



Global currency makeup:

Time for a shake-up?

US dollar (USD) dominance has shaped the global financial system for decades. However, recent developments including the growing international use of the Chinese renminbi (CNH), geopolitical fragmentation and the rise of digital currencies may signal a more multipolar global currency landscape. This paper explores the ongoing developments in the international currency landscape, with a particular focus on USD and CNH.

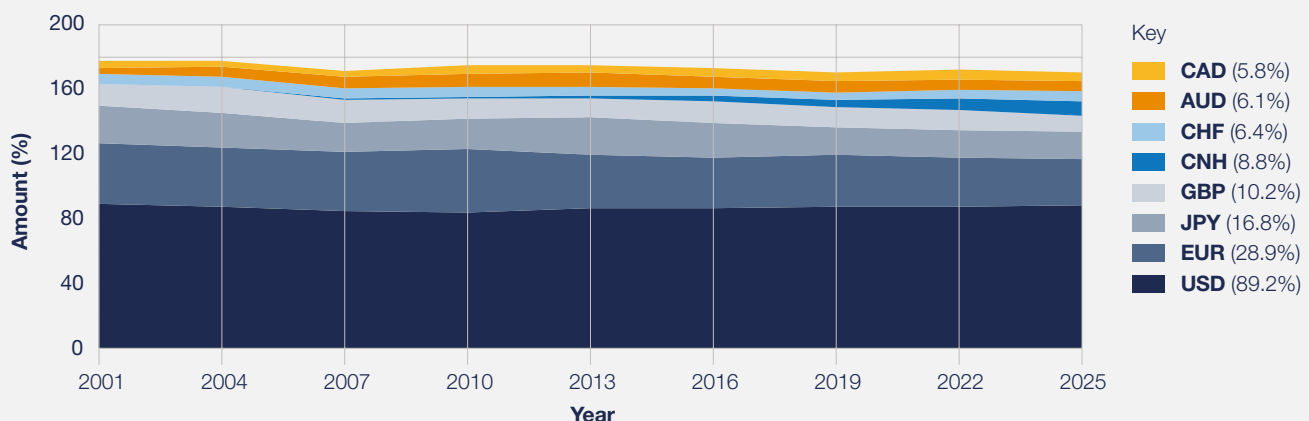
Key insights:

- The US dollar remains the dominant currency in the global FX market.
- The renminbi has doubled its share of global FX turnover since 2019 and is now the fifth most traded currency.
- Geopolitical fragmentation and technological change may reshape the international monetary system.
- Some economists expect the currency system to become more multipolar and less dollar-centric.

The BIS Triennial Survey: The current FX landscape

Every three years, the BIS Triennial Survey provides not only a snapshot of the global FX market, but also an opportunity to reflect on the international currency landscape and its ongoing evolution. The 2025 survey results detail the role of currencies in the FX landscape, highlighting those that account for the majority of global FX turnover (figure 1). Of the top eight currencies, public discussion has increasingly focused on two, the USD and the CNH.¹

Figure 1: Global FX market turnover by top eight currencies



Source: Bank for International Settlements Triennial Central Bank Survey of foreign exchange and over-the-counter (OTC) derivatives markets in 2025 (BIS Triennial Survey 2025). Sum of shares in individual currencies totals 200% as two currencies are involved in each transaction.

The growing internationalization of CNH has led to mounting speculation that it could eventually challenge the international role of USD. The BIS Survey 2025 results show the US dollar on one side of all trades² and CNH on 8.8% of all trades.³ These results reaffirm the US dollar's dominant role in the FX market over the years, but CNH's share has more than doubled since 2019, making it the fastest-growing traded currency.⁴ CNH appears on track to close the gap with pound sterling, which is the fourth most traded currency. Trading in USD/CNH surpassed GBP/USD as the third most traded currency pair, behind only EUR/USD and USD/JPY. USD/CNH volumes observed in 2025 in CLSNet, CLS's automated bilateral payment netting calculation service for over 120 currencies, confirm its place among the fastest-growing currency pairs. The evident link between these currencies warrants further exploration.

¹ There are two types of Chinese renminbi: the onshore renminbi (CNY), which is traded within mainland China, and offshore renminbi (CNH), which is traded outside mainland China. The growth in Chinese renminbi over recent years has been in CNH.

² Note that the sum of shares in individual currencies totals 200% as two currencies are involved in each FX trade.

³ Note at the time of publication in May 2026, only the preliminary BIS Triennial Survey 2025 data has been published.

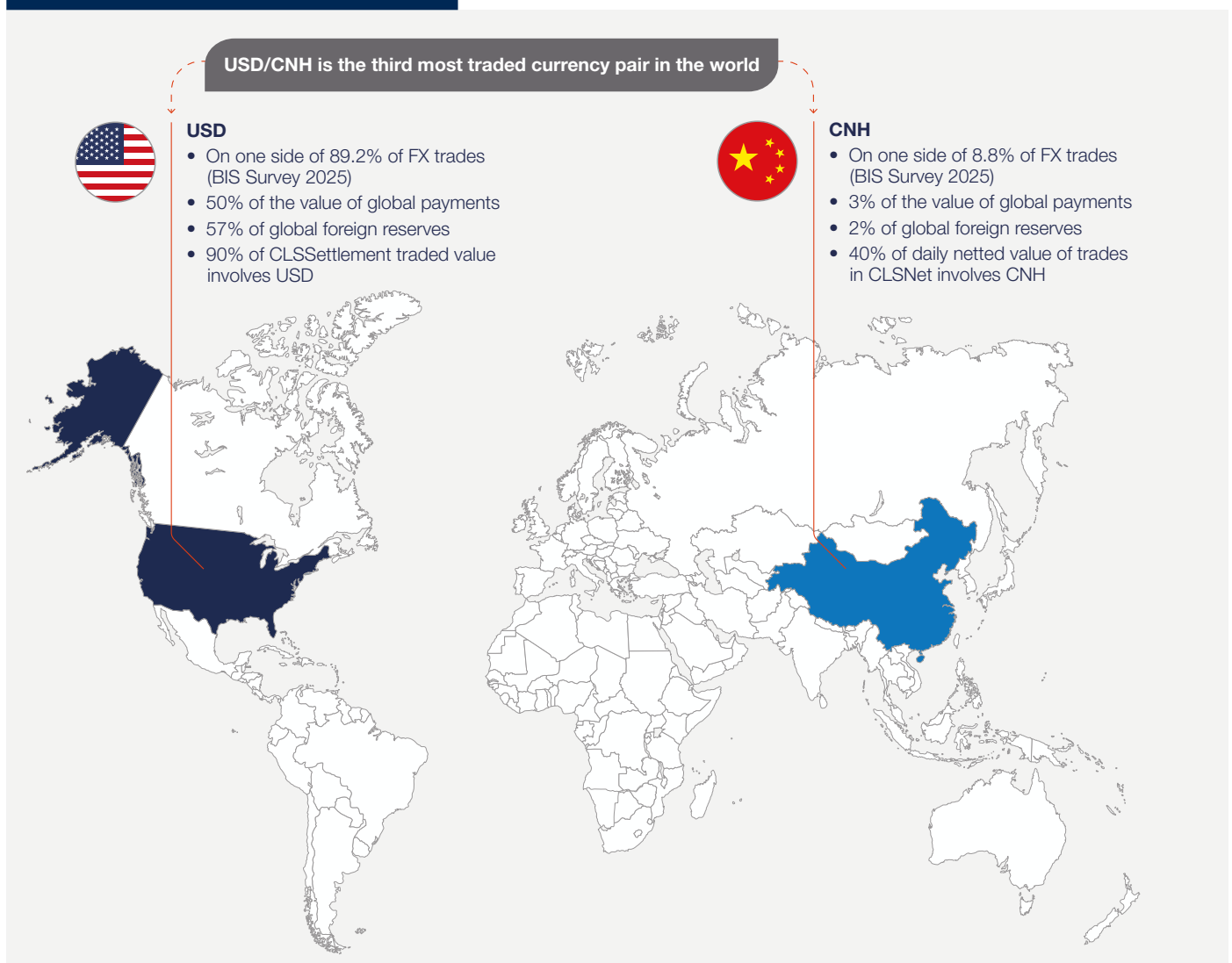
⁴ Renminbi propels the growth of EMDE currency trading.

Is the global financial system at a critical inflection point?

Economist Kenneth Rogoff remarked in his 2025 publication that the 'global financial system is at a critical inflection point'⁵ analogous to the fall of the Bretton Woods System in 1973, which marked the birth of the modern FX market and the solidification of full-fledged USD global dominance. Rogoff questioned whether the dollar's time as the leading currency, with the 'US at top of the food chain',⁶ could be coming to an end for reasons including the unsustainability of the US's unique 'exorbitant privilege',⁷ geopolitical considerations and other nations' efforts to escape US dollar dominance.'

Is the global financial system on the brink of a new era? Answering this question requires an understanding of how the currency landscape could change. Though the FX market is the largest financial market in the world, a thorough analysis of the prospective global outreach of the US and Chinese monetary systems must look beyond the BIS Survey data and consider the key functions that mark a currency's global status,⁸ such as its global turnover as a medium of exchange, its role in international payments, debt and trade and use as an international reserve currency.⁹ These factors are underpinned by wider considerations such as geopolitics and legal concerns.

Figure 2: The global role of USD and CNH



⁵ Rogoff, K. (2025). Our dollar, your problem: An insider's view of seven turbulent decades of global finance, and the road ahead. Yale University Press.

⁶ Rogoff, 2025, page 4.

⁷ The term 'exorbitant privilege' was first coined by French President Charles de Gaulle in 1965 when speaking about the special status of the US dollar under the Bretton Woods system. It refers to the ability of the US to finance a current account deficit at very low rates of interest. This ability has stemmed from the dollar being the anchor of the global financial system which has ensured that central banks held dollars as official reserves and that the dollar is the primary currency to settle international trade. This feature has continued since the fall of Bretton Woods in 1971, and since that time the US has had large external imbalances. See Eichengreen, B. (2011), Exorbitant Privilege: The Rise and Fall of the Dollar and the Future of the International Monetary System, Oxford, Oxford University Press.

⁸ fx-ecosystem_07_cls-and-fx_a-pioneering-partnership-with-pivotal-purpose-shapingfx-series.pdf

⁹ The Fed – The International Role of the U.S. Dollar – 2025 edition.

US dollar dominance: Unrivaled or fading?

“The top 10 most traded currency pairs all involve the USD, reflecting its status as the world’s vehicle currency.”

Despite speculation about USD’s fading international role, the BIS 2025 Survey showed no weakening of the dollar in the FX market. CLS’s data confirms this. The 36% growth in CLSSettlement average daily traded volumes between April 2022 and April 2025 reflects growth in USD trades, as most FX transactions involve USD on one side of the trade.¹⁰ USD’s role in FX trading extends beyond simply exchanging one currency for USD. It remains the primary vehicle currency to indirectly exchange two non-USD currencies.¹¹ In fact, between 13% and 40% of USD transaction volumes are from its role as a vehicle currency.¹² The BIS 2025 Survey confirmed this, noting that ‘[t]he top 10 most traded currency pairs all involve the USD, reflecting its status as the world’s vehicle currency.’¹³

In the wider payment sphere, USD represents around 50% of the value of global payments (SWIFT MT 103, MT 202 and ISO equivalent),¹⁴ with EUR in second place with 21%.¹⁵ USD continues to lead across other areas of the international financial system. Around half of funding in global offshore funding is denominated in USD.¹⁶ In the global trade space, approximately 54% is invoiced in USD,¹⁷ including the bulk of commodity trade (oil, metals, grains). USD also remains the world’s leading reserve currency, as governments and central banks around the globe currently hold 57% of their foreign reserves in USD-denominated assets, primarily USD treasury debt.¹⁸ In addition, more than 65 countries peg their currency to the USD, and several countries even use USD as their official currency.¹⁹

Arguably, the only notable weakening of USD has been in its role as an international reserve currency. The USD portion of world reserves has declined from 71% to 57% since the turn of the century, largely due to reserve diversification measures by central banks.²⁰ Wider considerations also play a role, such as US administrative changes that renewed international scrutiny on its currency.²¹ In particular, the US administration’s announcement in April 2025 to impose tariffs on a global scale (which until then had only targeted specific countries or products) has led to a shift away from the global rules-based trading system. Despite some predictions, the tariffs have not caused the dollar’s demise,²² but they have added to the pressure undermining USD’s place at the heart of the world monetary system.²³

Geopolitical tensions across the globe arguably led the US to ‘weaponize’ the dollar over the past decade, which in turn incentivized some nations to attempt to shift away from USD.²⁴ In recent years, BRICS²⁵ countries have initiated efforts to create an independent cross-border settlement system.²⁶ Though critics question whether such a solution could stand against USD,²⁷ some BRICS nations clearly have their own agendas and ambitions, in particular concerning CNH.

¹⁰ [shapingfx_04fx_policy_whitepaper_bis-triennial-survey2025-fx-settlement-risk.pdf](#)

¹¹ A vehicle currency is a widely accepted, highly liquid third-party currency used as an intermediary to settle international transactions, even when the transaction does not involve the country issuing that currency. E.g., the buyer exchanges currency A for USD, which the seller receives and then converts into its local currency B.

¹² Somogyi, F. (2025) Dollar dominance in FX trading.

¹³ OTC foreign exchange turnover in April 2025.

¹⁴ MT 103 and MT 202 are standardized Swift messaging formats used for international payments. The new ISO 20022 equivalents are pacs.008 and pacs.009, respectively.

¹⁵ As of December 2025, Swift data: Innovative MyStandards technology from SWIFT fast tracks ISO 20022 onboarding.

¹⁶ Drehmann, M, Sushko, V. (2022) The global foreign exchange market in a higher volatility environment, BIS Quarterly Review December 2022.

¹⁷ [atlanticcouncil.org/programs/geoeconomics-center/dollar-dominance-monitor/](#)

¹⁸ [data.imf.org/en/news/imf](#) (IMF data as at Q3 2025).

¹⁹ Baxter, C., Silverman, J (2023) Is the US dollar’s dominance under threat?, Harvard Global Insights.

²⁰ Arslanalp, S, Eichengreen, B., Simpson-Bell, C. (2022) The Stealth Erosion of Dollar Dominance: Active Diversifiers and the Rise of Nontraditional Reserve Currencies, IMF working paper.

²¹ The Fed – The International Role of the U.S. Dollar – 2025 Edition.

²² Analysis conducted on CLSSettlement volumes and values in the aftermath of 2 April 2025 US tariff announcements did not find a pronounced outflow of USD, as around 90% of CLS traded volume had USD on one side of the trade.

²³ How do tariffs hurt the dollar? | Brookings.

²⁴ Long Read: The beginning of the end for the US dollar’s global dominance. – LSE International Development

²⁵ The BRICS countries as of 2025, comprise: Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Indonesia, Iran and the United Arab Emirates.

²⁶ Better Understanding the Renminbi’s Internationalization | Global Development Policy Center.

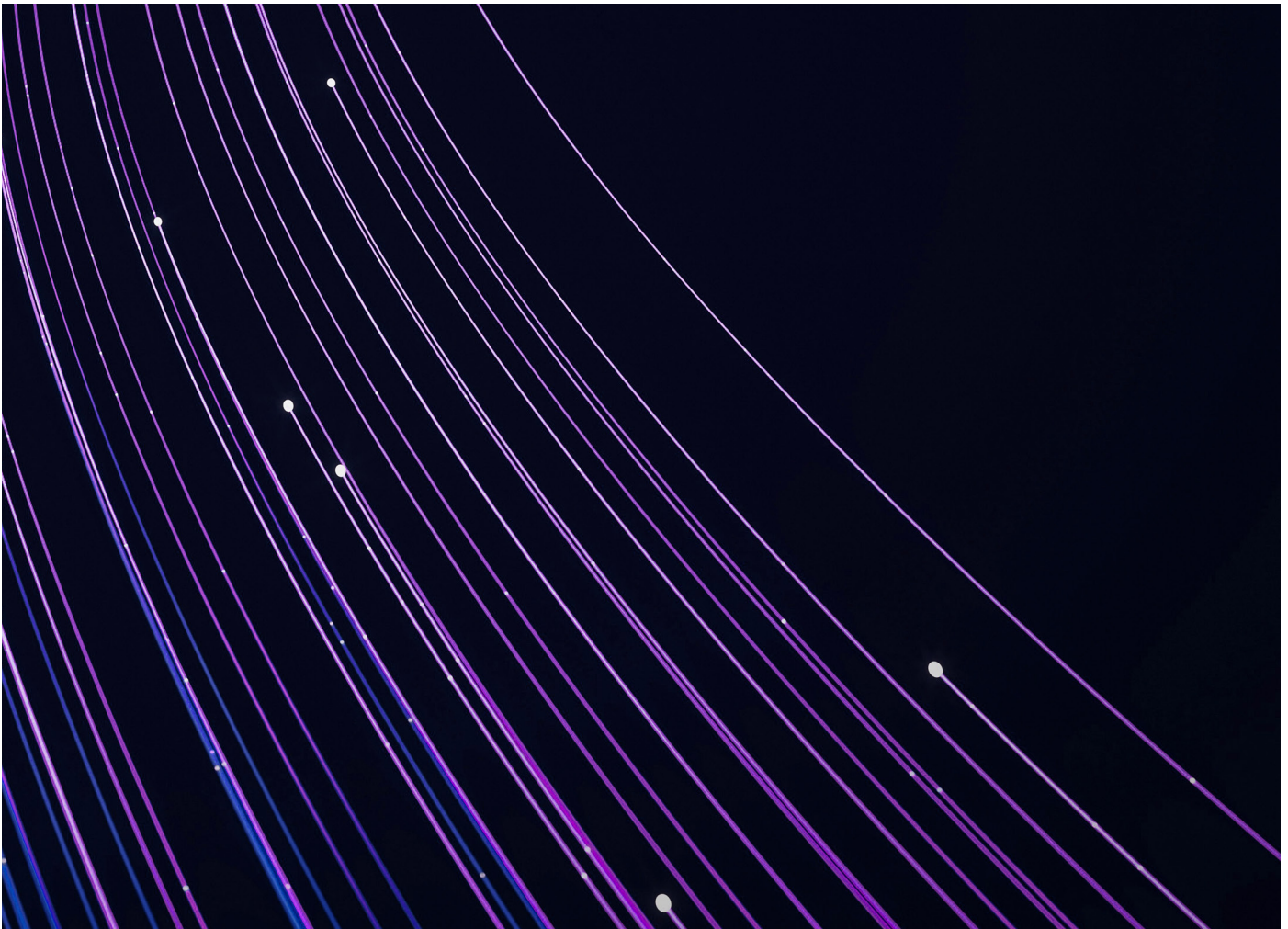
²⁷ BRICS currencies are no realistic alternative to the dollar – OMFIF.

CNH: The growing international role of the renminbi

The international role of CNH has expanded in recent years, although its status remains modest compared to USD. Controls on capital flows and currency convertibility constrain its usage internationally, though measures have strengthened its international role in recent years. Renminbi's share of global FX turnover has doubled since 2019.²⁸ In CLSNet, over 40% of net values calculated in 2025 involved CNH.

In the wider payments landscape, only around 3% of the value of global payments (SWIFT MT 103, MT 202 and ISO equivalent)²⁹ are in CNH. However, China has been expanding its influence in the international payments sphere, for example by creating the cross-border international payment system (CIPS) in 2015. CIPS has expanded its coverage and membership over recent years and now reaches 180 countries. China is leveraging the CIPS system to unlock new partnerships globally, including in Africa, where 34% of businesses surveyed in 2024 source their imports from China, up from 23% in 2023.³⁰

CNH presence is growing in other facets of the international system like global trade invoicing. Although only 2% of global trade is currently invoiced in CNH, this figure is increasing, particularly in the Asia Pacific region and Europe.³¹ Use of the renminbi in global trade finance has quadrupled over the past three years and is now second only to the dollar.³² CNH plays a niche, albeit growing, role as a reserve currency, making up around 2% of foreign reserves.³³



²⁸ [shapingfx_04fx_policy_whitepaper_bis-triennial-survey2025-fx-settlement-risk.pdf](#)

²⁹ Innovative MyStandards technology from SWIFT fast tracks ISO 20022 onboarding.

³⁰ CIPS Improves China Cross Border Functionalities With New Partnerships Across MEA and Asia | The Fintech Times.

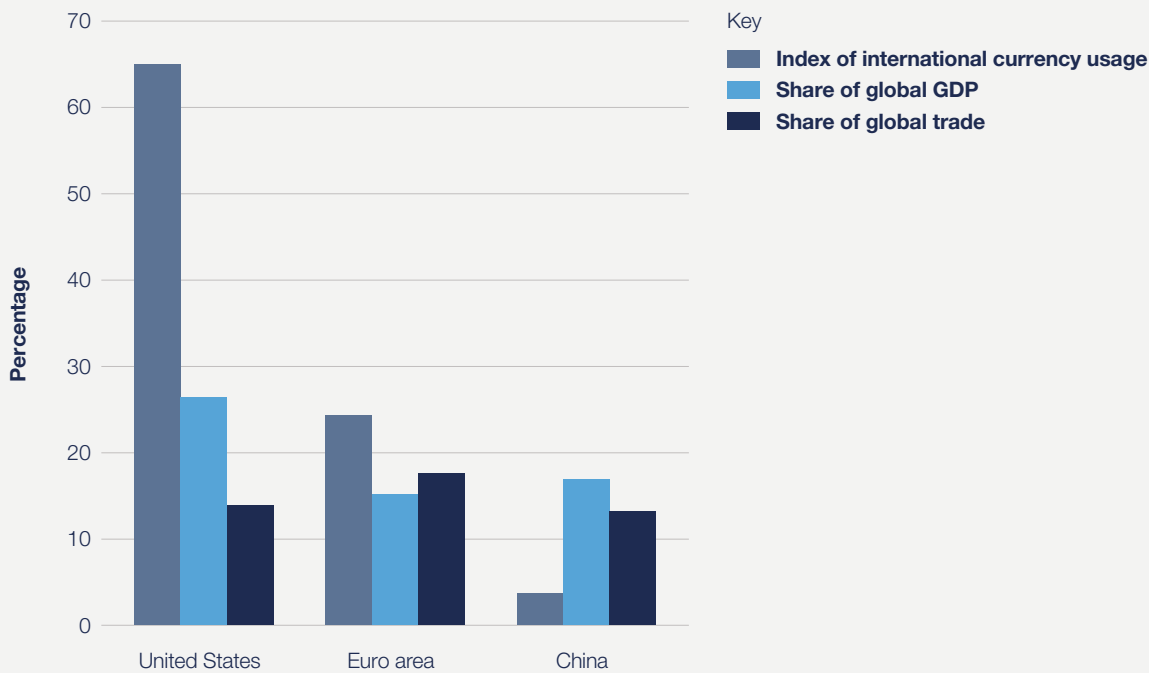
³¹ Global trade invoicing patterns: new insights and the influence of geopolitics.

³² Ibid.

³³ IMF Data Brief: Currency composition of Official Foreign Reserves (COFER).

³⁴ The Fed – The International Role of the U.S. Dollar – 2025 edition.

Figure 3: International role of currency versus size of economy



Source: Federal Reserve. 2025

Going global: What makes a currency international?

The international currency usage index (figure 3) compares ‘international usage’ of the USD, euro and renminbi to the size of their corresponding economies. Values reflect the weighted average of each currency’s share of globally disclosed FX reserves (25% weight), FX transaction volume (25%), foreign currency debt issuance (25%), foreign currency and international banking claims (12.5%) and foreign currency and international banking liabilities (12.5%).³⁴

USD clearly leads the pack, with its international usage far exceeding the US share of global gross domestic product (GDP) and trade. The Euro area sits in second place, with China in third position. International renminbi usage is markedly low compared to China’s share of world GDP and trade, leaving significant room for continued expansion in global usage and reach.³⁵ Overseas lending in the form of external loans, deposits and bond investments by Chinese banks quadrupled to more than 3.4 trillion renminbi (USD480 billion) over the past five years, furthering Chinese policymakers’ long-term goal to expand renminbi’s role in global financial flows.³⁶

In February 2026, Chinese leadership voiced a desire for renminbi to become a ‘powerful currency’ and achieve global reserve currency status.³⁷ The appreciation of the renminbi evidences progress toward this ambition, with exchange rates reaching about RMB7 to USD at the end of 2025, for the first time since 2023.³⁸ There may be further developments in this space if investor pressure compels further steps to loosen capital controls and appreciate the undervalued renminbi.³⁹

³⁵ The Fed – Internationalization of the Chinese renminbi: progress and outlook.

³⁶ Financial Times (2025), ‘Overseas renminbi lending surges as China steps up campaign to de-dollarize’.

³⁷ Xi Jinping calls for China’s renminbi to attain global reserve currency status.

³⁸ Yuan expected to rise in 2026, but Beijing has its reasons for saying not so fast | Reuters.

³⁹ Beijing urged to let renminbi strengthen.

Current – cy affairs: Making way for a multipolar currency system?

Historically, the ‘mantle of the world’s dominant currency does not change hands very often.’⁴⁰ The traditional view is that only one currency dominates globally at a time due to ‘network effects’, whereby the currency’s widespread use encourages its further use over other currencies, compounding and reinforcing dominance. This view aligns with the relatively few shifts in currency dominance among the great powers throughout history, including the shift to the US dollar from the pound sterling of Great Britain, a nation once said to be the ‘conductor of the global financial system’.⁴¹ A currency’s dominance often lasts one to two centuries, and its fall is normally marked by a period of coexistence with the rising challenger.

So, is the USD approaching retirement as CNH proliferates in parallel? While history may be instructive, measuring periods of global development centuries may seem outdated in today’s world of rapid change and digitization. China’s rise is different from that of the US, not least because of their divergent respective political systems. Compared with the US, China’s public sector exerts much stronger control over its affairs. That said, China’s approach to payment system development has followed a motto of ‘imitate and innovate,’⁴² similar to the US approach in developing the FedNow system which took inspiration from the European approach to real-time payments.⁴³

A nascent pluralistic view of the international monetary system challenges the inevitability of single-currency dominance.⁴⁴ Economist Barry Eichengreen argues that the global monetary system has often been multipolar, rather than unipolar, citing examples such as the rise of the euro and the expansion of the Japanese yen, both of which have challenged dollar dominance. He expects the global financial system to accommodate several international currencies, including the dollar and renminbi, rather than one or the other.⁴⁵ From this view, China’s objective is not to displace USD but to create a more pluralistic podium of strong global currencies.⁴⁶

In a December 2025 speech, Fabio Panetta, Governor of Banca d’Italia, articulated that forces changing the international monetary system move both fast and slow.⁴⁷ Slow processes depend on the unique financial structures and policy choices of each jurisdiction, which move ‘inch by inch’. These movements, Panetta opines, could ultimately weaken USD dominance in years to come and make way for a multipolar currency system. Proven resilience of the euro, CNH and gold as dollar alternatives may also point to a multipolar currency system. In February 2026, reports indicated that the dollar exchange rate was falling against the renminbi and the euro, as both Chinese and European leaders sought to boost the global role of their currencies.⁴⁸

In parallel, fast-moving technological development and geopolitical changes continue to reshape the global financial system. These factors together with trade dynamics may amplify existing fragmentation and push towards a more multipolar currency system.

⁴⁰ Rogoff, 2025.

⁴¹ Keynes, J. M. (1930) ‘A Treatise on Money,’ London: Macmillan [two volumes].

⁴² Zucker-Marques, M, Currency Internationalization, payment infrastructures and central banks: An institutional analysis of renminbi internationalization, Research in International Business and Finance, Volume 73, Part A, 2025.

⁴³ Can FedNow bring the US closer to real-time payments? – Atlantic Council.

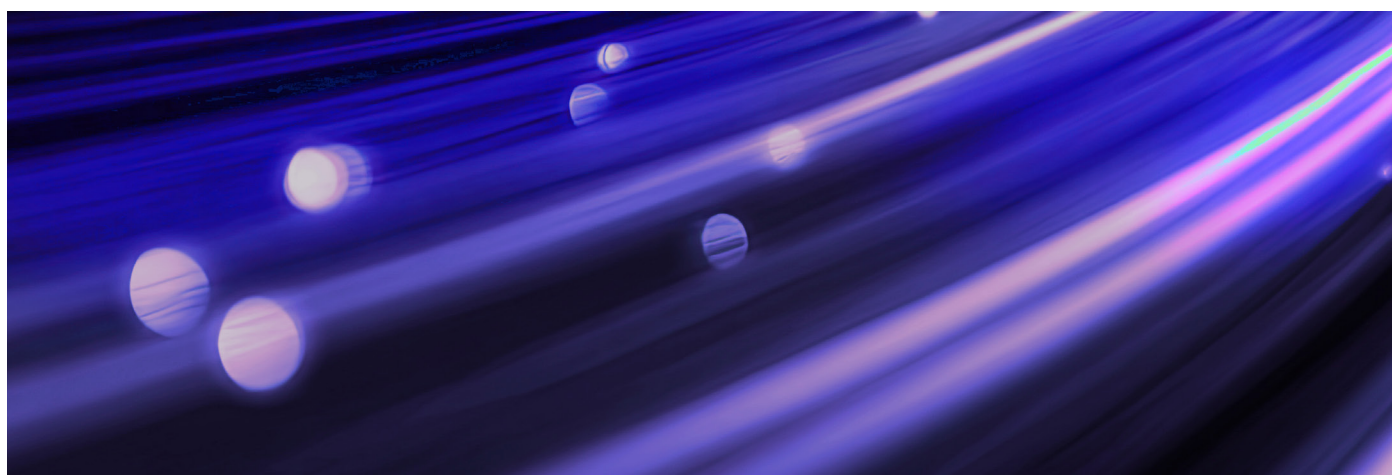
⁴⁴ Eichengreen, B., Mehl, A., & Chițu, L. (2018). How Global Currencies Work: Past, Present, and Future. Princeton University Press.

⁴⁵ Eichengreen, Barry, International Currencies Past, Present and Future: Two Views from Economic History (October 21, 2014). Bank of Korea WP 2014-31.

⁴⁶ Professor Bert Hofman, 2025.

⁴⁷ Banca d’Italia – The struggle to reshape the international monetary system: slow- and fast-moving processes.

⁴⁸ Euro and yuan global ambitions hasten the dollar drop | Reuters.



Digital dimensions to the debate

Increasing experimentation in digital currencies and assets adds another layer of complexity and creates a new battleground for nations to assert dominance on the global stage.⁴⁹ The US currently opposes public digital assets such as central bank digital currencies (CBDCs)⁵⁰ in favor of decentralized payment innovation from the private sector.⁵¹ Conversely, China's government tightly controls its digital agenda.

The US is leading the way in the stablecoin space. Stablecoin use for payments in the US has increased by 70% since the July 2025 passage of the Genius Act,⁵² which Treasury Secretary Scott Bessent believes will usher in 'the next era of dollarization.'⁵³ If stablecoins progress further into mainstream finance, their success could reinforce US dollar dominance.⁵⁵

However, China has previously argued⁵⁶ that stablecoins fail to meet the requirements for customer identification and anti-money laundering controls, and as such constitute 'illegal financial activities.'⁵⁷ The People's Bank of China (PBoC) has since refined its stance, clarifying that the ban is limited to onshore activity while offshore developments are permitted.⁵⁸

Perhaps unsurprisingly, the public sector has driven China's financial innovation, including its recent explorations CBDCs. The PBoC is a core partner in the multi-CBDC project mBridge,⁵⁹ alongside other central banks (Hong Kong Monetary Authority, Bank of Thailand, Central Bank of the United Arab Emirates and the Saudi Arabian central bank), since the BIS's withdrawal in October 2024. Transaction volumes on the mBridge platform surged to over USD55 billion in January 2026, marking a ~2,500-fold increase since 2022, with the retail CBDC 'e-CNY' accounting for around 95% of total volume.⁶⁰

Domestically, in January 2026 China announced its ambition to turn 'e-CNY' into a tokenized deposit, whereby retail balances would become liabilities of a holding institution rather than the PBoC.⁶¹ This decisive move may be a step to rival stablecoins' global success, particularly in the US.

⁴⁹ Will Stablecoin or CBDC Be the Future of Money – Bloomberg.pdf

⁵⁰ President's Executive Order 14178 – Strengthening American Leadership in Digital Finance Technology.

⁵¹ Christopher J Waller: The next frontier of payments innovation.

⁵² In early 2025, the GENIUS Act (Guiding and Ensuring National Innovation and Uniformity in Stablecoins Act) was introduced and passed in the Senate in June 2025 and in the House in July 2025. The GENIUS Act is expected to bring stablecoins closer to the standards applied to traditional financial products and provide the regulatory clarity and certainty that is one of the essential ingredients for the broader adoption of stablecoins use cases by the wholesale FX market and beyond.

⁵³ Stablecoins Versus CBDCs: The Showdown Over the Future of Money.

⁵⁴ Stablecoin Use for Payments Jumps 70% Since US Regulation.

⁵⁵ Stablecoins settlement cycles and the myth of de-dollarisation – Global Custodian.pdf

⁵⁶ In October 2025, a number of large Chinese tech companies paused their plans to issue stablecoins in Hong Kong, following the voicing of concerns from the Chinese government over a rise in currencies.

⁵⁷ China's central bank vows crackdown on virtual currency, flags stablecoin concerns | Reuters.

⁵⁸ China's crackdown on RMB stablecoins, tokenization of RWA is not an offshore ban – Ledger Insights – blockchain for enterprise.

⁵⁹ Project mBridge, launched in 2021 by BIS Innovation Hub (Hong Kong Center) and four founding central banks (Hong Kong Monetary Authority, Bank of Thailand, Central Bank of the United Arab Emirates, Digital Currency Institute of the People's Bank of China), aims to create a DLT-based platform for wholesale cross-border payments using multiple central bank digital currencies (CBDCs). Following a real-value transaction pilot in 2022, mBridge reached Minimum Viable Product (MVP) status in June 2024, complemented with a governance and legal framework.

⁶⁰ China-led cross-border digital currency platform sees surge | Reuters.

⁶¹ Digital yuan morphs from CBDC into digital bank deposits to rival stablecoins.

Continuation, not conclusion

The dollar has stood as the world's leading currency since the fall of Bretton Woods in 1973 – an impressive feat, with no immediate signs of weakening. In fact, the conflicts and deterioration of relations and conflict in the Middle East in March 2026 surged the demand for dollars, most acutely in the currency spot market.⁶² The rising renminbi is still in the dollar's shadow for now, and the composition of the global currency landscape remains mostly unchanged from a few years ago.

However, beneath the surface metrics lies a more complex story about evolving currency roles. CNH continues to extend its reach on the international stage both in fiat format, particularly in the FX market, and in the digital domain. At the same time, the renminbi's potential remains hindered by capital controls and USD continues to dominate global currency exchange. Still, numerous factors like China's rise, geopolitical maneuvering, and technological disruption could disrupt the landscape in years to come and make way for a multipolar currency system.



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⁶² BBG Dollar options.pdf

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