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USD DOMINANCE & THE ENERGY ECOSYSTEM

PETRODOLLAR SYSTEM AND US DOMINANCE

- Oil-producing nations adopted USD for oil transactions in the 1970s.
- Agreements between the US and Saudi Arabia established the petrodollar system.
- Saudi Arabia priced its oil in USD and invested surplus petrodollars in US assets.
- Maintained US dollar dominance in global trade and finance.

US POWER AND PETRODOLLAR SYSTEM

- Used petrodollars to advance foreign policy objectives.
- Threatened to cut off access to petrodollars for leverage.
- Pressured countries to support policies such as sanctions and military interventions.
- Allowed the US to print more dollars without causing inflation.
- Gave the US advantages in international trade and lower interest rates

REDUCING DEPENDENCE ON USD – BRICS, AECAN AND SCO INITIATIVES

- Promoting bilateral trade in national currencies
- Establishing currency swap arrangements
- Developing regional financial institutions (NDB, AIIB)
- Encouraging alternative payment systems (CIPS)
- Promoting gold and precious metals trade

BILATERAL TRADE IN NATIONAL CURRENCIES

- Use national currencies in bilateral trade agreements
- Reduce reliance on USD in transactions
- Enhance trade and investment in local currencies
- BRICS, ASEAN and SCO members are actively seeking new members
- The formation of a new unified currency

CURRENCY SWAP ARRANGEMENTS

- Enter into currency swap agreements among member countries
- Facilitate direct exchange of currencies, bypassing USD
- Boost trade and financial transactions in local currencies
- Reduce dependence on USD for cross-border transactions

REGIONAL FINANCIAL INSTITUTIONS

- BRICS: New Development Bank (NDB)
- SCO: Asian Infrastructure Investment Bank (AIIB)
- Provide funding for infrastructure and development projects
- Challenge dominance of Western financial institutions
- Decrease reliance on USD for financing

ALTERNATIVE PAYMENT SYSTEMS AND GOLD TRADE

- Develop alternative payment systems like CIPS
- Enable direct currency swaps and payments
- Decrease reliance on USD-dominated SWIFT system
- Increase holdings of gold and precious metals
- Diversify reserves away from USD

THANK YOU

- Q&A