



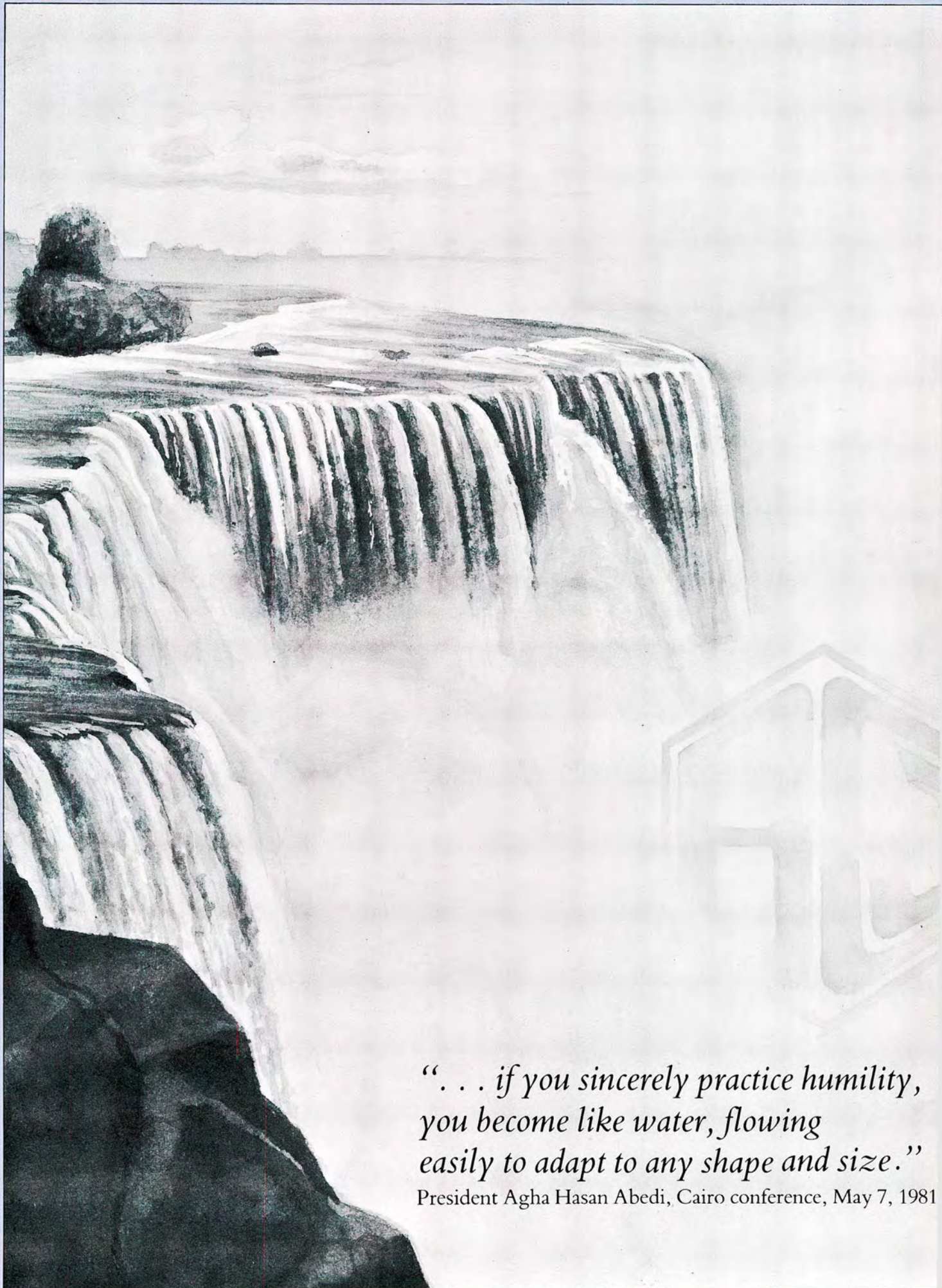
THE

# INTERNATIONAL

BRIDGING THE BCC WORLD

NUMBER TEN





*“ . . . if you sincerely practice humility,  
you become like water, flowing  
easily to adapt to any shape and size.”*

President Agha Hasan Abedi, Cairo conference, May 7, 1981

# BRIDGING THE BCC WORLD

## The invisible bond

In this issue of *The BCC International* we look at Zimbabwe and Canada — two countries that are going to play increasingly important roles in the BCC world.

On the face of it, the two are totally different in terms of historical development, geography and culture. Zimbabwe is one of the newest independent nations, only gaining its freedom after a long struggle. Canada, on the other hand, seems well settled in its world role. But the differences between the two are more superficial than real.

The peoples of both countries are united in the deepest of all human aspirations — a full life lived in freedom. This is not an abstraction but a vibrant reality. There are two levels on which this aspiration tries to gain fulfilment. The first is invisible. All of us know in our heart of hearts that our President's vision is an affirmation of the supreme value of human life. Look into this more if you want to understand the invisible yearnings of your fellow men. The second level on which our aspirations look for satisfaction is more pragmatic and down-to-earth. It is, if you like, the machinery through which the invisible operates in our daily life. This is trade seen as the global mechanics of human interaction. Trade brings nations together. It promotes physical well-being just as love promotes psychological well-being. Both are needed to enjoy life to the full. Trade is the ocean into which nations pour their goods. Trade binds all nations together and, at the same time, liberates each nation to seek its individual destiny.

At the centre of trade is banking. Today BCC — our bank, our family — is the spearhead of international banking. So, as new ventures get under way in Zimbabwe and Canada, we pay tribute to our common pursuit and our common purpose. Let us enjoy the fruits of our success together with the peoples of all the world.

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The Niagara Falls in Canada and the Victoria Falls in Zimbabwe are both famous throughout the world. Here they symbolise the flow of nations into the ocean of non-discriminating universality.





**Opposite page:** Prime Minister Robert Mugabe presents the inaugural address. Seated on his right is Mr E D Chiura, chairman of the bank. On his left is finance minister Enos Nkala. In the background is Mr Allaudin Shaik. To Mr Mugabe's far right is Mr Cliff Twitchin.

**Right:** BCC officers and guests at the reception.

**Above top:** Prime Minister Robert Mugabe, assisted by Mr E A Garda, cuts the tape.

**Above:** Mrs Chiura presents Mrs Mugabe with a memento following the inauguration.

**Below:** Prime Minister Robert Mugabe is received by Mr Agha Hasan Abedi. Also in the picture are BCC Zimbabwe directors Mr Chiura, Mr Twitchin, managing director Mr Garda, and Mr P F Gutta.





# ZIMBABWE

## A NEW COUNTRY, A NEW BANK, A NEW HOME

BCC Zimbabwe sprang into life on July 16 this year with an opening fanfare as yet unequalled in our bank's experience. BCC Zimbabwe, a joint venture bank with the government of Zimbabwe, has a character which fully reflects the multi-racial and multi-cultural aspects of our BCC family. The bank intends to meet the needs of local commerce and trade, while promoting services for the "man in the street".

The bank was officially opened by Prime Minister Robert Mugabe, who expressed joy and enthusiasm for our outstandingly successful record.

The BCC Zimbabwe headquarters in Salisbury (to be known as Harare) will also become the new regional headquarters for Southern Africa.

# Zimbabwe — a new country, a new bank, a new home

At the opening ceremony, Prime Minister Mugabe welcomed BCC President Agha Hasan Abedi and the officers who had helped to establish the new bank.

"I would like to express my Government's appreciation of the co-operative attitude of BCCI in regard to the establishment of BCC Zimbabwe. The emergence of this new bank will give a fillip to our current economic reconstruction and development efforts. It will certainly significantly expand the scope of the banking services available to our people. This is as it should be, for with the attainment of genuine independence and the consequent achievement of peace and normality in our country, ours has once again become a dynamic and rapidly growing economy," said Prime Minister Mugabe.

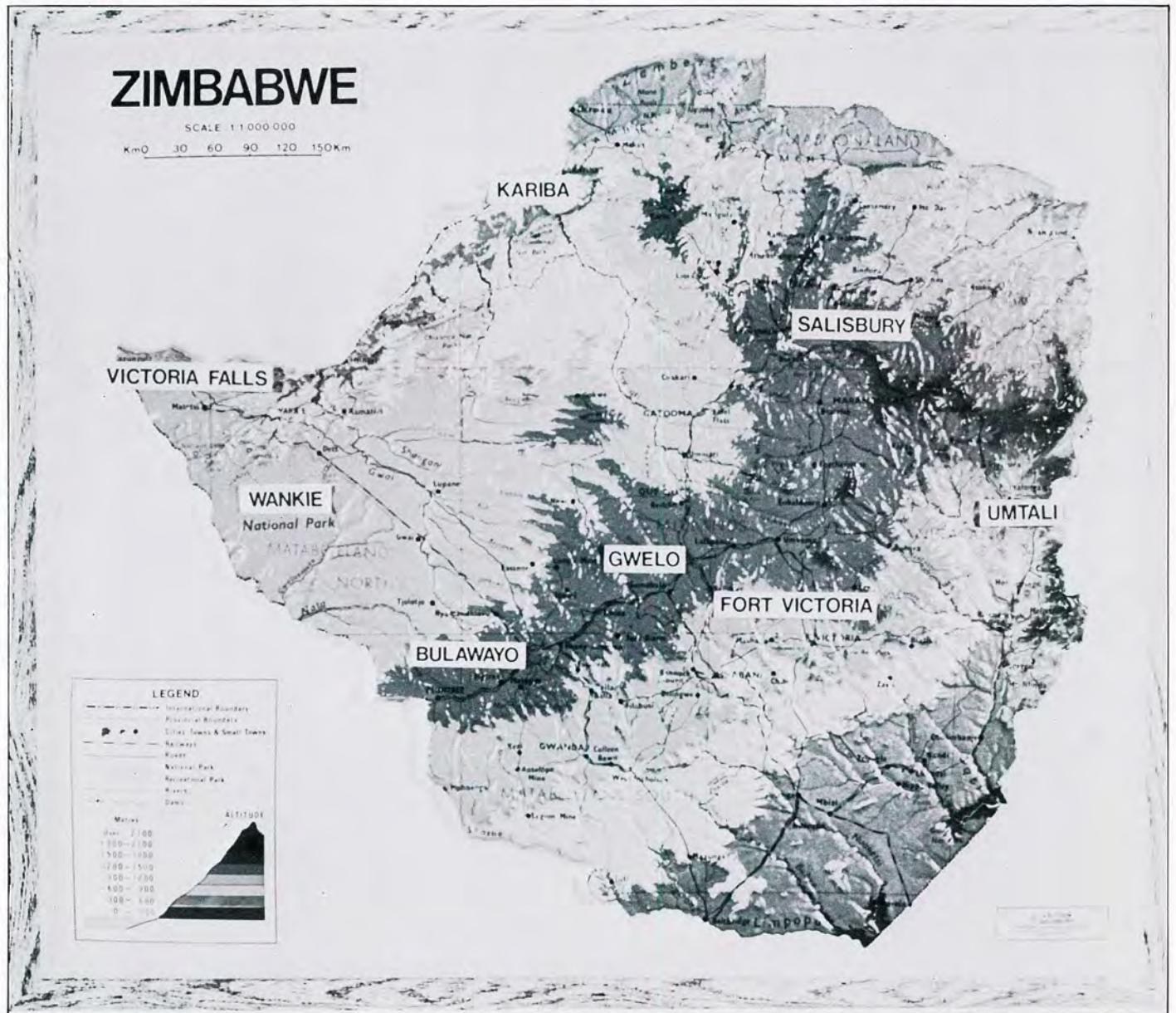
"The opening of this bank represents a major milestone in the evolution of our state and the consolidation of our independence. It represents the fulfilment of some of our aspirations in regard to the re-organisation and management of the economy. Banking is at the very centre of all modern economic activity. It constitutes and sustains the international economic relations of our day.

"It is a matter of great joy and satisfaction to me to witness

and participate in the official inauguration of a bank in which the Government has a 47 per cent interest, and the Bank of Credit and Commerce International 53 per cent. This joint venture is an excellent example of how the State wishes to proceed in ensuring its participation in certain crucial areas of our economic sectors which, hitherto, have been the monopoly of private enterprise.

"BCC has a proud record of success since its founding barely nine years ago. It has been, without doubt, one of the fastest-growing and most commercially successful of all recently established banks. . . . The bank's total assets have

In honour of the new regime, Salisbury is changing its name to Harare. The new name, which means "does not sleep", was its original African name before colonialisation. No doubt its epithet will reflect the high level of activity as Harare becomes the business capital of a liberated Southern Africa.





The BCC Zimbabwe team together with CSO executives who visited Zimbabwe for the inauguration.





*A panoramic view of the capital of Zimbabwe.*

increased in value from US\$200 million in 1972 to over US\$5 billion today; operating profits rose from US\$335,000 in 1972 to well over US\$47 million in 1980; and I am reliably informed that the performance in the first half of this year has boosted the operating profit to nearly double the figure for the whole of last year."

Prime Minister Mugabe concluded by praising BCC Zimbabwe for its Zimbabwean outlook and orientation, exemplified by its provision of the necessary training, expertise and experience for young Zimbabweans, so helping them to take their rightful place in the world of banking, in service to their country and people.

"Already, some seven young Zimbabweans are in varying stages of completing their training in London under the auspices of BCC. We look forward to their return to serve their country. No doubt more trainees will follow in their footsteps, for we believe that Zimbabwean participation should not merely be a matter of equity or shareholding, but should also encompass full involvement in the policy-making, managerial and technical aspects of this — and indeed any other — bank's activities."

In his speech, Mr Abedi commented that the opening of

the Zimbabwe office had been one of the happiest moments of his life.

"The sense of importance of this occasion is indeed difficult to put into words. During the past nine years of our worldwide development, most of us associated with our mission have had a sense of being driven by an unseen force — a divine direction towards a destiny. We see the need for change in the developing world and we feel a sense of urgency. In BCC we sincerely believe in helping to redress that balance."

### **US\$10m fund for Zimbabwe**

Mr Abedi continued by saying he felt BCC belonged to Zimbabwe, to the Third World, and to all the deprived peoples of the world. "It is our major objective, to whatever extent, to build a road between the South and the North — or rather the 'haves and have nots' — in our own small way."

In conclusion, Mr Abedi told his audience that BCC intended to establish a foundation in Zimbabwe for the welfare of its people. The bank has decided to contribute an initial US\$1 million, and build up a fund of US\$10 million from contributions made by BCCI and BCC Zimbabwe within the next few years.



# PROGRESS & PROFIT

*Munib Hasan Burney attended the June 5 marketing conference at the Dorchester Hotel in London and the meeting induced him to describe the Profitman's qualities in his own words.*

Life is continuous change, which in rational beings is translated into deliberate action. If the action is positive, it is creative and productive; if not, it is destructive. Our existence is interwoven with countless complexities and is a continuous struggle. It can be compared to climbing a steep, slippery hill. We all climb, and we all slip. But when you slip do you lie there and call it a day, or do you pick yourself up and try to go on? People who are determined, and prepared to act, ultimately conquer the slopes, overcome the pitfalls, and continue their journey to the summit. Those who lack the courage travel sideways, or in circles, or fail to move at all. It is the upward thrust generated by faith, determination, an ability to act and the humility to accept help from all quarters, which makes a Profitman.

At the beginning of 1981, we were introduced to Profitman. Who is this Profitman? Nobody special or different, for anybody can be a Profitman. It is a concept as old as human progress and the Profitman is behind every success.

An individual is a source of energy. It is not only up to the people around him to exploit this energy, skill, and knowledge but also for the individual himself to go deep down within himself and to discover his potential, thus benefiting not only himself and his family but the entire society.

A Profitman is a person who has discovered his own latent energy and utilized it to achieve his personal targets in life and the ultimate goals of success and service.

But the greatest quality of a Profitman is humility. Pride, conceit, ego, self-importance, selfishness and shortsightedness often restrict us. Humility demolishes these faults. It liberates us from these restrictions and makes room for light and fresh ideas. It develops the quality of give-and-take, under which one contributes all that one can and accepts as much as one can from other people. This is a continuous process.

A student of science can see the true image of humility in carbon. It is the humblest in the family of elements like

silver, gold and platinum, but no element except carbon reaches the perfection of a diamond. Even after having achieved such a distinction and perfection the carbon's atom remains humble. The electrons within desire to grow bigger, better, and to change. They even accept electrons from other atoms. In its efforts to create, carbon makes itself nothing. It creates a vacuum within and accepts from without. This is why its contributions are so uniquely multi-directional, and of such far reaching significance.

In 1981 a new future dawned for BCC, and '81' became synonymous with profit. It is a natural progression from all the efforts made so far by the Profitmen of BCC, but it is only a milestone — albeit a very significant milestone — on the road of success.

Our efforts for '81' will come to nothing if we are unable to remove the restrictions which hinder our ability to act. We will be working with definite limitations. But our exertions become a pleasure the moment we acquire the quality of humility. Help arrives from all directions and our own latent capabilities come to the surface.

The quality and quantity of our out-

put starts to improve day by day and we find new avenues of success and service opening. Those who consider humility to be 'only a theory' should give it a trial. Become genuinely humble and then see what happens. But humility must be combined with positive and well-directed action.

Our President told us how BCC was started with \$2.5 million capital, which grew to \$291 million in 1980 and is expected to reach \$400 million in 1981 with a profit forecast of \$150 million by the end of this year. These are fascinating figures and very rewarding. But there is no time to stop for celebration as we have a long journey ahead of us during which we must continue to improve upon these figures.

Our aim now is to put all our efforts into this 'Year of Profit'. Let us make '81' a great success and let us all be part of much greater things to come. Let us motivate ourselves and put into action our thoughts, our plans and hidden desires for success, achievement and service.

Let us be Profitmen and collect our reward while humbly continuing upwards and onwards towards our destination.

**“No matter what assignment you are working on, you can be a Profitman,”** says the Middle East Regional Profit Committee. And officer Fazil Nazish of the MO reconciliation department at Abu Dhabi is a good example. In a letter to his Regional Profit Committee, he said:

In a commercial organisation like ours two factors, one visible, the other invisible, require a different approach but play an equal role in profitability or loss prevention.

The invisible factors with which we deal can be summarised in the following words:

**Efficiency** Only an efficient hand can stop a thoughtless wrong entry creeping into main office accounts. Efficiency is absolutely necessary to check any unintentional mishap, from any quarter, before losses occur.

**Accuracy** Speed alone is not all-important. Its consequences may be grave or even disastrous. We must combine speed with alertness, awareness and accuracy.

**Supervision and guidance** A sympathetic and cordial atmosphere which aids productivity and efficiency prevails in this department. We extend our hand to branches whenever they need

our help in solving banking problems. In this way we make a contribution towards the efficient running of the branches.

**Originality** We are not slow in introducing new ideas. A circular was produced by this department and has assisted in boosting efficiency in the branches, recovering BCC money on value date, providing a base for making interest claims on banks outside BCC and fixing responsibility on collecting branches.

Another circular regarding new sets of advice vouchers is being considered by Central Office, London. If this circular is approved and issued at regional or global level, we expect a considerable saving each year in the UAE alone. The circular will also reduce handling costs by 50 per cent.

*Yet another positive contribution from the MO reconciliation department which should result in more profitability.*



# EASTERN PROMISE

Some years ago, when J. D. Van Oenen was with the Bank of America he was known as “the senior co-ordinator of global foreign exchange money markets and investment activities”. Since joining the BCC board in 1976 his title, if not his role, has been rather less complex.

Much of his time has been taken up with the supervision of the East Asia and Pacific desk, formed late in 1979 to co-ordinate and to provide support for the activities of the region from the CSO. Mr Van Oenen, who has spent all his civilian life in banking, is no stranger to the region. He went to Bombay with his first employer in 1938 and stayed there until 1942.

Even his war service was spent in Asia with the Dutch Navy — based in Colombo, capital of Sri Lanka. In 1946, he went to Calcutta for two years before returning to Bombay, moving on to Bangkok, Thailand, in 1953.

His next move was not only to a new continent but a new company. In 1960 he joined the Bank of America and spent 12 months in the US.

It was not long before Mr Van Oenen returned to Asia. He moved to Pakistan with the Bank of America and opened the

Karachi office. Coincidentally this branch was in the same building as the United Bank. It was here that Mr Van Oenen first met BCC President Agha Hasan Abedi, where he says, “we developed a very pleasant working relationship.” But it was the move to Singapore in 1963 that posed the greatest challenges and also placed Mr Van Oenen in a position where he was most able to influence events.

Singapore housed the Bank of America’s South East Asia regional office and this was a period of great change in the Malayan peninsula. Malaya had won its independence in 1957, and the establishment of the Central Bank of Malaysia in 1958 promoted the growth of Kuala Lumpur, the federal capital, as a banking and financial centre in rivalry to Singapore. The separation of Singapore from Malaysia in 1956 and the currency split in 1967 caused changes in the banking and monetary relationship between Singapore and Malaysia.

It was against this background that Mr Van Oenen was asked by the Singapore Government to advise on the growth of the area as a financial centre.

We asked, “What advice did you give?”

“I couldn’t put it in a nutshell,” he replied, “but it covered

every aspect of financial policy — taxation, banking, investment — and it was almost all implemented.”

Part of the advice undoubtedly covered the setting up of the Asian Dollar Market, launched in October 1968. At the time there was a considerable mobility of funds in Asia and potential investors were discouraged by the 40 per cent withholding tax in Singapore. The difficult economic climate in Europe and the US gave the Asian Dollar Market, officially called the Asian Currency Unit (ACU), another boost. The market has grown rapidly. In 1968 there was one participating bank and the market had gross foreign currency liabilities of US\$31m. By mid-1973 the respective figures were 45 banks and US\$3,823m. Figures for 1980 show a further increase to 124 banks and US\$65bn.

BCC is hoping to join this lucrative market as soon as possible. “We have applied for a licence and are waiting for approval,” says Mr Van Oenen, “I don’t know how long it will take but we are hopeful that by the end of the year we will be in operation.”

In 1969, with Singapore and the Bank of America’s operations in the area looking all set for growth, Mr Van Oenen was transferred to the Bank of America’s London office. It was here that his path crossed with Mr Abedi’s yet again.

“I was involved in the initial discussions with Mr Abedi,” he reminisces, “and when BCC was incorporated in September 1972, I was appointed a Bank of America representative on the board.” At the time 25 per cent of BCC’s capital was subscribed by the Bank of America.

But this relationship was not to last long. In 1973 he joined the Bank of Montreal as executive vice-president and later, in 1976, took a short-lived retirement. It was at this point that Mr Abedi asked him to rejoin the board of BCC and to offer his guidance on the bank’s ambitious expansion plans in the Third World in general and East Asia and the Pacific in particular.

East Asia and the Pacific is earmarked by world economists as the area likely to enjoy the largest growth in GNP during the next decade and BCC already has a substantial presence in the area. The acquisition of a majority shareholding in the Hong Kong Metropolitan Bank has given BCC a strong regional base and, in fact, the development of the area is largely in the hands of the Hong Kong committee which “really covers the whole area”.

The BCC group now has twenty offices and a regional headquarters in Hong Kong, three in Bangladesh, one in South Korea and a representative office in Japan and Indonesia. An offshore branch unit opened in Manila in the Philippines in August. Manila is another area of growth for financial markets, though smaller than Singapore. “There was an increasing amount of work in the Philippines and we were handling it in Hong Kong,” says Mr Van Oenen. “We felt the need to develop.”

The area generally is one in which it is notoriously difficult to obtain a financial foothold. Thailand, Burma, Taiwan, Vietnam, Malaysia, Brunei, Singapore, Papua, Polynesia: these are all countries which fall within the geographical limitations of a region that is expected to experience an explosive growth. But all have strict legislation to limit the involvement of overseas banks.

And the sleeping giant, China, is just across the border from Hong Kong. “This will become a very important market in the next 10 or 20 years,” says Mr Van Oenen, “and some investment is already being encouraged, especially from Chinese nationals overseas.”

A free zone already operates where international trade is encouraged, and the need for close contact with the Republic of China is emphasised. Development in the region will generally be under the auspices of the Metropolitan Bank,



J.D. Van Oenen: “Need for close contacts with China.”

which has grown at a phenomenal rate — faster even than the Hong Kong economy generally.

“We are now in the top 10 or 15 banks incorporated in Hong Kong,” says Mr Van Oenen, “and we intend to improve on this.” The number one spot is impossible, he concedes wryly, as this is held by the central clearing bank.

The bank is looking particularly closely at developments in Australia, an area which is already concerned about the level of foreign investment. The expatriate Chinese in particular are already investing large sums and, in fact, having their children educated in Australia.

But although South East Asia and the Pacific is receiving much attention at the moment, Mr Van Oenen stresses that BCC’s interests are worldwide. “We are prepared to open in areas where there is no general banking activity,” he claims, but such centres must be potentially profitable. There must be evidence of political stability and evidence of investment and growth. The joint venture operation in Zimbabwe is a case in point, and Mr Van Oenen points out that BCC’s international base means that work can be moved from established successful operations and will effectively underwrite new ventures during their settling-in period. “There is a snowball effect,” Mr Van Oenen adds.

The latest venture is in the US, a country which certainly fulfills BCC’s political and economic criteria. The Metropolitan Bank has received permission to open an agency in San Francisco which will take foreign deposits. This, the bank’s first operational office in the Western hemisphere, opened early in September with a Chinese manager. San Francisco, a city which has the largest Chinese population outside Asia, was the site of Mr Van Oenen’s first venture with the Bank of America some 20 years ago.

# ACTION



## AFRICA

**A**t the Cairo two-day marketing conference, held in May, 130 delegates gathered to hear President Agha Hasan Abedi speak about our bank's future aims and aspirations. For the benefit of the many members who could not be there, we publish below some highlights from Mr Abedi's speech.

### The importance of culture

BCC's objectives are far higher than making profits, said the President. We are trying to evolve our own culture. BCC is a family of various cultures, and it is important that we should find a common identity. Culture has various aspects — it involves service to humanity, corporate responsibility and the highest possible productivity.

Above all, it is related to the invisible psyche of mankind. It is through culture, and thereby human relationships, that we shall meet our objectives. But this will never be possible unless we have the humility to come out of our shells. To become truly emancipated, we must erase all boundaries and free ourselves from bias and prejudice.

If we weave 47 countries into a culture whose central point is humility, this will lead to the fulfilment of our objectives. Because if you sincerely practice humility, you become like water, flowing easily to adapt to any shape or size. A human being is a container — and life is only what you put into it.

### The importance of planning

Our planning is based on ACTION. That is the only way to open up new horizons.

One of the products of Western culture is the belief that material success is the name of the game — profits, facts, figures — all tangible assets. This is why so often current established methods of business fail where we succeed.

For us, planning is a vision. We

identify our direction, but we have indicators, not fixed targets. We are not bound by rigid management procedures — we create our own systems.

ACTION is the invisible energy which propels us into new situations. But true ACTION does not come from one man alone — it develops from the energy of others. Energy consists of invisible forces providing a direction of flow.

We use these forces in our planning. The planning process should have many inputs. If there are not sufficient inputs, no allowances can be made for new situations as they arise, and so they cannot be incorporated into the whole.

### The importance of marketing

Marketing is a humility-orientated action to raise the image value of an organisation. Human relationships enlarge the canvas of marketing.

Marketing is in you. But you must cross the boundaries of time and environment to reach your true

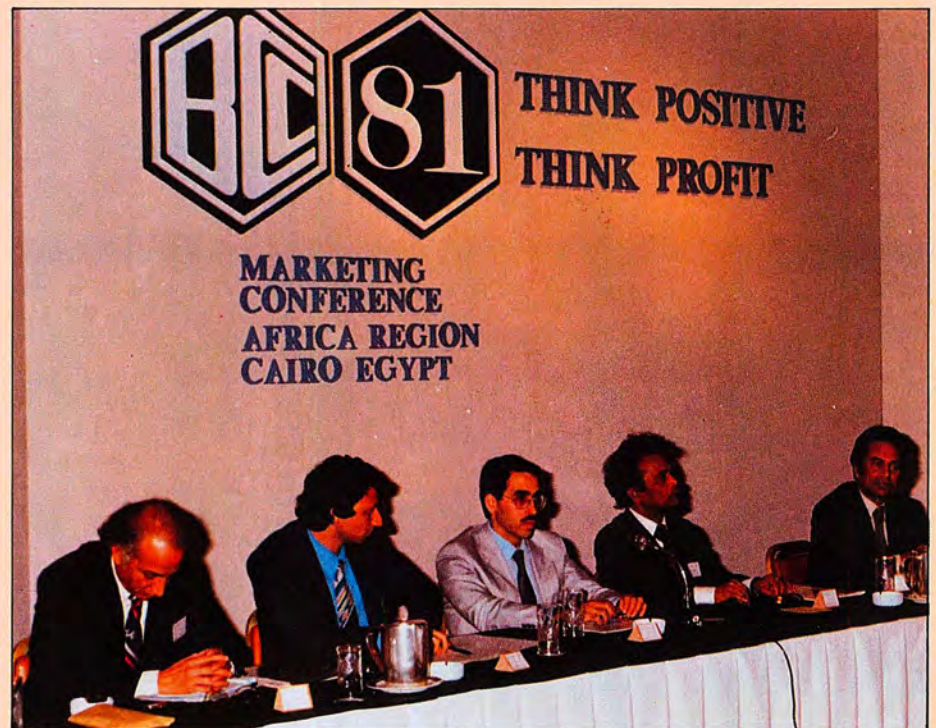
potential. How can you cross these barriers? Provided you have the faith, it is possible. But if you confine yourself to a time frame you are restricted — your flow of energy is related to infinity. Remove the time frame and you are infinite.

It all depends on you. The barriers are within you: break them down.

Marketing is YOU, minus all the barriers and all the prejudices. Judge yourself to find out whether you are a marketing person, and see it in respect of results. If they are poor, it is because of the barriers within you.

### No doubts about the future

We are on the threshold of an immense step here in Cairo. I have no doubts about the future — we will be the foremost, most progressive bank in the country. But please never forget you are a member of a global family — a very distinguished family — and I am very proud of you all.





# PERFORMERS

our warmest congratulations



*Samir Hechaime, Beirut, Lebanon*



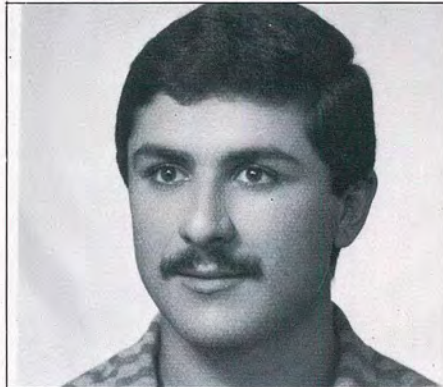
*Ikram A. Alam, Freetown, Sierra Leone*



*A. K. A. Haq, Glasgow, Scotland*



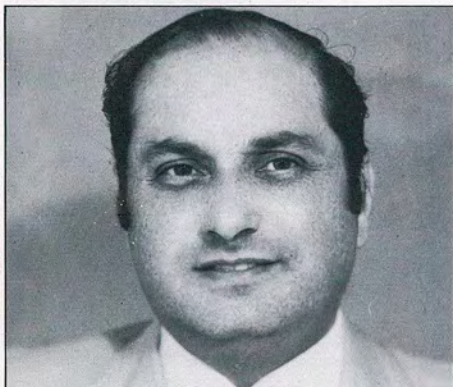
*Riaz Ahmad, Lahore, Pakistan*



*George Khalil, Beirut, Lebanon*



*D. V. Lewis, Freetown, Sierra Leone*



*Mustapha Halabi, Lebanon*



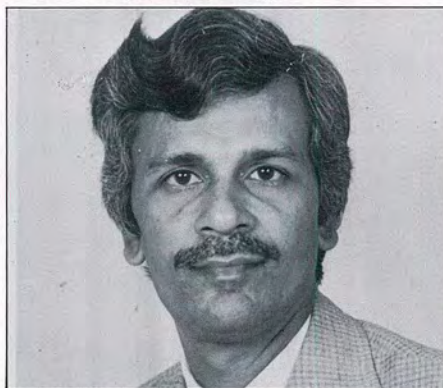
*Madame N'Diaye, Dakar, Senegal*



*Suleman Murunga, Nairobi, Kenya*



*Ishtiaq Nasim, Seoul, South Korea*



*S. K. Mathur, Freetown, Sierra Leone*



*Basit Ali, Queensway Branch, London*

# EVOLVING OUR CORPORATE IDENTITY

There is a rich tradition at BCC of holding conferences to review corporate and personal development. These occasions bring together the members of our family in a celebration of our collective effort. The recent conference, held in Abu Dhabi, was a sequel to the conference held there in February. It was attended by managers and their teams of Profitmen from 16 branches in the UAE.

Agha Hasan Abedi, president of BCC, was in the chair. Mr Abedi opened his address by commenting on the red roses that had been placed in front of the Profitmen. "It is significant and auspicious that you have roses in front of you," said Mr Abedi. "They symbolise the power and beauty of nature. Success — all success — comes from attunement to the powers of nature."

As the conference got under way, there emerged a keen desire to examine the corporate identity of BCC. The delegates focused their attention on three main issues:

- What is the purpose and identity of the group as a whole?
- What is the identity and purpose of each individual within that whole?

- How can the two be brought together and made into one?

The obvious answer to the first question was: the purpose of the BCC group is profit. Profit is our lifeblood. Without it we will cease to exist. But is profit the be-all and end-all of our purpose? Do we worship profit as the sole god? These are not idle questions, for the answers look deeply into the soul of our organisation. Our record of growth is impressive but BCC is much more than a profit-making machine. Never doubt that BCC exists to serve humanity. Nothing less will satisfy us for we have tasted the changes that are coming in the world.

Mr Abedi went on to discuss how part of the shareholding has been put aside for good causes on a global scale without

consideration of caste, colour or creed. "We will take children from the lowest strata of society", Mr Abedi explained. "These are children who would otherwise have no prospect of health or happiness in their lifetimes. We will take them and educate them and set them on their way to prosperity. We will do this because, in all humility and simplicity, we aspire to be good human beings. For this purpose we will make BCC a strong and a powerful instrument."

The corporate identity of BCC and this vision of possibilities are inseparable. We are our own vision.

Mr Abedi remarked in passing that he was "a 24-hour man". In a very natural way, every hour of the day was dedicated to fulfilling BCC's aspirations. This total commitment is shared by a hundred senior executives in the group. The BCC vision evolved among them.

The delegates at this point faced a crucial decision: do the people who work at BCC want to share actively in this dynamic vision? Or will they be content to remain mere employees? Mr Abedi sincerely invited everyone at the conference to share in this vibrant corporate identity. "We are a family," he said, "and I want you to decide with your hearts. The vision of one hundred people can become the vision of everyone. You can become part of the reality of that vision."

Our corporate identity has six sides to it, just like the BCC hexagon. They were summed up as: purpose, dynamism, a healthy flow of energy within the company, the challenge to succeed in life, the challenge to succeed in the banking world and, last but not least, profit. This is our corporate identity. This is what we are.

The conference was a moving experience. No one who was there will ever doubt the purpose of BCC or the ultimate role they are invited to play in it.

*BCCI President Agha Hasan Abedi, together with regional manager Saleem Siddiqi and his senior executives Zafar Iqbal, Ashraf Nawabi, Bashir Tahir and CSO marketing executive Allaudin Shaik.*



# THE SECRET OF JAPANESE RAPPORT

In every culture there is a vital undercurrent of mutual understanding running beneath the rhythmic movements of daily life. In Japan, the restrained elegance of Zen architecture, the unspoken attitude of joint responsibility between manager and worker, and the delicate reserve of leaving things unsaid, all point to the invisible quality underlying Japanese behaviour called *wa*. During a recent visit to Tokyo, one of our bank's executives found a report on the hidden harmony in Japanese rapport. We are reprinting some relevant extracts here because it is felt that so much of what is said is reflected in the BCC culture.

Observers of the Japanese people, especially Westerners, are often puzzled by the manner in which Japanese communicate.

The differences between Japanese patterns of behaviour and those of other peoples have been analysed by many observers. In industry, such features of the Japanese system as employment for life, long-range projects and planning, and employee participation in quality improvement are often described as patterns that help make Japanese industry competitive in the international market.

All of these features provide material for valid comparisons. But there is an underlying Japanese characteristic that permeates most of them. In Japanese, it is called *wa*. Sometimes *wa* is translated into English as "harmony", but it encompasses the meanings of at least four English words: harmony, peace, tranquillity, and balance.

*Wa* embraces personal relationships, and also those between man and nature. A famous Japanese poem describes a morning glory blossom and vine that had become entwined around the pole of a well bucket, causing the author of the poem to go elsewhere to obtain fresh water. The sentiment in this, implying that the author would rather go to his neighbour to ask for some water instead of untangling the vine to get water out of his own well, represents an example of *wa* governing the

relationship between man and nature.

## Probable origins of *Wa*

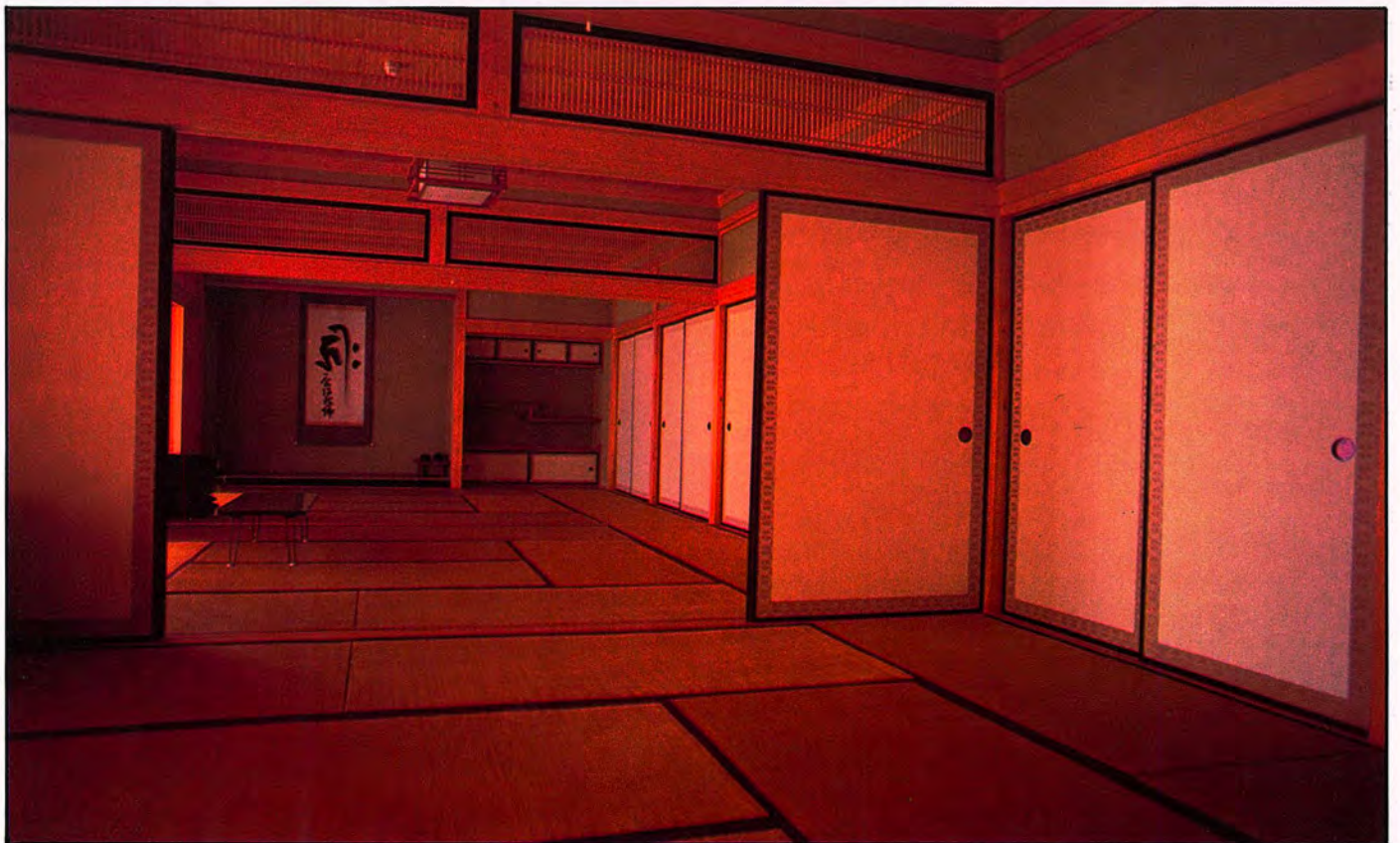
*Wa* did not suddenly appear as an adoption of a theory or philosophy propounded by one individual. It evolved through the history of Japanese society and the pressures of both the environment and the trends of social development.

The country has always been densely populated. It is estimated that Japan had a population of about 30 million in the eighteenth and mid-nineteenth centuries. The mobility of people was limited mainly to foot travel, which meant that their daily world extended only about as far as a person could cover in a round trip on foot in one day. Therefore, the people living in the cities of ancient Japan probably had to live in as close proximity to their neighbours as they do today.

This eternal crowding has undoubtedly had an important influence on the behaviour of the people. They have had to evolve mannerisms and styles of communication that would generate a harmonious atmosphere among neighbours. Peace, harmony, tranquillity, and balance in human relations are essential to a society so densely populated.

But crowding has not been the only reason for the development of *wa*. The tranquillity of a temple and the etiquette of tea, with the austere but highly aesthetic environment of a





A large part of Japan is made up of rugged and inhospitable mountains. The population of 116 million is heavily concentrated in a very small area.

Japanese homes are traditionally furnished very sparsely. This contrasts with the streets and public places which are always crowded. Yet a delicate spirit of understanding and harmony is found throughout Japanese life. This is largely the influence of *wa*.

room with a single scroll and a simple flower arrangement, have been constant reminders of the spirit of *wa*.

## Japan's vertical society

In establishing an orderly society, ancient Japan had instituted a social system in which the samurai class, or the warrior-administrators, occupied the highest stratum. Then came the farmers, followed by craftsmen and, finally, merchants. The strict divisions did not mean, however, that the classes did not associate with one another. Indeed, there was much mixing in business and in some social activities. But there was one important aspect that distinguished between classes which has come down through the centuries to today — language.

The Japanese language symbolises a vertically stratified society. Contemporary Japanese can be expressed in at least three general levels of politeness: the forms used when speaking to superiors; when speaking with peers; and when speaking to those of a lower status. There are also subtle modifications to these forms. Foreigners who have acquired considerable facility with Japanese can rarely master their intricacies. Most Japanese, therefore, are more tolerant of a foreigner using an improper form in Japanese than they would be toward another Japanese.

The use of the proper form of language is an important element in the cultivation of *wa*. Speaking in the correct form creates an atmosphere of cordiality and respect. Conversely, speaking in an incorrect form can break off an otherwise good relationship.

The use of proper language is only one aspect of verbal communication that is illustrative of the concept of *wa*. Another characteristic is the order in which ideas and information are presented. Even the sentence structure of Japanese seems to support the spirit of *wa*. In English, we would say "I was late getting here because the traffic held me up." The normal word order in Japanese would be to give the fact of the traffic congestion first and then to say that the arrival was delayed. In longer statements, the normal order is to explain the background and the various reasons first and then give the concluding point of the statement at the end. To Japanese ears, this order of presentation sounds less abrasive than giving the conclusions first and then following up with the causes or reasons, as is often done in English. A friendly, harmonious atmosphere among the parties involved is better preserved through this process.

Although vertical relationships are often reflected in language usage, social relationships in contemporary Japan are very egalitarian. Except for differences in rank in companies, nearly all Japanese consider themselves to be on an equal footing socially. Top corporation executives and their employees often eat together in the same company dining hall. They might go out to have a drink at the same bar, with the boss paying. Over 80 per cent of the Japanese consider themselves to be in the middle stratum of society. And yet the use of different language forms expresses the recognition of status differences.

## Results of *wa*

Mutual responsibility also supports the climate of *wa*. People of higher status are expected to look after the welfare of those below them. The manager not only directs the work of his employees but also sees to it that they are satisfied with their jobs and that their various needs, even personal needs, are taken care of. Those of a lower status show respect and loyalty to those who are above them. Employees support their managers and give them faithful service.

Many features of Japanese industry either directly or in-

directly are the results of *wa*. For example, the high quality of Japanese products stems in part from the attitudes of factory workers as well as quality inspectors. In a sense, every worker on a production line in Japan is a quality controller. A strong sense of group cohesiveness makes each worker feel responsible for the quality of the final product coming off the line. Of course, technical training and know-how are also important factors. But underlying the general attitude of joint responsibility for the entire job is the unseen but ever-present atmosphere of *wa*.

In an organisation permeated with *wa*, an employee feels secure and is likely to remain in the same job throughout his or her career. 'Lifetime employment' in a company supports the successful accomplishment of long-range plans and programmes because there is less risk of key personnel leaving at awkward moments. Moreover, the success of such long-range plans is of great concern to the personnel involved, who will still be with the company when the plans are fulfilled. These incentives are mutually beneficial to the employee and the employer. *Wa* plays an important, though invisible, role in the process.

An article of this limited length cannot cover all the features of *wa*. But a few of the shortcomings, as well as the advantages, should be mentioned here. In an effort to maintain *wa*, Japanese are reluctant to be involved in confrontations. Controversy is avoided if at all possible. This sometimes allows problems to grow until they no longer can be ignored, whereas an earlier willingness to confront issues and debate them might prevent problems from developing. The maverick, who might display exceptional ability, is sometimes restricted in his attempts to act independently because of the surrounding society's expectation that people will conform to the patterns fitting the mood of *wa*.

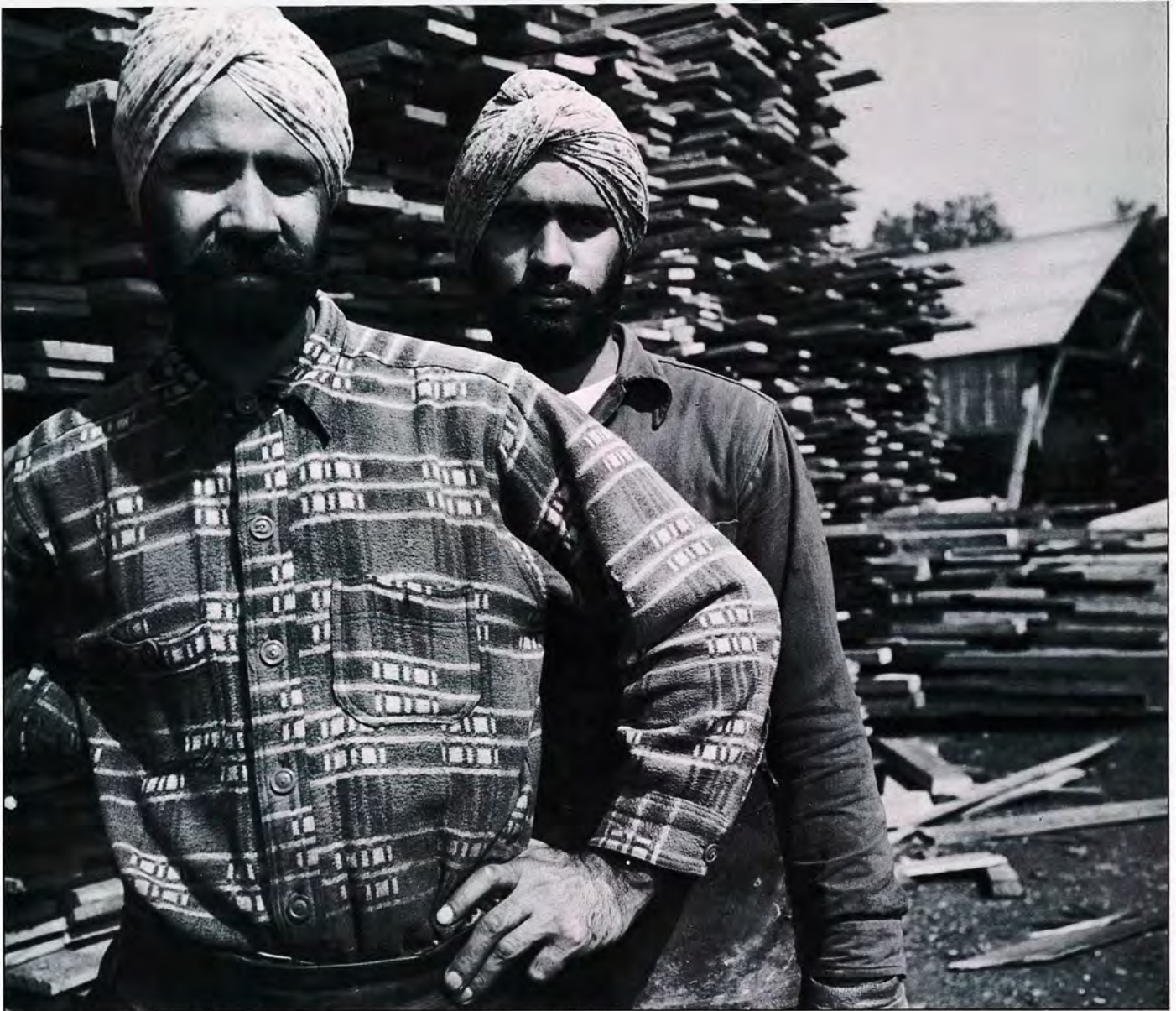
Such shortcomings, however, can be avoided if actions are taken that fit into the pattern of *wa* but still communicate the needed information. For example, by discussing a matter using the proper language to maintain a harmonious atmosphere, individuals can express contrary views cushioned in non-abrasive terms. The intended meaning behind a well-formed statement is readily understood by others who are familiar with the Japanese communicating style.

The maverick need not necessarily be a non-conformist in communicating style. The niceties of speech can be observed, and relations with others can be preserved, while still demonstrating one's exceptional ability. The outstanding leaders of industry in Japan are often extraordinary Japanese, who nevertheless observe the patterns needed for sustaining *wa*. Indeed, *wa* is often generated by these very leaders.

In some cases, Japanese management practices have been very successful in factories and offices in the West. The ready accessibility of managers to employees on the production line, the reluctance of a Japanese-managed plant to lay off workers during slack periods, the expression of appreciation for work well done, are simple practices that any other organisation ought to be able to institute. But the relative ease with which a Japanese company can follow these practices is due partly to the long tradition of *wa*.

*Wa* is like the air we breathe. The Japanese do not constantly point it out or identify a practice consciously with *wa*. But it pervades Japanese society.

The major challenge facing the Japanese people today is mental integration with the rest of the world. Being an insular people, unified in one culture and language the Japanese find it difficult to be thoroughly at ease in an international environment. Yet becoming internationally minded is a necessity in order for Japan to survive. In this task, *wa* could be a fundamental asset.



*Ranji Mattu's river sawmills in Vancouver employ only Sikh labour. This portrait of father and son is a fine character study set against the background of the subjects' trade. The two Sikhs are standing in front of a pile of lumber which is a single morning's output.*

# CANADA

## A PATTERN OF GROWTH

The Canadian government changed the law last year to allow foreign banks to offer a full service for the first time. BCC was quick to take up the challenge.

A total of some 50 foreign banks, most of them already represented in Canada, are now applying for the new licence. There will still be many constraints on the size of the foreign banks. They will be limited to eight per cent of total domestic assets of all banks in Canada. Each new bank will be limited initially to a head office and one branch.

Despite these difficulties, the Canadian market is well worth the effort. Latest figures indicate that the total amount of money to be shared between foreign banks could be as high as Canadian \$13.5 billion.

Kemal Shoaib's planning division is spearheading BCC's Canadian project.

"No bank has yet been awarded full recognition," he says, "but we anticipated the change in the law and we have been active in this area for the past 12 months." Mr Shoaib and his colleagues have had many meetings with the Inspector General of Banks, and they have submitted all the necessary information.

Canadian banking has had a long and largely conservative history, but it has recently adopted a more aggressive stance. This new dynamism has coincided with the energy revolution. Alberta, British Columbia, Nova Scotia and New Brunswick are all the sites of major oil or gas discoveries. These finds have brought with them a great expansion of service industries, and have provided a general boost to the economy.



Canada's new wealth

## BCC's role

BCC Canada is an investment house with 50 per cent of its capital owned by BCCI Holdings. It opened two years ago, and was soon followed by a branch office in Vancouver. "It was a totally new market in a highly developed country," says Mr Shoaib, "and it was not easy for us to carve out a niche for ourselves."

But BCC has done just that. By 1980, its Canadian operation was in profit and authorised capital was increased to Canadian \$5 million. Branches have opened in Montreal and, more recently, in oil-rich Calgary. BCC Canada now has a staff of 28 and, according to Mr Shoaib, "profits in 1981 will be considerably up on last year under its new general manager A. D. Raja. He has brought with him 21 years of rich domestic and international banking experience — a combination that ensures success.

"Gaining a full licence is important to us," he continued. "We want to go into commercial banking. Our experience has been encouraging and, considering that Canada is a developed market, we have a very substantial pattern of growth." Future plans include the development of a branch network. BCC Canada would like to have an office in every province, with additional branches in major cities.

"The Canadian operation will be fairly traditional," comments Mr Shoaib. "We intend initially to concentrate on small to medium-size trading concerns. But we will, of course, win larger customers as well."

BCC will be particularly interested in companies that trade internationally in the 47 countries where we are already established. Our bank's international service has always been one of its strengths.

Canada is becoming, in Mr Shoaib's words, "an interesting country to invest in." The "New Canadians" have a very strong role to play. Immigrants to Canada, particularly from the Third World, are often professional, entrepreneurial or rich, and sometimes all three. These potential customers

often retain commercial and personal links with the Third World.

Growth in Canada will be built on solid foundations, says Mr Shoaib. "As elsewhere, our approach is pragmatic and successful."

## Spotlight on Canada

Here is some information that will help you to understand the growing role of BCC in Canada.

**Population** There are 23 million people in Canada. Although it is a huge country — it covers 3 million square miles — most Canadians live close to the southern border with the United States. The country is divided into an English speaking region and a smaller French speaking region. Over 700,000 people from the Third World have made their home in Canada. Their skills and resources are needed.

**Government** Canada is run on federal lines with 12 provinces co-ordinated by a central legislature in Ottawa. It is a member of the British Commonwealth and has close links with the United States. But Canada has always asserted its independence in foreign policy.

**Economy** The economy is enjoying a boost from the country's natural resources, particularly energy. The constraints that often go with American investment are being loosened and the federal government is ensuring that all Canadians enjoy the benefits that oil brings. In other parts of the economy, the emphasis has been shifting from manufacturing to service industries.

# PRINCIPLES OF SELF-DEVELOPMENT

We print below a set of principles which tell you how to be really successful. They were devised by Dr Tony Hogson in his new book *Management and Self-Development*.

**D**evelopment is a breakthrough to a new level of potential. The first thing you need is the right attitude — you need to understand that you can grow to meet new challenges. This is the first stage of self-development.

Development is not always easy but it is always worthwhile, both for yourself and your company.

You must have the right external challenges, which ideally are provided in your work environment.

It is up to you to seize these challenges and make the most of them. No one can do this for you. There is a saying that you have to “seize fate by the throat”. There is always a risk in accepting a challenge, but once you have accepted the risks, you have become a self-developer.

Self-development requires self-discipline. Without it, the creative insights gained by accepting new challenges are lost. When self-discipline is combined with courage, then things that had seemed impossible suddenly become possible.

Self-development requires learning about oneself. For this you need down-to-earth spirituality and a courage to face the truth. Beyond the pain of self-learning is the joy of discovery and achievement.

It's all to do with yourself. You set your own standards and then do your best to live up to them. External rewards and punishments are secondary.

A self-developer is able to judge whether his intentions are strong enough to carry him through.

You must recognise that nothing can be achieved without personal sacrifice. This can make the task of self-development a lonely one, and introduces the role of the teacher who can give encouragement and guidance through difficult times.

A mature mentor can moderate the judgement of a less experienced aspirant. It is important that the teacher has already trodden the path of self-development and reached many of the goals to which the new self-developer aspires.

To incorporate this discipline permanently into your life style, you will need more specific knowledge and techniques. To scale the heights of success, you need to be a good climber. You cannot allow your foot to falter through ignorance of the path.

Self-development requires you to work by yourself. You need to be willing to face weakness in a positive manner and make a special investment of time and energy in cultivating your strengths.

*We urge you to discuss these principles with your colleagues at BCC, and see how you can apply them to your own career. We would like to see an army of self-developers fulfilling our vision of a new world emerging from the old one.*



**Clouds and rain are very rare in the deserts of the Emirates. But in the early spring Dubai was badly hit by a hail storm and strong winds, causing damage to property worth millions of dollars. This picture of BCC Deira Dubai after the storms was taken by Javed Ali Khan.**

Former British premier Edward Heath, co-author of the famous Brandt Report on North-South relations, has long been advocating closer links between the West and developing countries. Here are some extracts from a fascinating article he has written for *The Financial Times*.

# ADVOCATE OF A CHANGING WORLD

Almost every new departure in the history of ideas has evoked strong and sometimes violent opposition. This was as true of the abolition of slavery as it was of the invention of the electric light bulb; as true of the first piece of labour legislation as of the discovery of gravity.

Attitudes have not changed. The out-and-out opponents of a new structure of economic co-operation between the industrialised countries and the various groups of developing countries are characterised by a similar type of drunken paranoia. Their every intellectual sinew is strained to make reality conform to their prejudice; and every argument or fact which they otherwise know to be correct is subverted to the battle against change which they are so tenaciously waging.

This is the style of Samuel Brittan's vituperations against the Brandt Report (Economic Viewpoint — Conscience money: or aid instead of trade, *Financial Times*, July 2). He has fallen straight into the old trap laid by blind prejudice, which is to deploy truisms to which nobody could take exception in order to denigrate, explicitly or implicitly, the arguments to which he objects.

Mr Brittan goes on to deride the "fashionable argument" that the commercial banks are becoming overstretched in their lending to a number of non-oil developing countries. Since the deficits of these countries are "no higher on a properly inflation-adjusted basis than they were in 1975", his argument goes, this shows how foolish it is to worry about their creditworthiness.

This is a *non sequitur*. What matters is not the absolute size of a country's payments deficit but its ability to support and sustain it. And here the situation is not so rosy. For many developing countries, as a result of high oil prices and high interest rates, debt and even interest payments are now growing at a higher rate than their foreign exchange earnings.

In addition, it is a fact that expanding borrowing by the Third World within the international financial system is no longer producing an increase in net transfers to many developing countries. This has produced a situation where the debt of Brazil, for example, is around four times as great as its export earnings and almost one third as great as its entire GNP. It is sobering to remind ourselves that Poland, whose economy Western governments have recently had to save from collapse, has a national debt which is only one and a half times its export earnings and which amounts to less than one fifth of its GNP.

For some developing countries this situation is fundamentally unsustainable. It is being exacerbated by rising interest rates, and by protectionism in the North which further stifles growth in export earnings in the South. No wonder that many commercial bankers are becoming more nervous about lending to the Third World. For governments, the stark reality

is that a default by a developing country could trigger a serious collapse in confidence by private lenders, which in turn would badly weaken the entire Western banking system. The almost inevitable result of this would be massive instability in the world's monetary arrangements.

It is now necessary for the international financial institutions — particularly the IMF and the World Bank — to play a greater role in channelling funds to the developing countries. Since the major industrialised countries are all in deficit and have substantial constraints on their public spending, the bulk of the additional funds which are required will have to come from those countries which possess the larger part of the world's financial surpluses — namely, the major OPEC countries.



But this will not happen unless these countries are given decision-making powers within the IMF and the World Bank which are more closely related to the size of their contributions to them. It is true that the recent deal between Saudi Arabia and the IMF doubled its voting powers in that institution. But that still leaves it with the smallest ratio of votes to dollars contributed of any member of the Fund. Given its record of financial prudence in lending to non-oil developing countries, the West cannot credibly oppose a fundamental reform of this inequitable situation on the grounds that it would undermine the financial responsibility of these institutions.

If the funds thus acquired by official institutions are to reach those developing countries which cannot afford to borrow substantially more from the commercial banks, a greater proportion of their lending will inevitably need to be subsidised. Indeed, it would probably put less strain on Western public budgets to subsidise the lending of OPEC capital to the Third World than to provide loan capital itself.

By a similar process, capital needs to be transferred to poor Third World countries for the development of sources of energy which are not large enough for the private corporations to risk the costs of initial exploration and development. Such modest discoveries of energy could greatly improve the payments positions and growth prospects of countries which lack the foreign exchange to import even the limited quantities of fuel which they require.

I have no doubt that these methods for encouraging transfers of loan and equity capital to the South will cause great offence to free-market purists, and their theoretical model of the world. But for many developing countries — and perhaps in the long run for the world economy as a whole — policies such as these constitute the very ingredients of survival.

# BCC in the NEWS

**MEED**  
**MIDDLE EAST  
ECONOMIC  
DIGEST**

August, 1981.

The first full branch of BCC in Cairo opened in August. It is headed by Sadiq Ali who is also general manager for Africa. The Bank of Credit and Commerce Misr (BCCM) is a joint venture with Middle Eastern investors. BCC has operated in Egypt in the past through an offshore banking unit. This will now be replaced by the new BCCM which has assets of \$350 million. BCCM is optimistic about the future and sees a big growth potential in the area.

## The Bangladesh Times

July 7, 1981.

BCCI has extended a loan of \$25 million to the Bangladesh Petroleum Corporation to buy crude oil. A loan agreement was signed in July between the Bangladesh Petroleum Corporation, Bangladesh Bank and BCCI.

**EUROMONEY**  
Euromoney Publications Limited

October 1981

BCCI has been asked to manage a loan of \$50 million made by a consortium of international banks to the Privredna Bank of Zagreb, the capital of Yugoslavia. The loan is a short term facility for bulk imports.

## Hongkong Standard South China Morning Post

August 19, 1981.

Louis Saubolle, chairman of the Hong Kong Metropolitan Bank, recently gave a speech to the City Lions Club in which he reviewed the changing policies in China's economic affairs. Since 1979, he said, the emphasis in manufacturing industries has shifted to quality rather than quantity.

A new importance has been given to foreign exchange and to hard currency earned from overseas sales, which is needed to allow China to buy new materials and technology. There is also a clear bias in favour of relations with partners in the Pacific region, especially Hong Kong. Mr Saubolle's speech made quite an impact with the local media — it hit headlines in the Hong Kong Press, and was featured on TV news bulletins.

**日, 安保經協不可立場 固守**

Hankook Kyungje, July 9, 1981.

The leading popular newspaper in Seoul, capital of Korea, has noted that foreign banks are now taking an active role in the payment guarantee business, thus easing the issue of company bonds. The newspaper continues: "BCCI Seoul has established its reputation as a forerunner in this field and got into this market well before any other foreign bank."

## Times of Oman

July 30, 1981

The National Bank of Oman has claimed that it tops the list of commercial banks operating in the Sultanate with regard to assets, deposits, loans and other funds; and as per figures released by the magazine *Banker* of December, 1980, the bank also ranks among the top 100 Arab banks.

### THE COMPARATIVE POSITION (RO in thousand)

	Assets		Deposits		Loans		Other	
	1980	1980	1980	1980	1980	1980	1980	
1. National Bank of Oman	132,121	96,715	70,068	5,441				
2. British Bank of the Middle East	91,893	68,566	45,193	4,805				
3. Citibank N.A.	35,649	4,129	14,850	1,046				
4. Arab Bank Ltd	34,362	28,798	26,530	1,445				
5. Bank of Oman Bahrain & Kuwait	32,618	26,014	21,612	2,586				
6. Bank of Credit & Commerce International	26,754	19,261	17,903	1,454				
7. Grindlays Bank Ltd.	24,791	12,821	16,865	1,018				
8. Al Bank Al Ahli Al Omani	19,179	15,902	10,438	2,277				
9. Commercial Bank of Oman	17,060	12,391	8,905	1,222				
10. Oman Arab African Bank	16,824	12,485	7,640	2,319				
11. Union Bank of Oman	15,944	8,730	8,817	1,811				
12. Banque de Paris	14,293	4,437	13,343	500				
13. Chartered Bank	11,601	9,530	9,115	500				
14. Habib Bank Ltd.	9,443	7,906	5,122	1,000				
15. Bank Melli Iran	8,064	1,853	6,494	1,971				
16. Bank of Oman & Gulf	5,925	3,580	4,287	1,054				
17. National Bank of Abu Dhabi	5,774	974	3,838	1,000				
18. Habib Bank A.G. Zurich	5,100	3,523	2,547	519				
19. Bank of Baroda	4,774	2,488	1,837	500				
20. Bank Saderat Iran	3,609	428	2,696	900				

**Institutional Investor** INTERNATIONAL EDITION  
July, 1981.

In Luxembourg, bankers (speaking off the record) have been impressed with BCC's performance in the Duchy.

They admit that BCC has a lot to brag about, since the group as a whole has grown in eight years from \$200 million in assets concentrated in the Middle East to a worldwide network of banks in 42 countries with £4 billion in total assets.

One Luxembourg banker has termed BCC's record "remarkable. It is only a matter of time before they get recognition." The local banking community see BCC's success as a portent that Luxembourg international banking is about to move into a new phase. "First came bonds," said one spokesman. "Then came syndications and Eurocredits. Now we are going into an era of customer services and portfolio services. In the next decade, private customers will be the bread and butter of banks."

