

Putin-Xi Meeting: End of 'Dollar Hegemony' and US Domination

Description

by James Tweedie via Sputnik



Chinese President Xi Jinping's visit to Moscow for in-depth talks with Vladimir Putin has provoked angry responses from Washington and Europe. Hong Kong-based political and financial analyst Angelo Giuliano explains why the summit can be seen as a threat to Western hegemony.

Closer economic ties Russia and China could spell the end of the dollar's primacy in trade and even US imperialist hegemony.

Chinese President Xi Jinping arrived in Moscow on Monday for three days of talks with his Russian counterpart Vladimir Putin.

The meeting had already provoked a flurry of angry statements and political diversions, including the [International Criminal Court's](#) attempt to accuse Putin of child abduction and Washington's [rejection](#) of Beijing's blueprint for peace in Ukraine.

Washington's Downfall?

Angelo Giuliano told Sputnik that [ever-deepening cooperation](#) between the two Eurasian giants had "far reaching consequences for the 'collective West'."

"China and Russia are very complementary," Giuliano explained. "Russia has the natural resources that China is lacking and China has a very large industrial/manufacturing base and financial strength."

Crucially, China can help Russia bypass sanctions imposed by Western countries following the launch

of the military operation in Ukraine.

Moreover, “Both countries are preparing for a possible wider confrontation with the collective West,” Giuliano stressed. “Both countries are already in a de-facto alliance.”

The agenda for the summit is likely to include building a new international money transfer mechanism, independent from the Western SWIFT system that Russia is now locked out of. The analyst said that could eventually be based on a new currency controlled the [BRICS](#) development bank, based on a basket of the member states’ currencies and backed by gold reserves.

That could herald the end of US dominance of the financial system and the privileged position of its currency in international trade.

“The end of the dollar hegemony would initiate the downfall of the US, the end of the exorbitant privilege to print the global currency, to constantly finance trade deficit by issuing US debt which not meant to be repaid, a de-facto ‘Ponzi scheme’,” Giuliano said. “This would mean the end of lavish US lifestyle at the expense of the Global South.”

A new international financial system, in competition with the US-based ‘Bretton-Woods’ institutions like the World Bank and International Monetary Fund (IMF), could be opened up to any country which wants to join, the expert said.

Its selling point would be “a much more democratic system without the veto vote applied in the US controlled World Bank and IMF,” Giuliano said. “Many countries have shown interest and the shift could be gradual.”

More and more Western leaders are describing Beijing in terms such as [“systemic challenge”](#) or even an [“opponent,”](#) and new data shows China’s manufacturing sector is now bigger than the US and European union combined.

“China is already leading in 37 out 44 technologies, the West is definitely seeing this as a challenge in the long run,” Giuliano pointed out. “But it is just unavoidable as China has a much larger population and has 10 times more STEM (science technology engineering mathematics) graduates than the US.”

Chris Devonshire-Ellis, Chairman of Dezan Shira & Associates with a thirty-year investment and business career in China, Russia and Asia, [wrote](#) that Russia and China are likely to strengthen military as well as economic cooperation.

Regional security will be high on the agenda, with the 22-year-old [Shanghai Cooperation Organisation \(SCO\)](#) set to be “enhanced” and expanded to include such countries as Belarus, Bahrain, the Maldives, Myanmar, Kuwait, and the United Arab Emirates (UAE).

“This will give the SCO regional coverage over the complete Eurasian land mass to the borders of Eastern Europe, as well as include significant gains in the Middle East and South-East Asia,” Devonshire-Ellis wrote. “This is likely to be seen as the world ‘beyond the West’ within a new Cold War and has specific ramifications in the energy and trade sectors.”

He predicted the West would dub the expanding SCO a ‘threat to NATO’ and use it to justify a military build-up in Europe and prolonging the conflict in Ukraine.

But “Russia and to some extent China view NATO as the initial problem as it has expanded eastwards,” Devonshire-Ellis pointed out, and the SCO will become “the security front line between the two.”

The rejection of China’s 12-point peace plan for Ukraine by Washington and Brussels shows how the West’s rhetoric on the conflict has become “shrill, increasingly prone to conspiracy theories and misinformation, and warmongering.”

“The danger here is that the rest of the world has a vested interest in this conflict too, essential supply chains have been disrupted in both food and energy and have created real stress factors in multiple developing nations,” Devonshire-Ellis warned.

He explained that Beijing’s interest in peace stemmed from Ukraine’s membership of its ‘Belt and Road’ initiative to secure trade routes to Europe and Africa. China has provided loans to improve Ukraine’s ports, roads, and rail infrastructure. It is also the country’s biggest trade partner, the source of 14.4 per cent of Ukraine’s imports and buying 15.3 per cent of its exports.