

Brazil's Central Bank breaks with Bolsonaro on 'unified currency' with Argentina



Brasilia, June 10 (RHC)-- In a statement issued by the Central Bank of Brazil, a proposal made by Brazilian President Jair Bolsonaro that promotes a "monetary union" with Argentina was rejected.

Brazil's principal institution for financial control in the country indicated that it has no ongoing projects or studies related to a monetary union with Argentina. They also clarified that it's important to engage in conversation of macroeconomic stability in the country to reduce institutional risks and vulnerabilities.

The statement by the Central Bank came in response to a meeting held last week between President Bolsonaro and his Argentinean counterpart Mauricio Macri, in which he proposed the creation of a common currency named the "Real Peso," combining the terms for Brazil's currency named the Real and Argentina's currency called the Peso. The idea would expand a unified currency to countries that make up the Common Market of the South (MERCOSUR) and act as a "brake on socialist ideas in South America."

According to Mercopress, Bolsonaro insisted that the idea would move forward despite the Central Bank's statement. The idea has been widely panned among economists who have called the move "premature,"

and others calling it "dead weight," playing on another meaning of the Spanish word 'peso.'

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