

The Dollar Is in Trouble! Here Are 7 Signs that Global De-Dollarization Has Just Shifted Into Overdrive

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For decades, the U.S. dollar was the undisputed king of global currencies, but now dramatic changes are happening. China, Russia, India, Brazil, Saudi Arabia and other nations are making really big moves which will enable them to become much less dependent on the U.S. dollar in the years ahead. This is really bad news for us, because having the primary reserve currency of the world has enabled us to enjoy a massively inflated standard of living. Once we lose that status, our lifestyles will be much different than they are today. Unfortunately, most Americans don't understand any of this. Even though our leaders have treated the stability of our currency with utter contempt in recent years, most Americans just assume that the dollar will always reign supreme. Meanwhile, much of the planet is preparing for a future in which the U.S. dollar will be far less important than it is right now. The following are 7 signs that global de-dollarization has just shifted into overdrive...

#1 The BRICS nations account for over 40 percent of the total global population and close to one-fourth of global GDP. So the fact that they are working to develop a ["new currency"](#) should greatly concern all of us...

The Deputy Chairman of Russia's State Duma, Alexander Babakov, said on 30 March that the BRICS bloc of emerging economies - Brazil, Russia, India, China, and South Africa - is working on developing a "new currency" that will be presented at the organization's upcoming summit in Durban.

"The transition to settlements in national currencies is the first step. The next one is to provide the circulation of digital or any other form of a fundamentally new currency in the nearest future. I think that at the BRICS [leaders' summit], the readiness to realize this project will be announced, such works are underway," Babakov said on the sidelines of the Russian-Indian Strategic Partnership for Development and Growth Business Forum.

Babakov also stated that a single currency could likely emerge within BRICS, and this would be pegged not just to the value of gold but also to “other groups of products, rare-earth elements, or soil.”

#2 Two of the BRICS nations, China and Brazil, have just [“reached a deal to trade in their own currencies”...](#)

The Chinese renminbi is speeding up in expanding its global use, a trend that will help build a more resilient international monetary system, one that is less dependent on the US dollar and more conducive to trade growth, experts said on Thursday.

They commented after China and Brazil — two major emerging economies and BRICS members — reportedly reached a deal to trade in their own currencies, ditching the US dollar as an intermediary.

The deal will enable China and Brazil to conduct their massive trade and financial transactions directly, exchanging the RMB for reals and vice versa, instead of going through the dollar, Agence France-Presse reported on Wednesday, citing the Brazilian government.

#3 During a meeting last week in Indonesia, finance ministers from the ASEAN nations discussed ways [“to reduce dependence on the US Dollar, Euro, Yen, and British Pound”...](#)

An official meeting of all ASEAN Finance Ministers and Central Bank Governors kicked off on Tuesday (March 28) in Indonesia. Top of the agenda are discussions to reduce dependence on the US Dollar, Euro, Yen, and British Pound from financial transactions and move to settlements in local currencies.

The meeting discussed efforts to reduce dependence on major currencies through the Local Currency Transaction (LCT) scheme. This is an extension of the previous Local Currency Settlement (LCS) scheme that has already begun to be implemented between ASEAN members.

#4 In a move that has enormous implications for the “petrodollar”, Saudi Arabia just agreed to become a [“dialogue partner in the Shanghai Cooperation Organization”...](#)

The state-owned Saudi Press Agency said that, in a session presided by King Salman bin Abdulaziz, the Saudi cabinet on Tuesday approved a memorandum awarding Riyadh the status of dialogue partner in the Shanghai Cooperation Organization — a political, security and trade alliance that lists China, Russia, India, Pakistan and four other central Asian nations as full members.

The organization further tallies four observer states — including Iran — and nine dialogue partners, counting in Saudi Arabia, Qatar and Turkey. It is headquartered in Beijing and served by China’s Zhang Ming as secretary-general.

#5 The Chinese just completed their very first trade of liquefied natural gas [that was settled in Chinese currency](#) instead of U.S. dollars...

China has just completed its first trade of liquefied natural gas (LNG) settled in yuan,

the Shanghai Petroleum and Natural Gas Exchange said on Tuesday.

Chinese state oil and gas giant CNOOC and TotalEnergies completed the first LNG trade on the exchange with settlement in the Chinese currency, the exchange said in a statement carried by Reuters.

The trade involved around 65,000 tons of LNG imported from the United Arab Emirates (UAE), the Shanghai Petroleum and Natural Gas Exchange added.

#6 The government of India is offering their currency as an [“alternative”](#) to the U.S. dollar in international trade...

India will offer its currency as an alternative for trade to countries that are facing a shortage of dollars in the wake of the sharpest tightening in monetary policy by the US Federal Reserve in decades.

Facilitating the rupee trade for countries facing currency risk will help “disaster proof” them, Commerce Secretary Sunil Barthwal said during an announcement on India’s foreign trade policy Friday in New Delhi.

#7 Saudi Arabia has actually agreed [to accept Kenyan shillings](#) as payment for oil shipments to Kenya instead of U.S. dollars...

Kenyan President William Ruto signed an agreement with Saudi Arabia to buy oil for Kenyan shillings instead of US dollars.

As the US currency exchange rate hit 145.5 shillings due to increased demand by importers, President Ruto accused oil cartels of stockpiling American dollars in response to the crisis, sparking fuel shortages throughout Kenya.

10 years ago, none of these things would have happened.

But now change is happening at a pace that is absolutely breathtaking.

At this point, [John Carney](#) is warning that a fracturing of global currency reserves is “inevitable”...

“[It’s] not only a serious threat, I think it is inevitable. We went through three stages, as you said, after World War II. The U.S. was the biggest economy in the world. In the 1970s, global banking became basically dollar central. With the fall of the Soviet Union, the entire world, more or less, came under the domination of the U.S dollar...”

“That is now drifting away. China and Russia are starting to build an alternative block of currency,” John Carney explained Sunday.

Sadly, I agree with him.

As U.S. relations with both Russia and China continue to go downhill, both of those nations will have a very strong incentive to push de-dollarization even further.

And that is really bad news for the United States, because our currency is the source of our economic power and it is the most important thing that we export.

This is a story of monumental importance, but unfortunately most Americans still believe that our leaders know exactly what they are doing and that they have everything fully under control.

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