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DE-DOLLARISATION IN INTERNATIONAL TRADE: GLOBAL TRENDS AND THE ROLE OF BRICS

Dedollarisation is a reduction in dependence on the US dollar as a reserve currency, which means that is reduced in its share of foreign exchange reserves of countries and in global trade. [2] The reasons for such a trend are sanctions, political instability, currency fluctuations, and striving of countries for financial sovereignty. China and russia made the first attempt to displace the dollar in 2009 after 2008 global financial crisis, when they announced their intention to create a new supranational currency for settlements [1]. Now, after 2022 the second wave of reducing dependence on the dollar has begun, involving a whole block of countries – the BRICS – as well as some countries all over the world outside the block. So, the BRICS is the international organization of the largest developing countries by area, including Brazil, russia, India, China, and South Africa. The group positions itself as a counterweight to the dollar-dominated G7. So, it has started its expansion (BRICSpansion) forming BRICS+ where such countries as

Egypt, Argentina, Iran, and Saudi Arabia are candidates for admission, in such a way creating a new international center of power [3].

Egypt. In 2022, the Egyptian Finance Minister announced plans to issue sovereign bonds denominated in Chinese renminbi. Historically, the country pegged its currency to the dollar then unpegged until in 2016 the IMF forced Egypt to adopt a floating exchange rate, signing a loan agreement. That pushed the government to diversify its reserves. By 2024, Egypt officially switched to settlements in its national currency for international trade as a part of its BRICS integration, even though at least 50% of all the foreign transactions are still in dollars [4].

India. In 2022, the Reserve Bank of India allowed foreign trade in rupees and implemented vostro accounts, enabling foreign banks to hold rupees and settle transactions with India directly. Such accounts are especially relevant for trade with russia particularly for purchasing discounted russian oil, the UAE, and neighboring states, payments are now being used in rupees for purchases of coal, fertilizers, and oil to bypass the need for dollar settlements [5].

Brazil. In the beginning of 2023, Brazil and Argentina proposed creating a shared currency – the "sur" for bilateral trade, but with the purpose of regional cooperation in Latin America, not within the BRICS framework. So, while Brazil has expressed interest in reduction of dependence on the dollar, still it has not supported the single currency and payment system within the block [6].

South Africa. South Africa also has implemented the politics of dedollarisation in 2022 but with strictly in regional context fearing economic retaliation from the side of the USA. As a member of the Common Monetary Area (CMA), it shares a monetary framework with Lesotho, Namibia, and Eswatini. These countries not only peg their national currencies to the South African rand but also use the rand in a par for domestic transactions. But, despite a such policy, 88% of external settlements of South Africa are still in dollars on the end of 2022 [7].

So, despite the efforts of BRICS to build an alternative financial and payment systems, most of members of the block are not ready to the full rejection of the dollar, mostly due to fear of retaliatory measures from the United States, as on January 31, 2025 president Trump warned that a full dollar rejection by BRICS would trigger 100% tariffs on imports from these countries.

In conclusion, dedollatisation reflects global shift the international economic order, driven by the desire of countries to reduce their dependency on the US dollar and gain financial autonomy. While BRICS countries differ in their strategies and final goals, they are still collectively challenging dollar dominance by promoting trade in national currencies, engaging regional cooperation and integration, and even creating alternative payment systems. Although in foreign currency reserves the dollar has the greatest share, it has decreased significantly to 58% in comparison with 70% in 2001–2002.

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