

Welt am Sonntag

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BUSINESS

**"There is no doctrine"**

**Kundapur Vaman Kamath heads the "New Development Bank". And with it, the big emerging nations want to finally become less reliant on the IMF**

By Nina Trentmann out of Shanghai

If you were to exit the lift on the eighth floor of the China Financial Information Center, you would immediately notice that the New Development Bank, or NDB, is still in its infancy. Many desks are still waiting on their users, the winding corridors are empty. "What are you looking for? The president's office?" asks a helpful employee. "Do you perhaps have an interview? We're still in start-up mode here, you'll have to excuse us."

Kundapur Vaman Kamath laughs when he hears this. The 67-year-old is president of the institute founded by the emerging countries Brazil, Russia, India, China and South Africa, and was thus also referred to as the BRICS Bank. Even in his office in a high-rise in Shanghai's financial district Lujiazui the bookshelves are empty, his desk solely populated by a stack of paper and several telephones, including one perpetually ringing iPhone. Kamath, a largely built and heavy man, wears a red Versace tie with cars on it with his suit. In his first extensive interview with a member of the Western media Kamath explains why the international finance system needs a counterweight to the International Monetary Fund (IMF) and the World Bank.

**Welt am Sonntag: Mr. Kamath, you're starting from the ground up. How far along have you come in developing the bank?**

**Kundapur Vaman Kamath:** Das stimmt. Vor drei Wochen waren wir noch nicht hier. That's right. We still weren't here three weeks ago. But now we're employing our first people. The vice-presidents of the bank have already been decided. I hope to recruit 40 people within six weeks, and in three to four years that number should grow to 400. If we continue with another three to four years, we have 2,000 employees that the NDB will have.

**How do you find the right employees? Are there quotas?**

First we look in our founding countries, in Brazil, Russia, India, China, and South Africa. There are no quotas, so I don't have to hire ten Chinese and ten Indians to achieve parity. We want a young team; Bachelor's and Master's graduates who will be trained by experienced individuals from banks and other international organisations.

**The IMF and World Bank already exist. What need is there for the New Development Bank?**

The question is: Do the existing institutions take too long to grant loans? Are they too strict in distributing loans? We ask these questions from the emerging nations' perspective. We want to have equal footing between lenders and borrowers. The IMF and World Bank have their practices, we have ours. By founding the NDB we show that we are able to stand on our own two legs. It's not about ousting anybody. The market is big enough.

**What do you see when you look more closely at the international finance system carried by the IMF and World Bank seven years after the crisis began?**

There aren't the same starting requirements, I hear that in the emerging nations on a regular basis. I still always wonder how the financial crisis could have come about. Like the crisis itself, the solution-based approaches to the crisis cause massive problems in the emerging countries. The so-called quantitative loosening of the central banks brought about a monetary storm in many countries, fluctuations of two or three per cent each day were almost normal. We have problems caused by the decisions of others. We have to find new answers to this.

**How do you want to solve the problem?**

We concentrate on infrastructure investments, roads, telecommunications, electricity. Our member states all have similar problems in this regard, but in different manifestations. The goal is to first acquire the funds in our member states and lend it to them in their currencies. We reduce the volatility this way.

**The newly founded Asian Infrastructure Investment Bank (AIIB), based in Beijing, also wants to invest in infrastructure problems. Is there no overlap?**

We mutually complement one another. I have already spoken with the bank's management, we're going to set up a type of hotline.

**You want to have approved your first loan by April 2016, to be granted in renminbi. Why the rush?**

We want to show that we're different. This also means acting promptly, being flexible, and staying agile. This protects us from expensive bureaucracy.

**The IMF is often accused of pursuing a neo-liberal agenda. What school of thought does the New Development Bank subscribe to?**

We don't feel bound to any specific school of thought. Each of us has to grow economically, and the bank helps achieve this goal. Economic growth is measurable, after all. If you come to China you see economic growth. That has to be the case in the other countries, too.

**Your headquarters are in Shanghai, China. Does the People's Republic have special rights?**

No. All founding members have the same voting rights, each country contributes the same amount. Our subscribed capital totals 50 billion dollars, equating to 10 billion dollars from each member. In the long term the bank should have 100 billion dollars at its disposal. Shanghai is a wonderful city and a good location for the bank. The fact that we're here does not mean what we are influenced by China.

**Do you believe that the NDB can be successful as a financial institution if it is located in a country without free access to information?**

The internet in China has not been a problem for us so far. We will have to see if the transfer of data functions in real time. Our trading divisions have not begun working yet.

**You come from India, a democracy. Are the different types of government in the founding countries a problem for the bank?**

We have a shared objective of what we want to achieve. Whether India is a democracy or whether China has a one-party government, it doesn't impact me as long as we all have the same right to vote. If we can unite ourselves, that won't have any consequences for us.

**How do things look for new members? Can any country apply to join, theoretically?**

So far there are only the founding members. The executive board of the bank will invite a larger number of members at some point in the future, and admission will theoretically be open to everybody. Every country that wants to be a member can do so if they fulfil certain requirements.

**What would those be?**

That hasn't been decided yet, the executive board has to decide that. It convenes every three months.

**Is it possible for the bank to provide loans for countries engaged in a conflict with one of your member states? Countries like Ukraine, Pakistan, or Taiwan for instance?**

We will have to see.

**Corruption is a big problem in some BRICS states. How do you make sure that none of this makes its way into the NDB?**

We have zero tolerance for corruption. I will always make that known. It's important that we adhere to our own ethical standards.

**You worked as a banker in India for a long time. Did you have to think for a while about moving to Shanghai and heading the NDB when the offer arose?**

No, I made my choice in less than a minute and said yes. I want to help create something new. I had never been stationed in China before, but I was able to see the country's transformation over the years. If we can also get such change going in the other member states, that would be incredible.

**You don't speak any Chinese, correct?**

The working language is English. All of our computer systems are set to English. My wife and I lived in Indonesia for a number of years and learned the language without a lot of instruction. So I would also be happy to learn Chinese. But I'm afraid it won't work. There are too many characters.

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