

Pandor signals SA's likely move to adopting new global trading currency

 By Katja Hamilton

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The foreign minister of South Africa, Naledi Pandor is calling for alternatives to using the US dollar as the global trading currency.



Source: Twitter/@BRICSza

Pandor highlighted the point in a roundtable discussion organised in partnership with the South African Institute of International Affairs.

The roundtable discussion, held on Wednesday, 11 May in Johannesburg, focused on the current geo-political environment and SA's role therein.

Pandor - who has [fully supported](#) the idea of a single African currency - reiterated in March this year that the establishment of the African Union's (AU) African Central Bank (ACB), African Investment Bank (AIB) and the African Monetary Institute (AMI) are considered critical to facilitating a single currency and boosting the intra-Africa trade.

However also up for discussion is the proposition that Brazil, Russia, India, China and South Africa adopt their own unit, Pandor said at the SAIIA roundtable.

“ [#BRICS](#) Symposium | Minister Naledi Pandor participating in a roundtable discussion organised in partnership with the South African Institute of International Affairs. The roundtable discussion will focus on the current geo-political environment and South Africa's role therein. pic.twitter.com/kW74rvtLQa— BRICSza (@BRICSza) [May 9, 2023](#) ”

This will need to be "properly discussed," Pandor said as she engaged with the feasibility of "whether it is possible to develop a system in which other currencies may be able to be used for international trade".

She said the proposition was not an anti-dollar sentiment, but one which aims to empower emerging currencies.

It is [understood](#) that discussions to this end could reach a head at the Brics summit, which be hosted in South Africa in August this year. It is anticipated Russian President Vladimir Putin will attend.

Russian Mir payment system expanding its presence

Putin will [echo](#) his intention of developing alternative mechanisms for international financial settlements jointly with its Brics partners.

"The Russian Financial Messaging System is open for connection with the banks of the Brics countries. The Russian Mir payment system is expanding its presence. We are exploring the possibility of creating an international reserve currency based on the basket of Brics currencies," he [said](#) in a media statement in June last year.

Mir is a Russian card payment system for electronic fund transfers established by the Central Bank of Russia under a law adopted on 1 May 2017.

A discussion about the creation of a single central bank and where it will be situated is part and parcel of the debate on whether Brazil, Russia, India, China and South Africa will adopt their own currency unit, Lesetja Kganyago, South African Reserve Bank governor said in Johannesburg on Wednesday.

"For the euro area to arrive at that, they had to establish a treaty where the other countries had to all surrender their currencies," he [said](#).

In reference to Putin's proposed visit to South Africa, president Cyril Ramaphosa's spokesperson said South Africa is [aware](#) of its legal obligation after an international court issued an arrest warrant against Putin.

ABOUT KATJA HAMILTON

Katja is the Finance, Property and Healthcare Editor at Bizcommunity.

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