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Can The World Break Hegemony of Dollar?

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Summary:

The Russian businesses have been outcasted as the European Union and the States have imposed sanctions on Russian banks. This has instilled fear of big defaults in importers, exporters and banks. With the unparalleled action of imposing such sanctions against such a powerful country with 630\$ billion in reserves, many fear as to what will be the outcome if this happens with countries like India and China. After the standards of gold being collapsed after The Great Depression, US Dollar enjoys exorbitant supremacy in the global economy. By late 1950s, some of the European countries felt anguish by this dollar hegemony and wanted to shift back to gold. But the then US president President Nixon amended the law and snapped the gold backing of the dollar. This supremacy in international reserve currency makes the seigniorage gains to the US substantial. This also means that the States can easily raise debt cheaply. With the havoc created by the sanctions on Russian banks, people are wondering if the countries look for a replacement of the dollar.

Facts and Figures:

- Half of the reserves of Russia's 630\$ billion are in dollars and euros. This has made the move of imposing sanctions unparalleled.

Opinion:

The sanctions imposed on Russia have boggled every mind and countries are in both anguish and fear. The effects could adverse had the same happen to countries like China and India with a reserve of \$2Trillion and \$634 billion respectively. Countries should start finding other alternatives to the dollar as it could stabilize their supremacy in the international market.