



NATIONAL TREASURY ANNOUNCES THE DECISION TO CHANGE BRAZIL'S SOVEREIGN RATING BY THE CREDIT RATING AGENCY S&P

The credit rating agency Standard & Poor's (S&P) has upgraded Brazil's credit rating from BB- to BB, with a stable outlook. This decision is in line with the signal given by the agency in June 2023, when it revised the outlook for Brazil's credit rating from stable to positive. Today, with this announcement, S&P confirms the improvement in the trajectory of the credit rating in the face of the continued efforts undertaken by the government to promote the necessary reforms for the country and fiscal consolidation.

Among the main points that motivated the agency's decision are the recent approval of the tax reform and the measures necessary to increase government revenue for fiscal consolidation. According to S&P, this agenda demonstrates the country's pragmatism in approving measures that seek fiscal balance and the stability necessary for economic growth.

"The rating upgrade by S&P shows that we are on the right track, with the right measures that are putting the country on the path to sustainable economic and social development." Secretary of the National Treasury, Rogério Ceron.

The agency's communication also highlights the country's favorable position in the external sector, such as the composition of debt mostly in local currency and the ability to finance the current account deficit through direct investments in the country. The credibility of monetary policy and the depth of the domestic capital and debt markets are also pointed out by S&P as positive characteristics of the country in the assessment.

Finally, S&P points out that fiscal challenges persist and are reflected in the agency's assessment, which demonstrates the need to reduce the fiscal deficit and public debt in order to continue improving the country's credit rating in the coming years.

The Ministry of Finance reiterates its commitment to the ongoing reform agenda, which will contribute not only to the government's improved fiscal balance sheet, but also lead to lower interest rates and improved credit conditions, while ensuring price stability. In this way, the conditions will be created for the expansion of public and private investments and the generation of jobs, increased income and greater economic efficiency, essential elements for the economic and social development of the country.

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