



## Wal-Mart Will Invest 1.2 Billion Reais in Brazil (Update1)

By Carolina Matos and Romina Nicaretta

Jan. 14 (Bloomberg) -- Wal-Mart Stores Inc., the third- biggest retailer in Brazil, will invest 1.2 billion reais (\$693 million) in the country this year, a 20 percent increase from a year earlier, to add stores as rivals expand.

Wal-Mart will open 36 new stores in Brazil this year from 20 in 2007, Hector Nunez, who was appointed today chief of the company's Brazilian operations, told reporters in the city of Alphaville, near Sao Paulo. Wal-Mart, the world's largest retailer, said it invested 1 billion reais in 2007.

This year's investment by Wal-Mart in Brazil exceeds that of rivals, Carrefour SA, the country's largest retailer, and Cia. Brasileira de Distribuicao Grupo Pao de Acucar. The companies want to boost sales in Brazil as record-low interest rates fuel consumer spending in Latin America's biggest economy.

``The fundamentals of the Brazilian economy are very clear," Nunez said in an interview with Bloomberg Television after speaking with reporters. ``We are very optimistic," he said, noting that the country's economy may grow as much as 5 percent this year.

Brazil's economy expanded 5.7 percent in the third quarter, the fastest pace in more than three years, the government said on Dec. 12.

Wal-Mart, based in Bentonville, Arkansas, will add another 5,000 jobs in Brazil with the investment, Nunez said. It has 319 stores in the country, where it employs 63,000 people.

Grupo Pao de Acucar said today it will spend 1 billion reais in 2008 to open 105 stores, bringing its Brazilian total to 669.

Carrefour SA said Dec. 6 it will invest an average of 1 billion reais annually during the next three years to add more locations in Brazil. Europe's biggest retailer runs 150 hypermarkets, 40 wholesale and 300 discount stores in the South American country.

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