Chevron launches $10m CSR scheme

Its Bangladesh chief Geoff Strong talks about various programmes for local communities

SHARIER KHAN

CHEVRON Bangladesh has recently launched a $10-million corporate social responsibility programme that aims to help local people in its work area in Sylhet create their own small business and learn skills to get jobs.

"We have learnt in our operations around the world—the success of our business depends on the success of local communities where we operate," said Geoff Strong, chief of Chevron Bangladesh in an interview with The Daily Star at his Dhaka office recently.

The largest foreign investor with an investment of $1.5 billion and also the largest corporate tax payer in Bangladesh, the US oil company has been involved with CSR activities in Bibiyana, Moulvibazar and Jalalabad where it has gas field operation from the middle of the last decade. The company has so four touched 30,000 people through economic development schemes, education and healthcare.

"Economic development has always been a core focus of our social investments, and we are very excited about a new programme we call the Bangladesh Partnership Initiative that we have just launched," Strong said.

"Chevron recently identified the opportunity to help the local communities around our operations to participate more in the success of our business. The programme will build on Chevron's past partnership initiatives and programmes. Bangladesh is one of four worldwide locations that were selected across Chevron's global operations for major economic development programmes," he said.

Over the next five years, Chevron will work with local and international non-government organisations to establish enterprise and workforce development programmes. It would also partner with the government and private enterprises.

Geoff Strong

A beneficiary of Chevron's CSR programmes in Bibiyana. CHEVRON

Strong said the new CSR initiative would expand Chevron's existing alternative livelihood and village development organisation programmes that provide micro loans to local businesses. "We have a strong foundation in place but are committed to increasing the impact, inclusivity and sense of ownership by the communities," he said.

"When we started developing our Moulvibazar and Bibiyana gas fields in 2004-2006, our study showed that more than one-third of all households were living below the poverty line."

These were predominantly agrarian communities in an area with virtually no industrial presence. So, with challenging socioeconomic conditions come huge expectations to support them to improve their lives, he said.

"They all want to share in the economic benefits of our operation. We think it is an opportunity to be part of their success," Strong said.

"Chevron has been making social investments by working with our strategic partners in three core areas of economic development, education and health."

In the area of health, 130,000 patient services are provided to local communities per year through three Chevron-sponsored Smiling Sun clinics. On education, Chevron has provided 1,500 scholarships per year and support to 60 schools in partnership with Save the Children.

"More than 5,500 families are currently engaged with our economic development programmes, and more than 2,000 new enterprises have been created since 2006," he said.

"Chevron is the largest producer of natural gas in Bangladesh, currently delivering around 50 percent of Bangladesh's total supply. We have increased production from 300 mmcfd in 2005 to more than 1.1 bcfd currently to meet Bangladesh's increasing demand for natural gas."

Chevron's efforts to partner with the community are not limited to social investment. The company has also been helping local communities share in the success of its operations through local content. "We currently provide employment opportunities to around 1,200 local workers on the Bibiyana expansion project and spend an average of more than Tk 30 million a month on goods and services with local businesses," he said.

The Chevron chief said the company focuses on economic development because that empowers the community to help itself. "From our experience, we have seen that when we improve economic conditions, families can provide better education opportunities for their children and take care of their own health services. We see economic development as a conduit to improvement in education and healthcare."

Responding to the question whether $10 million is enough for such a CSR programme, he said, "We have learned that success depends, less on the amount of money we inject, and more on the successful execution of the programmes. Our Bangladesh Partnership initiative will provide not only funding, but more importantly Chevron management of the programmes to ensure they are successful."

"Making social investments sustainable is a hard work. It's easy to write a cheque. It's much harder to carefully understand the needs of a community, and set up programmes that will continue to deliver benefits well after Chevron's funding is complete. That's exactly what we plan to achieve with the Bangladesh Partnership Initiative."

Chevron is currently implementing the Bibiyana expansion project to increase gas supplies from this large field from the yearend.

"This $500-million flagship project, one of the largest foreign investment projects in Bangladesh's history, is critical for the country's energy security. Once fully operational in 2015, the project will deliver an additional 300 million cubic feet of natural gas per day, and 4,000 barrels of condensate. Since 2011, we have drilled 11 new development wells at Bibiyana, with plans to complete three more this year."

The other key project is Chevron's Jalalabad drilling programme. Jalalabad is currently the third largest producing field in Bangladesh. "We are investing to further increase production from the field to meet Bangladesh's growing demand for low-cost, home-grown energy. We plan to drill three new development wells in Jalalabad by early next year," Strong said.

Regus ready with flexible office space

STAR BUSINESS REPORT

REGUS, the world's largest provider of flexible workplace, is ready to meet the demand for flexible, mobile and virtual workplaces in Bangladesh and help companies become more productive, a top official said yesterday.

"We have the ability to provide credible and flexible solutions to customers that will spare them from getting tied down to the expensive conventional leasing system," Harsh Lambah, Regus's country manager for Bangladesh, India and Nepal.

Regus, which has revolutionised workplace across the world, entered Bangladesh, its 103rd country, last year, due to its confidence in the excellent economic and commercial prospect.

"As the economy is growing and the government is investing in infrastructure, we will have opportunities to expand our presence in Bangladesh," he told reporters at a briefing at The Daily Star Centre in Dhaka.

Regus has opened two centres in the key commercial districts of the capital -- one in Crystal Palace on Gulshan South Avenue in October last year and another in the UTC Building at Karwan Bazar in March - to provide a simple and flexible solution.

Both the centres provide a range of fully-equipped workspace options and business services including a business lounge, part-time and virtual offices, meeting rooms and video conferencing.

STAR

Harsh Lambah, Regus's country manager for Bangladesh, speaks at a press briefing at The Daily Star Centre in Dhaka yesterday.

Businesses can access the ready-to-use offices with no upfront capital expenditure or long-term financial commitment. Facilities include office and meeting space, business lounges, high-speed WiFi and professional support staff.

Following the launch of the two centres, ambitious companies from many sectors have flocked to its new flexible workplaces in Dhaka, according to Lambah.

He said Regus's network is growing by 30 percent annually and it has very aggressive plans for all its markets.

He also talked about the latest trend in workplaces and said companies globally are changing very fast and becoming more flexible.

By 2015, the number of mobile workers, that is workers who do not have specific places to work at, will be 1.3 billion, which is 37 percent of the total workforce in the world, he said.

"That is a huge number and that is our market. That is the customer segment we are talking to."

A Regus survey of 20,000 senior executives and business owners a few years ago showed that 75 percent of the respondents are of the belief that flexible workplaces increase productivity.

Half of the Fortune 500 companies are customers of Regus, with some of them also taking services from the two centres in Dhaka.

But Lambah said Regus offers solutions for start-ups, one-person companies or proprietorships as well.

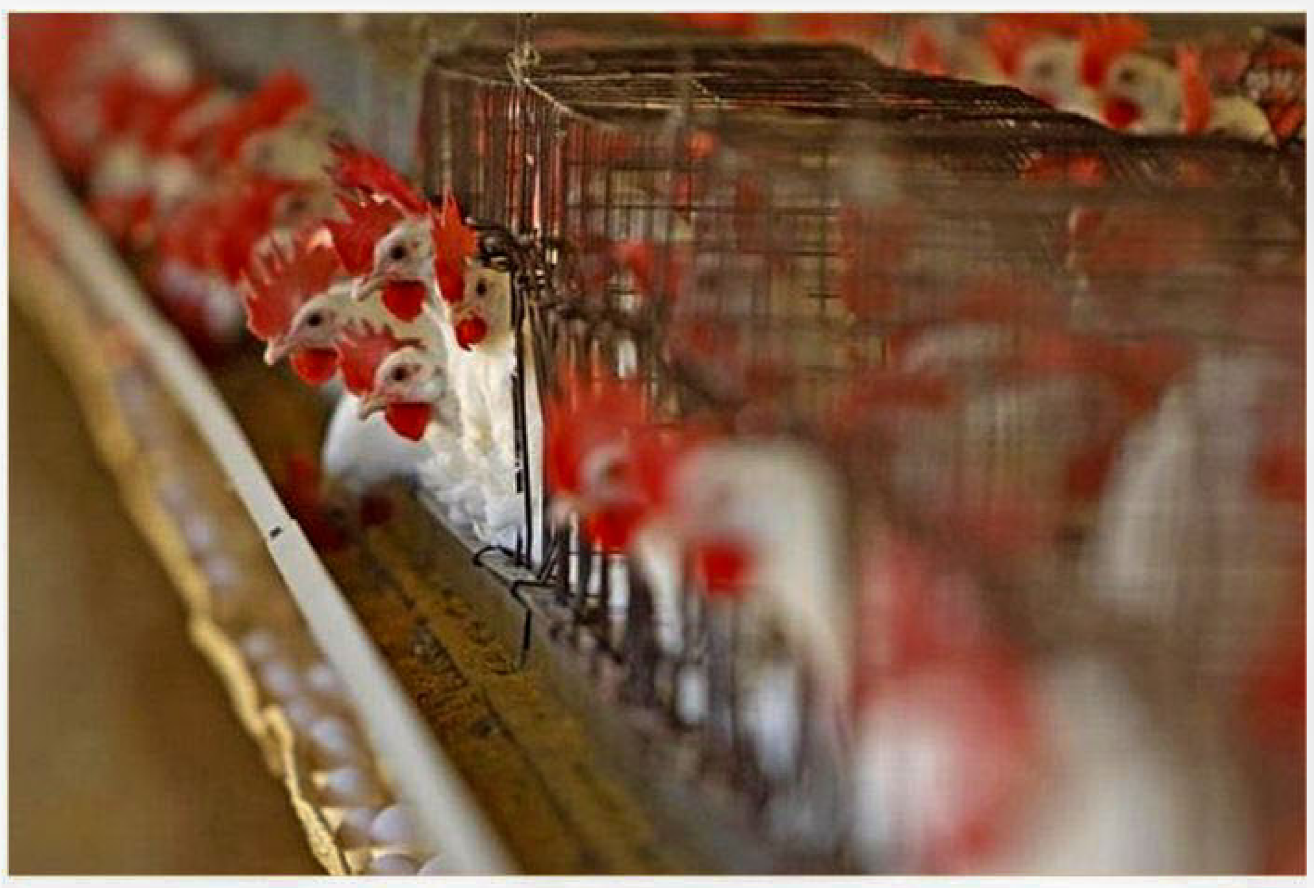
"We have a solution for any industry or any company," he said, adding that 40 percent of Regus's customers are start-ups and small firms. Big corporates account for 25 percent of its customer base and 35 percent medium-sized companies.

Regus products include traditional office space for a day, week and month and a year and provide flexibility in terms of space and time.

He said its presence in the city is facilitating inward investment, as international firms are able to launch quickly and cost effectively in top range premises.

Founded in Brussels in 1989, Regus is headquartered in Luxembourg and listed on the London Stock Exchange. More than 1.5 million customers benefit from its facilities everyday.

Neelam Bilfinger, operations director, emerging markets of Regus Hong Kong; Vinod Babu, area director of Regus India; Ashish Agarwal, marketing director of Regus India; and Rejaul Amin Sohail, area director of Regus Bangladesh, were present during the briefing.



REUTERS/FILE

Cage free hens are kept in cages at an egg farm in San Diego County.

US chicken exports to India more likely after WTO ruling

REUTERS, *Geneva/Washington*

INDIA broke World Trade Organisation rules by blocking imports of US poultry and other farm products because of unsubstantiated bird flu fears, a WTO dispute panel ruled on Tuesday, potentially opening up an estimated $300 million a year export market for the United States.

India had claimed its import restrictions, imposed in 2007, were justified by international rules on animal health, but the panel agreed with the United States and found that India's measures were not based on international standards and were discriminatory.

"This is a major victory for American farmers," said US Trade Representative Michael Froman, who termed the poultry decision "the fourth major WTO victory" for the United States this year. "Our farmers produce the finest, and safest, agricultural products in the world."

The United States brought the case in March 2012. The most recent outbreak of high pathogenic avian flu in the United States was in 2004. Since then India has had over 90 such outbreaks, according to the USTR.

"India's ban was thinly veiled protectionism," James Sumner, president of the USA Poultry and Egg Council, and Michael Brown, president of the National Chicken Council, said in a joint statement. "Free and fair trade, particularly with food, should never be used as a political bargaining chip."

In India, which under WTO rules has 60 days to appeal the ruling, the Trade Ministry declined to comment.

A senior official at the ministry said the government would study the ruling and a decision on appeal against the decision could be taken after getting the view of Animal Husbandry department. If an appeal is filed, the WTO's appellate body must issue a new report within 90 days.

The ruling could increase imports of poultry and eggs from the United States, although India could still try to restrict them using other measures such as anti-dumping duties if US exporters tried to sell their products at unfairly cheap prices.

Otherwise, India is bound to provide fair market access to other countries under the WTO rules, which could happen some time in 2015.

"US producers are ready and have been ready to provide high quality poultry and poultry products to the Indian market," said US Agriculture Secretary Tom Vilsack.

The ruling was hailed by lawmakers from states such as Georgia, Virginia and Delaware, which employ hundreds of thousands of workers in the poultry industry.

"Agriculture is still the number one industry in Delaware, and poultry is king," said US Representative John Carney of Delaware.

The United States vies with Brazil as the world's largest exporter of broiler (chicken) meat.

India's broiler consumption is rising rapidly as its residents increase their protein intake. USDA forecasts consumption in 2014 at 3.7 million tonnes, up 40 percent from as recently as 2010.

Citi profits up as it exits 11 consumer bank markets

AFP, *New York*

CITIGROUP Tuesday reported higher third-quarter quarterly earnings on a big jump in revenues as it unveiled plans to exit consumer banking in 11 markets, including Japan.

Earnings for the US banking giant were $3.4 billion, up 6.6 percent from the year-ago period.

Revenues soared 9.5 percent to $19.6 behind robust gains in global consumer banking as well as in investment banking and corporate lending.

Citi plans to sell its consumer businesses in 11 markets where the company sees little prospect for winning returns. Together, these 11 markets accounted for under five percent of the consumer banking's global revenues.

Chief financial officer John Gerspach said the 11 markets were marginally profitable, but the gain was small.

"We just didn't see a path toward what we would consider to be an acceptable rate of return," Gerspach told a media conference call.

The move affects consumer franchises in Costa Rica, the Czech Republic, Egypt, El Salvador, Guam, Guatemala, Hungary, Japan, Nicaragua, Panama and Peru, as well as the consumer finance business in Korea.

Following the action, Citi's consumer banking business will serve 24 markets with nearly 57 million clients, the company said.

"It's very important for Citi to be a global bank," Gerspach said.

Citi's earnings translated into $1.15 per share, three cents above estimates. Revenues of $19.6 billion were more than the $19.0 billion projected by analysts.

Etihad Airways sees 29pc revenue surge in Q3

AFP, *Abu Dhabi*

ABU Dhabi's Etihad Airways said Tuesday it posted a 29 percent surge in revenue to $1.8 billion in the third quarter, thanks to rising numbers of passengers and cargo volume.

The fast-growing carrier said 3.9 million passengers flew with Etihad between July and September, a 30 percent increase on the same period in 2013.

Etihad cargo also transported 144,498 tonnes of freight and mail, a nine percent rise on last year's third quarter last year.

The government-owned carrier did not say whether it registered any profits or losses. "We are confident about sustaining our profitability in 2014," Etihad chief James Hogan said in a statement.

He said the carrier's codeshare partnerships and minority investments in other airlines have continued to produce strong results despite "industry challenges such as volatile oil prices, economic and political instability, overcapacity in the market, and access constraints".