

Siemens to invest 1 bn euros in Brazil to 'unleash growth'

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German engineering giant Siemens is to triple its investments in Brazil as the country's economy returns to growth

German industrial group Siemens announced plans Wednesday to invest a billion euros in Brazil over the next five years, as Latin America's biggest economy cements its recovery from a brutal recession.

In a statement, Siemens said it had signed an accord with APEX, Brazil's Trade and Investment Promotion Agency, committing to a string of projects to "unleash a new cycle of sustainable growth" in the country of 207 million people.

As part of the deal, Siemens plans to triple its investments in Brazil "to up to one billion euros" (\$1.2 billion) over the next five years, mainly focusing on electrification, automation and digitalisation projects in energy, healthcare and transport, as well as training and education initiatives.

Siemens CEO Joe Kaeser, who attended Tuesday's signing ceremony in Sao Paulo alongside Brazilian President Michel Temer, said the group wanted to help the country respond to the technological changes shaking up industries worldwide.

"The people of Brazil can benefit greatly from these opportunities," he said in the statement.

"That's why it's important to act quickly to build the necessary infrastructure in energy and mobility and create a well-trained workforce."

President Temer welcomed Siemens' plans as the latest sign "of the return of confidence to Brazil's economy".

"We've been working for this over the last 22 months, creating a more favourable investment environment," he tweeted.

Siemens—whose products range from wind turbines to trains to medical equipment—has a long history in Brazil where it owns 14 factories and seven centres for research and development, employing nearly 6,000 people.

Brazil announced earlier this month that its economy grew by a percentage point in 2017 following two years of contraction.

The expansion was driven by strong growth in the agroindustrial sector,

while industrial output remained stable.

Although modest, last year's growth figure represented a significant turnaround for the South American giant, which contracted 3.5 percent in both 2015 and 2016.

For 2018, the government is projecting growth of three percent.

To fuel Brazil's recovery, Temer has spearheaded austerity cuts, looser labour laws and a big privatisation programme—proposals that are deeply unpopular among many Brazilians but are backed by investors.

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