



Written by [Angeline Tan](#) on December 7, 2023

Russia and Vietnam Abandoning U.S. Dollar for Trade: Banking Head

Trade settlements in national currencies between Russia and Vietnam have escalated this year, Olga Basha, Russia's VTB's head of international settlements, told RIA Novosti before the investment forum Russia Calling 2023.

Basha pointed out that settlements conducted in ruble and dong between the two countries have quadrupled.

"In Vietnam, we are market makers with all the payments for the ruble-dong pair going through our joint bank," the executive at Russia's second-biggest lender said.



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Moreover, Basha admitted that the Russian bank noted an exponential growth in transactions done in national currencies passing through VTB's infrastructure within the subsidiaries and overseas branches. She also revealed that the bank also works in India and China, and operates a chain of banks across the Commonwealth of Independent States.

The global trend toward using national currencies, rather than the U.S. dollar, in cross-border trade began to increase in 2022, shortly after Ukraine-related sanctions on Russia saw the latter having its foreign reserves frozen and excluded from the Western financial system.

In November, Russian Foreign Minister Sergey Lavrov slammed the United States for employing the dollar to conduct trade wars globally, weaponizing international economic cooperation in the process.

The United States and its allies in the EU are using a wide array of "geopolitical engineering" tools, which include, among other things, "unleashing trade and economic wars," Lavrov told the Primakov Readings International Forum last month.

"The activities of the World Trade Organization, primarily for settling disputes, have been blocked by Western countries. Such fundamental legal foundations of world economic relations as free competition and the immunity of property have been destroyed," the Russian diplomat stated.

Lavrov went on to contend that the American currency has long been used as a weapon, adding that "destructive actions" by Western nations have led to the opposite effect to originally intended outcomes. The diplomat alleged that U.S.-led sanctions meant to alienate Russia and undermine its economy in reality have actually given rise to the "strengthening of multipolarity in international affairs."

Based on Lavrov's statements, there is a growing global awareness that "no one is immune" in the face of the "aggressive actions of Washington and Brussels."

The Russian diplomat noted that apart from Russia, many other countries have been "consistently" reducing their reliance on Western currencies for foreign-trade settlements.



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As multipolarity takes shape, more nations are working on establishing new transport corridors and supply chains. Meanwhile, an “unfair” and “unbalanced” model of globalization has become obsolete, Lavrov said.

In separate statements to Russian news outlet Russia Today (RT), Lavrov also declared that new centers of global economic growth have emerged to compete with the West.

Lavrov singled out China, India, Iran, the Gulf countries, and groups such as the Community of Latin American and Caribbean States (CELAC) as among the growing economic powers.

“The West has been calling the shots in the world for over five centuries. And this era is over. It will take time for this era to be replaced by multipolarity, which has already started to take shape,” the Russian diplomat proclaimed.

Lavrov quoted Brazilian President Luiz Inácio “Lula” da Silva, who said CELAC should “really think about getting rid of total dependence on the US dollar and think about their own currency.”

Additionally, Lula has called for an alternative payment platform for the BRICS group of nations, Lavrov noted. The Russian diplomat claimed that these suggestions were a response to the way the United States is “abusing the role of the dollar with unilateral sanctions, just canceling overnight all the principles they were basing their model of globalization [on], and inviting everyone to join.”

Besides, Lavrov claimed that the same had happened at the World Trade Organization as soon as China gained more influence in global trade and investment. “As China was winning over the United States on American-made turf, immediately the WTO dispute resolution organ was immobilized,” he said.

The Russian diplomat claimed that Washington invents rules and demands that everyone abide by them, as long as these regulations serve U.S. interests. As soon as other nations become more efficient than the United States itself, the rules will be altered, Lavrov said.

“This era is coming to an end because of these new world centers of economic, military, political power, and influence,” he stated, elaborating that the process of forming a new world order would take time.

Meanwhile, Bloomberg reported on December 6 that Russia’s monthly revenues from oil exports were now higher than before the start of its military operation in Ukraine, indicating that Western sanctions on the sector have failed.

Moscow’s income from crude sales almost doubled from April to October, notwithstanding international pressure and widespread predictions of a huge deficit. Also, Russia’s net oil revenues of \$11.3 billion in October accounted for 31 percent of the country’s overall net budget revenue for the month, the news outlet added, citing the Russian Finance Ministry.

From January to September this year, owners of domestic vessels and an alleged shadow fleet of tankers collectively shipped more than 70 percent of Russian oil cargos, “allowing Moscow to maintain control over its exports and progressively increase prices,” the same article stated.

The sanctions on Russian oil introduced by the G7 and EU late last year were offered as a way to curb Moscow’s energy revenues without causing a spike in global energy prices.

The restrictions, however, have led to an unexpected “byproduct,” such as the reshaping of the financial architecture of the oil and maritime trade “in a way that some experts say might be hard to reverse at the end of the conflict or after the eventual lifting of the existing sanctions regime.”

In response to the sanctions, Russia has rerouted most of its energy exports to Asia, especially to India



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and China, where the country's oil has been sold well above the West's \$60-per-barrel price cap.



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