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THE TRANSITION TOWARDS A MULTI-CURRENCY WORLD ORDER[1] [2]

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Abstract: *The article examines the ongoing global shift from the dominance of the US dollar in international transactions towards a multi-currency trade and financial system. The analysis identifies four key dimensions of this transformation: the decline of dollar hegemony, the growing use of alternative currencies in energy trade, the diversification of currencies in international payments, and the development of stand-alone payment infrastructures, such as SPFS, CIPS and SFMS, which facilitate a move away from SWIFT and the dollar-centred architecture. Taken together, these elements reflect a strategic rethinking of monetary power in an increasingly fragmented geopolitical environment. The article focuses on the case study of Russia, which has implemented the most comprehensive de-dollarisation strategy among major economies. Since 2022, Russia has significantly reduced the use of the dollar and euro in its foreign trade, replacing them with the rouble, yuan and other partner-country currencies. Bilateral agreements, institutional coordination within the Eurasian Economic Union and BRICS, and region-specific trade data are used to illustrate the scope and implications of this currency transition. While the Russian case is the most prominent due to data availability, similar tendencies in China, India and the Gulf Arab states are also examined. The study employs a qualitative methodology supported by descriptive statistics, drawing on official trade and payments data, summit communiqués and secondary sources to trace currency use and institutional developments. The findings suggest that, although dollar dominance remains structurally entrenched, a multipolar monetary order based on regional financial blocs and alternative transaction channels is gradually emerging. This new system is expected to gain resilience through the convergence of monetary, trade and technological strategies.*

Keywords: *Multi-currency system, dollar hegemony, ruble internationalization, SWIFT alternatives, trade settlements.*

JEL classification: *F33, F31.*

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INTRODUCTION

For over seven decades, the United States dollar has served as the backbone of the global monetary system. Its role as the dominant reserve currency, the primary medium for trade invoicing, and the foundation of international payment infrastructures has granted the United States unparalleled financial leverage in global affairs. However, the long-standing architecture of dollar hegemony has begun to fragment. Mounting geopolitical tensions, the extraterritorial application of sanctions, and the growing economic weight of emerging markets are converging to challenge the dollar's singular role in the global economy.

In recent years, a multipolar currency landscape has started to take shape. Several states, motivated by both political and economic incentives, have taken deliberate steps to reduce their dependence on the dollar and Western-controlled financial systems. These measures include diversifying foreign exchange reserves, settling energy trade in local currencies, developing alternative payment systems, and promoting bilateral and regional currency agreements. This shift is particularly evident among members of the BRICS group and other Global South economies, which increasingly frame monetary sovereignty as a pillar of strategic autonomy.

This article explores the transition toward a multi-currency world order through three interrelated dimensions: (1) the decline of dollar hegemony and reserve diversification, (2) the use of alternative currencies in energy trade, given its systemic importance in global commerce, and (3) the development of sovereign financial infrastructures. These dynamics are further examined in a fourth section, a case study of Russia's trade policy transformation, which illustrates how de-dollarization strategies are operationalized at the national level through currency rebalancing and institutional realignment. The case study offers valuable empirical insight into the dynamics and implications of monetary realignment in an era of growing geopolitical fragmentation.

1. THE DOLLAR'S GLOBAL POSITION AND THE PATH TOWARD A MULTI-CURRENCY SYSTEM

1.1. The Dollar's Dominance

The U.S. dollar's unique structural advantages have cemented its role as the world's dominant reserve currency, primary medium of exchange, and anchor for global trade and finance. Since the 1944 Bretton Woods Agreement, the dollar has functioned as the linchpin of the international monetary system. Today, it accounts for around 90% of all foreign exchange transactions and serves as the de facto currency for commodity pricing (BIS, 2022). In the interbank market, nearly all transactions, even those not directly involving the United States, are cleared in dollars, reinforcing its centrality (Milenković & Spalović, 2013). Its ubiquity stems from unparalleled liquidity, deep capital markets, and institutional trust, qualities that together underpin its "safe haven" status during crises (Eichengreen, 2011).

This dominance grants the United States significant economic and geopolitical leverage. As Goldberg (2010, pp. 1-2) observes, the dollar's international role "shields the U.S. economy from external shocks, lowers transaction costs, and amplifies the global reach of U.S. monetary policy", a dynamic that also confers political prestige. Former French Finance Minister Valéry Giscard d'Estaing famously termed this advantage an "exorbitant privilege", as it allows the United States to borrow at lower costs, externalize inflationary pressures, and project monetary policy globally (Gourinchas & Rey, 2007). The Federal Reserve's capacity to act as the world's de facto central bank, through dollar liquidity swaps during crises, further underscores this privilege (IMF, 2020).

A critical pillar of dollar hegemony has been the petrodollar system, established in the 1970s when the United States secured an agreement with Saudi Arabia to price oil exclusively in dollars and recycle surplus revenues into U.S. Treasuries. This arrangement, as Milenković and Spalović (2013) argue, not only reinforced dollar dominance but also mitigated inflationary risks from the Federal Reserve's monetary expansion by ensuring sustained global demand for dollars. By mandating dollar-denominated oil trade, the system compelled all oil-importing nations to hold dollar reserves, generating demand that persists today. At its peak, this arrangement ensured that 80% of global oil trades were settled in dollars, even as the U.S. share of oil imports declined (Energy Information Administration, 2015).

1.2. The Gradual Erosion of Dollar Dominance

Over the past two decades, the dominance of the U.S. dollar in the global financial system has shown signs of gradual decline. In 2001, the dollar accounted for 71% of global foreign exchange reserves; by 2023, this share had fallen to 58%, according to IMF COFER data (IMF, 2024). This decline reflects the strategic diversification of central bank portfolios worldwide, as they increasingly allocate reserves into alternative assets and currencies.

The most significant beneficiaries of this shift have been the euro, now comprising approximately 20% of global reserves and supported by the depth of Eurozone capital markets, and the Chinese yuan, which has reached a 3% share following its inclusion in the IMF's Special Drawing Rights (SDR) basket in 2016. At the same time, central banks, particularly in emerging markets, have substantially increased their gold holdings. Gold now represents around 15% of global reserves, with countries such as Russia and China leading this trend as part of broader efforts to reduce reliance on dollar-denominated assets (World Gold Council, 2023).

Several structural factors underpin this gradual rebalancing. First, geopolitical fragmentation has accelerated dedollarization. The imposition of comprehensive U.S. financial sanctions on Russia in 2022 and ongoing trade tensions with China have heightened awareness of the dollar's vulnerability as a tool of geopolitical leverage. In response, affected countries have intensified efforts to diversify their reserves and reduce exposure to the U.S.-centric financial system.

Second, the emergence of regional financial blocs has supported the development of alternative currency infrastructures. Initiatives within the BRICS framework, including the promotion of local currency settlements and the expansion of bilateral swap lines such as China's yuan-based agreements with Brazil and Russia, are fostering a multipolar currency environment.

Third, the ongoing economic rebalancing of global output has weakened the structural rationale for dollar centrality. Emerging markets now account for approximately 40% of global GDP in purchasing power parity (PPP) terms (World Bank, 2023). As these economies expand, their need to transact and hold reserves in local or regional currencies strengthens, creating natural demand for alternatives to the dollar.

Despite these shifts, the dollar retains deep structural advantages. As of 2022, it accounted for 88% of all foreign exchange transactions and was used in roughly 40% of global trade invoicing, figures that far exceed the United States' 10% share of global exports (BIS, 2022). This disproportionality highlights the persistent inertia of the dollar-based system. As Eichengreen (2022) observes, the endurance of a dominant currency is reinforced by deeply embedded institutional, transactional, and psychological factors that are difficult to dislodge, even when its foundations begin to erode.

1.3. The first moves toward multi-currency system

The inertia of dollar dominance began to fracture in the early 2010s, as strategic bilateral agreements and BRICS cooperation institutionalized the use of local currencies in international trade. While border-region currency swaps had existed for decades, the period from 2011 to 2013 marked a turning point. High-volume, state-backed initiatives, spearheaded by China's yuan internationalization strategy, began to challenge the dollar's monopoly (Frankel, 2012).

1.3.1. The Russia-China Pivot (2011–2012.)

The most consequential early shift emerged in Russian-Chinese trade. By 2011, bilateral trade had surged from 1 billion in 2000 to 83 billion, with China becoming Russia's largest trading partner (UN Comtrade, 2024). In June 2011, the two nations signed €10 billion in agreements in energy, machinery, and aerospace sectors, denominated in rubles and yuan and bypassing the dollar entirely (Moscow Times, 2011). This was no ad hoc arrangement:

- A liquidity infrastructure was created when the People's Bank of China and the Central Bank of Russia established a 150 billion yuan–ruble swap line in 2014 to facilitate settlements (PBOC, 2014).
- Energy trade soon followed, and by 2015 around 30% of Russian oil exports to China were settled in yuan (SCMP, 2015).

1.3.2. BRICS Institutionalizes De-Dollarization (2012-2013.)

The 2012 New Delhi BRICS Summit marked a watershed moment. Member states authorized their development banks, including China's CDB and Russia's VEB, to issue loans in national currencies, reducing reliance on dollar-denominated debt (BRICS Joint Declaration, 2012). This initiative directly countered the IMF/Washington Consensus model. As Milenković and Spalović (2013) note, "BRICS currency agreements signaled a deliberate fragmentation of the dollar-based financial architecture, with infrastructure financing as the wedge".

The 2013 Durban Summit accelerated this trend:

1. The BRICS Development Bank (later the NDB), capitalized at $50 billion, began funding energy and transport projects in local currencies, sidestepping dollar bonds (NDB Charter, 2014).
2. China and Brazil signed a $30 billion currency pact, a prototype for later yuan–real trade, which by 2015 covered 19% of bilateral commerce (Central Bank of Brazil, 2015).

1.3.3. Geoeconomic Implications

These early moves toward a multi-currency system formed part of a broader geopolitical realignment. In 2012, Japan and China launched direct yen–yuan trading, eliminating the need for dollar intermediation in bilateral transactions, a significant step given Japan's traditional alignment with Western financial systems. Meanwhile, India and Iran negotiated an agreement to conduct oil trade in rupees and rials, creating a sanctions-evading mechanism that foreshadowed later de-dollarization efforts in energy markets.

Despite these initiatives, the challenges were considerable. Most critically, the non-convertibility of currencies such as the ruble and yuan created exchange rate risks that discouraged widespread private-sector adoption. Many firms, even those supportive of de-dollarization, remained cautious due to currency volatility and the absence of deep, liquid markets for these alternatives. Furthermore, the dollar's entrenched position meant that about three-quarters of global trade finance continued to be conducted in dollars, reinforcing structural inertia.

These limitations revealed an important truth about early de-dollarization efforts: while politically symbolic and strategically significant, they initially lacked the scale and institutional depth to displace dollar dominance. Their real importance lay in the demonstration effect, proving that large economies could bypass the dollar when strategic interests aligned.

2. REDEFINING ENERGY TRADE: THE SHIFT FROM THE DOLLAR TO ALTERNATIVE CURRENCIES

Energy trade is examined here as a distinct dimension of the transition toward a multi-currency system because of its systemic importance in global commerce. It accounts for a large share of cross-border invoicing and serves as a key channel through which reserve currencies reinforce their international status. The dollar's traditional dominance in oil and gas pricing has made this sector a cornerstone of financial geopolitics, and thus a critical indicator of ongoing monetary realignment.

2.1. Russia's Ruble-for-Gas Strategy

Russia's first substantive steps toward de-dollarization date back to the aftermath of the 2014 Crimea sanctions. At that time, Moscow began to explore local currency agreements with key trade partners such as China, India, Iran, Turkey, and several African and Latin American countries as a means to reduce its dependence on the U.S. dollar. These early efforts, however, were limited in scope. The idea of invoicing oil or gas exports in rubles was widely regarded as economically unfeasible and politically provocative (Polivach, 2023).

This cautious approach changed dramatically in 2022. The sweeping sanctions imposed by the West following Russia's full-scale invasion of Ukraine catalyzed a far more aggressive de-dollarization strategy. In one of its boldest moves, the Kremlin announced that energy exports, particularly natural gas deliveries to "unfriendly" countries, would henceforth have to be paid for in rubles. Although initially dismissed by critics as a symbolic gesture, the policy quickly gained traction and became a cornerstone of Russia's financial countermeasures.

This shift was not merely tactical but deeply strategic. By demanding ruble payments for gas exports, Russia sought to undermine the dominance of the U.S. dollar in global commodity trade, strengthen its monetary sovereignty, and shield critical revenue streams from Western-controlled financial infrastructure. At the same time, Russia expanded its currency swap arrangements, invested in alternative payment mechanisms, and intensified negotiations with partners in Asia, the Middle East, and Africa to facilitate ruble- or yuan-based trade.

The geopolitical implications were significant. Despite early resistance and legal ambiguities, many European energy buyers were ultimately compelled to comply with the ruble payment requirement because of their dependence on Russian gas. This compliance amounted to a de facto recognition of the ruble as a viable settlement currency in international trade. It marked a symbolic victory for Russia and a tangible blow to dollar-based financial dominance.

By the end of 2022, the share of ruble-denominated export receipts had risen sharply, approaching parity with U.S. dollar transactions and surpassing those in euros. This development marked a turning point in the ruble's internationalization, transforming it from a regionally confined currency into an instrument of geopolitical strategy and economic resilience.

Russia's ruble-for-gas strategy represents not only a bold response to sanctions but also a pivotal step toward a redefined financial order. The ruble's growing prominence in trade settlements highlights the increasing role of national currencies in global commerce and demonstrates the appeal of alternative systems outside the Western-led monetary architecture. For Russia, this evolution of the ruble is both a symbol and a mechanism of economic sovereignty in an increasingly multipolar world.

2.2. Eroding the Petrodollar: Currency Diversification in Arab Oil Trade

Inspired by the assertive stances of Russia, China, and India in challenging the dominance of the U.S. dollar, and supported by windfall revenues from elevated energy prices in 2022, several oil-rich Middle Eastern economies began to recalibrate their decades-long alignment with the United States. For the first time in a generation, leading Gulf states started to distance themselves from Washington's geopolitical orbit, limiting cooperation to formal trade ties and signalling a shift toward a more autonomous foreign policy.

The most consequential manifestation of this strategic realignment is the erosion of the petrodollar's exclusivity in global energy trade. Since the rise of Crown Prince Mohammed bin Salman in 2017, Saudi Arabia has gradually moved away from its traditional role as a key pillar of the U.S.-anchored oil-for-security pact that had shaped the global monetary order since the 1970s. This pivot has been underscored by closer strategic ties with Russia, formalised through OPEC+, and by an intensifying economic partnership with China, which is now the Kingdom's largest trading partner and an expanding source of foreign investment.

A landmark moment came shortly after Chinese President Xi Jinping's visit to Riyadh in December 2022. In early 2023, Saudi Finance Minister Mohammed Al-Jadaan publicly announced that Saudi Arabia was open to settling oil transactions in multiple currencies, including the yuan, euro, and Saudi riyal, declaring: "We have no problem negotiating how we settle our trade arrangements" (Omar & Cranny, 2023). That same year, *Saudi Aramco* signed $7 billion worth of yuan-denominated contracts with Chinese refineries, expanding on an earlier deal from 2022 when *PetroChina* paid for approximately 4 million barrels of Saudi oil in yuan (Tan & Aizhu, 2023). In a precedent-setting move for global energy markets, *PetroChina* completed the world's first cross-border oil purchase using a central bank digital currency (CBDC), the digital yuan. The transaction involved the acquisition of 1 million barrels of crude oil and was executed at the *Shanghai Oil* and *Gas Trading Center,* an institution specifically created to support international energy trade denominated in alternative currencies. Announced on October 23, 2023, this deal marked a significant advancement in China's efforts to internationalise the yuan and reduce reliance on dollar-based settlement systems (Manning, 2023).

In 2024, Saudi Arabia declined to renew its 50-year-old oil-dollar agreement with the United States, opening the way for further diversification. The Kingdom's oil sales are now increasingly expected to be priced in a mix of yuan, euros, rubles, and yen, further undermining the dollar's singular role in energy markets. Trade flows reflect this transition. In 2000, 38% of Saudi oil exports went to Europe and North America, but by 2022 this had fallen to 18%. Over the same period, exports to China and India surged from 6% to 48%.

Other Gulf states are also contributing to this monetary shift. In July 2023, the UAE's *Abu Dhabi National Oil Company* (ADNOC) sold 1 million barrels of crude oil to India's *Indian Oil Corporation* (IOC), with the transaction settled in Indian rupees (India Today, 2023). The Indian

Ministry of Petroleum confirmed the pilot, valued at ₹800 crore (approximately $96 million). By early 2024, the UAE Central Bank reported that 25% of non-oil trade between the two countries was already being settled in rupees or dirhams (UAE Central Bank, 2024).

This trend extends beyond the Gulf's core economies. Since 2023, Qatar has been settling long-term liquefied natural gas (LNG) contracts with China in yuan, covering around 6.4 million tons annually (Qatar Energy, 2023). Iraq's Central Bank reported in early 2024 that 12% of the country's oil revenue was now being received in yuan and euros (Central Bank of Iraq, 2024). Meanwhile, Iran continues to export approximately 1.5 million barrels of oil per day to China, with 80% of these sales settled in yuan and rials through opaque banking channels (TankerTrackers, 2023).

These developments represent more than symbolic adjustments. Saudi Arabia's yuan transactions, in particular, reflect a significant geopolitical recalibration, challenging the petrodollar system from within its historical stronghold. While non-dollar oil trades currently account for less than 10% of global volumes, their share is growing, especially among BRICS members and energy-rich countries seeking greater monetary sovereignty.

This broader strategic repositioning has been reinforced by the expansion of the BRICS bloc. By January 2023, Iran, Saudi Arabia, the UAE, Algeria, Egypt, and Bahrain had all formally applied for membership, affirming their shared ambition to reshape global finance. The inclusion of these key Arab economies in BRICS not only amplifies the bloc's influence but also accelerates the transition toward the use of local currencies in trade settlements.

3. BUILDING ALTERNATIVE PAYMENT SYSTEMS IN A FRAGMENTING ORDER

In an increasingly interconnected yet geopolitically fragmented world, the dominance of non-cash transactions in global trade has elevated financial messaging systems to a position of strategic importance. Chief among them is *SWIFT* (*Society for Worldwide Interbank Financial Telecommunication*). Although not a payment processor itself, SWIFT enables secure communication for fund transfers, trade settlements, and currency conversions. It connects more than 11,000 financial institutions in over 200 countries and functions as a critical backbone of global finance. Headquartered in Belgium, it operates formally under Belgian and EU jurisdiction, yet it is widely regarded as vulnerable to political influence from the United States and its allies.

This centrality has also made *SWIFT* a geopolitical lever. The 2022 exclusion of Russia from the network, alongside the freezing of roughly $300 billion in Russian Central Bank reserves, demonstrated how deeply embedded financial infrastructures can be weaponised. This episode prompted not only sanctioned countries but also neutral and emerging economies to reconsider their dependence on Western financial systems.

3.1. A Multipolar Response: SPFS, CIPS, SFMS

In response, countries including Russia, China, and India have developed sovereign alternatives that challenge the dominance of SWIFT. While differing in scale and purpose, these systems represent coordinated moves toward financial sovereignty and risk mitigation in the face of potential sanctions or exclusion.

- **Russia's *SPFS* (***System for Transfer of Financial Messages***)** was launched in 2014 after the first wave of sanctions related to Crimea. Initially designed for domestic messaging, it became fully operational by 2017 and has gradually expanded its international reach. By 2022, *SPFS* had 70 foreign users across 12 countries; by mid-2024, this had risen to 159 institutions in 20 countries (Izvestia, 2022; TASS, 2024). *SPFS* now operates in parallel with Iran's *SEPAM* and Russia has developed bilateral mechanisms with India for rupee–ruble trade through *Vostro* accounts, bypassing both *SWIFT* and the U.S. dollar.
- **China's *CIPS*** *(Cross-Border Interbank Payment System)* was launched in 2015 to support yuan-denominated transactions, particularly for Belt and Road and energy trade. *CIPS* has since become a central instrument in China's strategy to internationalise the yuan. In 2023, it processed more than $12.7 trillion in cross-border transactions, much of it linked to energy trade with Russia, Iran, and the Gulf (CIPS, 2024). It is increasingly integrated with digital yuan pilots and broader efforts to expand yuan settlements in trade and investment.
- **India's *SFMS*** *(Structured Financial Messaging System)* is primarily a domestic platform, similar in function to *SWIFT*. While not yet internationalised, it is being leveraged in bilateral agreements, particularly with Russia, and supports India's efforts to settle oil and goods trade with partners such as the UAE in rupees and dirhams.

In addition, Russia created the MIR payment card network in 2015 as an alternative to *Visa* and *Mastercard*. Following its disconnection from Western credit card networks in 2022, MIR became critical for domestic transactions and for limited cross-border use. By 2024, MIR was accepted in 11 countries, particularly in tourism-focused destinations such as Turkey and the UAE, with negotiations ongoing in other Global South markets.

3.2. Toward a Decentralized Financial Order

These sovereign systems are now reinforced by tangible shifts in trade settlement behaviour. Around 80% of Russian oil exports to China are settled in yuan via *CIPS* or *SPFS* (South China Morning Post, 2023). *Saudi Aramco* has completed $7 billion worth of yuan-denominated oil contracts using direct People's Bank of China clearing, bypassing SWIFT entirely (Bloomberg, 2023). Likewise, India and the UAE executed their first rupee–dirham oil transaction in 2023, settling a million-barrel deal without reliance on the dollar or Western systems (India Today, 2023).

These developments illustrate a deeper structural evolution. While none of the alternative systems has yet reached the scale or global trust of *SWIFT*, their rapid expansion signals a move toward a multipolar financial infrastructure. They are increasingly adopted not only by sanctioned states but also by major emerging economies seeking to hedge against exclusion and reduce exposure to dollar-based volatility.

The lessons of 2022 have resonated well beyond Russia. Countries across the Global South are reassessing their vulnerabilities in the existing financial order. For many of them, the creation of regional payment platforms, the expansion of local currency settlement agreements, and integration into BRICS-linked initiatives provide new pathways to economic and political autonomy.

The future of global finance is therefore unlikely to revolve around a single system or currency. Instead, it is evolving into a fragmented yet interconnected network, where states shape their financial trajectories according to national interests, risk exposure, and geopolitical alignments.

4. CASE STUDY: RUSSIA'S DE-DOLLARIZATION STRATEGY

Russia's determined shift away from the U.S. dollar and the euro in international trade marks a fundamental transformation in its external economic policy. The sharp decline in the use of Western currencies, combined with the concurrent rise of ruble-and yuan-denominated trade, is more than a response to sanctions. It reflects a broader reorientation of Russia's global economic engagement.

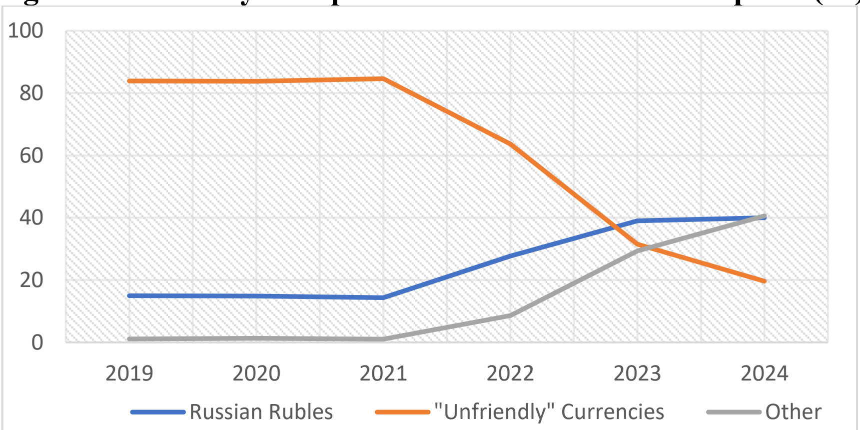
This transformation is anchored in a deliberate de-dollarization strategy designed to reduce exposure to geopolitical risks while deepening trade integration with non-Western partners. Frameworks such as the

Eurasian Economic Union (EAEU), BRICS, and other emerging alliances have become central platforms for promoting the use of local currencies in cross-border settlements. These initiatives are not only economically pragmatic but also politically strategic, as they bypass Western-controlled financial infrastructure and mitigate sanction-related vulnerabilities.

One of the clearest manifestations of this strategy is Russia's expanding financial cooperation with China. A growing proportion of bilateral trade is now conducted in rubles and yuan, reducing dependency on third-country currencies and enhancing monetary sovereignty for both sides. This development mirrors a broader shift across the Global South, where governments increasingly view dollar-based systems with scepticism and seek alternatives that align with their national interests and development goals.

Between 2019 and 2024, the share of ruble-denominated export transactions more than doubled, rising from around 15% to over 40% (Figure 1). Over the same period, the share of "unfriendly" currencies from sanctioning Western states fell dramatically, from nearly 84% of export settlements in 2019 to below 20% by mid-2024. At the same time, the share of "other" currencies - led by the Chinese yuan - rose from just over 1% in 2019 to 40% in 2024. This remarkable shift underscores both Russia's closer integration with China and the wider emergence of regional currency blocs as alternatives to Western-dominated systems

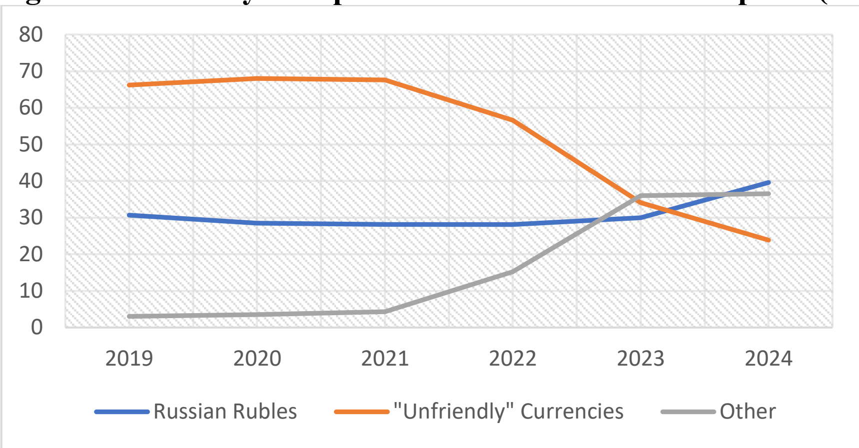
Figure 1. Currency Composition of Settlements for Exports (%)



Source: Central Bank of Russia. 2024. External Sector Statistics. https://www.cbr.ru/eng/statistics/macro_itm/svs/

Import transactions reveal a parallel trend. Ruble-based settlements, previously around 30%, climbed to 39% by 2024. Even more striking is the surge in "other" currencies used for imports, which increased from 15% in 2019 to over 40% in 2024. Meanwhile, the combined share of the dollar and euro in import payments collapsed from nearly 84% to just 24% (*Figure 2*).

Figure 2. Currency Composition of Settlements for Imports (%)



Source: Central Bank of Russia. 2024. External Sector Statistics. https://www.cbr.ru/eng/statistics/macro_itm/svs/

Regionally disaggregated data reinforce this trend. In Asia, ruble-based export settlements rose from 23.5% in 2019 to 36.2% in 2023, underscoring Russia's growing financial integration with Eastern markets. Africa saw a remarkable increase - from just 2.7% to 37.8% - as Russia expanded its commercial footprint across the continent. Even in Europe, despite ongoing geopolitical tensions, the share of ruble-denominated exports surged from 11.5% to 49.3%, largely driven by energy transactions (*Table 1*).

Table 1. Share of Ruble in Export by Region

	2019	2020	2021	2022	2023	½ 2024
Asia	23.5	19.7	20.3	28.3	36.2	35.6
Africa	2.7	1.9	1.7	14.5	37.8	47.5
Europe	11.5	12.3	11.6	27.7	49.3	58.0
Caribbean	7.2	13.8	35.0	57.0	77.8	94.4
Oceania	9.2	11.0	13.8	23.3	25.7	63.1

Source: Central Bank of Russia. 2024. Currency Composition of Settlements for Exports of Goods and Services by Geographical Areas and by the Currencies of the Countries According to the Order of the Government of the Russian Federation of 05.03.2022 № 430-R (percentage of total).

Import settlements show similar diversification. In Africa, the ruble's share rose from 3.6% in 2019 to 51.8% by mid-2024, while in Europe it increased from 35.1% to 53.8%. In Asia, ruble-based imports climbed from 24.4% to 34.2% (*Table 2*). These patterns indicate that

Russia's financial decoupling extends well beyond hydrocarbons to a broad spectrum of traded goods and services.

Table 2. Share of Ruble in Import by Region

	2019	2020	2021	2022	2023	½ 2024
Asia	24.4	20.5	19.7	18.5	22.8	34.2
Africa	3.6	3.9	3.5	21.8	32.3	51.8
Europe	35.1	33.6	34.1	40.5	47.2	53.8
Caribbean	9.6	6.3	13.3	7.1	23.0	28.7
Oceania	1.7	4.2	1.7	8.9	27.5	43.5

Source: Central Bank of Russia. 2024. External Sector Statistics. https://www.cbr.ru/eng/statistics/macro_itm/svs/

This sweeping transformation is more than a temporary workaround. It signals a structural realignment of Russia's external economic architecture. Once largely confined to the Commonwealth of Independent States (CIS), the ruble is emerging as a credible instrument for cross-border trade within a fragmented international order where financial sovereignty is increasingly valued.

The BRICS framework has further reinforced these efforts. At the 2023 and 2024 summits, member states reiterated their commitment to building an alternative financial system. Proposals included the creation of *BRICS Pay*, a unified payment platform designed to facilitate cross-border transactions without reliance on *SWIFT*. President Vladimir Putin highlighted the need for a regional mechanism for currency convertibility and trade settlement that would anchor intra-BRICS exchanges in local currencies such as the ruble and yuan.

Nevertheless, implementation remains challenging. A modest share of intra-BRICS trade is still conducted in national currencies, limited by institutional fragmentation, technical capacity gaps, and the lack of interoperable infrastructure for real-time settlement. Progress is, however, tangible. Central banks have launched working groups, tested pilot systems, and begun to coordinate on digital currency platforms and new protocols for cross-border payments.

In sum, Russia's de-dollarization strategy, reinforced through BRICS cooperation, represents more than an adjustment to sanctions. It reflects a broader structural shift in the global trading system. As Russia and its partners deepen their commitment to alternative financial architectures, the international monetary landscape is becoming more diversified, decentralized, and regionally anchored.

CONCLUSION

The findings of this study indicate that the global monetary system is steadily moving away from a unipolar, dollar-centred order toward a more fragmented and regionally diversified architecture. The decline in the share of the dollar in international reserves, from over 70% at the start of the century to around 58% in 2023, illustrates a long-term process of rebalancing. Central banks are diversifying into euros, yuan, and especially gold, with emerging markets leading the way. These shifts are reinforced by geopolitical fragmentation: U.S. sanctions against Russia and trade frictions with China have highlighted the risks of excessive dependence on the dollar and encouraged countries to adopt protective monetary strategies.

Energy trade has become one of the most visible arenas of this transformation. Russia's ruble-for-gas policy, introduced in 2022, marked a turning point by compelling European buyers to settle energy contracts in the Russian currency. This measure not only ensured financial resilience under sanctions but also symbolically elevated the ruble's status in international trade. Parallel developments in the Gulf demonstrate that the petrodollar is no longer uncontested. Saudi Arabia's decision not to renew its oil-dollar agreement with the United States, combined with growing oil sales to China and India denominated in local currencies, underscores the gradual erosion of dollar exclusivity in energy markets. Similar steps by the UAE and India confirm that a broader diversification trend is underway.

The construction of alternative payment systems adds another layer of institutional change. Platforms such as *SPFS, CIPS* and *SFMS* are no longer marginal, but increasingly handle large-scale transactions in oil, gas, and non-oil trade. Their use in ruble–yuan settlements between Russia and China, or rupee–dirham trade between India and the UAE, points to a tangible restructuring of global financial flows outside the Western-dominated infrastructure. This technological and institutional diversification strengthens the credibility of a multipolar financial order.

The Russian case study illustrates the depth of these changes. Data show a dramatic fall in the use of "unfriendly" currencies in both exports and imports, paralleled by the rapid rise of ruble- and yuan-denominated trade across Asia, Africa, and even parts of Europe. Regional breakdowns confirm that de-dollarization is not confined to hydrocarbons but extends to a wide range of goods and services. By combining bilateral agreements, institutional coordination within BRICS and the Eurasian Economic Union, and the establishment of alternative payment channels, Russia has managed to reposition its currency as a central instrument of external economic strategy.

Taken together, these findings suggest that the dollar will remain dominant in global finance for the foreseeable future, but its singular role is eroding. What is emerging instead is a multipolar monetary landscape - decentralized, regionally anchored, and more resilient to coercive sanctions. This new architecture is not a replacement of one hegemon by another, but a layered system in which several currencies and financial infrastructures coexist. It reflects both the diffusion of global economic power and the determination of states to insulate themselves from geopolitical vulnerability, marking a decisive step toward a more complex and diversified world order.

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