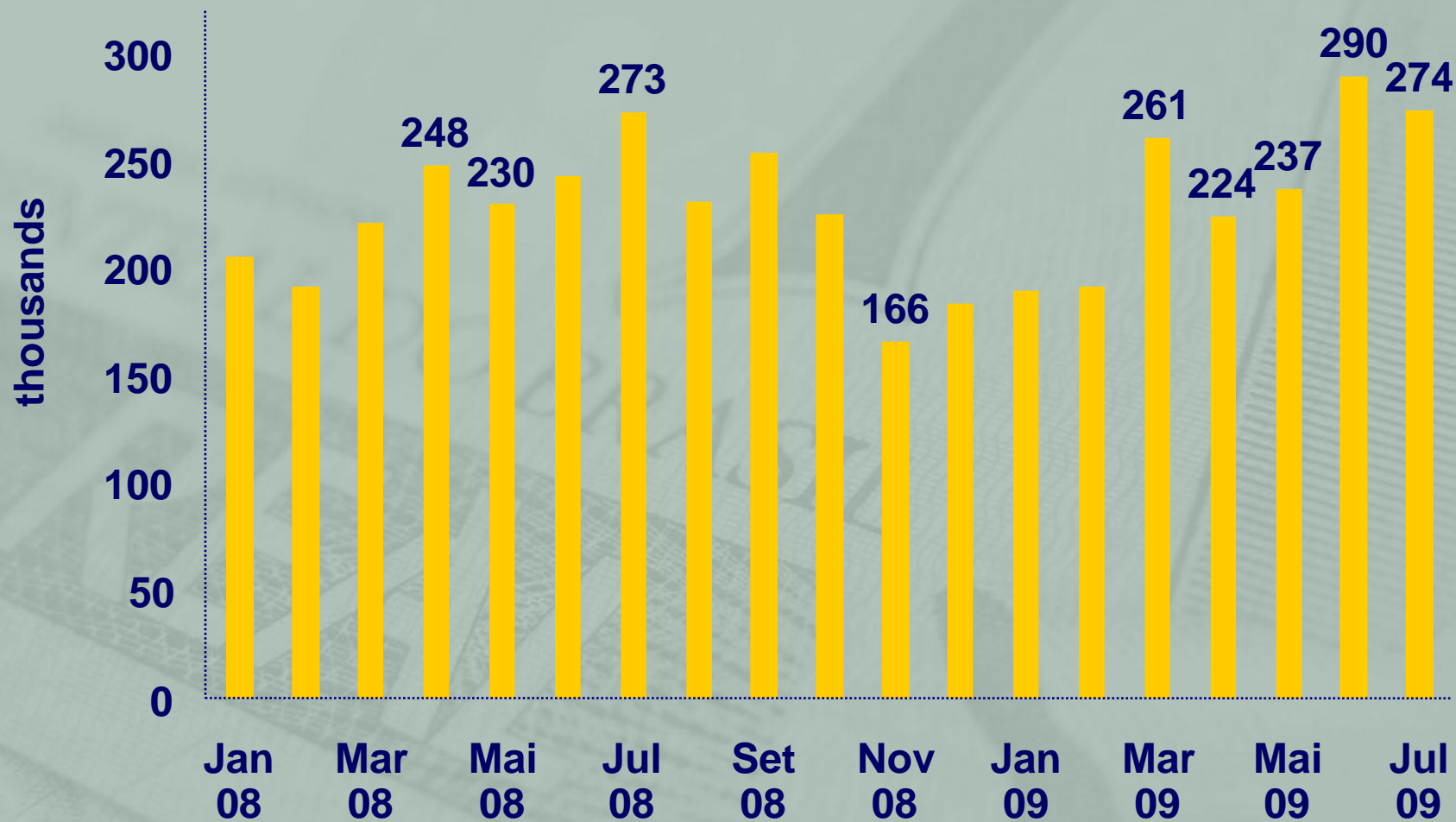
International Reserves



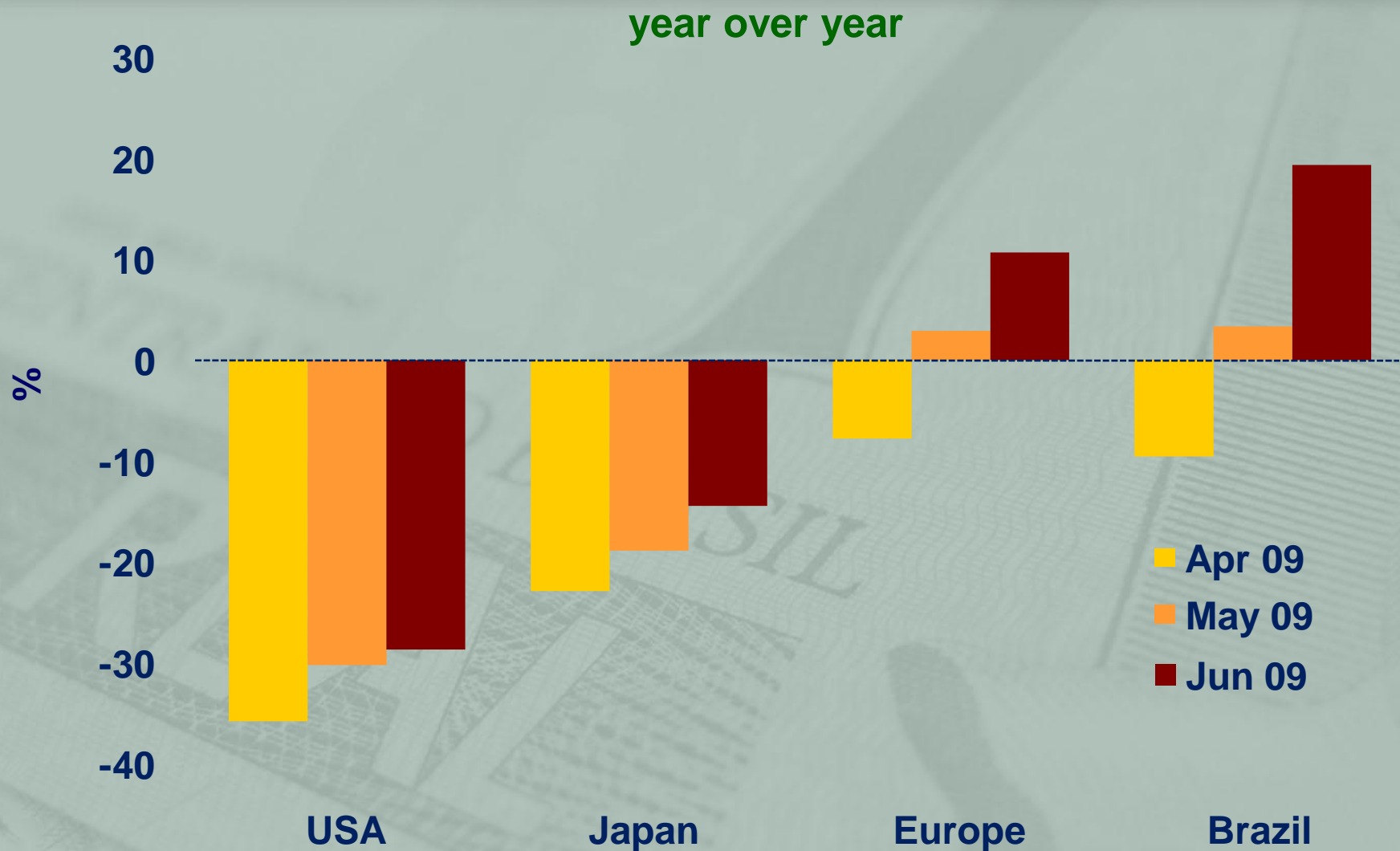
Auto Production



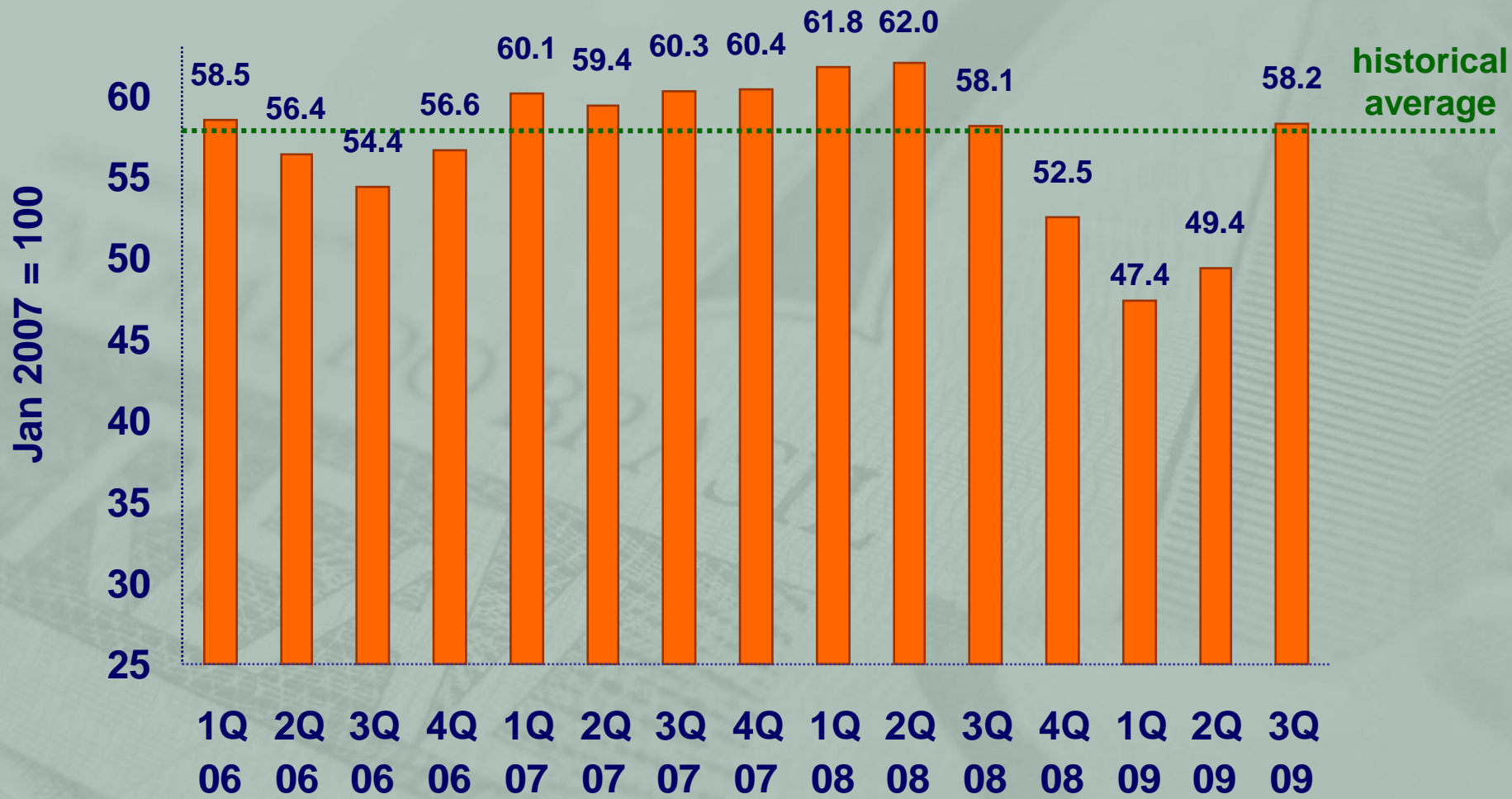
Auto Sales



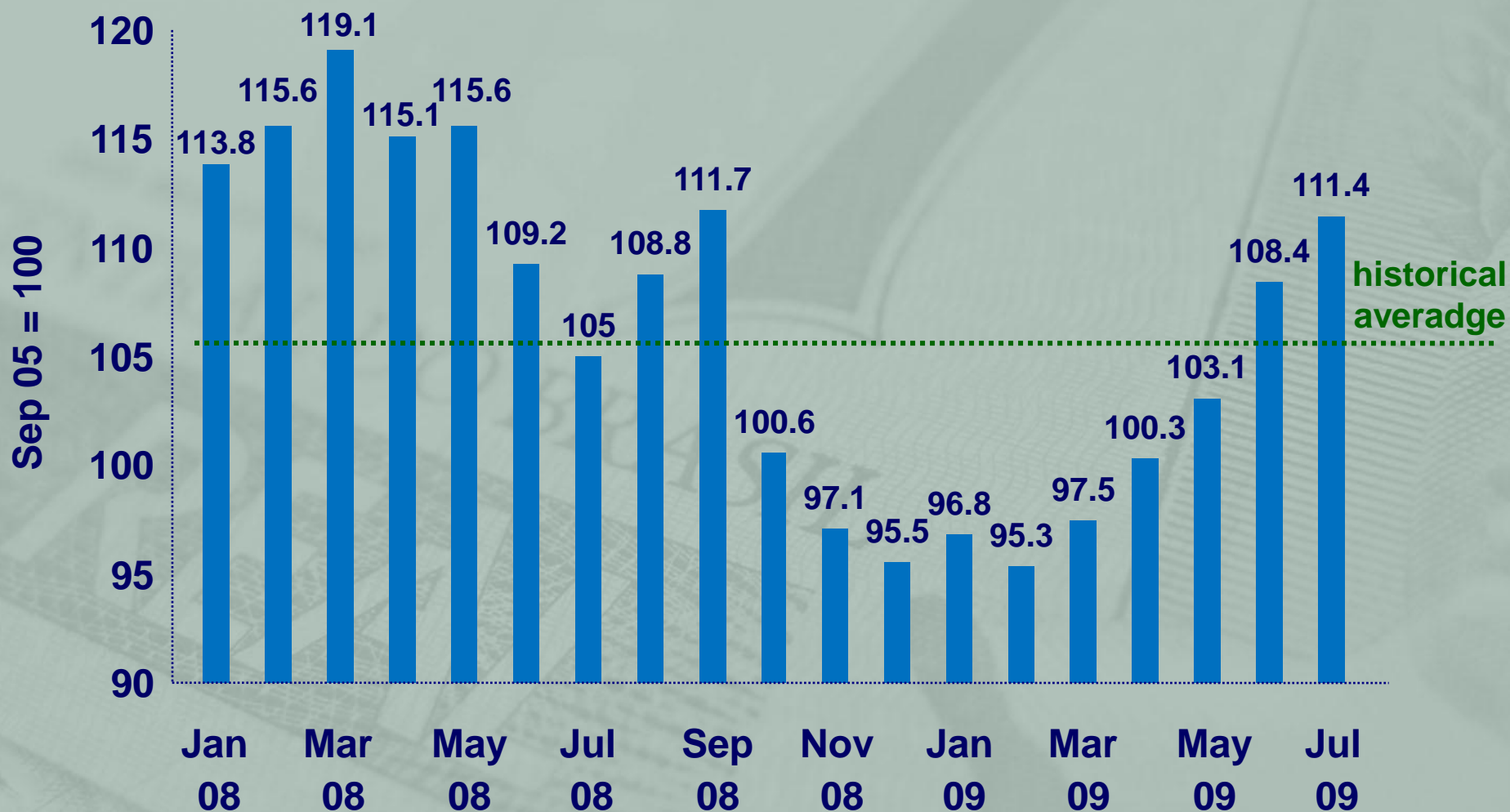
Auto Sales



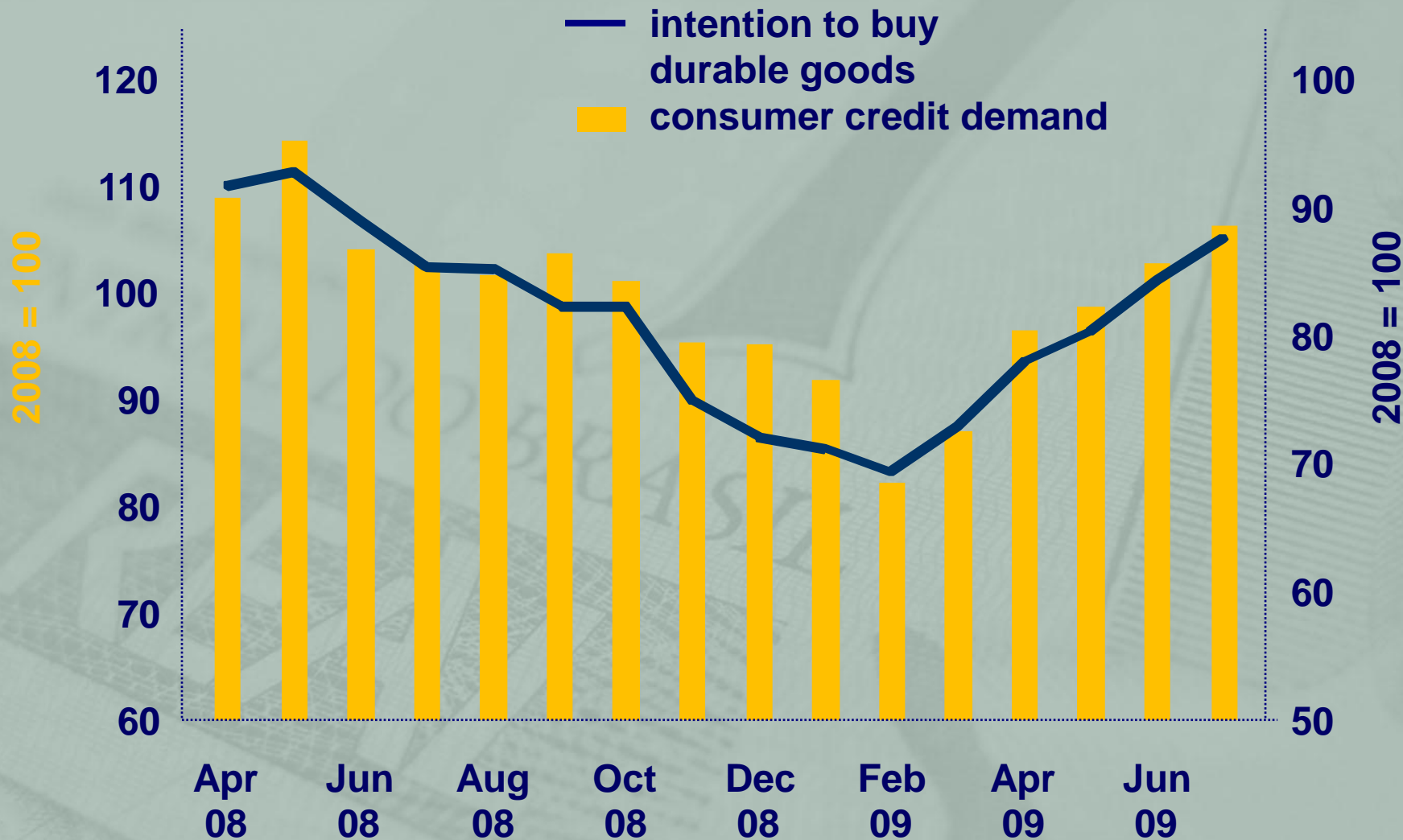
Industrial Confidence



Consumer Confidence



Consumer Credit Demand

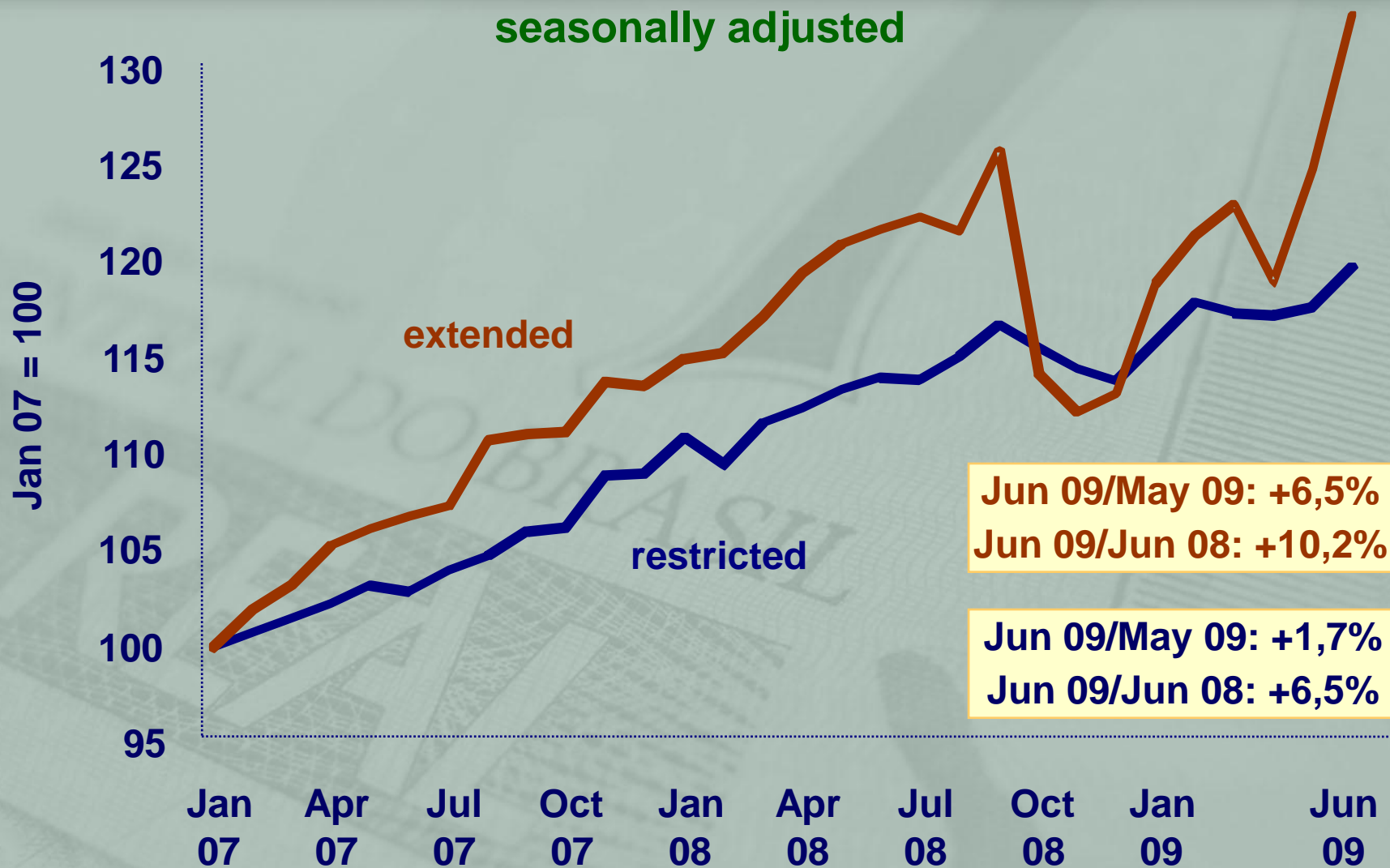


Supermarket Sales

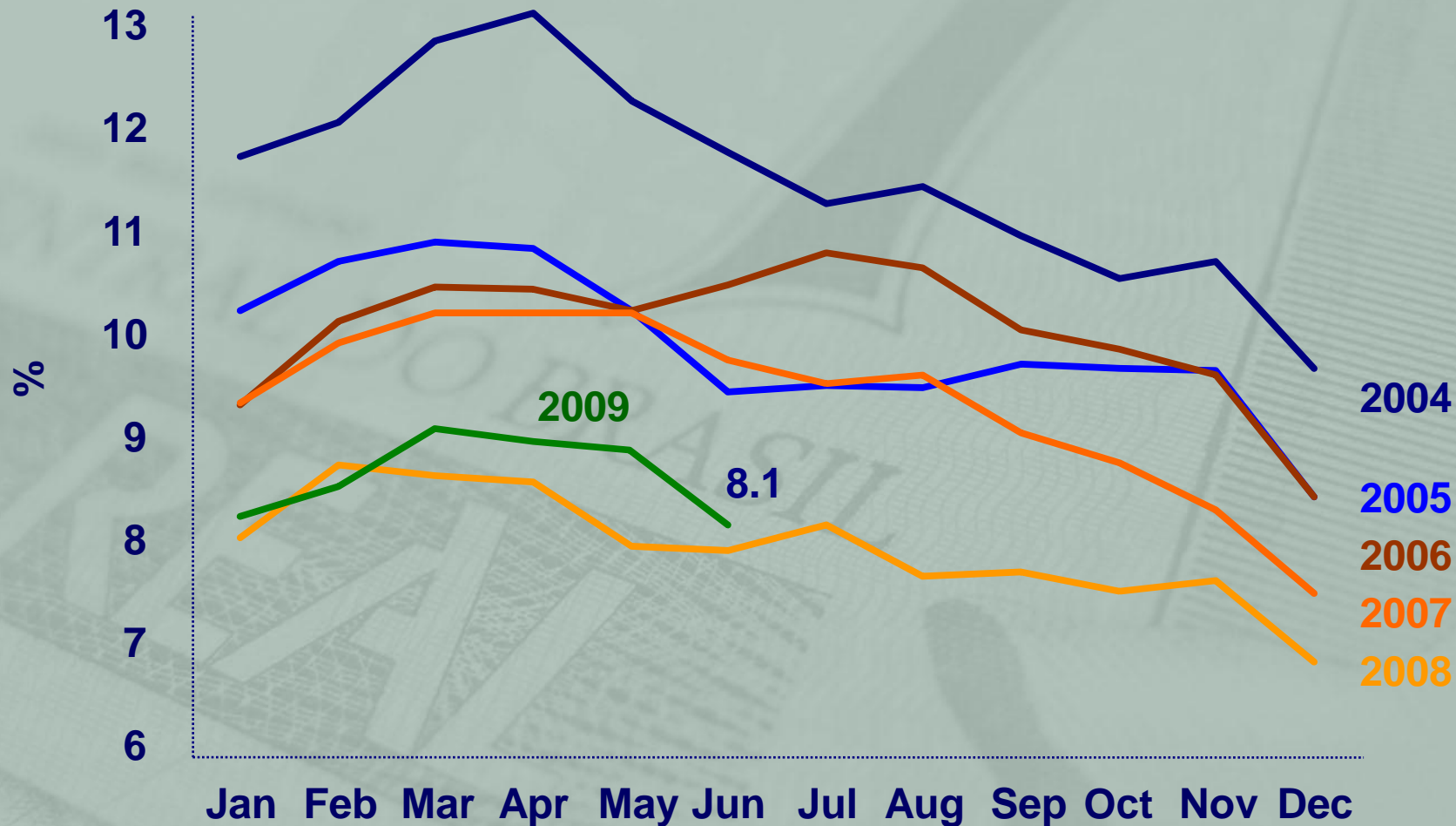
seasonally adjusted



Retail Sales



Unemployment Rate

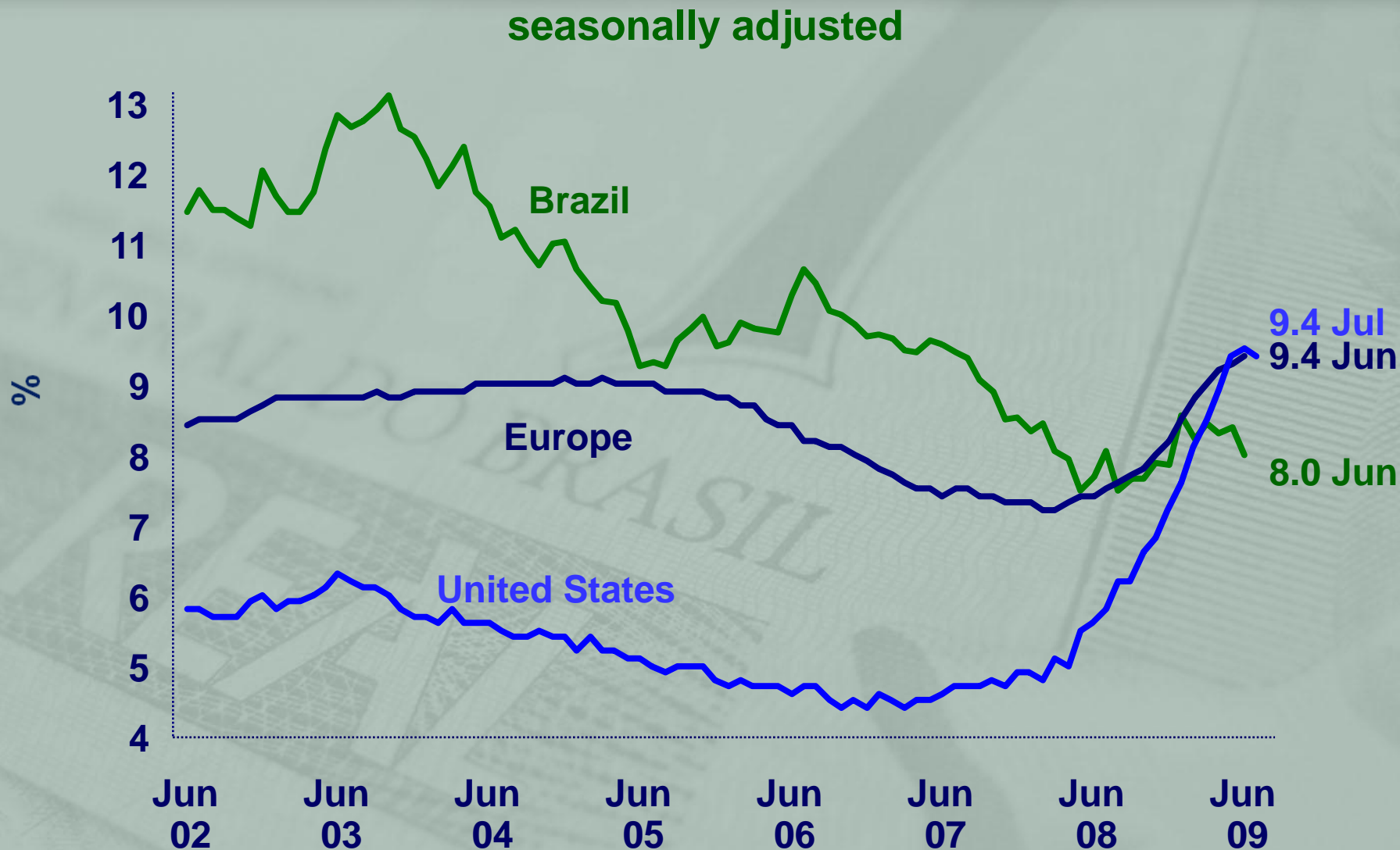


Unemployment Rate

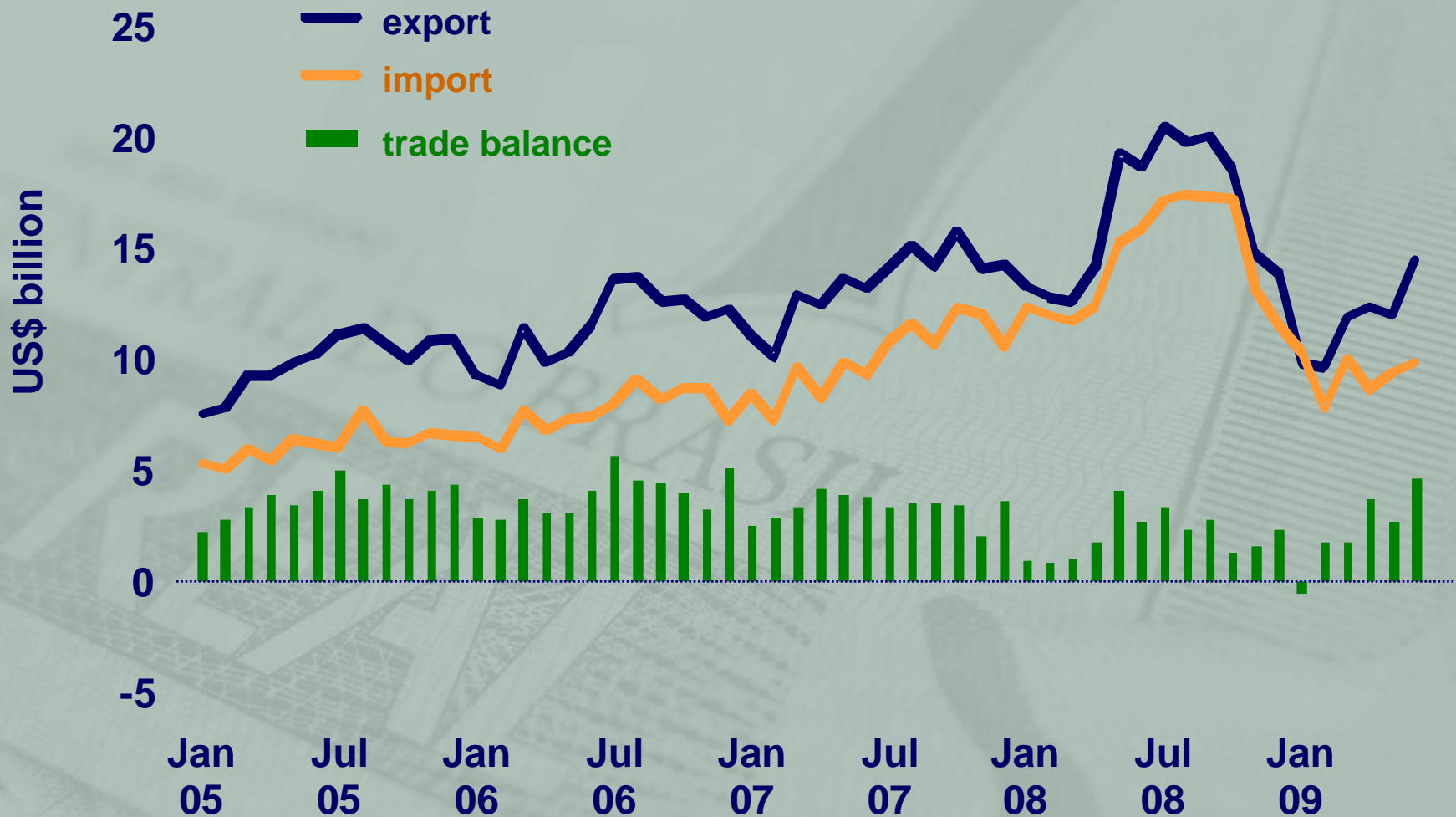
seasonally adjusted



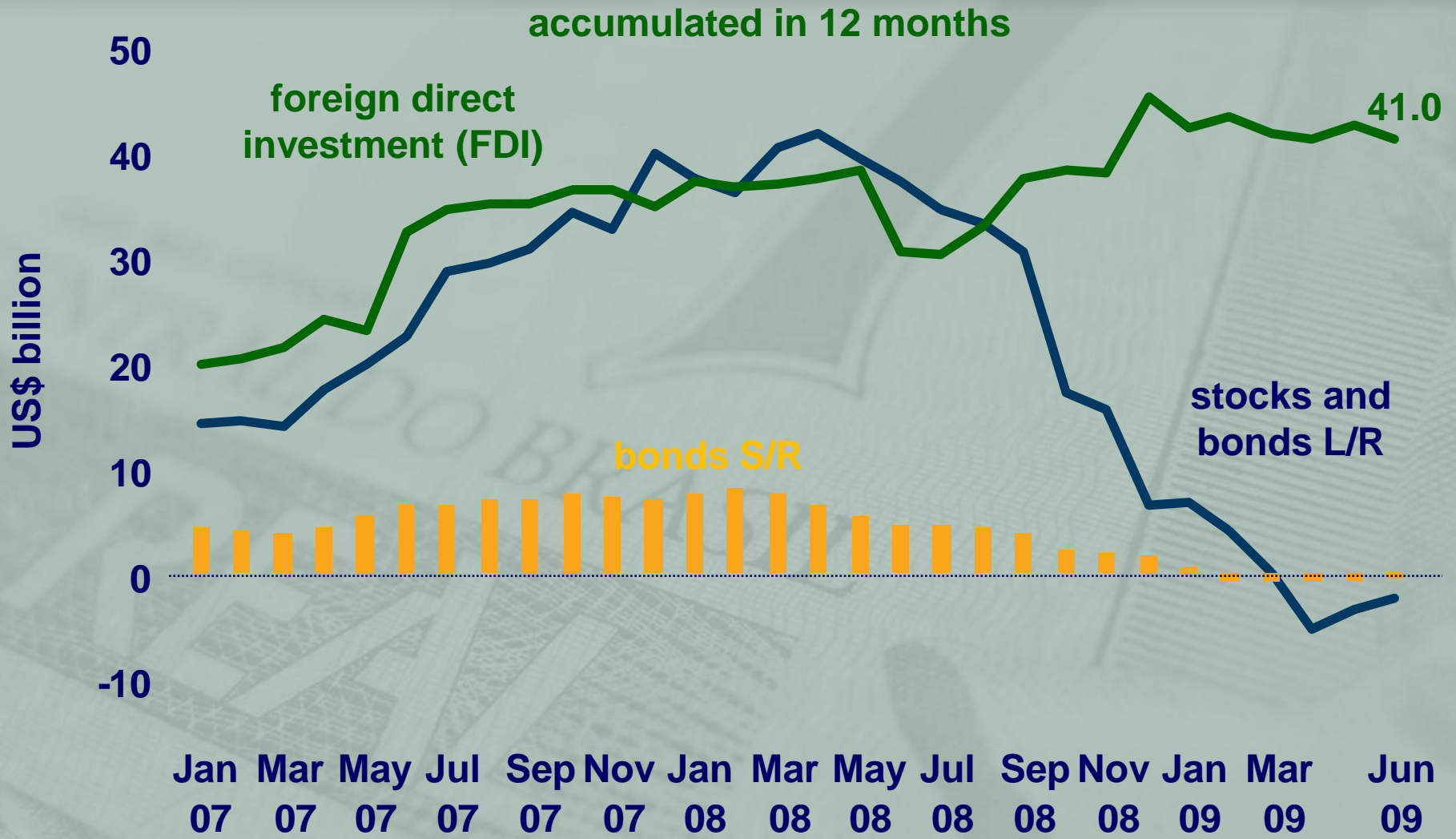
Unemployment Rate



Trade



Foreign Investment





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Henrique de Campos Meirelles

August 2009