Brazil Focus –
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Weekly Report
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Looking Ahead ➔ What to watch for?

- 29th Aug. – Suspended president Dilma Rousseff, to address Senate
- 29th Aug. -- July public accounts
- 29th Aug. -- IBGE to announce Brazil’s GDP for 2nd Q/2016 ➔ % QonQ
- 29th Aug. -- Planning Ministry ➔ minimum wage as of 1st January
- 29th Aug. -- FGV to announce August IGP-M inflation data ➔ % versus % in July
- 30-31 Aug. – Senate, final vote on impeachment of Dilma Rousseff
- 31st Aug. -- IBGE to announce July industrial production ➔ % MoM & +% YoY
- 1st Sept. -- Trade result for August ➔ US$ billion
- 1st Sept. -- August new car sales units ➔ % MoM & % YoY
- 1-2 Sept. -- 21st “Foro de São Paulo”
- 2nd Sept. -- August new car sales units ➔ % MoM & % YoY
- 4-5 Sept. -- G-20 heads of state to meet in Peking, China
- 5th Sept. -- Brazil ranked ___ on WEF “Global Competitiveness Index”
- 5th Sept. -- IBGE to post August IPCA ➔ %; 12-month accumulation at %
- 5th Sept. -- Labor Day (National Holiday in US)
- 5-6 Sept. -- 193rd Meeting of Copom ➔ Selic rate
- 7th Sept. -- Independence Day [National Holiday, Brazil]
- 7-8 Sept. -- 20th Annual CAF Conference – Willard Hotel, Washington, DC
- 8th Sept. -- FGV to post August IGP-DI ➔
- 12th Sept. -- IBGE to release industrial employment data for July ➔ % MoM

1 - POLITICS

1.1 – Lava Jato ➔ STF??

Last weekend, the Veja news magazine ran a cover story based on “leaks” from the plea bargaining testimony (in progress and not completed) by Leo Pinheiro, former CEO of the OAS construction firm who apparently had “close linkages” with PT leaders (Lula, Dilma, etc.) and is trying to reduce his Lava Jato prison term via plea bargaining. The Veja story concentrated on Leo Pinheiro’s alleged “connections” with STF judge Dias Toffoli – regarding the renovation/repair of the latter’s house [mansion] in Brasília.

As might be expected, this provoked the ire/anger of the STF against the MPF and the federal prosecutors conducting this plea bargaining testimony with Leo Pinheiro ➔ to the point that on 22nd August, the PGR ordered the interruption/suspension of these negotiations with Leo Pinheiro. The assumption is/was that Pinheiro’s lawyers were responsible for this “leak”.

However, there is another hypothesis – that the “leak” attacking Judge Dias Toffoli was practiced by the prosecutors in reprisal against Toffoli because he issued an injunction (habeas corpus) that liberated former Planning Minister Paulo Bernardo from prison

Pinheiro also included “linkages” with STJ Judge Benedito Gonçalves in his testimony.

In addition to the inclusion of Dias Toffoli in the plea bargaining testimony of Leo Pinheiro, he also presented accusations against Sen. Aécio Neves (PSDB-MG), suspended president Dilma Rousseff, former President Lula and former Senator and two-time presidential candidate Marina Silva.

http://www.brasil247.com/pt/247/brasil/251059/janot-suspende-delacao%C3%A7%C3%A3o-de-L%C3%A9o-Pinheiro-da-OAS.htm

1.2 – TJ-DF suspended CL-DF deputies
On Tuesday morning, 23rd August, the TJ-DF (the federal district Supreme Court) suspended five members of the governing board of the CL-DF (federal district local legislature)

1) President Dep. Celina Leão (PPS);
2) Dep. Christiano Araújo (PSD);
3) Dep. Raimundo Ribeiro (PPS);
4) Dep. Bispo Renato Andrade (PR); and
5) Dep. Júlio César (PRB)

However, different from the STF decision to suspend Dep. Eduardo Cunha (PMDB) from the Presidency of the Chamber of Deputies and suspend him from his mandate, this TJ-DF decision did not suspend these five deputies from their respective mandates in the CL-DF. They are suspected of participating in what had been nicknamed “UTIgate”.

What provoked this police investigation – **Operation Dracon** – was a set of clandestine audio recordings collected by Dep. Liliane Roriz (PTB) – the daughter of former DF governor Joaquim Roriz – that revealed a corruption scheme involving the “distribution” of R$ 31 million “left over” from the health services sector.

Dep. Liliane Roriz her self has three expulsion (cassação) requests being deliberated by the CL-DF and resigned her post at Vice-President of the CL-DF on 17th August. As a result, on 22nd August, Dep. Juarezão (PSB) was elected CL-DF Vice President to replace Dep. Roriz, and he will now assume the Presidency of the CL-DF. In addition to Dep. Juarezão, three other deputies became interim members of the CL-DF governing board – Dep. Agaciel Maia (PR), Dep. Lira (PHS), and Rodrigo Delmasso (PTN).

In **Operation Dracon**, the DF Civil Police carried out court 14 search-and-seize warrants of documents in the offices and the homes of the accused as well as 8 coercive testimony warrants.

This will probably end the political career of Celina Leão. She was elected President of the CL-DF in 2015 and soon “broke” with newly elected Governor Rodrigo Rollemberg (PSB) and joined his opposition in the CL-DF. Many observers saw her attempt to modify the CL-DF rules to allow her reelection as CL-DF President as part of her political strategy to run for governor in 2018. Dep. Liliane
Roriz (PTB) probably will eventually be cassada but she decided to go down fighting and shooting and decided to take Celina Leão along with her.


1.3 - Impeachment

On 23rd August, suspended president Dilma Rousseff attended a anti-impeachment rally in SP organized by CUT, MST, MTST and her speech made mention of the suicide of Pres. Getúlio Vargas in August 1954 (rather than be removed from office for a second time) and the military coup against Pres. João Goulart ten years later in March 1964.

On 23rd August, a group of 22 artists and intellectuals in the US launched a manifesto against the violation of constitutional democracy in Brazil with the impeachment process against President Dilma Rousseff and demanded that Pres. Obama and Secretary of State John Kerry do not recognize the illegitimate government of interim President Michel Temer.


At the same time, a group of 44 organizations (including the large and powerful AFL-CIO) in the US launched a declaration in a similar tone, alleging that Brazilian democracy is “at grave risk”.

This was not the first such manifesto in the US; previously, Brazil Focus reported that former pre-candidate for the Democratic Party’s presidential candidate, Bernie Sanders made a similar “demand” on the Obama government and a group of 43 representatives in the House of Representatives launched a manifesto against the impeachment process in Brazil.

On 25th and 26th August, after “questions of order” were resolved, the Senate heard the testimony of eight persons – two in favor of impeachment and 6 against – and the 81 Senators questioned [cross examined] them. On Monday, 29th August, suspended president Dilma Rousseff will address the full Senate for 30 minutes to plead her case – that she committed no crime of responsibility – and then she will be questioned [cross examined] by each of the 81 Senators.

The final sequence will begin on Tuesday, 30th August, when each Senator will speak for ten minutes and then the final open, electronic vote will occur ➔ probably very late that Tuesday evening or early in the morning of 31st August. The MTST threatened to block all major streets and avenues in SP during this final stage of the impeachment process.

NINE of Dilma’s former cabinet ministers are Senators ➔ Six favor her impeachment while Three will vote in her favor:

Senators Pro-Impeachment Senators Anti-Impeachment
Eduardo Braga (PMDB-AM) - Mines & Energy
        Armando Monteiro (PTB-PE) - MDIC
Edison Lobão (PMDB-MA) - Mines & Energy
        Kátia Abreu (PMDB-TO) - Agriculture
Garibaldi Alves (PMDB-RN) - Social Security
        Gleisi Hoffmann (PT-PR) - Casa Civil
Marta Suplicy (PMDB-SP) - Culture
        Fernando B. Coelho (PSB-PE) - National Integration
Eduardo Lopes (PRB-RJ) - Fishing

The Senate session on Thursday, presided over by STF President Judge Ricardo Lewandowski, on 25th August lasted 15 hours and only heard the TWO witnesses presented by the accusation (pro-impeachment). As was expected, during the preliminary “Questions of Order” there ensued quite a violent verbal exchange between the pro-impeachment and anti-impeachment Senators. The worst “blast” came from Sen. Gleisi Hoffmann (PT-PR) who stated that “the Senate is not morally qualified to judge Pres. Dilma Rousseff” – implying that none of the Senators present were so qualified. This provoked some equally violent reactions from the other Senators – because she [Senator Hoffmann] her self has prosecution cases [accusations of corruption] being deliberated at the Supreme Court.

At this point, Judge Lewandowski declared a five-minute recess in an effort to “calm things down”. Anti-Dilma Senators declared that the pro-Dilma Senators were just trying to procrastinate the proceedings. Lewandowski rejected all the questions of order by the pro-Dilma group except one relating to one of the two pro-impeachment witnesses ➔ Júlio Marcelo de Oliveira, a public prosecutor at the TCU. Lewandowski decided that Oliveira would be considered an “Informant” rather than a “Witness” because he had participated in some public acts (manifestations) in favor of the rejection of Pres. Dilma’s public accounts.

Pro-impeachment Senators then contested several of the pro-Dilma witnesses as also “severely compromised” ➔ 1) Esther Dweck, former Secretary of the Federal Budget Office, because she now works for Senators Gleisi Hoffmann (PT-PR) and Vanessa Grazziotin (PCdoB-AM); 2) Ricardo Lodi, President of the Brazilian Society of Tax Law, because he has a power of attorney to represent Dilma before the TCU; and 3) economist Luiz Gonzaga Belluzzo, who has had nothing to do with the impeachment process or Dilma’s “fiscal problems”.

As a reaction, Dilma’s lawyer, José Eduardo Cardozo, decided to withdraw Prof. Esther Dweck as a pro-Dilma witness.

On Friday, 26th August, the Senate session began at 09:00 a.m. with the testimony and cross-examination of former Finance Minister Nelson Barbosa.

Senate President Renan Calheiros (PMDB-AL) retaliated against the harsh criticism launched by Sen. Gleisi Hoffmann (PT-PR) on Thursday – that “no Senator is morally qualified to judge [suspended] president Dilma Rousseff”. Calheiros asked the rhetorical question, “How can you make such a statement after the Senate President intervened at the STF [to get you off the hook] annul your
indictment and that of your husband?” To that, Hoffmann (apparently still in an “altered” state) cursed him as a “canalha” [scoundrel]. Calheiros statement created a very “surprised” reaction by many Senators as to how Calheiros intervened with STF Judge Dias Toffoli who was responsible for the cases of the “couple” – and accepted a habeas corpus release request for Hofmann’s husband Paulo Bernardo.

1.4 – Senate approved DRU

An important part of the fiscal adjustment reforms proposed by the economic team of interim President Michel Temer – the DRU: Desvinculação das Receitas da União [to authorize the government to reallocate up to 30% of federal revenues to other budget items different than that authorized in the annual budget] was approved by the Senate on 24th August. This is not impoundment, but rather “reallocation”.

Created in 1994 by the Itamar Franco government, the validity of the DRU at 20% would have expired at the end of 2017, and now has been extended (with an increase to 30%) through 2023. This is a very important “tool” for the government to better control expenditures.

This PEC had already been approved by the Chamber and was approved by a 56-to-13 vote on the first round in the Senate and by 54-to-15 on this second round vote. Now, the Congress must promulgate this PEC (probably on 6th September.

1.5 – JK – 40 Years

Monday, 22nd August 2016 marked 40 years that President Juscelino Kubitschek died in an auto crash on the SP-Rio Dutra highway near the city of Rezende, RJ. He was in SP and instead of flying to Rio decided to go by car with his faithful driver Geraldo Ribeiro. The “official” version was that his car was forced across the median strip by a bus and then crashed head on with a truck heading for SP.

However – the “non-official” version (suppressed by the military government) was that JK’s driver received a shot to the head and then the car careened across the median strip. The driver of a truck right behind the truck that crashed head on with JK’s car said that he saw that the driver was slumped over the wheel. An autopsy of Geraldo Ribeiro performed in BH affirmed that the metal fragment in his head was just a “nail from his coffin” and not a bullet.

Juscelino Kubitschek de Oliveira was born in Diamantina, MG on 12th September 1902. His father, João César de Oliveira, was a traveling salesman and died in 1905, when JK was three. His mother, Júlia Kubitschek, was a primary school teacher and her father was Czech-gypsy origin. His name Kubicek had been “Germanized” to Kubitschek. She was born in 1873 and survived until 1971.

After completing the “humanities” course at the Catholic Seminary in Diamantina, JK took an exam and became a telegraph operator in Belo Horizonte in 1921 where he completed his high school equivalency. In 1922, he entered the University of Minas Gerais Medical School and graduated in December 1927. He worked as an MD at the Santa Casa in BH until 1930 when he went to Paris to specialize in urology. Upon his return in 1931, JK was appointed as a MD with the state police (PM-MG) with the rank of Captain. In this role, he went to the “front” in Southern MG during the
“Constitutionalist” rebellion of SP against the federal government of Getúlio Vargas (and MG) in mid-1932. JK had a very active period where he operated on many wounded soldiers. It was then that he met the future governor of MG, Benedito Valadares and then Army Major (and future President) Eurico Gaspar Dutra.

In December 1933, the MG Governor Olegário Maciel died and Vargas appointed Benedito Valadares as his replacement. Valadares in turn appointed JK to be his Chief of Staff until he was elected federal deputy in late 1934. He served in the Chamber of Deputies in Rio from 1935 until 1937 – when Vargas’ Estado Novo closed Congress and all state and municipal legislatures.

JK was appointed Mayor of BH (1940-1945) and developed the Pampulha Lake area with the help of architect Oscar Niemeyer – who designed the beautiful São Francisco Church and later many of the government and some private buildings in Brasília. JK was elected federal deputy in 1945 and was active in the 1946 Constituent Assembly.

In 1950, JK was elected PSD governor of Minas Gerais and served until mid-1955 when he stepped down to run for President in a PSD-PTB coalition – João Goulart (PTB-RS) was his running mate. He was elected by a 35.7% simple majority and his UDN adversaries contested his election at the STF for failing to achieve an “absolute majority”. The STF ruled that the 1946 Constitution said “a majority” with no adjective. However, the UDN and others “conspired” to impede his inauguration (scheduled for 31st January 1956).

Getúlio Vargas committed suicide 62 years ago on 24th August 1954 and his Vice-President, João Fernandes Campos Café Filho (PSP-RN) assumed the presidency but in early November 1955 he took a leave of absence for “health reasons” and was admitted to hospital in Rio. His interim successor was the then President of the Chamber of Deputies, Dep. Carlos Luz (PSD-MG). In spite of being a PSD deputy from MG, Luz was an adversary of JK and immediately conspired to thwart his inauguration by firing the War Minister – Gen. Henrique Teixeira Lott. When Lott left the President’s office he returned to the War Ministry and ordered his tanks into the streets of Rio and “quickly” the Brazilian Congress impeached Carlos Luz. At that point, Café Filho stated from his hospital that he had recovered and would immediately resume the Presidency. With that, Gen. Lott’s tanks surrounded the hospital and immediately Congress impeached Café Filho on 8th November 1955. The next in the line of presidential succession, Senate President Nereu Ramos (PSD-SC) took over and ruled under a state of siege until 31st January 1956.

After all this “ruckus” and taking office under a state of siege, most analysts thought that JK had slim chances of completing his five-year mandate until 31st January 1961 – but they were VERY wrong. Kubitschek “kicked Brazil into the 20th century” – built Brasília, enhanced Brazil’s industrial sector by promoting import substitution and created the national auto industry. His Operation Panamericana proposal served as a basis for the creation on the IDB in 1959 and the “Alliance for Progress” by JFK in 1961.

Before he left office, JK appointed a Senator from Goiás and his suplente to life-long federal jobs. This created a vacant Senate seat that was filled by a special complimentary election in June 1961, and JK was elected to the Senate. Previously (in 1960) he had transferred his voting residence to Luziânia, GO – where he had a farm.
In March 1964, he tried to persuade then President João Goulart to “mend his ways” to avoid being ousted by the military, but to no avail, and the military ousted him on 31st March 1964. The new military government headed by General President Humberto Castelo Branco began a “witch hunt” of “Communists” and “fellow travelers” accused of corruption and “Leftist” orientations. Finally, on 8th June, the last day of this cassação period, JK was cassado and lost his political rights for ten years. The main “problem” was that in early 1964 the PSD had already designated Kubitschek as its candidate for the presidential elections scheduled for October 1965, and JK was “discreetly” campaigning in May-June 1964. The military government feared that he probably would return to the Presidency, given his popularity.

After suffering some military inquests (IPMs) – regarding alleged corruption while he was president -- JK went into exile and took up residence in Paris with occasional visits to New York. In the last direct elections for 11 governors in October 1965, the candidates supported by JK (in MG and GB) were elected and he flew in from Paris to “savor this victory”. This “precipitation” caused an Army revolt that nearly toppled Pres. Castelo Branco – who guaranteed that those elected governor would indeed take office. He gave up some rings to save his fingers (and his mandate) by abolishing all political parties (AI-2).

In the early 1970s, JK returned to his farm in Luziânia, GO near Brasília but was prohibited from formally visiting the city by the military government. However, several times, dressed as a truck driver’s helper, he toured the city in the evening hours.

While my wife and I were at the University of Florida, in early 1968, JK gave a key note (convocation) speech and we sat adjacent to him at a dinner party. In January 1971, I interviewed him in Rio for my doctoral dissertation analyzing “Political Recruitment in Minas Gerais”. It was very easy to “sense” JK’s charisma during these encounters. He was a great man and a formidable statesman!!


In 2006, TV Globo produced a mini-series ➔ Os Anos JK that reviewed the 74 years of the life of Juscelino Kubitschek.

See ➔ http://memoriaglobo.globo.com/programas/entretenimento/miniseries/jk.htm

1.6 – J. Michael Turner (1945-2016)

Jerry Michael Turner died in New York City on 24th August after a long illness. He studied Latin American and African History at Yale, Boston University and Harvard and received his Ph.D. in 1975. He was a visiting professor at Boston University, Clark University, the College of the Holy Cross, the University of Brasilia and Hunter College. He received tenure at Hunter (CUNY) and retired in 2011. He did consulting with UNDP, the World Bank, USAID and the Ford Foundation.

1.7 – Pres. Jânio Quadros resigned 55 years ago

Many Brazilians proclaim that “Agosto é um mes de mal gosto” as we saw above, Getúlio committed suicide in August, JK was killed in a car crash in August – and Pres. Jânio Quadros (UDN-SP) resigned on 24th August 1961 – that surprised the whole nation. Also, then PSB presidential candidate Eduardo Campos died in a plane crash in Santos, SP in August 2014. Princess Diana died in an auto accident in Pairs in August 1997. Quadros had been elected by a near absolute majority in October 1960 – but then Presidents and Vice-Presidents were elected separately, and Jânio’s running mate – Sen. Milton Campos (UDN-MG) -- was defeated by a small margin by João Goulart (PTB-RS).

JQ was inaugurated on 31st January 1961 some ten days after JFK became President of the US and there were many comparisons of these two “young” presidents. Quadros had a meteoric rise in Brazilian politics elected to the SP city council in 1947, to the state legislature in 1950, SP state governor in 1954, federal deputy in 1958 and President in 1960. Many thought that his resignation “note” delivered to the Senate and immediately read by his arch-rival, Senator Auro Moura Andrade, who declared the Presidency vacant, was a “ploy” [ala Charles DeGaulle] to be called back by supporters with exceptional powers (in that he did not have majorities in Congress).

After a short self-imposed exile in Europe, he returned to Brazil in 1962 to run for governor of SP but was defeated by his arch-rival and former SP governor Adhemar de Barros (PSP). Quadros was then cassado by the military regime in April 1964 and confined to a hotel in Corumbá, MT.

Quadros returned to SP politics in great style and ran for Mayor of SP in November 1985. He defeated then SP Senator Fernando Henrique Cardoso. His daughter Tutu Quadros was elected to the National Constituent Assembly in 1986.

2 – FOREIGN RELATIONS & TRADE

2.1 - Mercosul

On Tuesday, 23rd August, representatives of Paraguay, Brazil, Uruguay and Argentina met in Montevideo to discuss the “status” of Venezuela as a Mercosul member. Three members voted in favor of a “collective presidency” of Mercosul (Brazil, Argentina and Paraguay) and Uruguay requested “a few days” to decide whether or not to accept this “solution” that would prohibit Venezuela from assuming the rotational presidency of Mercosul in the second semester of 2016. By alphabetical order, the rotational presidency would fall to Argentina for the first semester of 2017.

2.2 – Temer foreign trips

The first foreign trip by interim president Michel Temer after he becomes “permanent” President on 31st August will be to participate in the G-20 meeting in Peking, China on 4-5 September. However, he will have to leave early in order to participate in Brazil’s Independence Day festivities on 7th September – including the opening ceremony of the Rio2016 Paralympics Games that same evening.
Later in September, Temer will deliver the opening speech at the UN General Assembly in New York. In October, he plans to attend the Brics meeting in India and the Ibero-American summit in Colombia. Visits to Paraguay and Argentina are also planned.

2.3 – Toyota ➔ Research center in SP

On 22nd August, Toyota inaugurated its fourth international research center (outside of Japan) in São Bernardo do Campo – with an investment of R$ 46 million. The other three research centers are in the US, Europe and Thailand. The first project developed by this Center was the new model for the *Etios* model called *Platinum*. Toyota began operations in Brazil in 1962 with the production of a rugged Jeep-type vehicle called the *Bandeirante*.

3 - REFORMS

Nothing this week.

4 – PRIVATIZATION & REGULATION

4.1 - Sanitation

Apparently, state-owned sanitation (water and sewerage) firms are on the agenda for privatization by the interim Temer government. The first should be CEDAE in the state of Rio as a PPI-Public/Private Investment. The next “targets” should be the systems in Bahia and Espírito Santo. A study concluded that it should take 30 years and investments of R$ 26 billion to achieve universal water and sewerage treatment by CEDAE in the state of Rio.

4.2 – Isolux to sell transmission lines to Brookfield

On 23rd August, Spanish energy company Grupo Isolux Corsan SA said it was in talks with Toronto-based Brookfield Asset Management Inc. to sell 2,900 miles of electric energy transmission lines in Brazil. The Spanish firm is facing financial difficulties in Spain and is currently elaborating a restructuring plan with its creditors.

5 - ECONOMICS

5.1 – August Inflation

On 24th August, IBGE released its IPCA-15 that is a “preview” of the official inflation index for the month of August ➔ +0.45%, down from +0.54% posted in July. In August 2015, the IPCA-15 was +0.43%. So far in 2016, the IPCA-15 has accumulated +5.66%, less than the +7.36% posted for
the same period in 2015. However, the 12-month accumulation is now +8.95% -- almost the same for the previous period (+8.93%).

The IPCA for the full year 2015 was +10.67%. The highest annual rate was +12.53% in 2002.

5.2 – Consumer “confidence” increased in August

On 24th August, the FGV-Rio released data for its ICC-Consumer Confidence Index for the month of August → 79.3 points, up by 2.6 points from July. This was the highest level for the ICC since January 2015 (81.2 points). Also, the ISA-Index of Current Satisfaction was up by +3.8 points to 69.5 points. This ISA reflects consumer perceptions regarding the labor market and the financial situation of families.

On 23rd August, the Fecomercio-SP (SP Chamber of Commerce) released its ICC for the city of SP that for the first time in 15 months surpassed 100 points (101.6 points) -- 100 points is the “line” [breaking point] between “pessimism” and “optimism”.

5.3 – July Public Accounts

Current Account Deficit → -US$ 4.050 billion vs. -US$ 2.5 billion in June
  ■ The smallest July deficit since -US$ 2.554 billion in 2009.
  ■ In July 2015, the deficit was US$5.684
  ■ Brazil posted current account surpluses in April and May 2016
  ■ The deficit for Jan-July 2016 → -US$ 12.514 billion, -71% YoY
  ■ The deficit for Jan-July 2015 → -US$ 43.572 billion

FDI in July → +78 million versus +US$ 5.993 billion in July 2015
  ■ Jan-July 2016 accumulation → +US$ 33.894 billion
  ■ Jan-July 2015 accumulation → +US$ 36.924 billion

Tourist Spending in July → Brazilians spend US$ 1.362 billion, -18% YoY
  ■ The lowest July result since 2009
  ■ Jan-July, Brazilian tourists spent US$7.894 billion, -32% YoY.

Remittances in July → US$ 1.639 billion, nearly 3 times larger than in 2015
  ■ Increased remittances due to favorable FX rate
  ■ In the first 3 weeks of August, US$ 2.171 billion in remittances

Central Bank – First Semester
  ■ +R$ 78 billion from FX contracts, BUT
  ■ LOST -R$ 263 billion from FX contracts

5.4 – Caged → 94,700 jobs lost in July

July was the 16th consecutive month of “negative job creation” as 94,724 were lost according to Caged data released by the Ministry of Labor on 25th August. In July 2015, 150,000 jobs were lost.
Although some analysts pointed to a “tapering off” of this economic indicator, 89,059 jobs were lost in June – no decline. Between January and July 2016, 623,500 jobs were lost versus 485,000 in the same period in 2015. The 12-month accumulation now stands at 1.7 million jobs lost.