

CORRECTED (OFFICIAL)-UPDATE 1-Whirlpool readies new Argentina plant, plans two more lines

<http://in.reuters.com/article/whirlpool-brazil-idINL1N1901E4>

Whirlpool Corp will soon open its first Argentine factory in 14 years, with plans for two more production lines within five years, the company's chief Latin America executive said on Wednesday, saying conditions there were better than in his native Brazil.

The plans laid out by Whirlpool's regional head Joao Carlos Brega underscored Argentina's rising allure for foreign investment as messy politics in neighboring Brazil hurt the odds of structural reforms aimed at restarting growth in the scandal-plagued country.

"The process in Argentina is already ahead of Brazil. It's hopeful but they still need to deliver. They're doing their homework with support from Congress, the population and a serious government," Brega said at an event in Sao Paulo.

By contrast, he said the Brazilian economy is unlikely to rebound strongly after hitting bottom this year.

"There will be a sense of relief - not improvement but relief. That will last until the end of 2018, because the political calendar is dominating the economic calendar. Then the country will resume growth ... after the presidential election."

Investor enthusiasm for Brazil's interim President Michel Temer has been tempered in recent weeks by corruption scandals that forced out two ministers, hurting his business-friendly agenda.

The setbacks have weakened support for Temer, strained his coalition and raised the possibility that suspended leftist President Dilma Rousseff could survive a Senate trial and return to office.

Brega said the 2018 presidential campaign will be a chance to build social consensus for tax and labor reforms to spur a robust recovery. A poll on Wednesday showed most Brazilians oppose a pension system reform, underscoring the challenges to sweeping policy changes.

Whirlpool forecast an industry-wide 10 percent drop in Brazilian appliance sales this year, but Brega said the company has captured a larger share of revenue in the shrinking market.

Since the end of 2013, Whirlpool has avoided rehiring as jobs turn over, reducing its head count in Brazil by 25 percent or more in two years, he said, adding that there are no plans to expand production in the country.

Brega recounted the painful experience of overseeing the 2002 closure of Whirlpool's last plant in Argentina during a severe crisis. Since then the company has made appliances in the country through local partnerships.

By September, Whirlpool plans to open a plant in Argentina making cooking appliances, he said, adding that there were plans for refrigerator and washing machine production lines over the next five years.