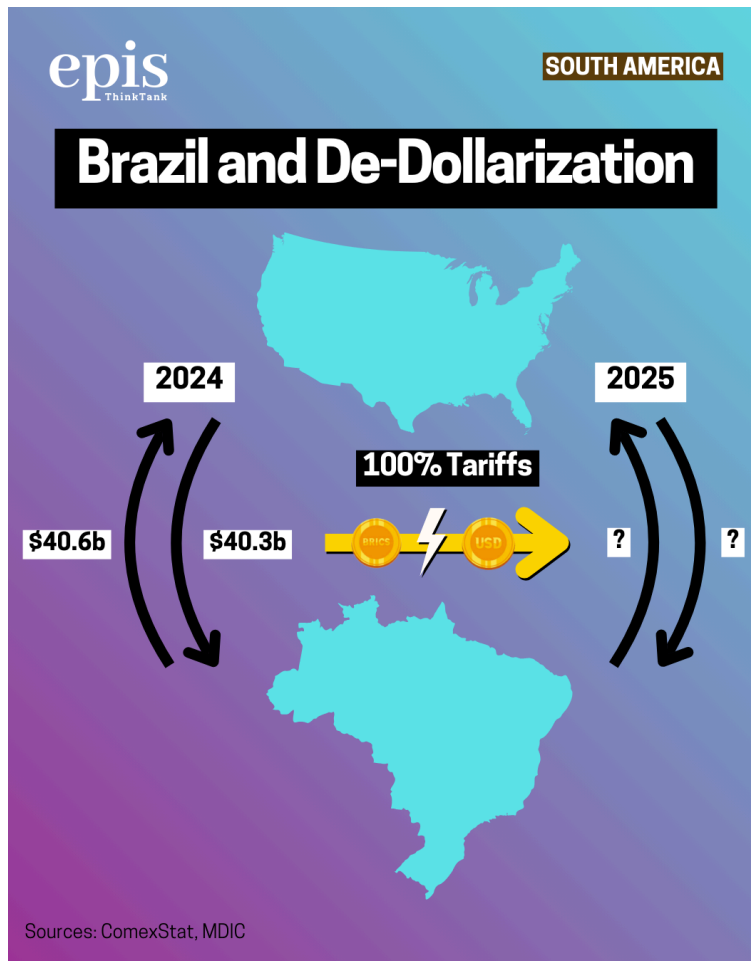


Brazil and De-Dollarization



The BRICS alliance has been debating alternatives to dollar-based global transactions for years. This initiative aims to diminish reliance on a singular reserve currency while fortifying financial sovereignty among member states. During the latest BRICS summit in Kazan, Russia, in October 2024, [Brazilian President Luiz Inácio Lula da Silva intensified this position](#) by advocating for the establishment of alternative transaction mechanisms between member nations. The implementation of a local currency settlement framework subsequently became one of Brazil's key strategic objectives within BRICS.

In this context, Brazil ascended to the group's leadership on January 1st, 2025, under the motto "[Strengthening Global South Cooperation for More Inclusive and Sustainable Governance](#)". The nation delineated two fundamental axes of action: Global South Cooperation and Global Governance Reform. As the lead nation, Brazil will coordinate the working group meetings to articulate the priorities of its presidency. Within the framework of Global Governance Reform, which principally addresses the de-dollarization of BRICS countries, Brazil has established the "[facilitation of trade and investments between the group's countries through the development of payment methods](#)" as its first priority.

In pursuit of this agenda, Brazil aims to advance the de-dollarization initiative throughout its mandate while strengthening the role of the New Development Bank (NDB), under the leadership of former Brazilian President Dilma Rousseff. These measures aim to increase the bloc's financial sovereignty and foster economic integration that better aligns with its members' strategic interests.

Regarding the bilateral dynamics between the United States and Brazil, [economic analysts assert that Trump's "America First" protectionist doctrine presents considerable implications for Brazilian economic interests](#). As evidenced by the trade flow map, the economic relationship between Brazil and the United States remains profoundly interconnected, [with bilateral trade volumes surpassing \\$40 billion in both directions during 2024](#). The proposed implementation of a universal import tariff structure would substantially impact Brazilian exports.

In parallel, upon assuming the BRICS presidency for 2025, [President Lula declared](#) that "Now is the time to advance in creating alternative payment methods for transactions between our countries. It's not about replacing our currency. But we need to work so that the multipolar order we aim for is reflected in the international financial system." In response, newly inaugurated U.S. President Trump [issued a warning, declaring his intention to implement 100% tariffs on BRICS member nations](#) if they proceed with their alternative currency initiatives. He emphasised that any substitution of the American currency would be deemed unacceptable.

Despite significant policy divergences between Brazilian President Lula and newly elected U.S. President Trump, the Ministry of Foreign Affairs (Itamaraty), maintaining its historically measured diplomatic position, has signalled its commitment to preserving bilateral relations while preventing them from being contaminated by political and ideological discord.

The trajectory of BRICS' positioning vis-à-vis the United States under Brazilian leadership remains to be determined through forthcoming diplomatic engagements. The [inaugural meeting of the Brazilian presidency scheduled for February](#), coinciding with the immediate aftermath of Trump's inauguration, and the subsequent BRICS Summit, set for July in Rio de Janeiro, will prove critical in establishing the year's strategic priorities and operational agenda.