

# *Brazilian President Defends Spending Cuts*

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Brasilia, February 3 (RHC-Xinhua) -- Brazil's President Dilma Rousseff Monday defended her government's planned spending cuts, saying the measures will be implemented gradually to avoid sparking a recession.

"The spending cuts are... necessary to reach our medium-term goal, which in our case is maintaining economic growth with social justice. We won't cause recession or setbacks," said Rousseff in the opening session of Congress, adding the belt-tightening measures will only be needed for a given period of time. "We need a fiscal re-balance to resume growth, creating conditions to lower interests and maintain employment," the president stated.

Rousseff, who took office for the second time on January 1st, stressed the control of inflation will be the focus of her economic policy during her second term. Newly announced limits on unemployment insurance and pensions are part of the necessary adjustments, said Rousseff.

She called on legislators to preserve the current policy of maintaining the value of the minimum wage, which is considered to be the key of reducing inequality, and to continue prioritizing social policies in her second term. Her government, she affirmed, will meet its primary surplus target of 1.2 percent of gross domestic product (GDP).



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