

Donald Trump threatens 100% tariff on BRICS nations if they undermine U.S. dollar



Then-U.S. presidential candidate Donald Trump attends a campaign rally in Traverse City, Michigan on October 25, 2024. (Photo by AFP)

Washington, December 1 (RHC)-- U.S. President-elect Donald Trump has issued a warning, threatening to impose a 100% tariff on the BRICS nations if they take actions to undermine the U.S. dollar's dominance in global trade.

The BRICS alliance, composed of Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Iran, the United Arab Emirates, and other developing countries, has expressed frustration with the Washington's dominant role in the global financial system.

The U.S. dollar accounts for approximately 58% of global foreign exchange reserves, as reported by the International Monetary Fund (IMF). It is the primary currency for trading major commodities such as oil.

However, the BRICS alliance's increasing share of global GDP and their commitment to conducting trade using non-dollar currencies pose a significant challenge to the dollar's supremacy.

"We require a commitment from these Countries that they will neither create a new BRICS Currency, nor back any other Currency to replace the mighty US Dollar or, they will face 100% Tariffs, and should expect to say goodbye to selling into the wonderful US Economy," Trump said in a Truth Social post on Saturday.

Trump claimed there is "no chance" the BRICS bloc can replace the U.S. dollar with any other currency for doing international business transactions and trade on a global level. He addressed the countries of the world saying that any nation who aimed to undermine the U.S. dollar "should wave goodbye to America."

Russian President Vladimir Putin said at a summit of BRICS nations in October that the U.S. itself was forcing some world nations to part ways with America by "weaponizing" the dollar currency as leverage in Washington's foreign policy.

Putin added that by using the U.S. dollar as a military tool to sabotage other countries' economies in order to enforce its agenda in international affairs, the U.S. leaders in Washington were making a "big mistake."

"It's not us who refuse to use the dollar," he noted. "But if they don't let us work, what can we do? We are forced to search for alternatives."

Iran's President Masoud Pezeshkian at a BRICS summit in Kazan pointed out that to safeguard and grow the economies of countries in the group; they needed to make efforts to reduce the dominance of the U.S. dollar over the global economy.

Pezeshkian said the world cannot afford to pay the costs as Washington continues to "threaten the foundations of global peace and cooperation."

Chinese Yuan became the second-most used currency in the global trade finance market last September, surpassing the euro for the first time since the data started being available some six years ago, according to a monthly tracker of the Chinese currency released by the Society for Worldwide Interbank Financial Telecommunication (SWIFT).

China has in past years actively internationalized its currency, seeking to expand the system of cross-border interbank payments (CIPS). In cooperation with China, Russia, and Brazil have also increased the use of the Yuan for international trade in past years.



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