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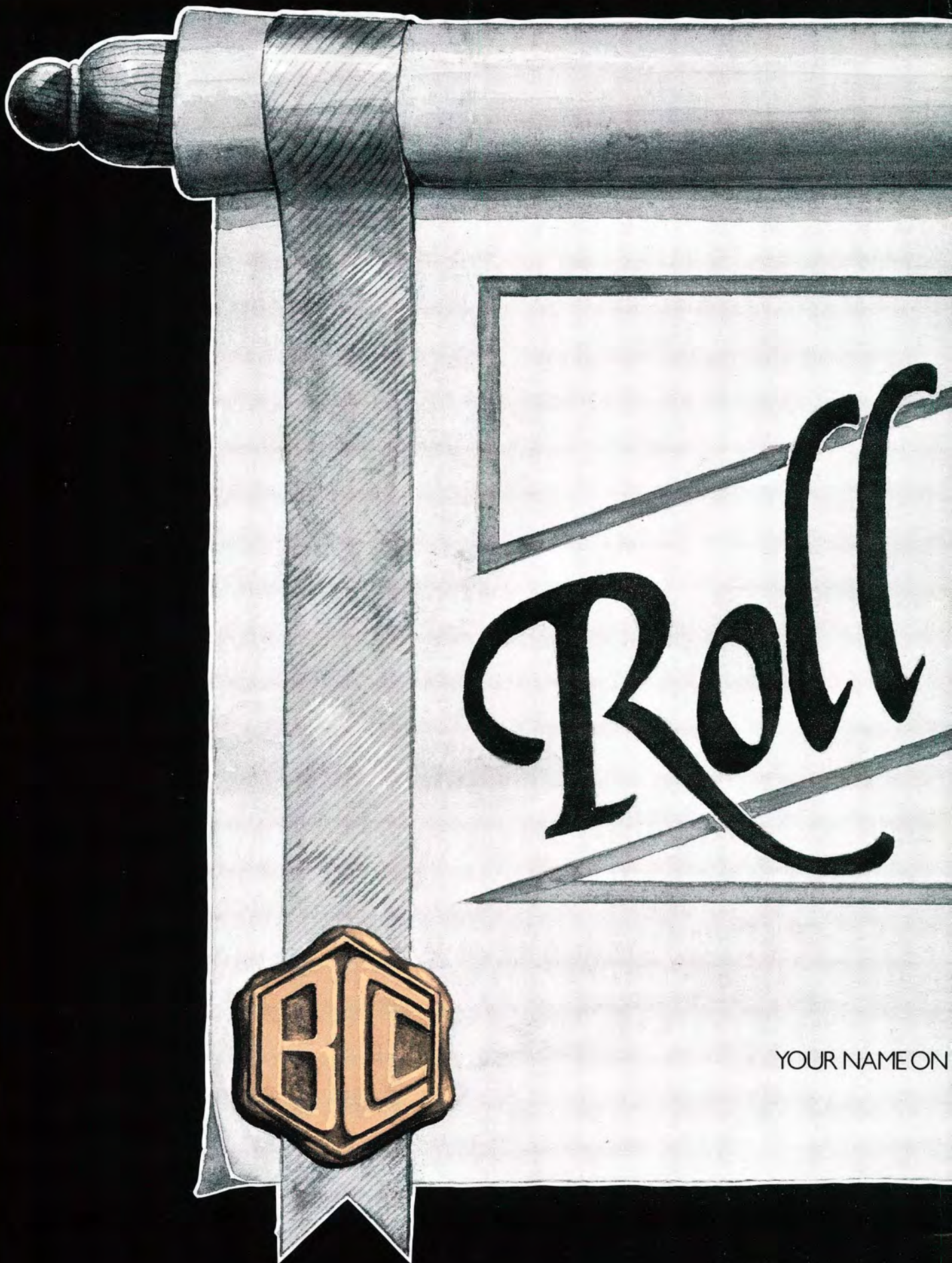
INTERNATIONAL

BRIDGING THE BCC WORLD

NUMBER SEVEN APRIL 1981



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YOUR NAME ON



THE ROLL OF HONOUR - SEE THE COLUMN ON THE RIGHT

BRIDGING THE BCC WORLD

Your name will appear on the roll of honour – 'Action 81' when you qualify as a Profitman. '81' means many things – action, profit, motivation, strength, energy and humility, marketing philosophy and maximisation of our resources: human, philosophical, intellectual and our collective wisdom. Profitman is a man who embodies these qualities and who, because of his outstanding effort, improves our profitability in 81. When *you* qualify, *your* name will go on to the roll of honour which will be printed from time to time.

The idea of 81 was fully discussed in a marketing conference held in London in February and attended by some 150 members of our Group. Following the conference our President, Mr Abedi, sent each member of our organisation a letter, in which he wrote: "We said at the beginning of last year that 1980 was the year of consolidation and preparation and 1981 would be the year of take off" – 81 IS.

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The BCC International, April 1981

Send your contributions for The BCC International to:
The Editor,
BCC International,
Bank of Credit and Commerce International,
100 Leadenhall Street,
London EC3A 3AD, England.



The Geneva team on the roof of their building.

THE SWISS FAMILY

It is not surprising that few people inside BCC are fully aware of the importance of our bank's 70 per cent owned Swiss subsidiary, Banque de Commerce et de Placements.

The gap in communications exists, of course, in both directions since the Swiss – by nature somewhat inward looking – have a lot to learn about the nature and scope of BCC.

In order to find out more about our Swiss connection, *The BCC International* visited their offices in Geneva and Zurich, and talked to several lay personnel.

To get the historical facts we spoke to deputy manager **Walter Sporri**, right, who, with 15 years' experience with the bank, is one of BCP's longest serving members.

"BCP was created in Basle in 1963 by a small group of Swiss financiers. By 1968, Italian interests had become dominant with ENI owning 70 per cent of the capital, and Banco di Napoli and Banca Nazionale dell'Agricoltura each with 15 per cent.

"ENI routed most of their overseas business through the bank via their Zurich holding company and, in 1969, the Zurich branch of BCP was opened to deal with it. At this

time the head office moved from Basle to Geneva.

"However, in 1974, ENI asked the Union Bank of Switzerland to find a buyer for its holding in the bank, and for a brief period UBS owned the major part of BCP."

At this stage, BCC came onto the scene, as it had decided to purchase a bank in Switzerland. In late 1976, BCC bought



55 per cent of the bank's shares, later rising to 70 per cent with the balance being shared by UBS through an investment company, and Banco di Napoli. BCP's growth since the middle 1970s has been impressive with assets rising from 50m Swiss francs in 1975 to 250m in 1980.

"Before BCC took over, we did not handle letters of credit, but concentrated mainly on fiduciary accounts, fund-management, foreign exchange and precious metals. BCC created the letters of credit department which has become one of our major activities," continues Mr Sporri.

"BCP is now involved in all aspects of banking apart from real estate and mortgages. Another principal area, and one in which it has considerable success, is portfolio management.

"Our customers' short term deposits are mostly placed on a fiduciary basis which is not reflected in our balance sheet," explains Mr Sporri. "If a bank in Switzerland accepts deposits and pays interests, it has to deduct a withholding tax of 35 per cent. To overcome this and to place Swiss banks on a competitive level, we enter into fiduciary agreements with our customers, that is, we deposit the funds in our name, but for our customers' accounts, with prime banks outside Switzerland. By these means, full interest amount is credited to our customers." This arrangement, of course, takes full advantage of the Swiss banking traditions of total secrecy.

Swiss banks need not disclose information to fiscal authorities and this emphasis on discretion, a two-hundred-year history of successful banking, political and economic stability are all factors in the growth of the Swiss banking community. They also show the logic of BCC's desire to participate in a financial world where, if discretion is the better part of valour, expertise, judgement and experience combine to make BCP a rewarding success story.

Yet BCP should not be seen in isolation – after all, its head office is in Geneva, an international centre, and it has corresponding relationships with major banks all over the world. As Mr Sporri points out, major companies and institutions have Swiss offices from where they transact their dealings even though their goods are not manufactured in Switzerland, nor is Switzerland their final destination. "They operate from Switzerland in order to take advantage of our banking expertise, advantageous terms and discretion. BCP, which offers a top class service, naturally benefits from this area."

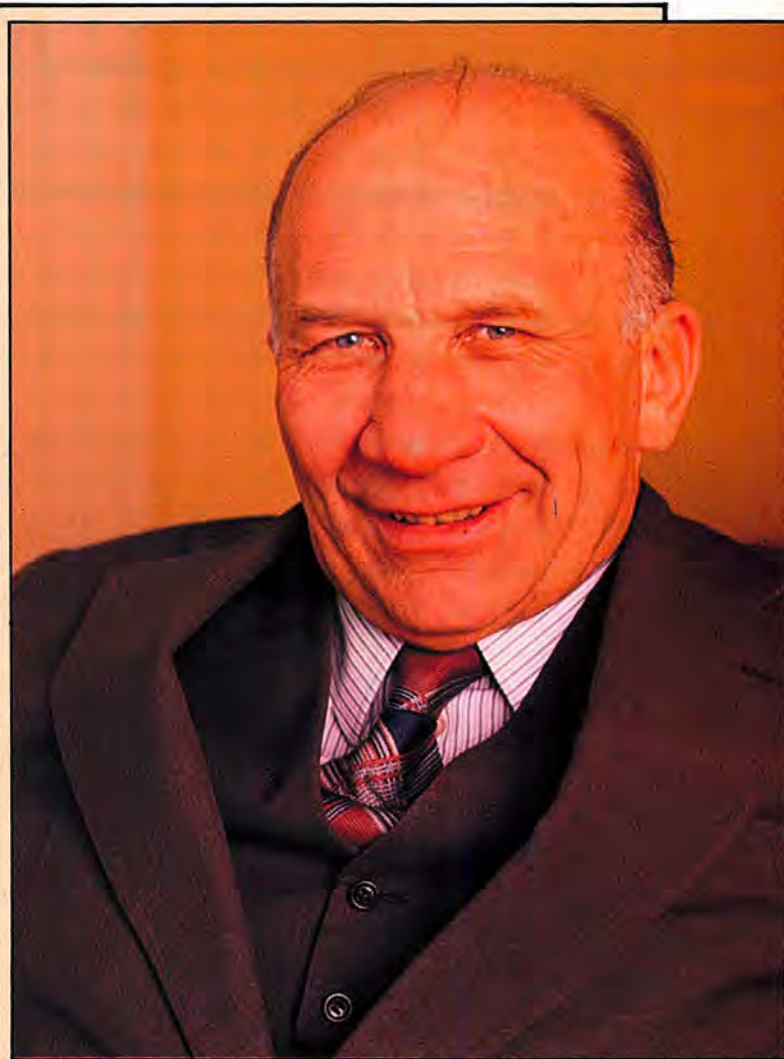
More important, as its executives recognise, is its ability to offer customers a worldwide network of BCC branches, especially in the developing world where other, more European orientated banks, do not have the same penetration and influence. This point was made by several members of BCP's staff, including Mr Sporri and Peter Pihlgren, the manager of the Zurich office.

"We are one of 340 banks in Zurich," says Mr Pihlgren, "and if I'm to get business for BCP, I've got to have a special service. This special service is our connection in countries where BCC operates. This link offers quick and efficient transfer of funds and it is a valuable and unique service."

He also defined another advantage. "We are a small bank and can respond quickly to our customers' needs. We give a personal service and, as long as we operate efficiently, we can act swiftly and decisively in order to maximise the benefits of our services to our clients."

Although he uses the BCC connection as a strong selling point, he realises that in the Zurich environment – it is Switzerland's commercial, financial and industrial centre – he has to underline to clients that BCP is a Swiss bank. Because he has done this successfully, the Zurich office is increasing its

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Mr **Franz Muheim**, chairman of BCP, has a remarkably close affinity with the aims and philosophy of BCC in general and its founder, Mr Abedi, in particular.

Their deep and personal friendship goes back some 11 years, when Mr Abedi was president of the United Bank as well as chairman of United Bank Zurich. Because of their association, Mr Muheim joined the boards of both BCC and BCP when the former purchased 70 per cent of BCP's shares from the Union Bank of Switzerland.

He readily admits that his participation in BCC and the friendship with Mr Abedi have fundamentally influenced his life and widened his horizons.

"He is an outstanding man, both as a leader with extraordinary vision and as a philosopher. I have spent countless hours discussing religion and philosophy – the two are inseparable – with him. It is an extremely enriching experience."

It was through their relationship that Mr Muheim recognised that whilst there may be religious, racial and cultural differences between men, their universality – what they had in common – was far more important. "Remember, I was a product of the Swiss environment, and after the war we tended to be very inward looking. We thought that as the rest of Europe had twice tried to destroy itself we ought to keep our own values. And anyway, due to their history, the mountainous topography and political neutrality of their country, the Swiss are extremely self-reliant.

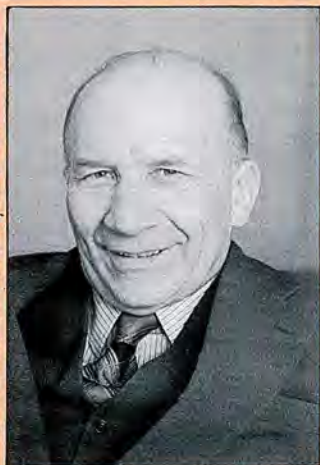
"Yet Mr Abedi showed me that there were other

Continued on next page

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cultures and religions which benefited humanity," says Mr Muheim.

They are truly kindred spirits. "My education made me appreciative and receptive to all kinds of religions, including the teaching of Muhammed and the Islamic faith. I felt a strong unity with what Mr Abedi was telling me and could recognise the human and global values that are within us all."



Such an affinity does not mean that his role as chairman of BCP and director of BCC is without problems.

"As chairman of BCP I have to protect the interests of all the shareholders. As UBS holds 15 per cent of the bank I have to ensure that its Swiss expertise and experience is heard when decisions are made and discussed."

He was aware that the Swiss banking tradition often contradicted BCC's approach to banking. "BCC has grown from nothing to become an enormous bank in a few years. It is impossible to expect such growth for BCP in the Swiss banking environment."

He has had to build up the relationship between BCP and BCC. "Obviously, we have a lot to gain through mutual co-operation and advice. It is a continuous process and as we both expand, the relationship must inevitably grow."

He is less worried by external factors. "When the establishment said that BCC would never succeed, it was an added incentive for us to grow. Now that we have reached such a size, our enemies try to fight us. We have had bad publicity and problems from some banking circles, but we are not going to fail because of that."

The reason BCC has succeeded was because, in Mr Muheim's view, it was playing a vital role in contributing to the solution of the North-South problem – the most crucial issue facing mankind.

"BCC has the moral, spiritual and financial means to give the developing nations what they need rather than what a supra-national organisation tells them they want.

"If the organisations of the developed world exclusively attempt to solve the problem, the inevitable result will be a wasteful, inefficient bureaucracy. There will be a huge headquarters and vast staff. Such an organisation will tell the developing countries' leaders what they think is needed rather than what is actually required.

"BCC's solution is based on the rich part of the world serving the people in other regions of the globe, because if a bank doesn't provide what the people need, it won't be used. And at the same time it tempers the commercial aspect with its moral and spiritual values."

Mr Muheim's analysis is founded on the belief that BCC's activities in the developing world recreate the conditions of the co-operative movement of 19th century industrial England. No deposit is too small, and the accumulated funds will gradually help everyone to live in a better, more prosperous society.

"By bringing banking down to the people, giving a service to the people who want it and who need it, we are playing a vital role in improving living standards for literally millions of people. I find it a very attractive idea . . . it is why being part of BCC is so exciting."

Continued from page 5

loan syndication and letters of credit business.

"But it is not easy. Everyone in Zurich has an established bank, and we can only attract customers by giving a better service."

The Zurich and Geneva operations complement each other perfectly. BCP's flexible dealing room is in Zurich, and Geneva naturally directs its flexible business there, while Zurich passes its portfolio investment management to Geneva.

Other differences are worth noting. Geneva is the bigger operation and hopes soon to expand into adjacent offices. Its offices are contemporary and smart, utilising ingenious interior design and decoration. They are very much the result of Mr Sporri's desire to make the offices look different from any other bank.

The Zurich office is more elegant, if less imaginative. Both, however, buzz with encouraging activity, and have a warm, friendly work atmosphere. Although it inevitably incorporates aspects of the Swiss banking tradition – discreet, cautious and formal – BCP also combines many of the BCC virtues – a young, enthusiastic team, a sense of dedication, a belief in personal service and the desire to succeed through their own values in a competitive market.

Both have a lot to learn from each other, but more importantly each has a lot to offer the other.

Peter Pihlgren, manager of the Zurich office, was born in Sweden, but has lived so long in Switzerland and shares so many of the traits of the Swiss character, that he considers himself a Swiss.

Mr Pihlgren, a doctor of law and economics, joined BCP in 1979 after working as an economist and manager for commercial credit for a major Scandinavian bank.

In his first year at the Zurich office, he had to improve the systems and organisation: "It is vital that the office functions properly or we can never be efficient," he says.

This task is now virtually complete, and he has recently appointed an assistant who will take over the administration and free him to increase the branch's business.

He realises that this is not easy. "I cannot knock on every door . . . what I can do is to provide a flexible and responsive personal service and take full advantage of our links with BCC's organisation in the developing world. Once this is recognised, I will develop more business from personal recommendations."

Mr Pihlgren is a true internationalist with family and personal links spread over most of Europe, including England. Indeed, he spent two terms at an English school and, as he says, he must be "the only Swede who has played silly mid-off."

Matilda Dobetsberger is of Austrian origin and comes from the region near Salzburg – the famous Mozart city. She joined BCP three-and-a-half years ago as a secretary at top management level. Her activities include arranging contacts between the chairman of BCP and the BCC group, administrative work for board meetings and correspondence with board members.

Matilda speaks and writes fluently in four languages and is therefore in charge of translations and of great assistance to the local management. Acting as interpreter for visitors from other countries of the world, she contributes a good deal to the 'international bridging'.

Mohammad Shaukat took over as number two in the Zurich office in summer 1979 after spending four years with BCC in Luxembourg. Before that he worked closely with Masihur Rahman developing BCC's first computer systems and operations in Abu Dhabi.

His experience has been invaluable – though he had to work extremely hard during the early days. He recalls several nights spent grabbing just a few hours' sleep on the office floor, having worked well into the small hours. "I once worked for 36 hours non-stop," he says, managing to smile about it now.

The time spent in the corporate banking department has come in very useful in the Zurich operation, where he checks the small detail as well as advising on all aspects of the office's operations.

"This is an exciting and challenging job," says Shaukat, "as a good second-in-command must know about everything that is going on."

He is impressed by the sophistication and ability of the Swiss banking community, and realises that the Swiss customer demands the highest standards. Even though BCP meets these, selling can be tough. "We have to take full advantage when prospective clients want to use us for trade and investment, particularly through our Middle Eastern branches."

Liselotte Haberli has been with BCP for two years, and holds the position of secretary to Peter Pihlgren.

Because she is part of a small team, her work is varied and she enjoys the responsibility of being involved with all aspects of the Zurich operation.

Liselotte began her career as a teacher and for three years taught disabled children. She was then employed by another bank for two years before joining BCP.

She sees her future with the bank: "I hope to develop my role as the bank grows," she says, "and I think that now we are part of a bigger organisation we will expand faster."

When **Marc Sormani** took over as manager of BCP's foreign exchange room in Zurich last autumn, he expected there to be problems. After all, he was taking on a lot of responsibility for the tender age of 25.

"But I was surprised how easy it was and how much I had learnt during the eight years I worked in the flex room at the Union Bank of Switzerland," says Marc.

He admits he has been helped by the size of the BCP operation. "There's more flexibility here, a better atmosphere and I am kept informed about all aspects of our work. On the other hand, I do have the administration and book-keeping responsibilities to organise."

When he joined BCP, Marc visited the dealing rooms in London and Luxembourg in order to build up a good relationship, important for crucial co-operation. He hopes to increase this relationship and handle any BCC dealings in Swiss francs. He has found that BCC in Paris has been particularly quick to contact him when deals need to be done in Swiss francs.

"I genuinely want every branch in the BCC organisation to take advantage of our services," says Marc. It is worth bearing this in mind, for in the short time he's been with the bank, Marc and his team have performed very creditably, and he says, "I'm learning all the time."

The changes in **Elizabeth Vogele's** job functions since she joined BCP when it was established 17 years ago reflect the way the bank has changed.

She started as a secretary and became a vital part of the management team, closely assisting Mr Sporri. As a result she became an officer of the bank in 1974, managing the loan department, and overseeing personnel and salary functions.

The major change in the bank came in 1976, when BCC became the major shareholder. "There is no denying that it was much quieter before BCC's arrival. After their participation our customers and activities changed. There was a greater diversity of work which led to our involvement in

all aspects of banking." As a result her own tasks have grown, as have her responsibilities. "It is now a more interesting and colourful place."

Elizabeth is one of the finest of many polyglots at BCP – she is fluent in French, English and Spanish and also speaks Italian and German.

Rudiger Auch has only recently taken over as manager of the Geneva office after spending 17 years with the Union Bank of Switzerland.

His first impressions of BCP are very telling. "Because it's a smaller organisation, one has much more responsibility. If I have a task, I can't pass it on to other people and so can't complain if it is done wrongly."

He is aware of the benefits of belonging to the BCC organisation. "Our links in the developing world will bring us much more business", he says, though stressing the importance of doing things the Swiss way. "It is part of our banking tradition – caution, discretion and expertise."

Daniel Kaleen Khan, who handles letters of credit for the Zurich office, personifies the BCP link with BCC, for his mother is Swiss, and his father a Pakistani.

He has been with BCP for six months, and before that had four years' experience in banking.

He has had to learn the letters of credit business whilst working for BCP Zurich, and is confident that it will grow into an important aspect of their operation.

Not surprisingly, Daniel is pleased that BCP is part of BCC. "The international link it gives us adds far more scope to our operations," he says.

Computer girls

There are two girls who have their fingers on the bank's pulse, making sure that crucial data is processed and available at the touch of a button.

Both girls, **Susanne Zwahlen** and **Myriam Degerine**, have been working for BCP for three years. Susanne is a computer operator and will soon be 'upgraded' when she attends the training course for a larger, more modern computer which the bank is getting later this year. When installed, the Geneva and Zurich offices will be on-line to the computer.

Myriam, in her role as bookkeeper/accountant, provides and analyses the computer data. Her responsibilities include up-dating the balance sheets and keeping the bank's accounts.

Portfolio management

One of BCP's successful operations is the portfolio investment department in Geneva, headed by **Christian Boesch**.

Substantial amounts of money are handled for individual customers around the world who are attracted to Swiss institutions due to the political and economic stability. The strength of the Swiss franc is underlined by the lowest inflation rate in the Western world – four per cent.

What, though, accounted for BCP's success?

"We are a small organisation," says Christian, "and therefore can give every customer personal attention. Investors know that their individual requirements are met, and rather than just being a number, they become friends. When they want to discuss their portfolios, they often come to my home."

A second reason, according to Christian, is the strength of the department's organisation with everyone working hard as a team and maximising their resources.



BCP, Zurich. Muhammad Shaukat is standing on the left next to manager Peter Pihlgren. Standing on the right is Daniel Khan. Liselotte Haberli is seated second from the left.

Continued from page 7

Equally crucial is the expertise. "If our investors found we were earning them less than other banks, they would move their portfolios," says Christian. As it happens, BCP has a proven track record which attracts customers. The department does little marketing, since prospective customers visit the office or contact BCP by 'phone.

Christian's expertise comes from experience - before joining BCP two-and-a-half years ago, he was in charge of the stock exchange department with another leading Swiss bank. His contribution is recognised by Walter Spörri: "The portfolio department has done very nicely. It is all a question of timing - when to move from bonds and shares to medium term investments, when to buy and sell precious metals and when to invest in short-term deposits."

Marc Sormani, standing right, and the Zurich foreign exchange staff. "I genuinely want every branch in the BCC organisation to take advantage of our services", says Marc.





BCC IN BAHRAIN

In December, BCC held a party at the Regency Inter-Continental which was attended by almost 400 guests representing most of Bahrain's 100 banks, many local business people, and officials from a wide variety of financial institutions. The local press were there in force and their reactions can be seen on the following page.

The occasion was the opening of BCC's Bahrain branch, an offshore banking unit. This branch, the 93rd in the Middle East, will be an essential link in our network.

Manager Khalil A Zobari arrived in Bahrain from Jordan where he had spent the past three years successfully expanding BCC activities in Amman. He is optimistic regarding the OBU's future and

feels that the offshore business available to us will be developed quickly, thanks to the loyal and dedicated team that surrounds him (see above picture), and the support from our colleagues elsewhere in the Gulf who have for some time been in need of access to the money markets and financial services available in Bahrain.

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AROUND THE BRANCHES

Continued from page 9

The OBU should be in a strong position to manage surplus funds and be of assistance to our overseas units, particularly our Swiss subsidiary, BCP, due to the increasing strength of Bahrain's foreign exchange market which now has its own momentum with 21 commercial banks with deposits of US\$1.8 billion and 68 OBUs, which have assets in excess of US\$31.8 billion. The total liabilities of OBUs rose by 36 per cent to \$37,500 million by the end of 1980, an annual rise of \$10 million. There was a particularly marked up-turn in business in November and December – assets rose by over seven per cent from \$34,900 million.

Jawaid Razzaki, who was until recently a senior dealer based in Abu Dhabi, will develop, along with his team, the dealing room which became fully operational in late January. The reputation he gained in Abu Dhabi has followed him to Bahrain where he is already well known to his contemporaries in the other banks.

A strong team has been supplied in view of the importance of Bahrain in the world's financial markets. It is regional general manager Saleem Siddiqi's intention to make Bahrain a showcase in every sense with excellence in every department being the goal.

A look at Bahrain's history

For many Westerners, Bahrain's image has always been imbued with all the exotic glamour of the '1001 Nights'. But since the discovery of oil, the state's charisma has taken on another facet – that of a prosperous cosmopolitan trading centre for East-West mercantile traffic. Here we trace the historic stepping stones to Bahrain's present-day economic success.

Bahrain, a small emirate situated in the centre of the Arabian Gulf, consists of an island 30 miles long and ten miles wide, surrounded by another 30 small islands.

Its original Arabic name, al-Bahrayn, means 'two seas' – the Arabian Gulf to the north, and the Gulf of Bahrain to the south.

It has a fascinating history, reflecting its pivotal position in the Gulf. Whoever controlled the island duly dominated the Gulf and, on a commercial level, it was where Mediterranean goods and produce met Eastern trade and where the traders of the Indian subcontinent sent their merchandise *en route* to Arabia and Europe. But its history goes back much further and it was almost certainly inhabited from prehistoric times. Several thousand burial mounds in the north of the island date from the Sumerian period of the third millennium BC.

Its importance is shown by the many references made to it by Persian, Greek and Roman historians. It was almost certainly the theatre for the great Persian naval battles against various Arabic navies, and warring Persian factions.

The Arabs had to wait until the seventh century AD before they controlled Bahrain, and since that time it has been an Arab country under the Muslim faith.

It was, nonetheless, occupied by the Portuguese from 1521 to 1602 and then by the Persians until 1783. That year saw the beginning of the reign of the Al-Khalifah Sheikhs who still rule Bahrain today.

During the 19th century, Britain intervened in Bahrain in order to protect the sheikhdom from falling under Egyptian, German, Persian or Russian influence.

The first Bahrain-Britain treaty was signed in 1820 and the country's British-protected status dates from 1861.

This special relationship with Britain, who conducted Bahrain's foreign policy and guaranteed its defence, lasted until 1971. Since that time it has had the opportunity to prosper and develop under benign and far sighted rulers.

Oil, of course, is central to its economy. It was discovered in Bahrain in 1932 – the first successful drilling on the Arabian side of the Gulf. The trickle became a torrent in Bahrain and elsewhere around the Gulf. There is now a vast refinery at Sitrah, and oil accounts for 40 per cent of its total gross national product, which in 1979 stood at US\$1,878 million. However, with production just below 50,000 barrels a day, Bahrain is not in the league of major producers, and it is interesting to note that the country is not a member of OPEC.

Two statistics indicate the economic strength of Bahrain's economy – a per capita income of US\$4,100 and an exchange rate of 0.38 Bahraini Dinars to the US\$.

Yet the contribution of other activities should not be overlooked. Commerce plays an increasingly important part in the country's economy, and many international companies which trade in the Gulf use Bahrain as their headquarters. Bahrain's position as a link in the Gulf is underlined by the planned construction of an important bridge which will join Saudi Arabia and Bahrain. Construction companies are tendering for the contract at the moment.

It has a huge aluminium smelting plant and its ship building and repairing industries are thriving. Equally significant are its building material products, paper factories, clothes and fabrics trade, soft drinks plants and agriculture.

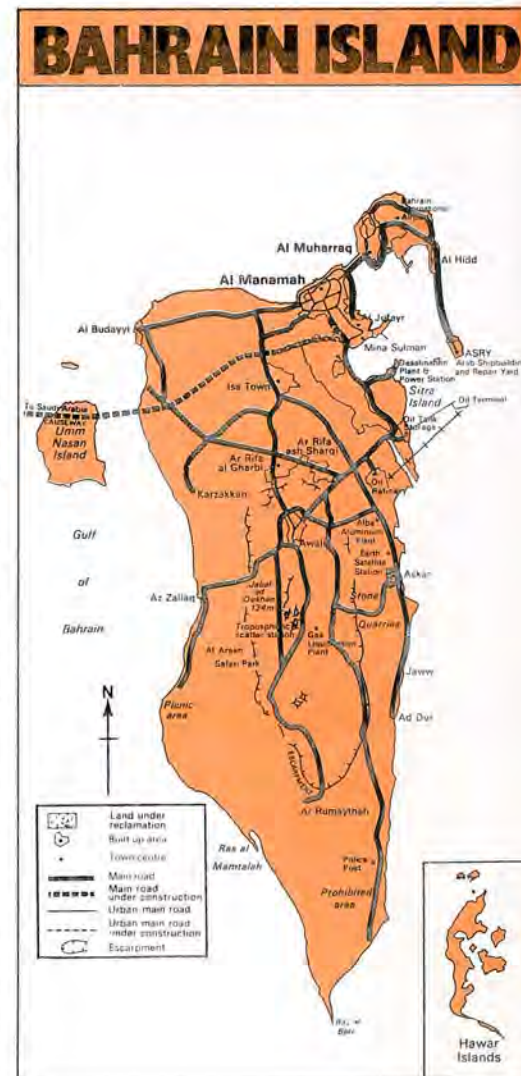
This latter activity is becoming increasingly important as the fertile belt in the north and west of the island is farmed more intensively – aided by the irrigation from prolific natural springs – and as the sand plains and salt marshes of the south are turned into viable agricultural land through the use of modern technology, Bahrain is producing large quantities of dates, all types of tropical fruits, vegetables and cereals. It is also a centre for horse and camel breeding.

Situated 200 miles north of the Tropic of Cancer, Bahrain is blessed with a pleasant climate. Although temperatures from May to October often exceed 85°F (29°C) it is an extremely dry heat, while the winter temperature ranges between 60° and 70°F (15°–21°C). Rainfall is low, though well augmented by natural springs on the main island.

Over half the country's population of 350,000 live in the two largest cities. Al-Manamah is the principal city with the largest port in the country and is also the seat of administration. Al-Muharraq is a more traditional Arab city with exquisite architecture and narrow streets. Other notable settlements include Awali, with its broad, tree-lined avenues, and Isa, a British-planned new town.

Over 82 per cent of the population are native Bahrainis and 5 per cent Omanis. The remainder is made up of Indians, Pakistanis, Iranians and Europeans.

One other fact should be mentioned, for although less important, it underlines Bahrain's favourable geographical position – it is a haven for ornithologists as large numbers of birds originally native to Europe, Asia and Africa have settled there.



THE TOP 10

By deposits	US\$ millions
Rafidain Bank	7,818
National Commercial Bank	7,177
National Bank of Abu Dhabi	4,492
Banque Nationale d'Algérie	4,154
Arab Bank	4,007
UBAF France	3,826
BCCI	3,566
National Bank of Kuwait	3,314
Riyad Bank	3,307
Gulf Bank	3,132

NO 7

BCC NOW

7th LARGEST

ARAB BANK

IN THE WORLD

Further proof of our organisation's excellent growth has been provided by *The Banker* magazine.

This influential publication, part of a group which includes the *Financial Times* among its titles, compiled a list of the top 100 Arab banks, which appeared in its December 1980 issue. And BCC was listed as the seventh largest by deposits—a remarkable achievement considering that BCC only began trading in 1972.

The definition of an Arab bank used by the magazine was of a bank where 50 per cent or more of the equity is owned by Arab interests. Following the qualifications set by *The Banker* for its annual listing of the world's largest 500 banks, the banks' sizes are worked out as the total assets less contra accounts.

Our growth has been achieved by the combined effort of every member of our organisation. Everybody has been aware of the necessity for profit, and the slogan 'Think Positive, Think Profit' illustrates the importance of having the correct attitude.

This is also reflected in the description of BCC members as 'all-purpose men', bankers whose philosophy, attitude and ability give them the training and flexibility required to succeed in any situation.

To help us improve the quality of the *BCC International*, we need your views on the type of material you wish to read. Please fill in this questionnaire and return it to:

**The Editor,
Bank of Credit and Commerce
International,
100 Leadenhall Street,
London EC3,
England.**

If you do not wish to remove this coupon from the magazine, there should be separate questionnaires, sent with this issue, to your location. If you prefer, fill it in and return it to the same address.

1 Which issue of the 'BCC International' do you regard as the most successful? Please tick

- 1
2
3
4
5
6
7

2 Which item in this current issue, No 7, do you prefer?

3 Why?

4 What type of feature do you think 'BCC International' should contain?

5 What do you think is the purpose of 'BCC International'?

6 Are there too many pictures in the magazine?

- Too few?
About right?

**7 Do you prefer long, detailed articles?
or shorter, more people-orientated
articles?**

THE CITY OF LONDON

During the induction course which I give to all new members of staff, I invariably tell them a little about the City of London.

I concentrate on the physical lay-out – the inner financial district and the way various businesses have been concentrated in certain areas. I always make the point that the City is a historical and interesting place in its own right.

With this in mind, I have written the following article about the City which I hope will be a palatable and enjoyable way of polishing up your knowledge of London's prestigious past.

The first mention of London, or Londinium as it was then called, occurs in the Annals of Tacitus after the Roman Conquest in AD 43. It was already 'a town of the highest repute and a busy emporium for trade and traders'. During the Roman occupation the town was quite small – some 330 acres enclosed within 3½ miles of walls which contained six gates.

Information is very sketchy about London after the Romans left in 410. The Anglo-Saxon Chronicle records that in 471 the remains of the army of Britons defeated by Hengist and his son Oisc, the leaders of the Saxon invaders, fled to the town from Crayford. London was probably occupied by the Saxons early in the sixth century.

The Christian King of Kent, Ethelbert, built a church there which he dedicated to St Paul. He appointed Mellitus as first Bishop of the See which covered the old Saxon kingdom of Essex, Middlesex and part of Hertfordshire.

In 886 London was rescued from Viking invaders by King Alfred. He reconstituted it as a burg – a fortified town with ancillary territory whose garrison enjoyed special privileges – under Ethelred, his future son-in-law. At this time it was separate from the surrounding kingdoms of the East Saxons (Essex), Mercia and Wessex.

London's trade with Europe now began to grow and the trade laws of the City began to influence English law. Eight mints were established by King Athelstan in London to finance the volume of trade.

After the Battle of Hastings, Londoners, though personally undefeated, agreed to acknowledge William the Conqueror and, between 1068 and 1075, he granted the citizens of London a charter confirming most of the rights that they had enjoyed under Edward the Confessor.

From then on, new privileges were either bought or granted to the citizens by later kings. In 1132, Henry I granted the charter that recognised the full county status of the City, the authority of local courts and of a Justice and Sheriff of their own choice.

By 1141, the citizens of London had banded together into a single community for the purposes of corporate action, and appointed as their first mayor a Henry FitzAilwyn around 1191. According to a 13th century manuscript preserved amongst the archives of the City's Record Office, FitzAilwyn remained in office 'till the end of his life, to wit, for nearly 25 years'.

Henry FitzAilwyn was the only mayor to be elected for life. Thereafter, the mayor was elected annually and in a 1215 charter King John required each new mayor to be presented either to him or to his justiciar who, at that time, was the chief minister of the Crown.

Unlike other cities, London has no charter of incorporation although it does have charters dealing with citizens' rights and privileges granted by William the Conqueror and

King John. London is a corporation by prescriptive right. As such, it became a model for other towns and many of their charters are based upon those granted to London.

The development of London's government paralleled that of England. In the Magna Carta of 1215, the Mayor of London was one of those named as an appointee to see that the terms of the 'Great Charter' were carried out. The Model Parliament of Edward I in 1295 was mirrored in the composition of the City of London's Common Council of elected ward representatives.

Many of England's greatest literary men were born in the City of London – men such as Chaucer, Donne, Milton, Defoe and Keats. Other famous Londoners have included Pepys the diarist, Sir Thomas More the statesman and Jeremy Bentham the philosopher, and artists such as Cooper, Dobson, Hogarth and Holman Hunt.

In the 17th century there occurred two catastrophes, the Great Plague and the Great Fire. The King appointed a committee to plan the rebuilding of London's fire-ravaged streets. Within the comparatively short time of ten years Sir Christopher Wren had rebuilt 51 of the churches that had been destroyed, including the magnificent structure of St Paul's.

However, the greatest changes took place in the 19th century when new roads were laid down, larger buildings were constructed and the great railway termini were built. In the 1840s the City Solicitor, who was born in St Clement's Lane, pioneered underground railways. Charles Pearson, however, never saw the result of his planning for he died shortly before the opening of the Metropolitan Railway between Farringdon and Paddington on January 10, 1863. The first real Tube railway, the City and South London line between King William Street and Stockwell, opened in 1890. The Waterloo and City Railway – our beloved 'Drain' – was opened in 1898.

The City and its government

Although the City is often called 'The Square Mile' it is in fact neither square in shape nor a mile in area. Including the Precinct of the Temple, it covers 677 acres, with its greatest length 1½ miles from Temple Bar to Middlesex Street, and its greatest breadth seven-eighths of a mile from Tower Dock to Norton Folgate.

It is split into 25 wards: Aldersgate, Aldgate, Bassishaw, Billingsgate, Bishopsgate, Bread Street, Bridge, Broad Street, Candlewick, Castle Baynard, Cheap, Coleman Street, Cordwainer, Cornhill, Cripplegate Within and Without, Dowgate, Farringdon Within, Farringdon Without, Langbourn, Lime Street, Portsoken, Queenhithe, Tower, Vintry and Walbrook.

Each ward is represented by one alderman and a number of Common Councilmen, ranging in number from four to



London Bridge and the City in 1616. Virtually all this was destroyed in the Great Fire of 1666.

12 according to the size of the ward. Aldermen are elected for life, the Common Councilmen annually.

A 26th ward, Bridge Without, was created in 1550 when the rights of certain parishes in Southwark were purchased from the Crown. The inhabitants of this ward have never elected a representative to the Court of Common Council or the Court of Aldermen. By tradition the aldermancy for this ward is always filled by the senior alderman who has served the office of Lord Mayor.

Voting qualifications are gained either by residence within the City or by the occupation of business premises "of an annual gross value of £10". All candidates for election must be Freemen of the City.

The title of Lord Mayor dates back to 1414. He is elected each year by some 14,500 Liverymen of the Craft-Guilds. The Lord Mayor Elect is presented for approval to the Sovereign in accordance with one of the requirements of the Charter of King John. This is granted by the Lord Chancellor at the Palace of Westminster.

The Lord Mayor's procession was originally intended to be a way of introducing the new dignitary to the citizens of London. The procession was halted at various points along the route for addresses to be presented to the Lord Mayor. Today, because of traffic conditions, the presentation of addresses takes place at Guildhall before the drive begins. The Lord Mayor and the Sheriffs share the cost of the procession and the banquet that follows. Although each Lord Mayor receives £15,000 from the funds of the City, he has to draw heavily on his own resources during his year of office.

The Lord Mayor takes precedence over everyone in the City, apart from the Sovereign. When the Queen wishes to enter the City on state occasions the Lord Mayor waits to escort her at the boundary – usually the Temple Bar in Fleet

Street.

The Lord Mayor is the Chief Magistrate of the City, head of the City Lieutenancy, and a Trustee of St Paul's. He summons and presides over the Court of Aldermen, the Court of Common Council, the Hustings and Common Hall.

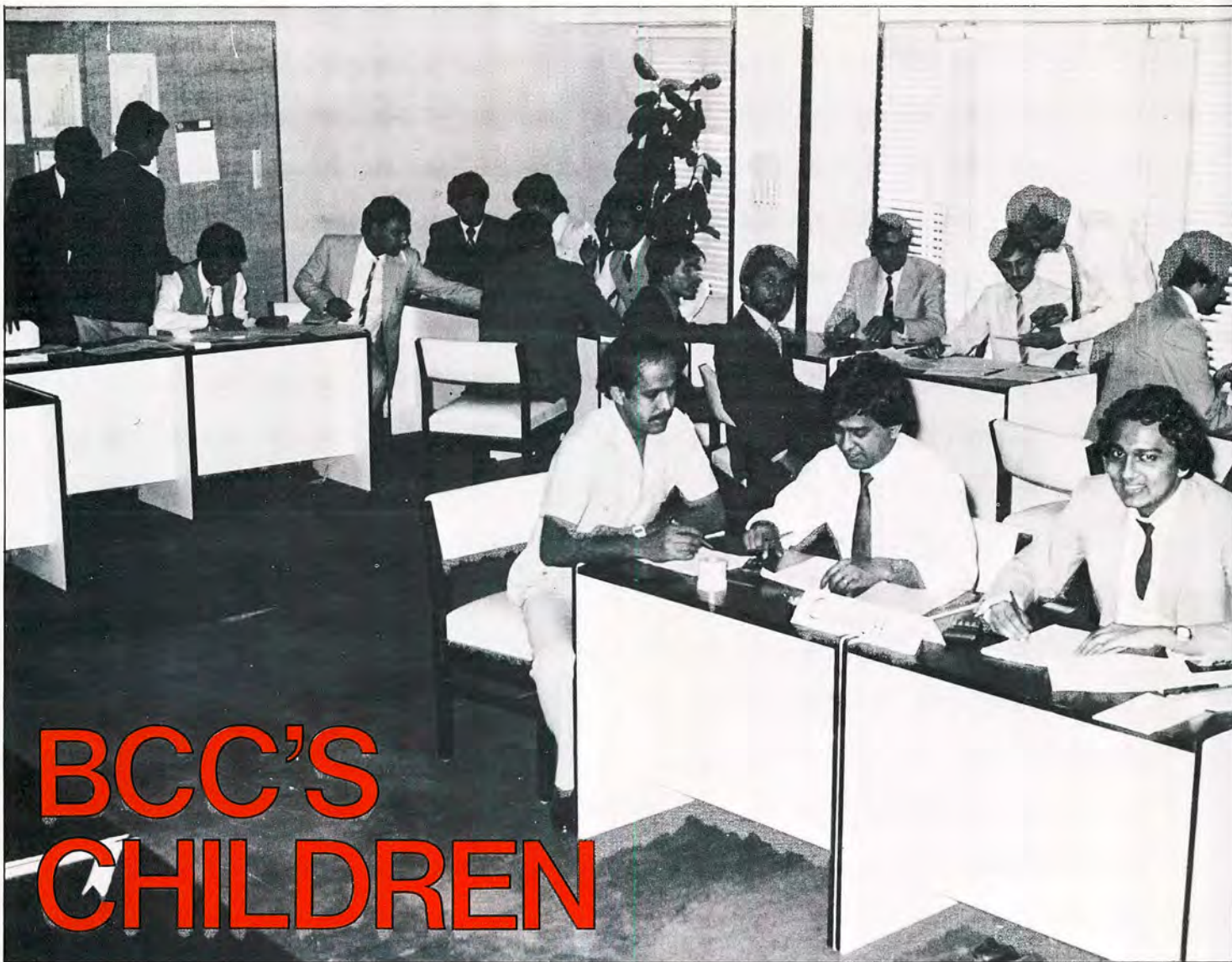
The Lord Mayor is attended by three ceremonial officers: the Swordbearer, the Common Cryer and Serjeant-at-Arms, and the City Marshal.

A Swordbearer was first appointed in 1426. He carries the Sword before the Lord Mayor on ceremonial occasions and his other duty is to summon the aldermen and Common Councilmen to attend various courts and meetings.

Today the City of London is acknowledged to be the world's financial centre. But hurrying along its narrow streets, bustling businessmen have to mingle with an ever-increasing invasion – tourists.

Lured from all over the world by such spectacular sights as the Tower of London, St Katharine's Wharf and St Paul's Cathedral, they pursue elusive bargains in Leather Lane and Whitechapel markets, and hunt down gourmet haunts such as the expensive Le Poulbot in Cheapside and the piscatorial Bill Bentley's in Bishopsgate.

There are still only relatively few true residents in the City itself, which inevitably means that the 'square mile' only comes alive during the day. But plans for increasing residential development have been forging ahead. The most famous example is probably the controversial Barbican complex. Just outside the City proper, Bow has become what the estate agents term, 'sought after', and gentrification is spreading to the Isle of Dogs. By the end of the Eighties, the population of the City and its environs may just be back to what it used to be in FitzAilwyn's day.



BCC'S CHILDREN

A brief report on the activities of the bank's training academy at Karachi by Bakhtiar Khawaja, Instructor, Training Academy, Karachi.

“**Y**ou are the children of BCC because it was in BCC that your professional life began,” declared our president while talking to a batch of officers who had just completed the short credit and marketing course organised at the London Academy in February 1980. The group, which was inducted into the bank in 1976, had been the first ever to be trained at the Karachi centre.

Following the same analogy, it would be correct to say that the Karachi Training Academy is the birthplace of these ‘children’, because it is here that they are nurtured, educated, disciplined and groomed in the BCC tradition.

The story of the Karachi Training Academy began in 1975. After the initial thrust by our bank, the need was felt for a team of energetic and hard-working young officers to sustain the rapid growth of the organisation in the short term and to become torch bearers in the future. The methodology of trainee officer selection was finalised and it was decided that they should be trained within the bank. For the job of establishing a training institute the president selected Aftab Hussain who, with his M.Com from Punjab and DBA from Italy, had to his credit 16 years of experience with United Bank, including seven years as training manager at their staff college.

Mr Hussain joined us in 1976 and was asked to pick his

team. The training of the first batch was arranged with Habib Bank Staff College, under his supervision. Meanwhile, the fifth floor of National Bank’s modern building on Clifton Road was rented and preparations commenced for establishing the training centre.

The next recruit was myself. I had graduated from the London School of Economics and, having worked with United Bank as a branch manager, was at the time lecturing in their staff college. I joined the bank on January 1 1977 and on the same date the formal training of the second batch started.

In March 1977 the two trainers were joined by another valuable addition – Amiruddin Nuruddin, with six years of experience with Ford Rhodes (Chartered Accountants) and three years in the foreign exchange section of the Habib Bank.

The latest faculty member is Mr Alam, who joined the bank in October 1980. An MBA from Karachi, Mr Alam has more than 12 years’ experience with Habib Bank including seven years as instructor at their staff college.

We are also helped by organisations like the Institute of Business Administration, Pakistan Institute of Management, Institute of Bankers in Pakistan and other financial and business organisations.



Courses

Apart from imparting technical knowledge to the trainees, an important task facing the trainers is the mental shaping and personality development of the group, preparing them to meet the challenges of their assignments around the globe. "We have to make them realise that BCC is different from other banks," says Mr Aftab, "and that they have to be different from ordinary bankers."

The centre's main activity is a comprehensive training course which runs for six months and trains fresh officers in all the fields of branch banking. So far six such courses have been conducted. Over 100 officers have been trained by the centre under this scheme and are presently working in various branches around the world. These courses have now started to have international participation, and the sixth batch includes one officer from Sri Lanka and one from Nigeria.

A short training course was also conducted in 1978 for BCC officers with some experience. This was an abbreviated version of the comprehensive course and had global participation.

The training centre was also the venue for the first short credit and marketing course directed by Iftexhar Karim in August 1979 for the bank's middle level management from various regions.

Other activities

Trainee officers from outside Karachi are housed in two hostels close to the centre. These houses are fully furnished and all the necessary facilities have been provided. Naturally, trainee officers actively participate in the centre's social and sports activities, and play in BCC Karachi's cricket and table tennis teams.

Tours and excursions are also organised by the group, with the help of the centre. More interesting, however, are the informal dinner and entertainment evenings organised by officers in Karachi at their own homes. It is here that

people can get to know each other and local musical talent is often discovered!

The future

Random reports from the regions indicate that the trainee officers are doing an excellent job. But, as Mr Aftab says, "What we have done so far is just the beginning and now we are gearing ourselves to cater for the training needs of the whole bank." The feeling expressed by the instructors is signified by the comment: "We love our bank; we are proud of it and what it stands for. We want to show the world that we shall achieve in ten years what other banks have achieved in a hundred and we are preparing our boys to do just that."



AFRICA

In 1960 at Cape Town, Britain's Prime Minister, Harold Macmillan, delivered a speech which became famous for its 'wind of change' reference, specially coined for the occasion. The phrase made such immediate impact that its real message was largely forgotten. The context is worth quoting at some length for its relevance to the general African scene of two decades ago.

"The most striking of all the impressions I have formed since I left London a month ago is of the strength of this African national consciousness," said Macmillan. "The wind of change is blowing through this continent, and, whether we like it or not, this growth of national consciousness is a political fact and our national policies must take account of it."

Macmillan was right: and he showed considerable strength of mind in proclaiming an unwelcome truth in the stronghold of white supremacy. For all that, the speech was deficient both as a political gesture and as political analysis. Like so many European commentators on Africa over the centuries, he was on the right lines, but rather short of the mark.

Since 1960 the changes that have overtaken the continent have been all-consuming. Although Macmillan's intention was to give a stern warning of the dangers of apartheid, the tone of his remark evokes a polite drawingroom disturbed by a slight draught. 'Wind of change' hardly begins to describe the transformation that has overtaken every corner of Africa.

Macmillan had witnessed the new mood of African nationalism and understood that this would eventually lead to the political isolation of South Africa. He could hardly have predicted the speed and turbulence of the decolonisation process.

Apart from Ethiopia, which has always been a nation in its own right, there were only four independent states in Africa before 1955. Five more gained independence from 1955 to 1959 – Guinea, Ghana, Morocco, Tunisia and the Sudan. In the next decade 25 more states emerged and by the late Seventies the only remaining neo-colonial pockets were the Spanish Sahara, Rhodesia, South Africa and its dependent territories, and the French territory of Afar and Issa.

Zimbabwe can build a free and just society on a fast reviving economy. The communist threat has receded to the point where Russian and Chinese influence is almost non-existent. In Tanzania, a specifically African brand of socialism, coupled with strong government, has brought about one of the most stable and progressive regimes in the continent. New and vigorous economic forces have emerged, particularly in West Africa, and the Asian business community has almost universally strengthened its traditional position by adapting to the needs of Africanisation and filling many of the economic gaps left by the demise of colonialism.

To many outsiders Africa is still the dark continent, incomprehensible and occasionally frightening. In this article we investigate the reality behind the image, and find a continent where development takes many forms. There have been some false starts, but Africanisation offers a sound foundation on which to build domestic economies. Progress has already been made on a grand scale and there are even greater opportunities for companies and banks capable of working at grass roots level.

Africanisation in the broadest sense has been one of the most important factors in the history of the last 20 years. In many ways the systems and heritage of colonialism left behind by the departing Europeans were inappropriate to local conditions. Boundaries were often arbitrary, ignoring not only the facts of geography, but also language, race and creeds. Of the troubles that have occurred in this period, many were caused by colonial powers unwilling or unready to surrender control in the territories which had underwritten their prosperity at home. The tide of African nationalism was running high and they were driven out willy-nilly. Of course, this did not dispose of all the problems. In some cases the sudden dismantling of the administrative and governmental forms led to chaos. In others the removal of colonial authority led to conflict between tribal groupings which had always competed and could never be expected to form one nation.

At the same time there were many positive signs. The formation of the Organisation for African Unity in 1963 has lent a real spirit of cohesion and self respect to the states of Africa, so much so that they now have sufficient influence in the United Nations to out-vote all other members. Other international agencies and organisations have had a hand in developing the strength and confidence of the African nations – Organisation of Non-Aligned Countries, OPEC, the West African Common Market and ACP (the league of 57 developing countries from Africa, the Caribbean and Pacific), all trading with the EEC.

Throughout the world there has generally been a growing consciousness of the problems and rights of the emerging nations. This was given a new and aggressive impetus by the first world oil crisis when the major Arab oil producers discovered the vast power they wielded. Although many parts of the continent still suffer great problems, there is a new and expansive mood. West Africa in particular has achieved much and the formation of the West African Common Market in 1967 can only be considered a progressive and imaginative step. There are varying levels of achievement and potential in the twelve states – Benin, Ghana, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo and Upper Volta – but there is evidence in the community of a powerful impetus towards national self-advancement and, at the same time, the development of mutual assistance among the member states.

One factor in the success of West Africa is oil, which is of such importance in Algeria and Nigeria. Exploration is going on in Ghana and Senegal, while oil experts believe



Dakar harbour, Senegal, is well equipped to handle containers which carry raw materials and semi-manufactured goods to overseas markets.

that the Ivory Coast will be self-sufficient in this vital commodity by 1982. The Ivory Coast is probably the best prototype for the future of African development. Its achievement has been tremendous and as a result it is attracting international investment and trade on a massive scale. The government has been stable under 20 years of President Houphët-Boigny's benign rule, and shows every sign of progressing to full and genuine democracy. While industry and the economy have been developed systematically, the agricultural sector has been maintained and modernised to ensure that the social fabric and self-sufficiency are not damaged in the process.

Some of the credit for this achievement must go to the French government's policy in the period of decolonisation. Their departure was more gradual, and their initial impact on the cultures they colonised had perhaps been less destructive. Certainly they made great and successful efforts to maintain trading links with their former colonies and to lend support in building up the economies.

Another factor in West African success has been the long local traditions of trading and settled government. In this region, trade with the outside world dates back to the Egyptians, while Arab historians writing 1,000 years ago have left detailed descriptions of kingdoms of Ghana and Benin – among the oldest civilisations in Africa. The point here is that this trading tradition has never been broken, but handed on from Egyptians to Greeks, Berbers, Phoenicians, pre-Islamic Semites, Arabs, Portuguese, French, English and

Asians. Conditions vary throughout the continent and have evolved rapidly over the last two decades, but now in almost every country there are indigenous African nations in the process of formation. They face their future in the modern world with very diverse traditions and resources. To the critical eyes of outsiders they may sometimes appear pre-occupied with their own roots and actually to have regressed, but the fact is that most of Africa's new nations are standing on their own feet and are facing up to their own problems in their own way. In some cases it may actually be necessary to regress (according to western standards) and to undo some of the work of colonialism. In all cases, the results and the achievements are to be judged by African standards, not by those of outsiders. **Continued on page 18**

A more traditional aspect of African commerce in a village in Niger.



A refreshing read

Dear Sir,

I have taken copies of *The BCC International* home, and on these occasions, after having passed judgement over issues arising between my son and daughter and absorbing the daily quota of my wife's woes, I go through the magazine and find it most interesting, with its new faces, short write-ups and pictures of different places to look at.

It is a refreshing way to walk leisurely across to different parts of the world where our colleagues are working painstakingly for the steady growth of our institution.

For once it is not a misnomer to use the term 'appetiser' for the earlier issues, because they have given me a craving for the bi-monthly meals that now follow. We of the banking community with our daily travail are entitled to some light reading at the day's end. *The BCC International* is a very welcome sight whenever it is delivered to me for I am assured of a very informative and interesting read for a nightcap.

Yours truly,

Omar M Khan

Deira, Dubai

The readers who were interested in the explanation of our covers, and the many uses of hexagons, which appeared in issue number 5 (Cover Story, page 9) will be interested to read this piece from the book 'Patterns in Nature' by Peter S Stevens, first published by Little, Brown & Co, 1974.

Nature's finiteness arises because space prohibits so much and permits so little. In the same way that if nature requires direct flow to or from a central point, she must adopt the pattern of the explosion, and if she requires overall shortness as well as directness she must introduce branching, so, if she requires an economical network, she must use three-way joints. Again we find that nature cannot build anything she pleases in any way that she pleases. She must use patterns of hexagons, that is to say, three-way corners, in order to save material and she must use other modules with those hexagons in order to enclose space. As we have seen before, she can never make a regular icosahedral* crystal. She cannot join a new crack with an old crack at any angle other than 90°. She must increase the surface area of a small organism if it is to function like a large organism. Growth of one part must affect growth of all parts.

The rules are rigorous, but within those rules variety abounds and the rules show through the variations to portray a relatedness of parts that is aesthetically pleasing and a constancy of purpose that provides an eternal model for all of man's creations.

*Solid figure with 20 equal faces.

Continued from page 17

The time has come for the rest of the world to take a new look at the continent, to overcome its fears and to see Africa as the land of opportunity it undoubtedly is. The opportunities are all the greater because we shall be dealing not with the areas of colonial interest but with free markets developing for the benefit of their own indigenous and permanent population. The traditional dominance of French and English trading partners in their particular areas of interest is fast breaking down. Growing transatlantic trade and investment marks the beginning of a search for new trading partners and the evolution of a modern market economy. Investment is coming not only from the traditional sources, such as western Europe and the USA: the Japanese and other Asian countries are increasingly involved in joint ventures, technical accords and even in the setting-up of local manufacturing plants.

Round the world there is already a great upsurge of interest in the developing markets of Africa. Apart from inter-governmental contacts, and the underwriting of capital projects, companies right up to the largest multi-nationals are working hard to establish their products in Africa. Broadly speaking, the criteria for all these activities are two-fold – stability and the potential of the marketplace.

As we have seen, there are signs throughout the continent that post-colonial instability is on the wane. Many countries have already moved into the first stages of economic expansion, while the oil-producing countries and the Arab states of North Africa have established themselves as a powerful force on the world market.

Of all the business sectors that can look for expansion over the coming decades, banking is undoubtedly the star. Experts in this field predict a veritable explosion not only in commercial banking but also in terms of saver deposits. Here BCC has a unique advantage, both in terms of the long

tradition of Arab and Asian trade in Africa, and also because of the policy of Africanisation. Unlike most of its competitors, BCC can establish its credentials as a genuinely Pan-African bank with 39 offices in 18 African countries – and expanding.

To take full advantage of the business potentialities in the developing countries of Africa, BCC has to promote marketing harder than ever. To prospective customers and host countries the bank must look a little different from its competitors – and a great deal better.

BCC operations are truly global. The retail banking business will provide a large, stable base of deposits and a lending capacity big enough to attract and serve customers everywhere. With the advantage of local market knowledge and unrivalled determination to succeed, BCC must train its sights on what the market needs today and adjust its strategies accordingly. Hence the need for professional resources is greater than ever before. Two categories of banking professionals are needed: highly motivated credit marketing officers capable of selling an extensive range of financial services to local and multi-national clients, and dynamic operations managers who will be able to direct all administration functions from the start-up phase onwards. Of course, BCC has already achieved great success in human resource development with a new breed of young, aggressive bankers armed with BCC tools and techniques.

Equipped with a wide range of services, supported and marketed by a worldwide, on-the-spot and flexible sales force, BCC can look for explosive growth in Africa during the Eighties. If one is to apply Professor Rostow's theory of economic 'take-off' to the continent it is clear that natural resources, including oil and minerals, are fuelling a major economic advance. Growth time has come to the developing countries of Africa. BCC has much to offer these countries and Africa has much to offer it in return.

BAHRAIN HAS BEEN INHABITED FROM prehistoric times, and several thousand burial mounds in the north of the main island probably date from the Sumerian period of the 3rd millennium BC. It has been Arab and Muslim since the Muslim conquest of the 7th century AD, and since 1783 has been ruled by the sheikhs of the Al Khalifah family, which originated in the Hasa province of Arabia.

THE ZAMBEZI RIVER DRAINS THE ENTIRE south central region of Africa. It flows eastward for about 2,200 miles (3,540 kilometres) from its source on the Central African plateau to empty into the Indian Ocean. With its tributaries, it drains an area of more than 500,000 square miles (1,295,000 square kilometres).

Zambia is the third largest producer of copper in the world and one of the richest black-controlled states on the continent.

THE CAPITAL OF SIERRA LEONE, FREETOWN, commands the third largest harbour in the world after Rio de Janeiro and Sydney. The country owes its name to a Portuguese explorer, Pedro de Cintra, the first European to sight and map Freetown Harbour in the 15th century. The original Portuguese name of Serr Lyoa (Lion Mountains) referred to the range of hills that surrounds the harbour.

England does not exist

ALTHOUGH ENGLAND IS THE predominant part of the United Kingdom, constitutionally it does not exist. It is not mentioned in the title of its sovereign. Elizabeth II is Queen of "the United Kingdom of Great Britain and Northern Ireland and Her Other Realms and Territories". Scotland and Wales have their own departments of state and cabinet ministers, while Northern Ireland has its own parliament and government for domestic affairs. But England has no such special rights, not even a separate set of official statistics, which are conventionally compiled either for the United Kingdom, in which the administration embraces the whole

DID YOU KNOW

nation – for overseas trade, taxation and defence – or for England and Wales, as in the administration of law, education and various social services (where Scotland exercises an independent authority).

BRAZIL IS A FEDERAL REPUBLIC OCCUPYING nearly half the continent of South America. Its population in 1976 was estimated at more than 109,000,000. Among the nations of the world, it is exceeded in area only by the Soviet Union, the People's Republic of China, Canada and the United States.

ABU ZAYD ABD AR-RAHMAN IBN Khaldun, an Arab philosopher of history, historian and sociologist, was the greatest social scientist of Islam. He developed one of the world's most significant philosophies of history and wrote a definitive history of Muslim North Africa.

THOUGH IRANIANS HAVE TRADITIONALLY called their country by its present name, the old name of Persia originally designated a region in Southern Iran formerly known as Persis (modern Fars), but was extended by the ancient Greeks and other Western peoples to apply to the whole Iranian plateau. The Iranian people have inhabited that area at least since the 1st millennium BC. Under the Achaemenid dynasty (6th–4th century BC), they united the Near East. In ancient times they had an important influence on the Mediterranean peoples. Later, Iran became one of the chief centres of Islamic civilisation and extended its cultural influence into India.

THE STORY OF MAN IN SOUTHERN AFRICA may go back some 3,000,000 years – that is, close to the beginnings of man himself. Some of the most exciting fossil discoveries connected with early man have been discovered in the subcontinent, suggesting that for hundreds of thousands of years it stood in the forefront of human development and technical innovation.

PORTUGAL IS ONE OF THE OLDEST countries in Europe, with frontiers established since 1297.

CEREALS WERE AMONG THE FIRST PLANTS to be cultivated, having been grown long before the beginning of recorded history. Each of the world's great civilisations has depended upon cereals as a major food source. When ancient man learned to grow cereals, he was able to produce more than enough for his own immediate needs, thus making possible settled communities.

Gold from sea water

GOLD CAN BE FOUND IN SEAWATER. Though the total amount in the oceans is estimated at billions of tons, the concentration is less than six parts per 1,000,000,000,000 parts of seawater, making it uneconomical to 'mine' the sea.

HOSPITALS EXISTED IN SRI LANKA IN 437 BC and were established in India somewhat earlier, in the time of Buddha. Eighteen institutions built by Asoka, emperor of India, in the 3rd century BC are said to have had characteristics similar to those of modern hospitals in that cleanliness was stressed, the patients were treated with kindness and diet therapy was practiced.

IN THE 13TH CENTURY, BANTU TRIBES drove out bushmen from South Central Africa and gave it the name of Zimbabwe, meaning 'House of Stones', for there they found a number of large stone buildings. The largest of them, a great fortified mound of stone and cement is about 90 m high and was probably built by Eastern traders in about AD 850.

AROUND THE BRANCHES

LONDON'S BROMPTON ROAD BRANCH WINS PERFORMANCE PLAQUE

In a simple ceremony on a bright winter's morning, our president, Mr Abedi, presented the members of the Brompton Road branch with a commemorative plaque for their outstanding performance during 1979.

Mr Abedi was accompanied by Ameer Siddiki, V H Abedi, John Hillbery and Bashir Chowdhury. Every member of the branch, except those needed to maintain the essential branch services, were gathered together to listen to the proceedings.

The performance of all BCC branches is reviewed every year with the most successful selected to receive the prestigious and honoured plaque. During the ceremony, Mr Chowdhury gave a speech in which he listed the factors which are judged when evaluating performance.

An important point was, he said, "growth in deposits with emphasis on cost spread and diversity of deposits. Here, the ability of the branch to create and multiply new contacts without a lot of reliance on other units is kept in mind."

A second point was the generation of profits by developing new avenues for earnings and developing cost consciousness amongst the staff members. Another factor was the conduct of advances within defined financial disciplines and with emphasis on high quality and remunerative lending.

"The fourth point", said Mr Chowdhury, "was the excellence of operations with



emphasis on adherence to systems and controls and providing excellent service and efficiency to the clients."

He next listed the development of human resources by attending to the improvement of professional and technical skills according to the individual capabilities of staff members and ensuring effective integration of individuals within the culture and style of the organisation. This led to the final point, which was, he said, "the enlarging of the image and respectability of the organisation through the deliberate and constant efforts of the members of the branch."

Three branches in the UK region – Park Lane, Marble Arch and Brompton Road – had qualified for final consideration for

1979. After careful comparison of their total overall performance, the regional management committee recommended Brompton Road branch to CSO for consideration as the outstanding branch for that year in the region.

Having finished his speech Mr Chowdhury congratulated the manager, Shafiqur Rehman Khan, his officers and staff members for achieving their distinction and expressed his confidence in Mr Khan's successor whom, he said, will not only keep up the quality of the branch but will further improve it.

Mr Abedi then presented the plaque to Mr Khan, who gave his thanks in a quiet and dignified manner, expressing the gratitude which he and his staff felt.

A short speech of praise was given by Mr Abedi. He realised, he said, how hard every member had worked to achieve their honour. But the presentation of a plaque should not be the end of their efforts. "Other people in other branches are working hard as well, hoping to win the plaque next year. Others worked just as hard because they wanted the bank to grow. Nobody knows who will win the prize next year, but it will be won through effort. If you work as hard, it is possible that you could win it again," he said.

While different groups were having their photographs taken to commemorate the presentation, the rest of the staff soon got back to full activity, with everyone wanting to repeat their achievement.

Members of the branch and of the UK regional management committee pose for a group photograph.





In 1979 the Queen and Prince Philip visited the UAE. Here they are being entertained in Alain. Sanwar ul-Karim is standing third from the right.

The oasis town of Alain in Abu Dhabi, the largest and richest of the United Arab Emirates, is generally referred to as 'the garden city'. It is not difficult to see why. Its area of flourishing vegetation stands out in marked contrast to the surrounding desert.

Situated in the south of the Emirates, Alain is 160 km from the federal capital of Abu Dhabi and close to Buraimi, on the border of the Sultanate of Oman.

The town has grown enormously during the oil boom of the last ten years – but its history goes back rather longer. Recent excavations by Danish, French and Arab archaeologists have revealed evidence of sophisticated civilisations as far back as the third millennium BC, when it was linked with the great empire of Mesopotamia.

On a more local basis, many well known tribes have originated in this area, and today the town is proud of being the birthplace of His Highness Sheikh Zayed bin Sultan al-Nahyan, President of the United Arab Emirates and ruler of Abu Dhabi.

Alain got its name because with its many natural springs it was usually referred to as the 'eye' of the Emirates, and 'ain' is Arabic for 'eye'.

Even the climate is favourable, compared to Alain's hot and dusty neighbours. The UAE, in the Tropic of Cancer, is hot for seven months of the year, ranging from 30°–50°C, but humidity is low, and the heat dry. The winter is very pleasant with the temperature around 20°C. There is very little rain.

Before oil was discovered, inhabitants were nomadic bedouins living mainly on fish, dates and camel milk. There were no easy methods of transport and it took several days to reach Abu Dhabi, or the equidistant Dubai. Today the visitor is greeted with an amazing array of dual carriageways

ALAIN

A PERSONAL IMPRESSION BY
SANWAR UL-KARIM, MANAGER,
BCC ALAIN BRANCH.

providing easy access to all the other cities in the Emirates.

In fact the whole structure of this natural valley has changed. Where there were sand dunes there are now grassy fields, elegant villas where mud huts stood, and well illuminated roads have replaced camel tracks. In short, it has developed into a modern town, peopled with businessmen, industrialists, farmers, students and, of course, tourists.

This prosperity owes much to the keen interest of Sheikh Zayed bin Sultan al-Nahyan, who has helped to implement many development programmes resulting in a health service, improved education, better agriculture, stronger defence and an array of leisure facilities.

Primary schools have opened, catering for children from many different communities. Secondary schools have also sprung up and in 1977 a brand new university was opened, for the benefit of students from all over the Emirates.

It is important for an expanding community to become self-sufficient in agriculture. With the help of advisers from overseas, experimental agricultural farms and research units have been successful in raising many temperate crops – especially tomatoes and cucumbers. These are now exported to other Gulf countries.

The bravery and patriotism of the local people have contributed a great deal to the strengthening of the defence force. Pilots are trained to handle

sophisticated war planes and the Defence Academy produces soldiers equipped to cope with modern technology.

Camel racing is still one of the most popular sports, but there are also facilities for horse riding and a new sports stadium has recently been completed.

With its expansion of facilities, Alain now attracts businessmen from all over the world. Commercial banking has played an important part in building the economy and creating the social structure. Loans to private citizens have enabled both businesses and homes to be constructed and a unique relationship between banker and borrower has been achieved. This has been enhanced by the naturally honest and co-operative nature of the people, who fully understand the importance of banking in a new community, and appreciate the help it has given them. Branches of 15 major banks now operate in the region.

The splendid scenery around the town has encouraged tourists, who also come to visit the hill gardens, the zoo, the ancient ruins and, above all, the fascinating new museum, which was opened in 1971 by President Sheikh Zayed bin Sultan al-Nahyan. Exhibits include many treasures found during recent excavations.

Religion plays an important part in the lives of the people and there are more mosques here than in any other part of the UAE. Fraud and theft are virtually unknown.

It is usual nowadays for international visitors to include Alain in their itinerary when they visit any part of the Emirates. Recently the Queen and Prince Philip were honoured guests.

An exciting future seems a certainty for the residents of this 'garden city', where prosperity and expansion are the order of the day.

THE WORLD DEVELOPING COUNTRIES ARE WE TAKING

■ A REVIEW OF RECENT REPORTS AND PUBLICATIONS* BY BRUCE LLOYD, CSO, LONDON ■

At the centre of all thinking about long range planning must be the fundamental question: 'What sort of world are we likely to live in by the end of the century?' Today there are more hungry people, more ignorant people, more people living in conditions of indescribable misery than the world has ever known. But what are the chances of progress? Are we even taking the problem seriously?

A recent editorial in a leading national newspaper dramatically stated, "The stakes for the rest of the century are these: either the poor 75 per cent of the world's people find the road to prosperity, or we all, rich and poor, will face an unimaginable crisis." This is a sobering conclusion and any company or organisation with global interests or ambitions must be aware of this issue and its implications.

The 1978 *World Development Report*¹, which provides an excellent survey of the problem, came to a similar conclusion:

Development progress so far has been neither sufficiently fast nor sufficiently broadly based to reduce the number of people in absolute poverty. Even maintaining present rates of progress will require large increases in the flow of capital to developing countries, determined resistance to protectionist pressures against their exports, and vigorous efforts to raise the growth of agricultural productivity. On the basis of current projections, it is clear that absolute poverty will continue to be a massive problem for many decades.

The problems that developing countries face differ both in degree and kind, and this affects the choice of appropriate policy instruments. There is, however, a growing recognition that development strategies need to give equal prominence to two goals, accelerating economic growth and reducing poverty.

Rapid economic growth is fundamental to any development strategy, not only to keep pace with growth in population and to create employment for the growing labour force, but also to generate increased savings for investment. But growth alone is not enough. All the recent evidence shows that, without intervention, the poor tend to share less than their proportion of the benefits of growth, having only limited access to productive assets, education and employment. Consequently, deliberate action is necessary in areas that affect the distribution of increases in income. The balance between growth and redistribution, and the methods used to achieve that balance, is at the centre of most of the world's political and economic debate, and conflict.

The need for change in this area is the theme of most of the papers in **Another Development: Approaches and Strategies**² which were originally prepared in the context of the 1975 Dag Hammarskjöld Project on Development and International Co-operation. The book is separated into two parts: the first looks at the conceptual framework, particularly at the position of two special groups – peasants and women; while the second part evaluates the implemented,

or envisaged, development scenarios of Brazil, Mexico, India, Chile and Tunisia. The theme followed by most of the authors is the importance of satisfying basic needs in the developing world and creating simpler lifestyles in the richer countries. Implicitly the authors are concerned about the dangers of a new technological colonialism and the way this can contribute to regressive redistribution from the poor to the rich. The underlying argument is that there must be a radical change in attitudes towards a more egalitarian, democratic and self-reliant approach – that, of course, is a useful beginning, but it is essentially saying no more than E F Schumacher's classic article, 'Two million villages', first published nearly ten years ago. (**Britain and the World in the Seventies**, Weidenfeld and Nicholson.)

Another volume of mixed quality is **The New International Economic Order**³ (NIEO) which contains a systematic review of the past history, current status and future prospects of the NIEO. The issues are debated and a number of specific proposals analysed without jargon or obscure mathematics. It was, however, surprising to find, in an exercise that attempted to be comprehensive, that so little attention was given to the critical problems of generating employment opportunities and the role of small scale enterprise. Also missing was a badly needed critique of the regressive economic policies of most governments, particularly in view of the explosive increase in military expenditure in certain parts of the world.

Another fundamental problem of the NIEO is the over-emphasis it tends to give to economics. One exception was a paper by Ali Mazrui who identified some of the broader moral and political issues when he asked the question, "Why should the workers of Detroit be taxed in order to subsidise the ruling elite of Zaire?" or "When we ask the affluent countries to transfer resources to the developing countries are we confusing the interests of Third World **governments** with the interests of their **societies**? Or are we mistaking the interests of **societies** for the interest of **individuals**?" These are some of the questions central to the theme of **Why Poor People Stay Poor**⁴, in which Professor Lipton argues that, contrary to conventional wisdom, the great divisions in the world today are not between capitalist and communist, black and white, east and west, or between the rich and poor nations. Instead the crucial division is within the poor countries between those who live in the city and those who live in the country. Most of the book consists of a massive indictment of government policies all over the world. The author's final chapter, 'What can be done?' ought to be required reading for all those in any way concerned with these problems.

In the end things happen through people and **People Development in Developing Countries**⁵ by Ross Matheson is particularly useful for expatriate (and other) managers operating in a Third World context. The book is firmly based on the practical realities of getting things done (what a pleasant change!) and there are numerous useful check lists and examples throughout the text, as well as a

DEVELOPMENT PROBLEM TAKING IT SERIOUSLY?

selection of perspective anecdotes.

Approaching the subject from a different angle is **Rich World, Poor World**⁶. This racily written polemic extols well-meaning concern over the adverse ecological impact of much 20th century development. However, any ecological argument that advocates the use of coal without discussing the human cost involved in its production inevitably loses credibility. It was also a pity that the 35-page survey of 'The Armageddon Factor' (ie nuclear proliferation) did not mention the staggering figure of world expenditure on nuclear and non-nuclear arms per year – greater than the world's whole international debt.

After reading books such as those mentioned above, it is easy to find that text books on the emotive, and urgent, subject of world poverty and development tend to have a sense of unreality about them. A welcome exception to this rule is **Economics for a Developing World**⁷, which attempts to provide a comprehensive introductory economics text-book specifically written for students in the Third World. According to the publishers, "For too long students in Africa, Asia, Latin America and the Middle East have had to use books designed to extol the virtues of Western institutions and problems."

The author, Dr Todaro, analyses in an extremely readable way the major economic problems facing the developing nations. It is a commendable text that also ought to be widely read in the industrialised world. If we were all brought up on books like this our parochialism would quickly be undermined. It makes a positive contribution to the badly needed reorientation of priorities and each chapter ends with a helpful list of questions for discussion.

Rich and Poor Countries⁸ considers many of the same issues and provides a valuable starting point for anyone with a personal or professional involvement with the Third World, although the authors' approach is essentially analytical rather than prescriptive. Nevertheless, they argue:

It is quite clear that in the long run the comparative advantage that the rich countries have in the production of synthetic substitute for primary commodities, and also for food, will force the poorer countries to hunt for new channels of export expansion.

While the above comment was made within a critical context, it cannot be overemphasised. Many of the inequalities in the world today arise because of the way the industrialised world has benefited at the expense of the poorer nations. We live in a highly interdependent world and aid is no substitute for the adverse movement in the terms of trade (the ratio of the prices of primary products to manufactured goods). Apart from the extreme attempt to redress this imbalance using oil, there is little sign of any change in attitudes or policies in this area. Yet any progress in solving the world's development problem needs both sensible internal priorities and enlightened international policies. Unfortunately, it was somewhat surprising to find that neither of the above two books mentioned mankind's vast waste of resources on

military hardware.

While the main responsibility for successful development rests with the developing countries themselves, the measures that they can implement effectively and the rates of growth that they can achieve are influenced by external factors: the markets for their exports, the prices of imports and the availability of international capital to help finance investment. In all three areas, over the past 30 years, there has been an overall movement of resources from the poor to the rich, rather than a flow in the reverse direction.

To move half the world out of its state of abject poverty does not need sophisticated economics. Essentially it needs nothing more than commonsense. Unfortunately, this appears to require a major change in attitudes and priorities. The continued academic debate on obscure economic theories is often little more than an excuse for inertia. What is needed is not words, books or conferences, but action. The problem is not difficult if we really want to solve it. Unfortunately, there is little evidence to suggest that we do, either domestically or internationally. If mankind switches just half the resources currently devoted to the military/defence industries into eliminating the world elements of human poverty and deprivation, a major portion of the development problem would be transformed within a decade. Until there is such a change in priorities no one can say that the world is taking the problem seriously. Yet without it, world prospects for the 21st century are dim indeed.

Whether we try and fail, or perhaps even succeed, is of vital importance to those concerned with the long term survival of almost every organisation, be it a corporation or a nation state.

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