

BRICS Announces Plans for Development Bank and Reserve Fund



Fortaleza, July 16 (Xinhua-RHC) -- BRICS, the emerging-market bloc comprising Brazil, Russia, India, China and South Africa, has announced plans to establish a \$100 million development bank and a Contingent Reserve Arrangement (CRA).

The five leading emerging economies laid out the designs of the New Development Bank (NDB) and the CRA in a declaration released following their sixth summit in Fortaleza on Tuesday.

The NDB, which will have its headquarters in Shanghai, will have an initial authorized capital of 100 billion US dollars, and an initial subscribed capital of 50 billion USD to be equally shared among the founding members, according to the Fortaleza Declaration.

The bank, said the declaration, is aimed at "mobilizing resources for infrastructure and sustainable development projects in BRICS and other emerging and developing economies".

The CRA, with an initial size of 100 billion USD, "will have a positive precautionary effect, help countries forestall short-term liquidity pressures, promote further BRICS cooperation, strengthen the global financial safety net and complement existing international arrangements", the declaration added.

In addition, the five countries also voiced their readiness to further facilitate trade, enhance financial ties, tackle tax-related challenges and tap the cooperation potential in insurance and reinsurance markets.

Chinese President Xi Jinping attended the summit along with Brazilian President Dilma Rousseff, Russian President Vladimir Putin, Indian Prime Minister Narendra Modi and South African President Jacob Zuma.

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