

Developments in Global Trade Payments: BRICS, CBDCs, and De-dollarization



Dr. Michael Lloyd

Associate Director, Global Policy Institute, London, UK

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The presentation will explore the various reasons for an apparent desire for de-dollarization in relation to the use of the US dollar use in trade payments. The discussion will cover the likely short-term impacts; the potential longer-term impacts of any significant drive for de-dollarization; the reaction and policies of the US, faced with the threat, and the likely global outcomes for the wider use of the dollar in monetary operational structures.

While there appears to be no evidence of any current *substantial* replacement of the dollar either in overall financial transactions or in financial reserves held by central banks, there is evidence of some reduction in the latter. Clearly any geopolitical movement away from the use of the dollar would have considerable ramifications both for the US and for the global monetary economy.

The analysis will also examine the differing political and economic motivations of the countries, currently and potentially, involved in the BRICS; the impacts of the expansion of the cross-border use of digital monetary assets and fiat currency CBDC transfers, and competition/ complementarity between private and public monetary channels.

The implications for global financial and geopolitical stability of the potential destabilizing impacts of the various pressures for global trade and monetary shifts will be considered, including the regionalization of trade and digital currency areas.

Biography:

Michael Lloyd is Associate Director and a Senior Research Fellow at the international affairs think tank, the Global Policy Institute in London, and a former visiting fellow at Newcastle University. He studied political economy at Trinity College, Cambridge. Michael has wide experience as an applied economist in industry and in European international organizations, notably as a special Economic Adviser on Economic and Monetary Union to the European Parliament in 1998. His specializations are monetary economics, the political economy of European integration, and geopolitical analysis. His most recently published book is *Central Bank Digital Currencies: The Future of Money*, Agenda Publishing, April 2023.