

Chevron's CSR in education pays off

The oil company lifts Nadampur High School from obscurity



Left, Students use a computer at Nadampur High School in Bibiyana. The school provides better services for students, thanks to Chevron's CSR activities.



CHEVRON

SHARIEF KHAN, back from Bibiyana

NADAMPUR High School in Nobiganj wore the same obscure look as any school in rural Bangladesh in 2005.

Located in a poorly connected remote area of Habiganj district, the school had a high dropout rate and ignorable student performance at the secondary school certificate exam.

The school with around 125 students was another example of the passion of villagers who felt the need for a school in their neighbourhood and built it from scratch, with donations. But it suffered from a fund crisis and lack of proper infrastructure.

In 2005, the school's board decided to turn to international oil company Chevron which had begun producing gas from the nearby Bibiyana gas field. They asked Chevron for a building and tables and chairs.

"At first they asked for a school building," said Naser Ahmed, Chevron's external affairs director. "But we talked about the education quality. We found that the dropout rate was high. The teachers do not

get their salaries regularly. The number of teachers was inadequate."

"We needed Tk 50,000 per month just for teachers' salary back then," said Khaled Ahmed Pathan, one of the founding members and the president of the school.

"We depended on donations from people, especially those living in London. We could get very little money from the students' fee."

Back then, the oil company had just started some corporate social responsibility (CSR) work focusing on the people who sold out their lands for the country's one of the biggest gas fields. These people were initially very happy with the hefty pay—but as soon as they were done buying motorcycles or television and spent out most of the money, they started cursing Chevron.

From its experience, Chevron decided to help them find their livelihood to ensure a happy co-existence of villagers and an oil company.

Chevron did not just want to offer the people some money or any help that created dependency, because the company would not stay in Bibiyana forever. Instead, it wanted to help people or insti-

tutions achieve self-sustainability.

In case of schools, it wanted to help improve their education quality and build some urgent infrastructure at the same time.

"So we offered this school—as well as three other schools around Bibiyana field—sponsorship of three teachers for each school and stipend for meritorious poor students," Ahmed said.

It helped the schools cut dropout rates drastically and perform very well in SSC exams. "And the school environment became so good that the teachers started to enjoy their work and the students started to perform well," Pathan said.

The 23-year-old school suddenly started doing so well that for the last five years, it has been maintaining 100 percent pass rates. In 2011, this obscure school stood seventh in the Sylhet board. Because of the reputation of the school, it is now attracting students from distant places.

"This year, 96 of our students appeared in the exam; nine of them got A plus, 39 got A and 18 got A minus. The remaining students got B," said Pathan.

The school now has 845 students, with the majority of them female students

(473), which is an encouraging trend. The school management committee believes the number of girls has increased because of the improved road communication as well as social changes.

But with all these assistance, how did Chevron's help essentially secure the school's future, which was the company's CSR goal?

For each school, Chevron created an endowment fund for the future financial security, Ahmed said. Each school would annually provide Tk 40,000 while Chevron Tk 60,000. This way, the Nadampur High School now has around Tk 5 lakh.

"Before we built the school in 1992, people of five to seven villages around here had long discussions. People donated land or cash for this school because they felt they needed to enlighten their children," said Pathan. With Chevron's timely help, the school now has a financial model that would one day make it independent.

As the country's biggest single gas producer, Chevron has invested \$1.2 billion in the country. It has been running various CSR programmes in its work area benefiting around 50,000 people.

Wal-Mart to launch e-commerce marketplace in India in July

REUTERS, New Delhi

WAL-MART Stores Inc will launch its business-to-business e-commerce platform in the Indian cities of Lucknow and Hyderabad in the first week of July, its India boss said on Friday.

The world's largest retailer has 20 wholesale outlets in India, including in Lucknow and Hyderabad, which will support its e-commerce services, its India Chief Executive Officer Krish Iyer said.

It would look at rolling out the service to the remaining 18 outlets as well, Iyer said, but not for another six months at least.

"We will not start rolling out to the other 18 stores for the next six months because we will learn from any teething problems and feedback from members," Iyer told Reuters.

In April, Wal-Mart said it planned to open 50 more wholesale outlets in India over four to five years and start online operations to sell to small shopkeepers, several months after it decided against opening its own retail stores.

The e-commerce service will be available only to its trader members, Iyer said.

India restricts global online retailers from selling their products directly to consumers.

But sources told Reuters this month India could allow global online retailers such as Amazon.com Inc AMZN.O to sell their own products directly to consumers as early as July, removing restrictions that have held back competition in one of the world's biggest retail markets.

Wal-Mart does not have any immediate plans to sell directly to consumers through its e-commerce service, Iyer said.

"We will continue to focus only on business-to-business... but that does not mean we will not look at it," he said. Iyer said Wal-Mart's wholesale stores currently cater to consumers within a 20-km radius and the e-commerce business will help the company serve customers from within a 40-km radius of its stores.

Wal-Mart has been operating under the wholesale format in India since 2007. The company's desire to enter India with supermarkets has been met with fierce opposition from small shopkeepers and political parties.

Siemens and Mitsubishi finalise Alstom offer

REUTERS, Munich/Paris

GERMANY'S Siemens and Japan's Mitsubishi Heavy Industries are putting the finishing touches on a joint offer for Alstom's turbine businesses that includes a cash element of roughly 9 billion euros (\$12.25 billion), sources close to the bidders said.

Under the complex offer, which would counter an existing \$17 billion offer from US conglomerate General Electric for Alstom's power arm, Siemens would acquire Alstom's gas turbines business while Mitsubishi would inject cash and industrial assets into a joint venture in steam turbines, the sources said.

As part of the deal, Mitsubishi and the French government would take equal stakes in Alstom, acquiring a portion of the 29 percent holding of French group Bouygues, union representatives said after meeting with Economy Minister Arnaud Montebourg.

"The minister described Mitsubishi's offer... Clearly, this is an alliance scheme that counters GE's proposal," said Gabriel Artero, CFE-CGC union representative of France's steelworkers federation.

"The state and Mitsubishi would take joint and equal stakes in Alstom," he said, adding that these holdings could reach 5 to 10 percent each. "Having the government take a majority stake is not something being considered."

Alstom would keep control of its energy

transmission and renewables activities, which would not be part of the Siemens-Mitsubishi bid.

In a second step that one source described as "completely independent" of the turbines deal, Siemens and Alstom would combine their rail activities.

It is still unclear what stakes the two firms would have in this business. If the French government took a stake, one senior source said Berlin would also consider buying shares in order to stay at "eye level" with Paris in a group combining the high-speed ICE and TGV train activities of Siemens and Alstom.

"What is being discussed is an industrial and commercial partnership in turbines," one source familiar with the matter told Reuters. "But it's not enough for a deal to make sense on paper. You need to see the stars align."

Two separate sources said Siemens and Mitsubishi would be offering about 9 billion euros in cash under the turbines offer. That compares to the 12.35 billion euros (\$16.9 billion) offered by US conglomerate General Electric for all of Alstom's energy assets, including turbines, renewables and grid operations.

"The offer can't be compared with that of GE as they're so different in nature," another source close to Mitsubishi said.

Siemens, Alstom, Mitsubishi and Bouygues all declined comment. A GE spokeswoman said: "We are very confident in our proposal."



A man tries on a jersey on a street in Campinas, as Brazil hosts the 2014 FIFA World Cup.

As FIFA cracks down, Brazil vendors miss Chinese fakes

AFF, Rio De Janeiro

SHOPKEEPER Gloria Calves is inundated with customers hunting for World Cup jerseys, but business is bad because Brazilian authorities are making it harder to give them what they really want: cheap Chinese fakes.

"This is the worst World Cup ever. All the others were very good. This one's terrible," says the tiny 68-year-old, whose head barely clears the countertop of her clothing store in Rio de Janeiro's teeming Saara market.

"The police don't let us earn. We risk going to prison or getting fined just for trying to do business."

Calves has reigned over the sea of green and yellow in her small store for 20 years.

Before the World Cup came to Brazil, she had a business model that was simple, lucrative and, she readily admits, illegal.

Instead of selling star striker Neymar's number 10 jersey for

\$160 -- the price of the genuine article at the Nike store -- she sold identical, Chinese-made knock-offs for \$35.

The authorities turned a blind eye, clients paid a price they could afford and Calves made a nice profit. Everyone was happy.

That has changed since FIFA arrived.

Now that Brazil is hosting the World Cup, it faces pressure from football's governing body to crack down on counterfeit products.

The country had to pass a sweeping "General Law of the Cup" imposing harsh prison sentences and fines for trademark violations.

Brazil's jerseys are not linked to FIFA -- they are made by Nike, a top rival of FIFA sponsor Adidas -- but with police stepping up patrols, Calves' fakes have been caught in the same sweeping net.

After being arrested twice and sentenced to a year of community service, she decided to clean up her business.

Now she sells Brazilian-made

jerseys that differ from the real thing just enough to be legal.

But she says they're low-quality, and her customers notice the difference.

"When the Chinese make a fake, it's the exact same thing," she says wistfully.

"You can turn it inside out, you can hold it up to the real one -- you can't see a single difference. It's perfection."

Mateus Vargas says the same thing. He lost his job at a hardware store eight months ago and landed in the counterfeit retail business. He needs the money to support his wife and 17-year-old daughter, he says.

"I know it's dangerous. You can go to prison. But what am I going to do? I have to work," he says.

Vargas, 45, says he thinks the World Cup has been bad for Brazil. "FIFA is the one running everything. They say only they can make money," he says.

He doesn't want to break the law but feels he has little choice, he says. If he doesn't sell illegal

counterfeits, his competitors will.

The market is bustling with them, despite what retailers say are increasingly frequent raids. "When the police come, everybody closes shop and runs," says Vargas. Not all the vendors are as open as he is.

Another man selling authentic-looking Brazil jerseys from a clothesrack set up in the middle of the street eyes his customers warily.

Asked how much for Neymar's number 10, he gruffly replies "Fifty reals" -- about \$20. The next question -- is it real? -- is one too many. "Hey, what are you, a journalist?" he asks. "I don't want any journalists here. Get out of here."

Elsewhere in Saara, small-scale retailers are trying to profit from the World Cup without breaking the law.

Some are doing a brisk business in flags, noise-makers, hats, wigs and virtually anything else that can be painted in the colors of the Brazilian flag. Others say they are struggling.



Galaxy Tab S is on display after the tablet's debut in New York on Thursday. Samsung began selling the new line of high-end tablet computers Friday that aim directly at the market-leading Apple iPad. The South Korean electronics giant called it "Samsung's most premium line of tablets ever." The devices offer similar specifications to the iPad Mini and iPad Air and will be sold starting at the same prices, \$399 and \$499.