

De-Dollarization Accelerates

Description

Bloomberg

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Suddenly Everyone Is Hunting for Alternatives to the US Dollar

- US pushes dollar's 'exorbitant privilege' to breaking point
- New payment systems spring up as technology advances

De-dollarization and the New Economic Order

The Biden administration's idea of transforming the dollar and the global payment system into weapons has caused many countries and investors to actively diversify their assets away from the dollar system.

As Bloomberg reports, countries such as Bangladesh, Kazakhstan, and Laos are in talks with China to increase their use of the yuan, while Beijing and Moscow are developing joint mechanisms for mutual settlement without using the dollar, and India is promoting its rupee as a regional currency by starting to provide a bilateral payment mechanism with the United Arab Emirates.

Another reason for the flight from the dollar is its potential strengthening in the coming years due to a change in the course of the Federal Reserve's monetary policy. Corporations around the world are selling an unprecedented amount of their debt in local currencies, fearing a further strengthening of the dollar.

As Bloomberg columnist Michel Jamrisco writes, there are increasing voices saying that the dollar is being used to "intimidate small countries." Southeast Asian countries are therefore using this reason to trade more in local currencies, moving away from the dollar.