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Blows and more blows to the dollar



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There is an adage that says: it goes backwards like the crab, and that is happening with the influence of the dollar as an all-powerful currency in international trade and reserve exchange.

In recent years There have been failed attempts in several countries to try to reduce Influence of the dollar in its commercial-financial operations as it happened with Muammar El Gaddafi, in Libya, or Saddam Hussein in Iraq when they pretended position their national currencies in their transactions and both were first "sanctioned", or rather, economically extorted and then their countries invaded and overthrown their governments. The Almighty The United States could not allow such an affront, but the times have changed and now there are several powers that have launched to counteract the Power challenge that the dollar has, at the same time that several nations are already Accompanying.

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China, India, Brazil, Russia and Iran, second, sixth, eleventh, twelfth and seventeenth economic powers of the world, respectively, and that in total add up to a GDP of More than 26 trillion dollars are marketing many of its products, raw materials and merchandise with its national currencies to move away from the dollar.

Despite the fact that the Large hegemonic financial and communication media want to ease the Storm fluttering around the greenback, the data for that currency they are not satisfactory.

Although it is true that The dollar will continue to prevail as the main reserve and exchange currency Commercial in the coming times, the blows he is receiving will wobble him heavily.

According to the Fund International Monetary (IMF), the proportion of foreign exchange reserves denominated In dollar terms, it stood at **59.8%** in the third quarter of 2022, **up from 72%** in 1999. I mean In the last 23 years it has lost 12.2%. That is, there is a decline of the banknote Green in favor of other currencies for its reserves, foreign trade and services Bank.

Other number Interesting is that the use of the greenback in international payments in January 2023 was 40.12%, 1.77% less than the previous year.

The chief strategist of Italy's MPS Capital Services Banca per le Imprese SpA, Luca Mannucci, warned in an interview with the publication Bloomberg, that the greenback It could plunge as much as 5% against other currencies in the second half of the year. This year.

Also, Stephen Jen, specialist of Eurizon SLJ Capital said to the same media that the dollar could fall between 10% and 15% more within a year and a half.

Several factors are influencing those percentages such as the aggressive fight of the Federal Reserve against inflation with rising interest rates; A possible recession in the United States; The persistent risk of recent bankruptcies banking and a fundamental one: the fatigue of many nations about the prevailing international financial system which has bound economies and Sovereignties of countries to the oppression of the dollar.

Recent statements by Brazilian President Luiz Inacio Lula da Silva during his visits to China are sobering in that regard.

"Why What do all countries need to do their trade backed by the dollar? ¿By What can't we **trade with our own currencies**? Who decided it would be the dollar?" said Lula during the inauguration of Dilma Rouseff as president of the **New BRICS Development Bank**.

"We need A currency that transforms countries into a more peaceful situation, because in Today you have to **run behind the dollar** to export," added the Brazilian president.

However, the Drops that just overflowed the cup have been the numerous sanctions that The United States has imposed on numerous nations because in most of the cases have not followed Washington's political and economic dictates.

But in these years, This coercive policy, far from the successes expected by the The White House has become a boomerang because the "sanctions" have also targeted economic powers, political and military that in addition to resisting these attacks have sought solutions such as negotiating with their national currencies and moving away from the Greenback.

Are symptomatic of recent statements to CNN made by the Secretary of the Treasury of the United States, Janet Yellen who stated that "the Economic sanctions against Russia and other nations jeopardize status of the dollar as a global currency because these countries are looking for an alternative.

"There are risks, He added, when we impose financial sanctions that are linked to the role of the dollar, which over time can undermine its hegemony." Clearer or The water.

They are no longer the times when Washington imposed the use of the greenback in the international trade after the Bretton Woods agreements in 1944 after World War II World or when in 1975 that all OPEC countries will accept dollars in Payment for its crude oil sales.

The reality is that a new financial system is being introduced, little by little, in the world market and the dollar blow after blow, is losing ground.

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