

Brics payment system would not replace SWIFT -SA finance minister

By [Kopano Gumbi](#)

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South Africa's finance minister said that the Brics grouping would not be looking to replace international payment systems including SWIFT, but rather consider creating one that would strengthen trade in local currencies.



Source: Reuters.

At the conclusion of a three-day Brics summit in Johannesburg, the bloc's leaders announced they would task their finance ministers to consider the issues of local currencies, payment instruments and platforms and report back in a year.

De-dollarisation is a particular priority for Russia, whose economy has been crippled by sanctions imposed by the West over its invasion of Ukraine and is banned from SWIFT.

"It's not an alternative to SWIFT," Enoch Godongwana, who hosted his fellow Brics finance ministers at the summit, said. "It is a payment system which facilitates a deepening of the use of local currencies."

The creation of a common Brics currency, an idea floated notably by Brazil's President Luiz Inacio Lula da Silva, was not on the finance ministers' agenda during the meetings, he said, adding that its implementation would be "problematic".

"You must have one central bank," he said. "You must lose your monetary policy independence. It's a major challenge, which would imply, in our case, major constitutional implications."

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