

**THE WORLD BANK GROUP ARCHIVES**

**PUBLIC DISCLOSURE AUTHORIZED**

Folder Title: Contacts with member countries: United Arab Emirates - Correspondence 01

Folder ID: 1771218

ISAD(G) Reference Code: WB IBRD/IDA 03 EXC-10-4549S

Series: Contacts - Member Countries files

Sub-Fonds: Records of President Robert S. McNamara

Fonds: Records of the Office of the President

Digitized: June 28, 2013

To cite materials from this archival folder, please follow the following format:  
[Descriptive name of item], [Folder Title], Folder ID [Folder ID], ISAD(G) Reference Code [Reference Code], [Each Level Label as applicable], World Bank Group Archives, Washington, D.C., United States.

The records in this folder were created or received by The World Bank in the course of its business.

The records that were created by the staff of The World Bank are subject to the Bank's copyright.

Please refer to <http://www.worldbank.org/terms-of-use-earchives> for full copyright terms of use and disclaimers.



THE WORLD BANK  
Washington, D.C.

© 2012 International Bank for Reconstruction and Development / International Development Association or  
The World Bank  
1818 H Street NW  
Washington DC 20433  
Telephone: 202-473-1000  
Internet: [www.worldbank.org](http://www.worldbank.org)

**PUBLIC DISCLOSURE AUTHORIZED**

McNamara Papers

Contact

United Arab Emirates (1973-1979)

RETURN TO ARCHIVES IN HB1-001

ISN # \_\_\_\_\_ ACCN# A1993-012

BOX # 20

NUS LOCATION H-101-1-8



The World Bank Group  
**Archives**

1771218

A1993-012 Other #: 19 209355B

President's papers - Robert S. McNamara Contacts with member countries: United Arab Emirates - Correspondence 01

**DECLASSIFIED**

WBG Archives



UNITED ARAB EMIRATES

1. 2/73 RSM Notes on Visit to Middle East Countries (Abu Dubai and Dubai)  
*(Filed in the Med office)*
2. 2/13/73 Ahmed Khalifa Alsowaidi, Minister of Foreign Affairs  
(Abu Dhabi) Mohamed Habroush, Minister of State for Financial Affairs (for  
Abu Dhabi) and Minister of State in the UAE Government  
Dr. Adnan Pachachi, Minister of State  
Hassan Abbas Zaki, General Manager of the Abu Dhabi Fund for  
Arab Economic Development  
  
Sheikh Zayed Ben Sultan Al-Nahtian, President of the United Arab  
Emirates and Ruler of Abu Dhabi  
Sheikh Khalifa Ben Zayed Al- Nahyian, Crown Prince
3. 2/14/73 Sheikh Rashed Ben Said Al-Maktoum  
(Dubai)
4. 5/23/74 Hamad Almadfa, Charge, UAE Embassy
5. 6/14/74 Mohamed Habroush, Minister of State for Financial Affairs  
(Also Council for Finance -- Abu Dhabi)  
Zuhair Daouk, Personal Aide to Mr. Habroush
6. 3/14-15/75 Ministry of Finance  
(Abu Dhabi) H. H. Sheikh Hamdan Ibn Rashid Al Maktoom, Deputy Prime  
Minister and Minister of Finance, Economy and Industry  
Mr. John H. Butter, Director of Finance, Government of  
Abu Dhabi  
Mr. R. J. Scott, Managing Director, UAE Currency Board  
Sadek A. Wissa, Director General, Ministry of Finance,  
Economy and Industry  
  
H. E. Sheikh Ahmad Khalifa Al-Sweidi, Minister of Foreign Affairs  
H. E. Saif Said Ghobash, Minister of State for Foreign Affairs  
  
Sheikh Sorrow Ibn Hamdan, Vice Chairman of the Abu Dhabi Fund for  
Economic Development  
  
H. H. Sheikh Zayed bin Sultan Al-Nahyan, President, UAE  
  
3/31/75 Ambassador (to the US) Saeed Ahmed Ghobash (Lunch)  
  
10/6/76 Seif Ghobash, Minister of State for Foreign Affairs  
(Manila)
7. 9/27/78 Sheikh Hamdan Bin Rashid Al-Maktoum, Minister of Finance  
Annual Messrs. Al-Nowais, Al-Hamar, Al-Tayer and Al Madfa  
Meeting
8. 10/2/79 H.E. Hamdan Bin Rashid Al Maktoum, Min. of Finance & Industry  
Ahmed Humaid Al-Tayer, Asst. Under-Secretary, Min Of Fin and Ind.  
Nasser Al-Nowaid, Gen. Manager, Abu Dhabi Fund  
Abdul Malik Al Hamar, Managing Director, UAR Currency Board








## OFFICE MEMORANDUM

TO: Files

DATE: March 16, 1973

FROM: Omar Dajany SUBJECT: Mr. McNamara's Visit To The United Arab Emirates

Mr. McNamara visited the United Arab Emirates from February 13 to February 14. He was accompanied by Mrs. McNamara, Mr. and Mrs. Mohamed Shoaib, Mr. Anders Ljungh and Mr. Omar Dajany. Mr. Munir Benjenk joined the party early in the morning of February 14. During this visit Mr. McNamara met with the President of the United Arab Emirates, H.H. Sheikh Zayed Ben Sultan Al-Nahyian; the Ruler of Dubai, H.H. Sheikh Rashed Ben Said Al-Maktoum and had a business meeting with a delegation representing the United Arab Emirates headed by H.E. Ahmed Khalifa Alsowaidi, Minister of Foreign Affairs.

In addition, Mr. McNamara visited the new port of Abu Dhabi, took a boat trip to have a better view of the port project, was entertained to a dinner in his honor by the Head of State at Moubarak Palace, traveled on the newly completed road to Dubai where he was received by Sheikh Rashed, the Ruler; who also was his host at a luncheon in his honor at the Guest House in Dubai. Before the lunch, Mr. McNamara had visited with the Ruler who explained to him the details of the port and drydock projects as well as the proposed tunnel project linking both sides of the city. Following this meeting, Mr. McNamara and his party visited the site of the drydock and toured the city of Dubai before taking a special plane to return to Abu Dhabi on their way to Saudi Arabia.

1) Meeting with H.E. Ahmed Khalifa Alsowaidi; Minister of Foreign Affairs of the United Arab Emirates

This meeting took place in the evening of February 13 at the Khobaira Palace where Mr. McNamara and his party were staying. With Mr. McNamara were Messrs. Shoaib, Ljungh and Dajany. Mr. Alsowaidi, on the other hand, brought with him Their Excellencies Mohamed Habroush, Minister of State for Financial Affairs in the Abu Dhabi Government and Minister of State in the United Arab Emirates Government; Dr. Adnan Pachachi, formerly Minister of Foreign Affairs in Iraq and for several years Iraq's representative at the United Nations but who is now Minister of State in the Government of Abu Dhabi; and Hassan Abbas Zaki, General Manager of the Abu Dhabi Fund for Arab Economic Development who also holds a couple of other positions in an advisory capacity to Sheikh Zayed.

Mr. Alsowaidi welcomed Mr. McNamara to the United Arab Emirates and said that they had been looking forward to his visit which unfortunately is too short. He asked if the program for the visit was agreeable to Mr. McNamara and added that a change had been made whereby H.H. the President of the United Arab Emirates would host Mr. McNamara and his party at dinner at the Moubarak Palace that evening.



Mr. McNamara said he was glad to be in the United Arab Emirates, thanked Mr. Alsowaidi for all the arrangements they had made and added that he was looking forward to meeting His Highness later on. It was agreed to devote this meeting to business matters, the context of which Mr. Alsowaidi will report to the President prior to the dinner.

Mr. McNamara began by saying that although the United Arab Emirates joined the Bank only last September, there has been a lot of contact with the Bank and an excellent relationship has been developed in the past three or four years. He cited the Economic Survey Mission of 1969 which made a comprehensive economic study of all the nine Emirates; the request for which was initiated by Abu Dhabi. Also the Government of Abu Dhabi has participated in the last four of our two-year bond issues and an understanding reached between Mr. Habrourh and Mr. Dajany to have a large special bond issue in the currency of the United Arab Emirates as soon as a currency board is formed and the new currency issued. He also recalled that when Abu Dhabi requested the Bank's assistance in advising the government about the power problem, the Bank responded by rushing two experts who studied the problem and made the necessary recommendations. Such a relationship, started prior to the United Arab Emirates' membership, can only lead to closer and stronger relations now that the United Arab Emirates is a member.

Mr. McNamara spoke then about the activity of the World Bank in the Arab countries and mentioned that in the past five years the Bank has made commitments of approximately \$1 billion in eleven Arab countries involving some sixty projects. He realizes, he said, that countries like the United Arab Emirates, Kuwait, Qatar and Saudi Arabia will not need any financial assistance from the Bank. But what the Bank can do, and will be glad to do, is provide technical assistance and advice when needed. Technical assistance on specific projects or economic problems, and advice on planning and long-term investment.

Mr. Alsowaidi thanked Mr. McNamara on the assistance received from the Bank in the past and on its willingness to provide technical assistance in the future. The United Arab Emirates, he said, is willing to cooperate fully with the Bank and he praised the Bank staff who have dealt with them so far. With that established as a basis, he wanted to mention a few points which form the principal direction of the United Arab Emirates policy.

Although Abu Dhabi is blessed with wealth from oil, the rest of the Emirates which form the United Arab Emirates are not so fortunate. It should be understandable, therefore, that the wealth of the United Arab Emirates as a whole should first be directed toward putting ones own home in order. A lot is needed in all the seven member Emirates and



the first duty of the government would be to direct its wealth toward the welfare of its own people. 2) When that is accomplished it would only be normal to start thinking of helping others and, naturally, one starts with his immediate neighbors and then go on to the neighbors of his neighbors and so on. In this phase, assistance would encompass primarily Arab countries. However, that does not mean that assistance to other Arab countries would not be started until the completion of Phase 1. As a matter of fact, the Government of Abu Dhabi has and is continuing to assist other Arab countries with substantial amounts. Also, the creation of the Abu Dhabi Fund for Arab Economic Development was specifically intended to begin developmental assistance in the Arab countries along the lines of the Kuwait Fund. When Phase 1 is completed, the magnitude of both the direct governmental assistance and that of the Abu Dhabi Fund would both be substantially stepped up. 3) Phase 3 of their policy involves the build up of reserves which so far they have not been able to do. 4) The last phase in their planning is Phase 4 which involves investment in long-term plans which would form the basis of diversification of their economy so that they would not be totally reliant on oil in the future.

Mr. McNamara said that he agreed with this line of thinking and in fact has been saying so to officials in Kuwait and Qatar. He did, however, have a couple of comments to make. With regard to the Abu Dhabi Fund, he would recommend some form of liaison between the various Funds such as the Abu Dhabi Fund, the Kuwait Fund, the Arab Fund and the Qatar Fund (if and when it is created), in order to ensure coordination and avoid waste and duplication. The Bank, he said, is in touch with the Kuwait Fund and the Arab Fund and has in the past and will continue to provide assistance to them and undertake joint projects with them. The Bank looks forward to the same relationship with the Abu Dhabi Fund and is prepared to provide it with any assistance it can if needed.

On the question of the build up of reserves and the long-term investment policies, Mr. McNamara had definite strong views. Reserves are essential and, as a matter of fact, he would recommend that allocations to a reserve be started as early as possible, simultaneous perhaps with Phase 2 of Mr. Alsowaidi's plan. As to the long-term investment he feels that emphasis should be on investing in long-term plans both in and outside of the United Arab Emirates, selected in such a way as to provide a truly diversified investment program. The Bank, he said, would be very happy to borrow larger amounts in Abu Dhabi but lending the Bank should only be one channel of a number of other possibilities when the time comes, and if we are requested we could perhaps assist them in their long-term investment plans.

Mr. Habrrouch said that 1973 is going to be a difficult year because of their commitment under the oil participation agreement which requires them to pay approximately \$152 million. However, beginning in 1974 their liquidity will improve and he hopes that the United Arab Emirates will become a larger participant in the Bank bond activity. He confirmed



that he is in close touch with Mr. Dajany with whom he hopes to work out the appropriate and mutually convenient timing for a special bond issue in the new currency of the United Arab Emirates. At this point Mr. McNamara pointed to the advantages of having a bond issue in their local currency and cited as an example the Kuwaiti dinar which has been lent by the Bank to some thirty-two countries all over the world who in turn have to service these loans in Kuwaiti dinars and thus keep it in constant demand.

Dr. Pachachi asked Mr. McNamara if it would be possible for the Bank to conduct another economic study of the United Arab Emirates. The economic survey of 1969 was made on a premise which has not materialized. It was made on the assumption that there was going to be a federation of all the Emirates which included Bahrain and Qatar. Now that the United Arab Emirates is composed of only seven Emirates it would be a great help to them if another study is made for the country as it is. Mr. Alsowaidi promptly endorsed this request and Mr. McNamara said that the Bank would be happy to do so. Because of the heavy work load at the Bank and due to previous commitments of its staff, it may not be possible to mount such a mission very soon but he believed that the Bank could do so some time early in 1974.

2) Meeting with H.H. Sheikh Zayed Ben Sultan Al-Nahyian; President of the United Arab Emirates and Ruler of Abu Dhabi  
Sheikh Zayed received Mr. McNamara and his party at Moubarak Palace. With Sheikh Zayed was the Crown Prince of Abu Dhabi, his eldest son, Sheikh Khalifa Ben Zayed Al-Nahyian. Also present were a number of cabinet members of the United Arab Emirates and other cabinet members of the Government of Abu Dhabi. Soon after the introduction and cordialities, Mr. Alsowaidi sat by Sheikh Zayed and briefed him on the discussion held earlier with Mr. McNamara.

Sheikh Zayed then began by extending a warm welcome to Mr. McNamara regretting at the same time that his visit is so brief. He said that he had heard and read a lot about Mr. McNamara and is delighted that he was able to come to and visit the United Arab Emirates. Mr. McNamara said he was happy to be in Abu Dhabi and that he too is impressed with what Sheikh Zayed has done in developing the country in such a short period. Sheikh Zayed said that until he became Ruler, a little over five years ago, Abu Dhabi was nothing but a vast desert and all the revenues from oil were hoarded by individuals who did not wish to share the wealth with the people nor care about the development of the country. This is perhaps why people like this are no longer in power. He has great faith and belief in God and feels that God dictates upon every head of state to share the wealth of the country with the people who constitute the country. People who do this, like he is trying to do, will live better and happier with God; within themselves; and with their people. This is always why, he added, selfish despots are unceremoniously removed and quickly forgotten whereas, those who share with the people and work for their welfare are respected, cherished and long remembered. Mr. McNamara agreed with Sheikh Zayed's views and said that he admired his philosophy. Countless examples in history have confirmed this philosophy and yet it is surprising how many men, once in power, are blinded by it and fail to learn the lesson.



He said that he could not be happier at hearing what Sheikh Zayed said and supports him wholeheartedly in his approach and philosophy.

It was evident that a strong personal affinity had instantly developed between the two men which characterized the atmosphere throughout the meeting, at dinner, and when they parted.

At dinner Mr. McNamara related the highlights of the discussions with Mr. Alsowaidi and when he mentioned the economic study which was requested and which he had promised for early next year, Sheikh Zayed said that early 1974 may be too late in relation to the pace of their present development. If the mission is to come early in 1974, by the time they conduct the study and write their report it may take too long and may be too late to permit them to take full advantage of the Bank's recommendations and incorporating them in their present rapidly growing development program. He asked Mr. McNamara if he could arrange to send the mission as early as possible this year and Mr. McNamara promised to do his best to arrange an earlier timing.

Other than the economic study, Mr. McNamara told Sheikh Zayed that the Bank would also be happy to advise them on specific economic or developmental problems that they may encounter either prior to or subsequent to the economic study. Sheikh Zayed was quick to react by saying that he had one specific problem on which he would very much appreciate the Bank's service. He said there was sufficient water at Al-Ain and other places in the United Arab Emirates and wanted to explore the possibility of starting grazing areas where possible. Mr. McNamara said that this was a highly specialized matter on which the Bank would have to do a lot of studying and consultation with other international organizations. However, it was not an impossible task and he gave Mauritania as an example where such a project was successfully undertaken by drilling wells at various points thus realizing vast areas for grazing. Sheikh Zayed again repeated his request that the Bank try to help in this matter as soon as possible and independently of the economic study. Mr. McNamara promised to consider this with a sense of urgency as soon as he returned to Washington.

The farewell between Sheikh Zayed and Mr. McNamara was extremely warm and friendly. Sheikh Zayed walked his guest to the door and in an obvious gesture of friendship and esteem clutched his hands and said to Mr. McNamara that this is one day he will never forget and a meeting he thoroughly enjoyed. Mr. McNamara was equally warm in conveying his reciprocal feelings.

cc: Mr. McNamara (2), Mr. Aldewereld, Mr. Shoaib, Mr. Benjenk (2),  
Mr. Rotberg

ODajany:dlh



## OFFICE MEMORANDUM

TO: Files

DATE: May 29, 1974

FROM: A. J. Davar, EMENA CP1A

SUBJECT: UAE: Meeting between Mr. McNamara and Mr. Almadfa

1. Mr. Hamad Almadfa, the Charge d'Affaires of the recently established UAE Embassy in Washington, met with Mr. McNamara on May 23. I also attended. The meeting, mainly in the nature of a courtesy call by Mr. Almadfa, was brief and very cordial.

2. Mr. McNamara expressed the Bank's great pleasure at UAE agreeing to the recent issue in UAE of \$76 million equivalent of Bank bonds. He hoped that it marked the beginning of a "borrowing" relationship between that country and the Bank. He mentioned that since the Bank's lending activities had expanded considerably in recent years, particularly in the Middle-East, the support that countries like UAE provided to the Bank's development efforts were both needed and appreciated. He referred to the UAE request last year to provide some technical advice for the production of forage crops in Abu Dhabi, and stated that the Bank would be more than willing to provide similar technical assistance which UAE may require.

3. Mr. Almadfa responded that through the recent issue of Bank bonds in UAE, the Government was playing its role in assisting less fortunate countries. He hoped that this demonstration of his country's willingness to help, would also allay press comments that oil producers like UAE and others should use their increased oil income to help other developing countries also. Mr. Almadfa appreciated the help which the Bank was giving for forage crop production, and anticipated that his country would need more technical assistance in other areas, particularly in the agricultural sector. He indicated that UAE's Minister of Finance and Industry would be visiting Washington around June 10, and he hoped that Mr. McNamara would be able to attend the reception for the Minister.

4. The meeting then ended with a mutual exchange of goodwill and a continuation of the warm relationship between UAE and the Bank.

cc: Mr. Ljungh (2 copies)  
Messrs. Shoaib, Dajany  
Messrs. Benjenk, Votaw, El-Rifai,  
Ali, Wipplinger

AJDavar:js

UNITED ARAB EMIRATES  
(Federation of Abu Dhabi, Dubai, Sharjah, Ajman,  
Umm-al-Qaiwein, Ras as-Khaimah and Al-Fujairah)

Brief for Mr. M. M. Ahmad  
(For his February 1974 Visit)

I. Basic Data

Area: About 30,000 sq.m.  
(Of which Abu Dhabi: about 26,000 sq.m.)  
Population: 300,000 (1973 Estimate)  
(Of which Abu Dhabi: about 70,000)

Oil Production (in million long tons):

	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>Jan.-Sept.</u>	
					<u>1972</u>	<u>1973</u>
Abu Dhabi	28.3	32.8	43.7	49.6	36.1	48.4
Dubai	0.5	4.2	6.1	7.5	5.1	8.6
Total of UAE	<u>28.8</u>	<u>37.0</u>	<u>49.8</u>	<u>57.1</u>	<u>41.2</u>	<u>57.0</u>

Current Exchange Rate: Dirham 1 = US\$0.25

II. Recent Political and Economic Trends

The political and economic development of the United Arab Emirates has made slow progress at the federal level. Individual emirates still continue to operate more or less independently in domestic as well as in many international economic and financial matters. The wealthy oil-rich Emirates of Abu Dhabi and Dubai are estimated to account together for over 90 percent of total known economic resources of the UAE. The other Emirates, being relatively poor, are heavily dependent upon financial assistance, mainly from Abu Dhabi. This assistance has become a major integrating factor for the Federation as a whole. In December 1973, the President of the UAE, Shaikh Zayid ibn Sultan Al Nuḥayyan, appointed a new federal cabinet consisting of a Prime Minister, a Deputy Prime Minister and 25 ministers. Although oversized, under prevailing administrative conditions in the UAE, its appointment is considered to be an important step towards a fuller economic and administrative harmonization in the UAE. In this cabinet, the Deputy Prime Minister and nine Ministers are from Abu Dhabi, while the Prime Minister and four Ministers are from Dubai.

The economic base for UAE is provided by oil, which essentially comes from Abu Dhabi. An integrated economic picture embracing all emirates participating in this Federation should become available following a Bank economic mission which will be in UAE from February 9 onwards. Insofar as Abu Dhabi is concerned, from 1965-71, oil revenues increased at an average rate of about 50 percent per year and are estimated to account for more than



\$1000 million in 1973, resulting in possibly one of the highest per capita incomes in the world. The recent papers (in December 1973 and January 1974) submitted to the Board on petroleum, will give a flavor of the impact on revenues, resulting from recent increases in oil prices. As an indication, the "low" forecast for oil revenues of Abu Dhabi alone, is about \$3400 million, \$8000 million and \$14,000 million in 1975, 1980 and 1985, respectively.

### III. Bank Relationship and Activities

UAE joined the Bank on September 22, 1972. Since then, it has been a regular subscriber of Bank bonds.

The Bank's approach has been to assist UAE by providing technical advice and assistance on important proposals. For instance, the Bank has assisted in preparing terms of reference for a study of the long-term requirements of the power and water supply system. The Government has requested that the Bank continue to advise during the implementation of the study and we have indicated our readiness to do so.

During Mr. McNamara's visit to Abu Dhabi in February 1973, he met with His Excellency Sheikh Zayid. As a result of this meeting, the Bank took the following actions:

- a) To plan an economic mission to conduct a comprehensive study of the economic position and prospects of the United Arab Emirates; as mentioned above, this mission will be in UAE on February 9; it will particularly focus on UAE's needs for development assistance of a technical nature from the Bank Group, and on the implications of recent changes in world oil markets on that country's economy.
- b) In response to the Government's request, this mission will also study the manpower and human resources development in UAE.
- c) Based on the personal interest of the Sheikh in the possibility of a grazing project in the Al Ain oasis, the Bank sent a senior livestock specialist in May 1973 to Abu Dhabi. After concluding a brief survey, a hydrologist (consultant) was subsequently sent to Abu Dhabi in September 1973. His draft report has now been presented to the Bank for further action.

EMI DA  
WWipplinger/ADavar/mj  
February 5, 1974

3



MEMORANDUM FOR THE RECORD

Mr. McNamara's Visit to Dubai, February 14, 1973

Meeting with The Ruler, Sheikh Rashed Ben Said Al-Maktoum

Mr. McNamara visited the Sheikh briefly before making a tour of Dubai. The subjects discussed were mostly development projects for Dubai: a very large drydock for capacity of one million tons maximum ship size at a cost of up to \$160 million. Other projects included tanker berths, trans-shipment terminals, a harbor tunnel of 1800 feet length. The Ruler sees Dubai's future as an important freeport for trans-shipment in the Gulf area. He also described the recently completed underwater oil storage tanks with a capacity of three times 500,000 barrels.

AL  
March 23, 1973

4.



## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: May 21, 1974

FROM: M. P. Benjenk *MB*SUBJECT: UNITED ARAB EMIRATES - Your Meeting with Mr. Almadfa

1. Mr. Hamad Almadfa, the Chargé d'Affaires of the UAE Embassy, will be meeting you at 6 p.m. on May 23. His bio-data are attached.
2. *5/22* I would expect the meeting to be no more than a courtesy visit by a newly appointed representative of UAE in Washington, and would not anticipate any special matter to be raised with you by Mr. Almadfa. I am however attaching, for your information, a copy of a briefing paper of UAE prepared in February for Mr. Ahmad, the Executive Director of UAE. This will provide you with some background information on the UAE.
3. *5/22* I might mention that, since then, a Bank economic mission visited UAE in late February. The mission paid particular attention to the manpower resource development aspects and was received most cordially. It is now drafting its report, which we expect to send to the Government for comments in July. ✓
4. In response to the Sheikh's request during your 1973 visit, we arranged for a senior livestock specialist and a consulting hydrologist to visit in 1973 to help investigate the possibility of forage production in Al Ain oasis. These visits were followed by an analysis of soil and water samples drawn from that area. The analysis has been completed, and the hydrologist's technical findings will be communicated shortly to UAE. ✓
5. You could make the following points during your meeting:
  - (a) You should indicate appreciation for the recent issue in the UAE of Bank bonds (amounting to \$76 million equivalent) and express the hope that this will be a forerunner of similar future assistance from UAE to the Bank. ✓
  - (b) You might mention the Bank's continuing willingness to help UAE with technical assistance in appropriate cases. The recent economic mission identified some areas where Bank assistance might be particularly useful (e.g., in evaluating development efforts at the sectoral level such as in power, industry and agriculture, and in institutional building for the Federal Government). These will be discussed with the UAE authorities when the draft economic report is reviewed this summer. ✓

## Attachments

cc: Messrs. M. M. Ahmad, I. P. M. Cargill, O. Dajany, A. Ljungh

Cleared with and cc: Mr. G. B. Votaw  
cc: Mr. G. El-Rifai

MALi/AJDavar:mh

Bio-Data

Mr. Hamad Abdulrahman Almadfa

Chargé d'Affaires

Embassy of the United Arab Emirates in Washington, D. C.

Mr. Almadfa has been recently named the Chargé d'Affaires of the newly established Embassy of the UAE in Washington, D. C. He presented his credentials on April 25, 1974.

Mr. Almadfa, who is 28 years old, comes from the Almadfa family which is a well-known trading family hailing from the Emirate of Sharja. A graduate of the University of Kuwait, he joined the Permanent Mission of the UAE at the United Nations as its First Secretary. He has enjoyed this post for about two years, prior to his present appointment as Chargé d'Affaires.



5.

## OFFICE MEMORANDUM

TO: Mr. Mohamed Shoaib

DATE: June 11, 1974

FROM: Omar Dajany *W.*SUBJECT: Mr. Mohamed Habroush's Visit To The Bank

On the occasion of Mr. Habroush's visit to the Bank on Friday, June 14 and his luncheon with Mr. McNamara, I thought it might be useful to write some notes about Mr. Habroush.

Mr. Habroush's full name is Mohamed Habroush Al-Soweidi but to avoid confusion with Ahmed Al-Soweidi, Minister of Foreign Affairs of the UAE, Mr. Habroush has dropped Al-Soweidi from his name and uses only, and is addressed, as Mohamed Habroush.

Mr. Habroush is Minister of State for Financial Affairs in the Cabinet of the United Arab Emirates. Since the Cabinet of Abu Dhabi was replaced by an Executive Council, he became the member of that Council for Finance. As such, he pretty much runs the entire financial affairs of Abu Dhabi which are enormously greater than those of the UAE itself. In addition, Mr. Habroush is a member of a number of important government committees dealing with oil, foreign and local investments, and industrial development. He is one of the closest people to Sheikh Zayed, the President of the United Arab Emirates and Ruler of Abu Dhabi, and is particularly close to Sheikh Khalifa, the Crown Prince and head of the Executive Council of Abu Dhabi.

Mr. Habroush was educated in Iraq and speaks and understands English much better than he claims. He is 27 years old and a bachelor. He is coming to the United States at the invitation of the Department of State for a period of approximately three weeks during which he will visit various parts of the United States following his visit to Washington. He will be accompanied on his visit by his close friend and personal aide, Mr. Zuhair Daouk, a Lebanese citizen, who also speaks English.

I should mention that Mr. Habroush has been very cooperative with the Bank in our fund raising efforts in both our two-year bonds and in our recent special \$76 million bond issue.

On the personal side; he loves music, is an avid gardener and an excellent water skier and fisherman.

cc: Mr. Cargill  
Mr. Benjenk  
Mr. Ljungh ✓

ODajany: dlh



6

## OFFICE MEMORANDUM

TO: For the Record

DATE: November 19, 1976

FROM: Saad S. El Fishawy *Saad El Fishawy*SUBJECT: UNITED ARAB EMIRATES: Meeting of H.E. Seif Ghobash, Minister of State for Foreign Affairs, with Mr. McNamara during the Annual Meetings 1976

The meeting took place in Manila on Wednesday, October 6, 1976. Present were Messrs. M.P. Benjenk and myself.

Minister Ghobash said that his visit to Mr. McNamara was mainly a courtesy call and to express his admiration for Mr. McNamara's speech, which he had read and that he fully agreed with its contents. He added that he was sure that Mr. McNamara was aware of the United Arab Emirates' efforts in the field of economic development assistance. The ratio of both commitments and disbursements of economic aid extended by the U.A.E. to its GNP was probably higher than that of any other country. The Minister also referred to the Abu Dhabi Fund for Arab Economic Development.

Mr. McNamara said that the Bank cooperated closely with regional and national aid agencies. There have been several projects, particularly in the Arab world, jointly financed by the Bank Group and the Abu Dhabi Fund. Mr. McNamara also pointed to the great importance which the IDA V Replenishment has for the poorest developing countries. He expressed the hope that the United Arab Emirates would make a meaningful contribution to the Fifth Replenishment.

SELFishawy/rh

cc: Messrs. Cargill/Goodman  
Benjenk  
Nurick  
Vibert  
Burmester (2)



## OFFICE MEMORANDUM

TO: For the Record

DATE: April 10, 1975

FROM: Saad S. El Fishawy *Saad El Fishawy*SUBJECT: UNITED ARAB EMIRATES: Mr. McNamara's Visit - March 15, 1975

Summary of the Meeting with H.E. Sheikh Ahmad Khalifa Al-Sweidi,  
Minister of Foreign Affairs

Others present were Sheikh Soroor Ibn Hamdan, Vice Chairman of the Abu Dhabi Fund for Economic Development, Chief of Protocol and Director of the Power Department, and Messrs. El Fishawy and Burmester.

Mr. McNamara explained the purpose of his visit and elaborated on each of the three topics he came to discuss, in the same way as he did previously in Kuwait, Saudi Arabia and Qatar 1/.

## 1 - Capital Increase:

Minister Al-Sweidi thanked Mr. McNamara for his efforts and said that giving a bigger and more important role to OPEC countries in the Bank was only "just and right". The United Arab Emirates could be counted on as a strong proponent of the special capital increase for OPEC countries. He inquired how effective an increase up to 15% would be. Mr. McNamara explained that this increase would be only one step in the direction of increasing the power of the developing countries in the Bank. After such an increase, the developing countries including the OPEC countries would have about 44% of the voting power in the Bank. If to this were to be added about 8% or 9% of European countries, which quite often voted on several issues along the same lines as the developing countries, such as the Netherlands and the Nordic countries, a majority would be reached.

## 2 - "Third Window":

Minister Al-Sweidi said that the UAE has extended large amounts of aid to the developing countries. They feel that they have overcommitted themselves. For this, they have been accused of being the "big spenders". But the UAE was doing all this out of a feeling of moral committment towards the developing world of which they feel they are a part. He said that the UAE had no selfish motive in doing that. It was a small country which had no political ambitions and had no industrial exports to promote through aid. He added that this sympathy with the developing countries could be attributed to the Ruler, who is deeply convinced of the need to assist the poor. He stated that he supported the "Third Window" scheme and hoped to obtain the approval of the government on it soon.

## 3 - Borrowing Program:

Minister Al-Sweidi said that the UAE supported the Bank's efforts and would continue lending to the Bank. He wanted to know whether Mr. Butter

---

1/ Cf. my memos on Summaries of Meetings in Kuwait, Saudi Arabia and Qatar on March 8, 11 and 13, respectively.

expressed interest in lending to the Bank for FY1976. El Fishawy said that Mr. Butter had expressed strong interest particularly in lending in a basket of currencies equivalent to SDR's.

Sheikh Soroor said that he appreciated that the Bank was sending a power expert to look into their power sector and inquired whether a power expert from the Bank could be seconded to his department for a year or two. Mr. McNamara asked El Fishawy to follow up on this request in Washington and inform him of the outcome.

SElFishawy/rh

cc: Messrs. McNamara  
Knapp  
Cargill  
Benjenk  
Kochman  
Burmester



## OFFICE MEMORANDUM

TO: For the Record

DATE: April 10, 1975

FROM: Saad S. El Fishawy

*Saad El Fishawy*SUBJECT: UNITED ARAB EMIRATES: Mr. McNamara's Visit - March 15, 1975

Summary of the Meeting with H.H. Sheikh Hamdan Ibn Rashid Al Maktoom, Deputy Prime Minister and Minister of Finance, Economy and Industry.

Others present were Messrs. R.J. Scott, Managing Director, United Arab Emirates Currency Board, Sadek A. Wissa, Director General, Ministry of Finance, Economy and Industry, El Fishawy and Burmester.

Mr. McNamara explained the purpose of his visit and elaborated on each of the three topics he came to discuss, in the same way as he did previously in Kuwait, Saudi Arabia and Qatar 1/.

## 1 - Capital Increase:

Mr. McNamara explained that here the Bank was responding to a wish expressed by Minister Habrrouch to Mr. Cargill, when he visited Abu Dhabi last December, for the increase of the OPEC countries' role in the Bank Group. Minister Al Maktoom said that the UAE was grateful for the Bank's positive response and asked Mr. McNamara to go ahead with his efforts to negotiate an increase in the voting power of the OPEC countries to 15%.

## 2 - "Third Window":

Mr. McNamara elaborated on the compelling reasons for introducing this intermediary lending facility. The Minister inquired about the purposes for which the additional one billion dollars would be lent. Mr. McNamara explained that the money would be used almost exclusively for projects designed to increase the productive capacity of developing countries with the emphasis on food production. He stressed that the Bank was not a charity organization, but a "hard-headed" investor. The Minister said that he supported the "Third Window" scheme in principle and that the Council of Ministers would consider very shortly the Bank's request for a 20 million dollars contribution.

## 3 - Borrowing Program:

Mr. McNamara explained that the Bank borrows at commercial rates from surplus capital markets. The main source up to 1968 was the U.S. market; then Germany starting from 1969 and then Japan starting from 1971. Lately and for the coming years, there have been and would be trade surplus balances in the OPEC countries and the Bank would continue to borrow from them. The total borrowing program of the Bank's FY1976 would be about

---

1/ Cf. my memos on Summaries of Meetings in Kuwait, Saudi Arabia and Qatar on March 8, 11 and 13, respectively.

four billion dollars, and borrowings from the UAE at the level of 300 million dollars' equivalent have been included. The Minister said that the UAE "will not be stingy" with the Bank. He would like, however, to postpone the decision on specific transactions till the end of April, when the outlook of oil revenues would become clearer. He asked in what currency the Bank would be borrowing. Mr. McNamara said either in dollars or in a basket of currencies equivalent to SDR's.

SElFishawy/rh

cc: Messrs. McNamara  
Knapp  
Cargill  
Benjenk  
Kochman  
Burmester



Summary Notes Abu Dhabi, March 15, 1975

Meeting with the Minister of State for Foreign Affairs, Messrs. McNamara, El Fishawy, Burmester, 9:30 a.m.

This was a courtesy visit in which Mr. McNamara explained the purpose of the trip with respect to capital increase, Third Window, and borrowing program. The Minister explained that Abu Dhabi now had an extensive aid program. Grants of \$11 million to Mauritania, \$5 million to Bangladesh and \$12 million to Pakistan had recently been extended. Loans of \$50 million at 2-1/2% to India and \$20 million to Bangladesh had been signed. The Abu Dhabi Fund for Development had made commitments of \$56 million in 1974 and \$170 million in 1975 at 4-1/2%. It was estimated that these loans would be disbursed over 5-6 years. In total the UAE had made commitments of \$1,280 million which could potentially be disbursed in one year. The Government now attempted to stretch this period to at least two years. The Minister felt that the Government had overstretched itself.

Mr. McNamara enquired about the oil production. The Minister said that the production was again rising after having been down to 450,000 barrels per day out of a capacity production of 1.6 million barrels per day. The average production for 1975 was now forecast at 700,000 barrels per day.

Meeting with the Minister of Finance and Mr. Scott at the Currency Board, 10:00 a.m. and Messrs. McNamara, El Fishawy, Burmester

Mr. McNamara explained the three subjects he had come to discuss. The Minister said that the UAE would like to see an increase in OPEC voting power from 5%-15% and asked Mr. McNamara to go ahead with negotiations on this basis.

The Minister enquired how the \$1 billion in the Third Window would be spent. Mr. McNamara explained that the money would be used almost exclusively for projects. The need to increase food production in developing countries would be stressed. He emphasized that the Bank was not a charity organization but a "hard-headed investor." The Minister said that he welcomed the Third Window in principle and would respond to the Bank's request for \$20 million the following week.

Mr. McNamara asked whether the UAE would be willing to lend the Bank \$300 million in FY76. The Minister said that he would like to postpone the decision on a definite amount until the end of April when the outlook for oil revenues would become clearer. He promised, however, that the UAE "will not be stingy with the Bank."

Mr. Scott said that there was a difference between the UAE and other OPEC countries. The UAE still consisted in part of poor undeveloped Emirates. He said that the UAE borrowed for the development of these Emirates at 12%, while lending to the IBRD at 8%. Mr. McNamara said that he appreciated that but that he still felt that the UAE had an obligation towards other LDCs.

Meeting with the Vice Chairman of the Abu Dhabi Fund for Development, Sheikh Sarror, and the Minister of Foreign Affairs, Sheikh Ahmad Khalifa al-Sweidi, and Messrs. McNamara, El-Fishawy and Burmester, 11:15 a.m.

Mr. McNamara repeated his explanation of the possible increase in OPEC voting power. The Minister thanked Mr. McNamara for his efforts. He felt that it was "just and right" that OPEC got more influence in international financial institutions. He therefore supported the increase to 15%. He enquired how effectively such an increase would strengthen OPEC power. Mr. McNamara said that this increase was only one step in the direction of increasing the power of LDCs. However, the OPEC countries, along with the other LDCs, would, after such an increase, have 44% of the voting power in the Bank.

With respect to the Third Window, The Minister said that the UAE had extended large amounts of aid to the poorest countries and was now being accused of being "big spenders." But the UAE was part of the LDCs and had a duty to help. They had no selfish motive in this. As a small country their power would always be minimal and it was unlikely that the country would ever try to secure markets for exports of manufactured goods. Mr. McNamara said that he knew of "no country and no minister feeling more responsible towards the LDCs than you." The Minister said that this sympathy with the LDCs stemmed from The Ruler rather than from himself. On a confidential basis, he added that it was in fact only Abu Dhabi within the UAE that supported the aid program.

The Minister enquired whether Mr. Butter was interested in lending money to the Bank in FY76. Mr. El Fishawy said that Mr. Butter had been reluctant but his interest had increased when the possibility of lending in SDRs was mentioned.

The Vice Chairman of the Abu Dhabi Fund enquired whether a Bank power expert could be seconded for a year or two. Mr. McNamara asked Mr. El Fishawy to follow up on this request in Washington and inform Mr. McNamara.

cc: Mr. El Fishawy

SB  
March 26, 1975





INTERNATIONAL MONETARY FUND  
THE WORLD BANK

Boards of Governors · 1978 Annual Meetings · Washington, D.C.

---

TO: Records

FROM: Saad S. El-Fishawy *Saad El Fishawy*

SUBJECT: United Arab Emirates - Mr. McNamara's Meeting with Sheikh Hamdan Bin Rashid Al-Maktoum, Minister of Finance and Industry on September 27 at 12:30

---

Also present were Messrs. Al-Nowais, Al Hamar, Al-Tayer and Al Madfa from the UAE and Benjenk, Paijmans, Koch-Weser and myself.

Mr. McNamara started by thanking UAE's support for IDA and their contribution to the Fifth Replenishment. He also said that the Bank was glad to cooperate with Abu Dhabi Fund in joint financing operations and to extend any technical assistance requested by UAE in fields where the Bank had competence.

Mr. McNamara added that as he mentioned in his address to the Board of Governors, we were planning to start negotiations on IDA6 before the end of this year and hoping to complete the negotiations in about 12 months. From the record of the UAE in economic development aid, he was confident that they would lend their support to IDA6.

Sheikh Hamdan said that he hoped that his government will have considered its contribution to IDA6 before the end of November, 1978. The UAE performance in economic development aid outstripped by far that of the industrial countries. It had reached in some years the level of 25% of GNP. He wished that the industrial countries would increase their aid to achieve the target level of 0.7%. Mr. McNamara said that the major donors, i.e., U.S., Germany, Japan and U.K. have stressed their strong support for an increase in IDA6 Replenishment.

cc: Mr. McNamara (2)  
Mr. Cargill o/r  
Mr. Stern  
Mr. Knapp  
Mr. Benjenk/Paijmans  
Mr. Vibert

---

*Address replies to:*

JOINT SECRETARIAT — ANNUAL MEETINGS  
IMF — WORLD BANK  
WASHINGTON, D.C. 20431

*Cable Address:*

INTERMEET  
WASHINGTONDC USA


*Telex Address:*

(RCA) 248331 IMF  
(ITT) 440040 FUND UI  
(WUI) 641111 INTERFUND

# OFFICE MEMORANDUM

TO: Memorandum for the Record

DATE: September 28, 1977

FROM: Ghassan El-Rifai, EMENA CP1 

SUBJECT: UNITED ARAB EMIRATES: Visit by His Highness Sheikh Hamdan Bin Rashid Al-Maktun, Minister of Finance and Industry.

---

1. Mr. McNamara met with the Minister on September 27 at 12.30 p.m. The Minister was accompanied by Mr. Al-Nowais, General Manager, Abu Dhabi Fund for Arab Economic Development, Mr. Al-Tayer, Assistant Under-Secretary, Ministry of Finance and Industry, Mr. Al-Hummar, Governor, Currency Board, and Mr. Al-Madfaa, Ambassador of the United Arab Emirates to Washington. Messrs. Benjenk, Paijmans, El-Fishawy, Koch-Weser and I were present.

2. Mr. McNamara welcomed the Minister and expressed his appreciation for their financial assistance to the poor countries and their recent participation in IDA V. Mr. McNamara reiterated the Bank's close working relationship with the Abu Dhabi Fund through our joint financing of high priority projects in poor countries.

3. Mr. McNamara then mentioned the important issue of the timely conclusion of IDA VI and its impact on the enhancement of the economies of developing countries, for which IDA represents the main financing channel. The Minister indicated that they appreciated Mr. McNamara's concern and promised that they will seriously consider their participation in IDA VI. The Minister stated that they will contact the Bank staff concerned on this matter in due course. Meanwhile, he stated that it would be desirable that industrialized countries participate more in this important and productive effort. Mr. McNamara indicated that progress on discussions with industrialized countries to increase their participation is making good progress.

4. As a final point, the Minister stated that while the United Arab Emirates is considered to be a capital surplus, oil-producing country, the UAE is still a developing country that needs substantial technical assistance. Mr. McNamara answered that the Bank is already providing technical assistance to the UAE in various diversified fields and will always be ready to respond favorably to any matter that would assist the UAE in its economic and social development.

cc: Messrs. McNamara's office  
 Benjenk  
 Paijmans  
 El-Fishawy

GEl-Rifai:gbo



8

## OFFICE MEMORANDUM

TO: Memorandum for the Record

FROM: A. Karaosmanoglu, EMI *AK*

SUBJECT: 1979 Annual Meetings: Mr. McNamara's Meeting with the Delegation  
from United Arab Emirates

DATE: October 5, 1979  
(Typed in Washington on  
October 9, 1979)

1. A meeting was held in Mr. McNamara's office on October 2, 1979 at 6:30 pm. Present were:

From the Delegation:

H.E. Hamdan Bin Rashid Al Maktoum, Minister of Finance  
& Industry  
Mr. Ahmed Humaid Al-Tayer, Assistant Under-Secretary,  
Ministry of Finance and Industry  
Mr. Nasser Al-Nowais, General Manager, Abu Dhabi Fund  
Mr. Abdul Malik Al Hamar, Managing Director, United Arab  
Emirates Currency Board

From the Bank:

Messrs. McNamara  
Cargill  
Benjenk  
El-Fishawy  
Karaosmanoglu  
Koch-Weser

2. The meeting started with Mr. McNamara's expression of appreciation for their participation in IDA VI. Mr. Al-Nowais, talking on behalf of the Delegation, said that they were hoping to receive more help from the Bank in providing technical assistance particularly in training staff. He said they were experiencing difficulties in having their people trained in the Bank and hoped that the Bank could extend technical assistance in planning and finance. With regard to IDA, he said that their contribution to IDA should not be a substitute for the contribution of others but should be additional.

3. Mr. McNamara said that he agreed with the Delegation that the IDA contribution should be additional and he said he did not know in detail their needs for technical assistance on training but he suggested that the Delegation get in touch with Messrs. Benjenk and Karaosmanoglu to talk about these needs. Mr. McNamara referred to the World Development Report which showed in its statistical annex that the assistance UAE provided was highest in the world in terms of percentage of GNP. Mr. McNamara explained the phenomenal increase in lending to Arab countries but said that we need help to find out how we can be more effective in this lending.



October 5, 1979

4. Mr. Al-Nowais agreed with the theme of Mr. McNamara's speech and expressed hope of seeing more Arabs in responsible places in the Bank. Mr. McNamara mentioned the difficulties in recruiting qualified Arabs as they were recruited with much higher levels of salary by the Gulf countries. Mr. Al-Nowais said that their source of recruitment for Arabs was from the U.S. universities and suggested the Bank to look into the same source.'

cc: Mr. McNamara's Office (2)  
Messrs. Cargill  
Benjenk  
Paijmans  
El-Fishawy  
Knox  
Koch-Weser  
Maiss  
El-Rifai

AKaraosmanoglu:sap

desirable, we hope that the feasibility of such a meeting will be explored. There are many matters of common interest and a certain measure of uniformity will be greatly helpful.



UNITED ARAB EMIRATES