

Talks on BRICS Development Bank Hit Stumbling Block over Headquarters

By [The Moscow Times](#)

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FORTALEZA, Brazil — Hours before launching a joint development bank to challenge Western dominance over global finances, the BRICS emerging market nations on Tuesday had still not agreed on where the new lender will be headquartered, senior officials involved in the talks told Reuters.

Leaders of the five BRICS countries were expected to sign off Tuesday on plans to create the \$100 billion bank and a reserves fund of the same size.

But the latest impasse reflects the difficulties that Brazil, Russia, India, China and South Africa face in working together to counter Western-run multilaterals that have shaped world finances since the end of World War II.

Negotiations have stalled for now on a dispute between China and India over who will host the bank. The disagreement has also delayed a decision on which of the countries will hold

the first five-year presidency of the bank.

"This should be easy to resolve but we have this dispute. If it does not move forward, we may have to leave the decision for another meeting," said the official, who declined to be named.

A delay could be an embarrassment for the BRICS, a group better known for its anti-Western rhetoric than agreement on concrete actions to reshape the world's financial architecture.

The official said if no deal was reached on Tuesday, the leaders could still sign off on creation of the bank and decide on the headquarters and its president at a later date.

Two other officials confirmed no decision has been reached and said rivalry between India and China had led to the impasse.

"Initially there seemed to be consensus that China was going to host the bank, but India continues to push for New Delhi," one of the officials said.

The disagreement behind closed doors between the world's most populous nations belied public expressions of cooperation between President Xi Jinping and newly elected Indian Prime Minister Narendra Modi.

"Judging from either bilateral, regional or global perspectives, China and India are long-lasting strategic and cooperative partners, rather than rivals," Xi said after meeting Modi, Chinese state news agency Xinhua reported.

Negotiations to create the bank dragged on for more than two years as Brazil and India fought China's attempts to get a bigger share in the lender than the others.

The stark economic and political differences between the BRICS countries has made it difficult for the group to turn rhetoric to concrete action in coordinating policies.

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