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**Are countries trying to end US dollar's power? – 19th August, 2018**

## Level 4

Russia has suggested the U.S. dollar could lose its status as the global trading currency. The U.S. has put sanctions on Iran, Turkey and Russia, so these countries could start doing business in their own currencies instead. Countries that have had trade tariffs put on them by the U.S. could do the same. China is already doing trade deals in its own currency the yuan. The dollar could lose its role as the international reserve currency.

The U.S. dollar became the international reserve currency in the 1920s. Most global trade takes place using it. If China buys oil from Iran, it pays in dollars. This means billions of dollars flow out of the USA and gives the USA a currency deficit. Russia said: "The grave abuse of the role of the U.S. dollar as a global reserve currency will result...in the...demise of its role." China's currency is emerging as a new trading currency. Nigeria has already started using it.

## Level 5

Russia's foreign minister suggested that the U.S. dollar could lose its status as the world's leading currency. He said that because the U.S. has put sanctions on Iran, Turkey and Russia, these countries could start doing business in their own currencies instead of the dollar. Countries that have had trade tariffs imposed on them by the U.S. could also do trade in their own currencies. This could include the economic superpower China not using the dollar. China is already doing trade deals in its own currency. Experts say the dollar could lose its role as the international reserve currency.

The U.S. dollar became the international reserve currency in the 1920s. Most international trade now takes place using it. If China buys oil from Iran, it pays in dollars. This means billions of dollars flow out of the USA. This gives the USA a currency deficit as its dollars are in other countries. Russia's foreign minister said: "I'm confident that the grave abuse of the role of the U.S. dollar as a global reserve currency will result...in the...demise of its role." China's currency the yuan is emerging as a new trading currency. Africa's most populous nation Nigeria has already started using it.

## Level 6

Russia's Foreign Minister Sergei Lavrov has suggested that the U.S. dollar could be losing its status as the world's most important currency. Mr Lavrov said that because the U.S. has imposed economic sanctions on countries like Iran, Turkey and Russia, these countries could start conducting international business in their own national currencies instead of the dollar. In addition, countries that have had trade tariffs imposed on them by the U.S. could also do trade in their own currencies. This could include the global economic superpower China ditching the dollar. China is already setting up trade deals in its own currency. Experts say the U.S. dollar could lose its position as the international reserve currency.

The U.S. dollar replaced the British pound as the international reserve currency in the 1920s. Since then, most international trade has taken place using the dollar. Today, when China buys oil from Iran, it pays in U.S. dollars. This means more U.S. dollars flow out of the U.S. than flow in. The effect of this is the U.S. has a currency deficit as its dollars are in the bank accounts of other countries. Mr Lavrov said: "I'm confident that the grave abuse of the role of the U.S. dollar as a global reserve currency will result over time in the weakening and demise of its role." China's currency the yuan is emerging as an alternative trading currency. Africa's most populous nation Nigeria has already started trading using the yuan.