



Putin says BRICS countries are establishing new global reserve currency to replace U.S. dollar

Description

CHINA/RUSSIA: Brazil, Russia, India, China and South Africa (BRICS) are all working together right now to establish a new global reserve currency, says Russian President Vladimir Putin.

The United States dollar, a fiat Ponzi scheme that has ruled the world for far too long, is on its last legs. And Putin, speaking at the recent BRICS business forum, says that the new scheme will offer a reliable alternative for transacting internationally.

“The issue of creating an international reserve currency based on a basket of currencies of our countries is being worked out,” Putin said.

Earlier in the year, the BRICS countries indicated that they are working on setting up a new joint payment network to phase out Western financial systems like SWIFT.

“The BRICS countries have been also boosting the use of local currencies in mutual trade,” reported Dipanjan Roy Chaudhury from *The Economic Times*.

Will BRICS countries be successful in their endeavors?

According to the Chinese state-owned media outlet *South China Morning Post*, the BRICS meeting also included discussions about a new free-trade deal to go along with Putin’s proposed new world reserve currency.

“To build a free-trade agreement is a very important means to tape this trade potential, which China is willing to discuss with other BRICS countries,” said Wang Shouwen, China’s vice-commerce minister.

Right now, trade among the five BRICS countries amounts to just 6 percent of the countries’ combined trade volume, even though they collectively contribute to about one-fifth of global trade.

A new reserve currency would jumpstart this endeavor, as it would involve a basket of the countries’

currencies – real, rubles, rupees, yuan, and rand – that collectively underpin its value.

Negotiations are currently underway to open Indian chain stores in Russia, as well as increase the share of Chinese cars, equipment and hardware in the Russian market.

Russian oil exports to both China and India have also seen a “noticeable increase” as of late. This coincides with NATO countries like Germany and Italy no longer receiving Russian oil because they refuse to pay for the deliveries in rubles.

“There are indeed a lot of uncertainties and challenges in the world economic recovery, for the BRICS countries ... it is in the common interest to work together to deal with these challenges,” Wang said at the meeting.

Putin’s remarks about the new reserve currency suggest that BRICS is ready to break dollar dominance and build its own sphere of influence. Will that happen anytime soon, though?

“While there could be some high-profile statement of political ambitions to embark on this project, we doubt the mercantilist nations involved in BRICS would want to transfer valuable FX reserves into this more local sphere of influence,” suggested Chris Turner, the global head of markets at ING.

In the comment section at *Natural News*, someone suggested that Putin is part of the same cabal as Klaus Schwab, and that a new so-called “ruble coin” will soon be ready to roll out, right on schedule.

“Or ... the ‘financial aggression’ could be used as the perfect excuse to expand the war,” wrote another about the political possibilities of these developments.

It turns out that inflation is not as big of an issue in some of the bigger BRICS countries, including in China where the consumer price index rose just 2.1 percent last month.

“Overall Chinese wheat production is higher than last year and a good harvest is almost guaranteed ... China’s ample grain supply is vital to stabilise consumer prices,” added Premier Li Keqiang about how China has a lot of room to maneuver on monetary policy in the event of a change.

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Date Created

06/29/2022