

Dollar Falls Below 50% in Russia's Export Mix

Symbolic milestone reached thanks to surging use of euro in Russia-China trade.

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Russia wants to reduce its reliance on the U.S. dollar in its international trading. **Alexander Avilov / Moskva News Agency**

The share of Russian exports sold in U.S. dollars has fallen below 50% for the first ever time, according to Central Bank data [analyzed](#) by Bloomberg.

In the fourth quarter of 2020, 48% of Russia's exports were sold in dollars — down from a 61% share registered in the same period a year earlier.

The fall below 50% is a symbolic achievement for Moscow's high-profile dedollarization drive, as big state-controlled exporters have renegotiated contracts in a bid to reduce Russia's reliance on the U.S. dollar. In 2013, Russia received 80% of its export earnings in dollars.

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But the imposition of sanctions following Russia's annexation of Crimea pushed the Kremlin to intensify its efforts to move away from the dollar. Russia has also [reduced](#) the dollar's share within its government reserves and is trying to promote domestic alternatives to banking systems such as [SWIFT](#) and payment providers like Visa and MasterCard.

In recent visits to Iran and China, Foreign Minister Sergei Lavrov talked up the [importance](#) of continuing to move away from the dollar, and the latest round of U.S. sanctions against Russia has also intensified that debate in Moscow.

The shift has seen a jump in Russia's contracts denominated in euros — up to 36% of Russian export sales during the three-month period from 21% in the final quarter of 2019. That was driven by Russia's trade with China, which has seen a complete reversal in the position of the two currencies, with the euro now being used as the trading currency in three quarters of all Russia's exports to China, Bloomberg said — up from as little as 1% at the start of 2018.

The combined share of the dollar and euro within Russia's export mix has been largely unchanged since 2013, while the ruble was used in another 14% of Russia's exports.

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