

INCREASING THE ROLE OF THE NATIONAL CURRENCIES OF THE MEMBER STATES OF THE EURASIAN ECONOMIC UNION IN INTERNATIONAL SETTLEMENTS

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Annotation. *The article is devoted to the currently observed increase in the role of the national currencies of the EU member states both in mutual international settlements and in settlements with third countries. The object of the study is the currencies of international settlements used to pay for foreign trade operations of the EAEU member states. The study examined the prerequisites that led to an increase in the volume of national currencies in international settlements. The current state and prospects for the development of national currencies in international settlements in the implementation of foreign trade operations within the EAEU and with third countries are analyzed, problematic aspects are identified, ways to strengthen the role of national currencies in the EAEU member states as a means of settlement for foreign trade operations are proposed.*

Keywords: *national currencies; international settlements; currency exchange rate volatility; foreign trade operations; settlement currency.*

In the context of the formation of the common financial market of the EAEU and the threat of disconnecting individual EAEU member states from the Society of global interbank financial communication channels, the main trend in international settlements in the EAEU member states is to increase the role of national currencies both in mutual settlements and in settlements with third countries. Such a goal is also outlined in the Strategic Directions for the Development of the Eurasian Economic integration until 2025 [1].

The use of national currencies in internal mutual settlements of the EAEU member states has become widespread, which is also associated with increased external risks in the context of international financial sanctions. According to the EEC, the share of national currencies in the structure of export and import international settlements was 74%, which reflects the growth of this indicator from 63% in 2013 [2].

As mentioned earlier, international settlements are carried out, as a rule, in foreign currencies. Therefore, strong fluctuations in exchange rates, the economic and monetary policy of the states imitating these currencies have a significant impact on the effectiveness of international settlements in the EAEU member states. In addition, the use of national currencies helps to reduce currency risks and generally has a positive impact on price stability in the EAEU member States.

Taking into account that strengthening cooperation in the currency sphere is one of the main integration goals of the EAEU, we note that the share of the dollar in mutual international settlements has decreased since 30% to 19% for the period from 2013 to 2021, which directly contributes to reducing the dependence of the EAEU member states on global payment systems. At the same time, the share of euros in the above period was 7%. The Russian ruble as the currency of settlement for mutual transactions within the EAEU holds the lead, amounting to 70% on average for 2015-2019. The share of other national currencies in international mutual settlements, the basis of which is formed by tenge, is 2%. The share of national currencies when paying payments for imports of products from third countries is about 24%, while when servicing export transactions, the share of national currencies is an order of magnitude lower – 9% [3].

According to the available data of the Eurasian Economic Commission, the Russian Federation pays in its own national currency 82% of foreign trade transactions with the Republic of Belarus, 63% of transactions with Kazakhstan, as well as 58% of transactions with Kyrgyzstan. It is obvious that the share of the Russian ruble in mutual international settlements is large, however, the potential for increasing this indicator still exists, for example, with Kyrgyzstan, 40% of trade turnover is carried out in US dollars. The US dollar is also the second most important currency for international settlements of Kazakhstan and Belarus with the Russian Federation, accounting for 28% and 9%, respectively [3].

If we talk about the trade of the EAEU member states except Russia, then the level of use of the Russian ruble in this case is much lower. However, in this context, we will single out Belarus, which carries out a third of foreign trade operations with the EAEU member states, except Russia, in Russian rubles. The most commonly used currency in settlements between the EAEU member states other than Russia is the US dollar, used in 82% of Kazakhstan's foreign trade transactions, 76% of Kyrgyzstan's foreign trade transactions and 58% of Belarus' foreign trade transactions.

We also note the significant role of tenge in international settlements. Although the share of tenge in Kazakhstan's foreign trade transactions with other EAEU member states is less than the share of the Russian ruble in the corresponding transactions, tenge

is quite actively used in foreign trade transactions with Kyrgyzstan. Its share in mutual trade between Kazakhstan and Kyrgyzstan is gradually increasing: in 2013 this figure was equal to 15%, and in 2021 it reached 24%. In mutual trade between Russia and Kazakhstan, the share of tenge is 5%, reflecting an increase of this indicator by 3% since 2013. Except

In addition, we assume that tenge can potentially become the currency of international settlements in mutual trade between Kazakhstan and Uzbekistan.

Despite the relative success in using the national currencies of the EAEU member states in mutual settlements, the level of their prevalence in international settlements with third countries is still quite low. As mentioned earlier, the share of national currencies in international settlements for imports of products from third countries is 24%, for exports – only 9%.

In such conditions, the issue of strengthening the role of national currencies in international settlements becomes relevant. We consider macroeconomic problems to be one of the main obstacles to increasing the share of national currencies in the international settlements of the EAEU member states. In particular, they include the observed high transaction costs when using national currencies, which are a consequence of insufficient diversification of the economies of the EAEU member states and a low level of macroeconomic stability in some states of the region under consideration. Among other obstacles to the development of the use of national currencies in international settlements, business entities and the expert community note high currency risks, already established practices in the business community, lack of economic incentives, fears of the EAEU member states for the preservation of currency sovereignty, and a number of others.

Among the factors hindering the development of the national currencies of the EAEU member states as a means of calculating foreign trade transactions, we will separately highlight the high volatility of the exchange rates of these national currencies. As can be seen from the table, the Belarusian ruble has the highest coefficient of exchange rate variation, which indicates its high volatility. Next in terms of volatility are the Russian ruble, tenge and Kyrgyz som. The Armenian dram is the least volatile among other national currencies of the EAEU member states.

table-1

Official exchange rates of the EEC Member States in 2018-2022, units per 1 US dollar, coefficients of their variation

Currencies	2018	2019	2020	2021	2022	Coefficient of variation
Dram	483,97	484,20	483,77	479,72	522,57	3,63 %
Belarusian Ruble	1,98	1,99	2,19	2,12	2,53	11,72 %
Tenge	333,29	331,32	380,49	381,15	420,97	10,14 %
Som	69,27	68,88	69,88	69,68	82,68	8,22 %
Russian Ruble	60,68	57,69	69,49	61,93	73,89	10,39 %

To strengthen the role of national currencies in the EAEU member states as a means of settlement for foreign trade transactions, we propose the following ways:

1. the need to diversify the commodity structure of exports, in particular, to increase exports of finished high-tech products with high added value;
2. achieving the outstripping growth of the EAEU foreign trade;
3. the whole economic development of the EAEU;
4. stability in the monetary sphere of each individual member state of the EEC and, as a result, the attractiveness of the corresponding national currency.

The systematic implementation of the above recommendations will have a positive impact on the development of the use of national currencies of the EAEU member states in international settlements, as well as contribute to the advanced development of the Eurasian economic integration. According to the estimates of the Eurasian Economic Commission, if the transition to national currencies in the international settlements of the member states

The EAEU will continue at an increasing pace, their share is expected to grow to more than 85%.

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