

# Bloomberg

## GE Agrees to Assist Bush's Millennium Challenge

By Rachel Layne

**April 2, 2008 (Bloomberg)** — General Electric Co., the world's biggest maker of power-plant turbines, agreed to work with the U.S. government's Millennium Challenge Corp. to help some of the world's poorest countries develop.

GE, based in Fairfield, Connecticut, will work with the agency to identify areas where they can collaborate, the agency and General Electric said in a statement today. GE may help in financing structures and offer technology and expertise in water treatment, health care, transportation, energy and environment under the memorandum of understanding.

Millennium Challenge, formed in 2004 by President George W. Bush, aids countries by aiming to boost economic growth and cut poverty. The agency has agreements with 16 countries under way totaling \$5.5 billion. GE last month forecast \$40 billion of its \$195 billion in sales this year may come from emerging markets.

"When you look at the products and services we have and the needs in these emerging markets, I think it's a terrific opportunity for us to align with the objective of reducing poverty with sustainable development," Keith Sherin, GE's chief financial officer and a vice chairman, said in a telephone interview from New York. "We're a natural next partner."

The agency signed a similar accord with Microsoft Corp. in October. Countries with agreements include Armenia, Cape Verde, Georgia, El Salvador, Morocco,

Mongolia, Mali, Lesotho and Honduras, the Millennium Challenge Web site shows. GE may be able to help nations take grant money and augment agreements through the U.S. Export-Import bank or other outlets, Sherin said.

### 'Maximize Investments'

By the end of the year, the agency will be working in 18 countries, half in Africa, using \$6.5 billion in funds, said John Danilovich, chief executive of the agency and former ambassador to Costa Rica and Brazil.

"All of us are seeking to maximize our investments," Danilovich said in the phone interview, citing government agencies and private companies seeking to invest in emerging markets. "There's no question that we can do that better together than we can separately."

Potential projects include training for small business owners in financial management; work using GE's corporate social responsibility programs; and showing countries how to leverage U.S. grants into larger sums for projects such as roads, electric grids and water treatment, said Jason Bauer, the agency's director of private initiatives.

GE is also the world's biggest provider of locomotives, jet engines and aircraft leasing. Its finance divisions include consumer and corporate lending and equipment rental. General Electric fell 41 cents to \$38.02 at 4 p.m. in New York Stock Exchange trading.