

Brazil's 2012 growth forecast further lowered to 2.99 pct

BRASILIA, May 28 (Xinhua) -- Brazilian financial analysts lowered the country's economic growth projection for 2012 for the third time to 2.99 percent out of gloomy performance in the first quarter, according to a poll published on Monday by the central bank.

The Focus poll showed the projection was lower than the previous week's 3.09 percent and last month's 3.22 percent.

The forecast was also far below the goal of 4.5 percent set by the Brazilian Finance Ministry and the lowered official prediction of 3.5 percent announced this weekend by Finance Minister Guido Mantega.

For 2013, analysts estimated the growth of gross domestic product (GDP) would be at 4.5 percent, said the poll, a weekly survey done by the central bank among Brazilian economists to watch key economic indicators.

Both economists and the government downgraded growth forecast because of gloomy global prospect affected by the euro zone debt crisis and poor domestic performance in the first three months this year.

The Brazilian economy only grew 0.15 percent in the first quarter compared with the same period last year, while industrial growth rate fell 3.0 percent, the biggest drag of the economy, according to official figures.

Economists predicted that industrial growth in 2012 would remain at 1.58 percent, while for 2013 it was expected to increase from 4.2 percent to 4.25 percent, the poll said.

Forecast for inflation dropped for the second time from the previous week's 5.21 percent to 5.17 percent for 2012, while for 2013 it would climb to 5.60 percent.

The Brazilian government aims to lower the inflation rate to 4.5 percent.

Economists predicted the Brazilian central bank will at its weekly meeting reduce the basic interest rate from 9 percent to 8.5 percent, a record low benchmark interest rate in the country.