



ROLE AND CONTRIBUTION OF NEW DEVELOPMENT BANK (BRICS BANK)

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Abstract:

Brazil, Russia, India, China, and South Africa are the five main emerging national economies that make up the alliance known by the abbreviation BRICS. All of the BRICS nations are G20 members, and they are well-known for having a big impact on regional issues. The BRICS countries have gathered formally at summits every year since 2009. The 9th BRICS summit took place in Xiamen, China, in September 2017, and the 10th BRICS summit took place in July 2018, in South Africa. Approximately 41% of the world's population, or over 3.1 billion people, live in the five BRICS countries as of 2015. Four of the five members, with the exception of South Africa, which has a population of 24, rank in the top ten globally. These five countries have an estimated total foreign reserve of US \$4.46 trillion as of 2018, with a combined nominal GDP of US \$18.6 trillion, or roughly 23.2% of the global gross product, and a combined GDP (PPP) of nearly US \$40.55 trillion, or 32% of the world's GDP PPP. The BRICS are expected to increase by 4.6% overall in 2016, up from a projected 3.9% growth in 2015. The World Bank predicted that in 2017, the BRICS economy would rise by 5.3%. Uruguay, the United Arab Emirates, and Bangladesh joined this bank as members in 2021.

Key words: 1) NDB- New Development Bank 2) bln- Billion

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Member Countries:

Country	Population (2018 in Crores)	G.D.P Growth (2017 in %)	Exports in (\$ Billion)	Imports in (\$ Billion)	Literacy Rate in (%)
Brazil	21 Crores	0.7%	217	151	91.7%
Russia	14 Crores	1.8%	336	212	99.7%
India	136 Crores	8.2%	303	426	72.1%
China	141 Crores	6.7%	2157	1731	96.4%
South Africa	5.7 Crores	0.7%	78	80	94.3%
Average	62 Crores	3.2%	562	446	93.0%

(Source-NDB.com)



Objectives of Study:

- 1) To study and Understood the Profile of BRICS.
- 2) To study the Profile of NDB.
- 3) To study how will India benefit from the NDB?

Methodology:

Taking into account the objective of the study the researcher has adopted descriptive research method base on extensive secondary data. The secondary data was analyzed according to objective of the study. The style of presentation is mostly analytical. The data was collected form secondary sources such as annual report, website of economics, bank, daily news papers and books.

Data Analysis and Interpretation:

A. SHAREHOLDING STRUCTURE AND VOTING POWER

With a par value of USD 100,000 per share, NDB's initial authorized capital of USD 100 billion is divided into one million shares. The percentage of a member's subscribed shares in the Bank's capital stock that represents that member's voting power. The five founding members of NDB made an initial subscription of USD 50 billion in equal shares, which was made up of USD 40 billion in callable capital and USD 10 billion in paid-in capital, as per NDB's AoA. The founding members have equal voting power thanks to this special shareholding arrangement, and none of them has the ability to veto any proposal.

B. SHAREHOLDING AND VOTING POWER AT NDB (AS AT DECEMBER 31, 2021)

MEMBER COUNTRY	NUMBER OF SUBSCRIBED SHARES	SUBSCRIBED CAPITAL (USD MILLION)	NUMBER OF VOTES PERCENTAGE OF TOTAL VOTES ¹²	PAID-IN CAPITAL	CALLABLE CAPITAL
Brazil	100,000	2,000	8,000	100,000	19.42
Russia	100,000	2,000	8,000	100,000	19.42
India	100,000	2,000	8,000	100,000	19.42
China	100,000	2,000	8,000	100,000	19.42
South Africa	100,000	2,000	8,000	100,000	19.42
Bangladesh	9,420	188	754	9,420	1.83
UAE	5,560	111	445	5,560	1.08

(Source-NDB.com)

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The founding members' initial contribution to paid-in capital is to be paid in seven annual installments, as per the payment schedule outlined in the AoA. NDB had received paid capital contributions from its founding

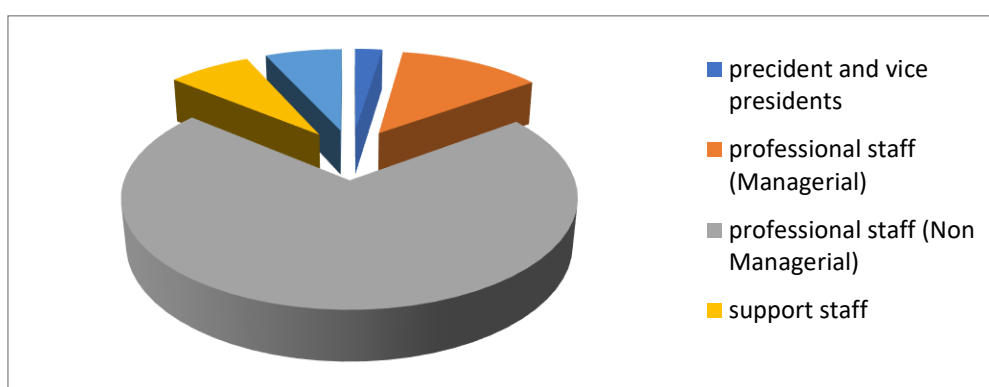


members totaling USD 9.96 billion by the end of 2021, including partial revenues for the seventh and final installment that was made early. Bangladesh and UAE will begin contributing their paid-in capital in 2022, in line with their individual payment schedules. Thirteen NDB is one of the biggest MDBs in the world thanks to its high level of capitalization.

C. TALENT MANAGEMENT

An NDB's employer brand is strong, as seen by the 30

job positions it had in 2021 that drew over 5,000 applications. NDB continues to draw top talent from around the world. A number of highly competent new employees, including those for several important managerial roles, were hired and brought on board within the year thanks to an open and transparent selection procedure. NDB employed 207 people in total by the end of 2021, a net gain of 12% over the previous year.



NDB stresses the value of gender parity and diversity at all levels of its organizational structure as an equal opportunity employer. In 2021, the percentage of women in managerial personnel rose from 19% to 23%, while the proportion of women in the Bank's total workforce stayed constant at 38%. Concurrently, there has been a little improvement in the national diversity of the Bank's professional staff.

Findings and Conclusions:

The BRICS organization established for economic stability, cultural exchange, foreign trade etc. in developing countries took a revolutionary step forward and established the National Development Bank in 2014. In the year 2021, Bangladesh, U.A.E and Uruguay became members of this bank. Ten projects have been

approved by this bank in the year 2021, so far 74 major projects have been approved. So far 29143 million has been disbursed by NDB for various projects. The largest loan disbursed through NDP was to China at \$2114 million and to India at \$1472 million. The above research shows that NDB can definitely play an important role in the future for India to fulfil its dream of becoming a global superpower.

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