

BRICS Development Bank HQ in Shanghai and India will Hold the Presidency



Brasilia, July 18 (Mercopress-RHC) --The first president of the BRICS New Development Bank will be from India and the position will rotate every five years among Brazil, Russia, India, China and South Africa, a joint statement from the leaders said.

The bank, aimed at funding infrastructure projects in developing nations, will be based in Shanghai and India will preside over its operations for the first five years, it was announced at the summit.

The New Development Bank will have an African regional branch in South Africa and eventually other nations would be able to participate.

"It is a sign of the times, which demand reform of the IMF," Brazilian president Dilma Rousseff told reporters at the close of the summit.

The bank will start with a subscribed capital of 50 billion divided equally between its five founders, with an initial total of 10 billion in cash put in over seven years and 40 billion in guarantees.

They also set up a 100 billion currency reserves pool to help countries forestall short-term liquidity pressures.

The new bank is seen as a strong push by BRICS against the World Bank and the International Monetary Fund, which the developing world has long complained it is far too US and European-centric.

“Based on sound banking principles, the NDB will strengthen the cooperation among our countries and will supplement the efforts of multilateral and regional financial institutions for global development,” the statement said.

The bank will start lending in 2016 and be open to membership by other countries, but the capital share of the BRICS cannot drop below 55%.

The BRICS summit also pledged to seek coordinated action following an exodus of capital from emerging markets last year, triggered by the scaling back of US monetary stimulus.

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