

De-dollarization

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- This term is loosely used in the context of foreign trade.
- **De-dollarization** is a process of substituting the US dollar as the currency used for:
 - Trading oil and/ or other commodities
 - Buying US dollars for the forex reserves
 - Bilateral trade agreements
 - Dollar-denominated assets
- Since the establishment of the Bretton Woods system, the US dollar is used as the medium for international trade.
- In recent years, several countries are transitioning to trade in national currencies.
- For many years, the dollar has been the standard currency used in world trade. For example, oil, gold and most commodities are quoted in dollars. Many countries hold their reserves in dollars, in the form of US Treasury Securities.
- De-dollarization describes a move away from this world order to one where nations sell their US Treasuries to Hold reserves in other currencies, or gold, and seek to use their own currencies for transactions between their
- Most important trade partners.