

# BBC Learning English

## 6 Minute English

10 July 2014

### *Brazilian economy*



NB: This is not a word-for-word transcript

- Rob:** Hello I'm Rob. Welcome to 6 Minute English. My Brazilian colleague, Grace, is with me today. Hello, Grace.
- Grace:** Hi Rob!
- Rob:** Today we're talking about the Brazilian economy, and we'll have some language related to money and investments. Grace, you know what? I want to be rich!
- Grace:** Oh, so do I, Rob. So do I.
- Rob:** But, should I invest my money in Brazil?
- Grace:** That's a difficult question, Rob. Let me give you an easier question first, and then we can listen to an expert who knows all about it.
- Rob:** OK – well ask me the easy question then.
- Grace:** What's the name of the Brazilian currency? Is it...  
a) the Brazilian peso  
b) the real  
c) the guarani
- Rob:** Mmmm... b) the real.
- Grace:** I'll give you the answer at the end of the programme. And I can even show you some Brazilian **notes** and coins.
- Rob:** OK, that's exciting. You are going to show me Brazilian notes – pieces of paper money, and some coins. Good. I love coins. And I know some people actually collect them.
- Grace:** But now let's talk about the Brazilian economy. You're going to hear BBC business reporter Robert Plummer. Overall, does he think the Brazilian economy is strong?

**Robert Plummer, BBC business reporter:**

*The Brazilian economy is **at a crossroads**. It's now been two decades since the **anti-inflation** plan, which changed the currency in Brazil. But the government arguably has not really **built on** that legacy: there are structural reforms, the tax system needs changing; a lot needs to be done to put the Brazilian economy on a sustainable footing.*

- Grace:** He's says it's **at a crossroads** – in a place where it could do well, but a lot needs to change first – it could go either way.

- Rob:** Yes, 20 years ago there was an **anti-inflation** plan, a plan to stop inflation, which is the continuous increase in prices of goods and services. It makes life very hard!
- Grace:** It was a very good plan, you know. Before that, you would go to a shop to buy food and each month the same amount of goods cost more and more. The salary? Well, the salary remained the same. It was a real nightmare!
- Rob:** I can imagine. But he said, after that, the government hasn't **built on** the plan's success. To 'build on' success is to use success to do more things and get *more* success, to achieve more.
- Grace:** Rob, earlier you asked about investing in Brazil. Let's hear what the BBC expert has to say about it. Which thing might attract investors?

**Robert Plummer, BBC business reporter:**

*The Brazilian economy is as globalised as anywhere else. It's offering investment opportunities for foreign investors. It has some of the highest real **interest rates** in the world so there's a chance of a quick **profit**. But it's also a **risky** place. People pay a premium to get a better profit. If, on the other hand, other investment opportunities arise elsewhere, this is 'hot money'; it can flow out again as easily as it flowed in.*

- Rob:** So the chance of a quick **profit**! It's the money you earn after you pay costs. Well, sounds good to me!
- Grace:** Yes, he says that's because it has very high **interest rates** – which here means the percentage your money grows when it's invested.
- Rob:** But this extra money is not guaranteed. The analyst also talks about risk. He says the Brazilian market is a **risky** place.
- Grace:** Yes... risky... it means that there is a possibility of something bad happening, like, for example, Rob, losing all your money.
- Rob:** Oh dear! So I should think carefully, but... I think I'm in luck today. I think I got the right answer to the question you put to me at the beginning of the programme.
- Grace:** The name of the Brazilian currency?
- Rob:** Yes, that's it.
- Grace:** Well, the choices were: the Brazilian peso, the real or the guarani. And you said?
- Rob:** I said 'real'.
- Grace:** Well, you're in luck, Rob. I don't know if you're going to be rich but you know already the name of the currency. The Brazilian peso does not exist and the guarani is Paraguay's currency. The Brazilian currency had several names in the 20th Century: from 'contos de reis' to 'cruzeiros' and then 'cruzados'. After that anti-inflation plan in the mid-90s, the name changed to 'real' – one 'real', ten 'reais' – this is for the plural. Here are some of the notes, Rob. Have a look.
- Rob:** OK. They are all different colours. We have two 'reais'... with a picture of a turtle. Ten 'reais' with it, a very nice picture of a parrot on the back...

- Grace:** Yes. And when I look at this parrot, Rob, to be honest, I imagine it saying to me: "don't spend it, don't spend it", so I can save and, maybe, make a nice pot of money.
- Rob:** And how much would I need to buy a 'cafezinho' – a small cup of Brazilian-style coffee?
- Grace:** Well, one cafezinho in Sao Paulo, for example, can cost from 2.50 to 3.50 reais - three reais and fifty 'centavos'. Or even more, if you go somewhere a bit fancy. And if you go to a supermarket, you might be able to buy a bottle of one litre of coconut water for around 12 reais.
- Rob:** Good, good. I'll hang on to these notes, thank you.
- Grace:** Well, our time is up but before we go, could you remind us of some of the words we heard today, Rob?
- Rob:** Of course. We heard:  
**notes**  
**at a crossroads**  
**anti-inflation**  
**to build on**  
**interest rates**  
**profit**  
**risky**
- Grace:** Now it's time to say goodbye and go for a cafezinho, Rob.
- Rob:** Of course it is, but please join us again soon for 6 Minute English from BBC Learning English. Até logo (see you later).
- Grace:** Bye.

## Vocabulary and definitions

<b>notes</b>	pieces of paper money
<b>at a crossroads</b>	(here) at a point in time when it could do well, but a lot needs to change first
<b>anti-inflation</b>	against inflation; inflation is the continuous increase in prices of goods and services
<b>to build on</b>	to use success to do things and become even more successful
<b>interest rates</b>	percentage a bank or company pays you when you give them your money, or the amount it charges you when you borrow from them
<b>profit</b>	money you earn after you pay costs
<b>risky</b>	dangerous; having the possibility of something bad happening

## Read and listen to the story online

[http://www.bbc.co.uk/worldservice/learningenglish/general/sixminute/2014/07/140710\\_6min\\_brazilian\\_economy.shtml](http://www.bbc.co.uk/worldservice/learningenglish/general/sixminute/2014/07/140710_6min_brazilian_economy.shtml)

## More on Brazil:

<http://www.bbc.co.uk/news/world-latin-america-18909529>