

## BRAZIL - GENERAL INFORMATION

Brazil covers almost half of Latin America, having a total area of 8,511,965 km<sup>2</sup>. It is a federative State which has twenty-two states and three federal territories, as well as the federal district of Brasilia, the capital.

### Domestic situation

Brazil has been governed by military presidents since 1964. The current president, General Joao Figueiredo took office on March 15, 1979 and he has pursued a policy of gradual political liberalization. Censorship of the media has virtually ended; the President's exceptional power to legislate and to change the constitution by decree has been abrogated; the labour movement has become more active and better organized; changes in the electoral legislation led to the regrouping of political parties in a more representative fashion; municipal, state and congressional elections are now scheduled for November 15, 1982.

Economically, Brazil has in recent years had one of the highest growth rates in the world. It now has the world's tenth largest economy. The development of this economy which was based on an intensive utilization of energy, in particular imported petroleum, was hard hit by the increase in the cost of petroleum products. This dependence plus heavy budget deficits and a massive expansion of the money supply in the late 1970s led to an explosive annual inflation rate of 120% by March 1980. This prompted the government to adopt very strict monetary and fiscal policies in order to deal with such a delicate economic situation. Inflation has now been reduced somewhat to 95 percent on an annual basis. In addition recent balance of trade deficits have been turned around - in 1981 the trade surplus was US \$1.2 billion, the largest in Brazilian history.

### Foreign policy

In matters of foreign policy, Brazil has sought to follow a more independent line of conduct during the seventies. Although it is pro-West, Brazil avoids getting involved in rivalries between the two superpowers. In recent years, Brazil has shown greater interest in and sensitivity toward Africa and it has endeavoured to improve its relations with its Latin American neighbours.

Adopting a pacific attitude and giving priority to economic development, Brazil exerts a moderating influence in international relations.