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Goodbye dollar? What the new global reserve currency based on basic resources will look like

A new reality is forming: the unipolar world is irrevocably becoming a thing of the past, a multipolar one is taking shape.



It was something worth contemplating. Dmitry Medvedev, former Russian president, unrepentant Atlanticist, current vice president of the Russian Security Council, decided to completely disconnect from the West. Curiously, his statements coincided with the hypersonic missile launch [Mr. Khinzal](#), which provoked justified consternation in NATO.



Dmitry Medvedev, former Russian President and Vice-President of the Russian Security Council

Medvedev said the "hellish" Western sanctions have not only failed to paralyze Russia, but are "returning to the West like a boomerang." Confidence in reserve currencies is "fading like morning fog," and abandoning the U.S. dollar and the euro is no longer unrealistic: "The era of regional currencies is approaching."

After all, he added, "whether they want it or not, they will have to negotiate a new financial order ... And the decisive voice will then be those countries that have a strong and advanced economy, healthy public finances and a reliable monetary system."

Medvedev released his analysis before the deadline set by President Putin: from this April 1, 2022, "hostile nations" with Russia will have to pay for Russian gas only in rubles.



A miniature model of a gas pipe over a 200-ruble bill and a Russian flag in this illustration image taken on March 23, 2022. REUTERS/Dado Ruvic

The G7, unsurprisingly, adopted a "pose": we won't pay. 4 of these nations are not large importers of Russian gas, but the remaining 3 are in dire straits, not only sustaining their economies with Russian gas, but also being the losers of World War II: Germany, Italy and Japan, and are still de facto US-occupied territories. History has a habit of playing perverted tricks.

The denial didn't last long. Germany was the first to break, even before industrialists from the Ruhr to Bavaria organized a revolt, Scholz, the insignificant German chancellor called Putin, who had to explain the obvious: the payments will be converted to rubles because the EU froze Russia's foreign exchange reserves, in open violation of international law.



[Putin explains to Scholz that Russia will charge in rubles for gas due to the freezing of its international foreign exchange reserves](#)

With Taoist patience, Putin also expressed his hope that this measure will not represent a deterioration of the terms of the contract of Europe's gas importers. Russian and German experts should sit down together and discuss the new terms.

Moscow is working on a set of documents that define the new agreement. Essentially, this is explained like this: No rubles, No gas. Contracts become null and void once trust is breached. The US and the EU broke legally binding agreements with unilateral sanctions and, in addition, confiscated the foreign exchange reserves of a G20 nation: Russia



Ursula von der Leyen, president of the European Commission, announced the measures against Russia.

Unilateral sanctions made dollars and euros worthless to Russia. Attacks of hysteria do not solve anything: this will be resolved, but on Russia's terms. The Foreign Ministry had already warned that the refusal to pay for gas in rubles would lead to a serious global crisis of defaults and bankruptcies globally, a chain reaction of blocked transactions, freezing of collateral assets and closures of credit lines.

What will happen next is partially predictable. EU companies will receive the new set of rules. They will have time to examine the documents and make a decision. Those who say "no" will automatically be excluded from the direct shipment of Russian gas.

There will be compromise, of course. For example, quite a few EU nations will agree to use rubles and increase their gas purchases so that they can resell the surplus to their neighbors and make a profit. And some may also decide to buy gas on the go.

So Russia is not imposing an ultimatum on anyone. Everything will take time, in a continuous process. With some side action as well. The Duma is contemplating extending the ruble payment to other essential products, such as oil, metals, wood, wheat. It will depend on the collective voracity of the EU's "lap poodles". Everyone knows that if the hysteria continues, it can translate into a colossal breakdown of supply chains across the West.



Goodbye oligarchs

While the EU's Atlanticist ruling classes have gone mad and remain focused on fighting to the last Ukrainian, Russia is playing calmly. In fact, Moscow has been quite forgiving, brandishing the specter of having no gas in spring rather than winter.



The Russian Z drawn on a canopy in St. Petersburg. | Reuters

The Central Bank of Russia nationalized the foreign exchange earnings of all major exporters. There was no non-compliance. The ruble continues to rise, and now it has returned to the same level it was before Operation Z. Russia remains self-sufficient in terms of food. The American hysteria about "isolating" the Russians is laughable. All the actors that matter in Eurasia, the other 4 BRICS and virtually the entire Global South, have not demonized or sanctioned Russia.

As an additional triumph, possibly the last oligarch capable of influencing Moscow, [Anatoly Chubais](#), has left the country. Another historical cunning: Western

sanctioning hysteria de facto dismembered the Russian oligarchy, a project of Putin since 2000. This implies the strengthening of the Russian state and the consolidation of Russian society.

We don't have all the facts yet, but it can be argued that, after years of careful evaluation, Putin chose to go all out and break the West's back. Behind the immediate "casus belli" in Ukraine were; the imminent invasion of the Donbass by neo-Nazis; U.S. biological weapons laboratories and the Ukrainian threat to make nuclear weapons

Not everything has been clear because the freezing of foreign exchange reserves should have been perceived, especially since the Russian Central Bank had been increasing its reserves in US Treasuries since November last year. However, there is now the possibility that Moscow will access "secret" foreign reserves abroad, a complex mechanism built with China's help.



The sudden shift from dollars/euros to rubles has actually been a geoeconomic judo key. Putin incited the collective West to unleash a sanctioning attack and turned it against the opponent with a single quick move.

And now we are all trying to understand so many synchronized game-changing developments: the rupee-ruble with India, the petroyuan with the Saudis, the Mir-Union Pay cards with the same badge issued by Russian banks, the Russia-Iran agreement with an alternative SWIFT, the EAEU-China project of an independent monetary/financial system.

All this without mentioning the masterstroke of the Russian Central Bank, it has just pegged 1 gram of gold to 5,000 rubles, which are already hovering around \$60, and still rising.

Along with "No Rubles, No Gas", what we have here is the energy linked to gold. The "laps" of the EU and the Japanese colony will need to buy a lot of rubles in gold or buy a lot of gold to have their gasoline. And it gets better. Russia may again link the ruble to gold in the near future. It could reach 2000 rubles, 1000 rubles, even 500 rubles for one gram of gold.

Time to be sovereign

The [Holy Grail](#) in discussions about a multipolar world has always been "how to circumvent the hegemony of the dollar" (since the first decade of the 2000s at the BRICS summits with Putin, Hu Jintao and Lula). Now we have the entire Global South, which appears with the sloppy smile of the [Cheshire cat](#): a golden ruble, or a ruble and other currencies backed by exports of oil, gas, minerals and raw materials.

The Russian Central Bank, unlike the Fed, does not practice "quantitative easing" and will not export toxic inflation to the rest of the planet. The Russian Navy not only secures all shipping lines, but its nuclear submarines are capable of appearing all over the planet without warning.

Russia is far, far ahead implementing the concept of "continental naval power." The strategic turning point occurred in December 2015, in the Syrian theater. The fourth division of submarines based in the Black Sea is the star of the show.

Russian naval fleets can now employ Kalibr missiles in a space comprising Eastern Europe, Western Asia and Central Asia. The Caspian Sea and the Black Sea, now linked by the Don-Volga Channel, offer a large maneuvering area comparable to the Eastern Mediterranean and the Persian Gulf combined. They are 6,000 km long. Russia does not need access to warm waters to defend itself.

This space covers around 30 nations: the traditional, Russian-influenced; and the current spheres of political/energy rivalry.

No wonder the Beltway (the deep state located in the heart of Washington) is unhinged.

Russia is in a position to guarantee the shipment of the products through Asia, the Arctic and Europe, along with the BRI rail network throughout Eurasia.

And last but not least, don't mess with a nuclear bear.

Medvedev did not boast when he said that the era of a single reserve currency (the dollar) was over. The advent of a resource-based global reserve currency means, simply put, that 13% of the planet will no longer dominate the other 87%.

It is NATO vs. enlarged Eurasia. Cold War 3.0, 4.0 and even 5.0. Never mind. All the nations that were participants in the Non-Aligned Movement (NAM) see in which direction the geopolitical and geoeconomic winds are blowing: for these nations the time to assert their real sovereignty is near, because the "rules-based international order" bites the dust.



Sergei Lavrov, and his Chinese counterpart, Wang Yi. [Russia and China bet on the transition towards "a multipolar, just and democratic world order"](#)

Welcome to the birth of the new world system. Foreign Minister Sergei Lavrov, visiting China, after meeting with his Eurasian counterparts, could not have described it better:

"A new reality is forming: the unipolar world is irrevocably becoming a thing of the past, a multipolar one is taking shape. It's an objective process. It's unstoppable. In this new reality more than one power will "govern", it will be necessary to negotiate between all the states that today have influence on the world economy and politics. At the same time, realizing their special situation, these countries will ensure compliance with the basic principles of the UN Charter, including a fundamental notion: the sovereign equality of states. No one on this Earth should be seen as a minor actor. All states are equal and sovereign."

Pepe Escobar

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