The BRICS and De-Dollarization

written by Eric Toussaint | October 9, 2025

Many perceive the BRICS countries as a counterweight to the dollar-dominated monetary order. However, the facts speak for themselves: at the BRICS summit in Rio de Janeiro (6–7 July 2025), no real desire to break away from the US currency was expressed. De-dollarzation remains a distant prospect.

Many BRICS supporters claim that the bloc is moving towards de-dollarization. Is this really the case?

Nowhere in the 126-point Rio de Janeiro BRICS leaders' declaration is there any mention of the term de-dollarization. It makes no mention of initiatives to lessen the role of the dollar. It states that trade in local currencies must be encouraged, but this remains very vague and limited and has nothing to do with the creation of a common BRICS currency. The BRICS countries do not wish to adopt a common currency, and the final declaration of the Rio summit makes no mention of the creation of a common currency.

Among the leaders of the five founding BRICS countries, only Lula continues to talk about a common reserve currency, and he does so less and less frequently. Putin stopped mentioning it and explicitly stated in 2024 that it was not one of his objectives.

As proof, here is what Vladimir Putin said at an important public meeting organised by the Kremlin after the BRICS summit held in Kazan at the end of October 2024 and two days after Trump's election:

> "I have heard a lot of discussion among experts and in journalistic circles that we should think about creating a single currency. But it is too early to talk about this. And we do not have such goals among ourselves." (Source: Valdai Discussion Club meeting: Vladimir Putin's answers to participants' questions).

Later in the public meeting, he added:

> "We have not sought to abandon the dollar and we are not seeking to do so."

And again:

> "Our proposals are not aimed at fighting the dollar."

Vladimir Putin on 7 November 2024: "I have heard a lot of discussion among experts and in journalistic circles that we should think about creating a single currency. But it is too early to talk

about this. And we do not have such goals among ourselves. (…) We have not sought to abandon the dollar and we are not seeking to do so.

Putin made these statements in November 2024 in response to Paulo Nogueira Batista, who from 2015 to 2017 was vice-president of the New Development Bank created by the BRICS. One of the questions posed by Paulo Nogueira Batista to Putin specifically concerned the creation of a new BRICS currency:

> "Would you agree that payments in national currencies have certain limitations and that we will gradually, step by step, cautiously move towards a new means of payment, a new reserve currency? President Lula also mentioned this in his statement at the Kazan summit."

It should be noted, as mentioned above, that Lula had advocated for a common currency both at the 2023 BRICS summit held in Johannesburg (South Africa) and in a remote address at the 2024 summit in Kazan (Russia). However, it is clear that Putin, who seemed to favour this prospect, has abandoned it. What is the reason for this? Besides the significant challenge of establishing a shared currency among vastly diverse economies across four continents, Putin is also attempting to placate Trump, who has made it clear that any attempt to diminish the role of the dollar would be met with intense retaliation.

In the same vein, Putin is seeking to reduce the sanctions imposed on Russia following the invasion of Ukraine and is therefore trying to reduce antagonism with Trump. Through mid-2025 (including during a meeting between Trump and Putin in Alaska in August 2025), this seemed to have worked, to a certain limited extent. I discussed the points of convergence between Trump and Putin on Ukraine concerning the grabbing of natural resources in an article published on 20 May 2025 entitled "Natural resource grabbing in Ukraine and the Democratic Republic of Congo. Imperial powers on the offensive."

However, their relationship could deteriorate at any moment, particularly if Trump posts something controversial, as he did on September 23:

> "After getting to know and fully understand the Ukraine/Russia Military and Economic situation and, after seeing the Economic trouble it is causing Russia, I think Ukraine, with the support of the European Union, is in a position to fight and WIN all of Ukraine back in its original form."

The future of Putin-Trump relations is difficult to predict. But even if relations deteriorate significantly, the creation of a common currency will remain off the agenda because the other important members of the BRICS are not in favour of it.

Indeed, India and China, the two largest powers among the BRICS countries, for their own reasons, do not see the point of developing a common BRICS currency.

So India is opposed to a common currency?

India has repeatedly stated during internal BRICS negotiations that it does not want a common currency. Then, certainly under the threat of tariff and other reprisals from Trump, it stated its position publicly on the eve of the BRICS summit in Rio (see Republic World, an Indian television channel, close to the government: India Not Supporting Russia in BRICS Currency Plan — Here's Why). Since Trump implemented his tariff threats in August 2025, the prime minister has made no statements in favor of a common currency.

Is China also not in favor of a common currency?

For its part, China considers that the renminbi is gradually but surely becoming an international currency and that there is no point in participating in the creation of a new BRICS currency. The Chinese currency is one of the five currencies recognized for IMF repayments, and China has significantly increased its foreign loans in the renminbi (see the study published by the US Federal Reserve in May 2025: “Chinese Banks’ Dollar Lending Decline”).

Nevertheless, it is widely acknowledged that if China internationalized its currency, it would lose its power to control cross-border capital movements. Due to financial speculation and the Chinese stock market crashes of the mid-2010s, maintaining and strengthening exchange controls have been essential tools for disciplining members of the ‘unpatriotic bourgeoisie’ of society who regularly engaged in illicit financial flows (IFFs). The NGO Global Financial Integrity estimated illicit financial outflows from China at $258 billion in 2013, prior to the tightening of capital controls in 2016-2017. See https://financialtransparency.org/wp-content/uploads/2015/12/IFF-Update_2015-Final.pdf Table C page 8.

What is South Africa’s position on de-dollarization?

South Africa’s financial elite also campaigned against de-dollarization at the 2023 BRICS summit in Johannesburg, and the SA Ambassador to the U.S., Ebrahim Rasool, also warned, in March 2025,

> “We must avoid actions that cock a snoot at the USA, such as de-dollarization. Not even China is speaking about de-dollarization anymore; Russia certainly isn’t. Not only is it performative, but it’s not practical or economically viable. Even mentioning it could invoke punitive immediate measures.”

Conclusion

There has been no collective progress by the BRICS countries as a coalition towards de-dollarization. Behind the rhetoric of a multipolar order, national interests, dependence on international trade and fear of US retaliation are holding back the collective momentum of BRICS countries.

Lula remains isolated in his advocacy for a common currency, while Beijing, Delhi, Moscow and Pretoria, all favour national strategies. Ultimately, the BRICS of 2025 appear more like a coalition of divergent interests than a coherent bloc capable of transforming the global monetary order.

Summary

At the last BRICS summit in Rio de Janeiro (6–7 July 2025), no serious concrete progress towards de-dollarization was made. The final declaration makes no mention of the creation of a common currency or a coordinated strategy to reduce the use of the dollar. What they are actually doing is far more modest: settling some trade in local currencies to reduce costs and diminish reliance on the greenback for specific transactions (see part 6 of this series)

Only Lula continues to raise the idea of a common reserve currency among the BRICS leaders, and he does so infrequently. Vladimir Putin, who had previously shown interest, has clearly abandoned this prospect. In November 2024, he publicly stated that Russia was not seeking to move away from the dollar, thereby seeking to ease tensions with Donald Trump, who was hostile to any initiative that threatened the supremacy of the greenback.

This caution also reflects internal differences within the BRICS. India has opposed any idea of a

common currency, fearing US trade reprisals. China, for its part, is banking on the gradual internationalization of the renminbi while maintaining strict control over capital flows. South Africa believes that a policy of de-dollarization would be economically risky and likely to provoke immediate sanctions from Washington.

Thus, despite frequent talk in certain circles about the BRICS' progress in challenging the dominance of the dollar, the political and economic reality shows a lack of willingness to adopt a common currency.

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