

Brazil's Bolsonaro complains about gas prices as inflation soars

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High cooking gas prices, in particular, have dealt a heavy blow to Brazilian President Jair Bolsonaro's popularity due to their outsize impact on the finances of poorer families [File: Bloomberg]

Brasilia, September 30 (RHC)-- Brazilian President Jair Bolsonaro is putting pressure on governors and lawmakers to reduce taxes on diesel and cooking gas in a bid to rein in rising energy prices that are hurting his popularity.

“There is no reason for cooking gas to cost 50 reais (\$9.21) at the refinery and then be sold to consumers for 130 reais,” he said on Wednesday in an event in the northern state of Roraima.

Inflation, running at an annual rate of more than 10%, has become one of Bolsonaro’s biggest headaches. Seven out of 10 Brazilians blame his government for their loss of purchasing power, according to a Datafolha poll carried out between September 13 through the 15th.

Another survey by Modalmais and Futura Inteligencia on Wednesday showed the president losing next year’s elections to leftist Luiz Inacio Lula da Silva by a growing margin.

While inflation is increasingly widespread across all sectors of the economy, fuel costs have soared more than 40% from a year earlier — the single item with the largest jump over the past 12 months.

Cooking gas, in particular, has dealt a heavy blow to Bolsonaro’s popularity due to their outsize impact on the finances of poorer families. It has become nearly 38% more expensive so far this year at refineries, after six price increases by state-owned oil company Petroleo Brasileiro SA, or Petrobras.

Bolsonaro has promised to not interfere in the company’s pricing policy. Instead, he’s putting pressure on lawmakers to approve a proposal that sets a fixed value for the so-called ICMS tax imposed by states on fuels. “Gas prices would drop by half, for sure,” the president said in Roraima, also defending a mechanism of direct sales of cooking gas to the population.

Yet a meeting between lower house Speaker Arthur Lira and party leaders to discuss measures to curb fuel price increases ended without agreement. “Discussions are in early stages,” Lira told journalists after the meeting, adding that one of the alternatives debated was the creation of a fund for the stabilization of prices. “Nobody is happy about the breakdown of fuel prices.”

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