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ROUBINI**
ASSOCIATES

New Petro-Dollar vs Electro-Yuan

Panel on Stablecoins and Monetary Policy

by

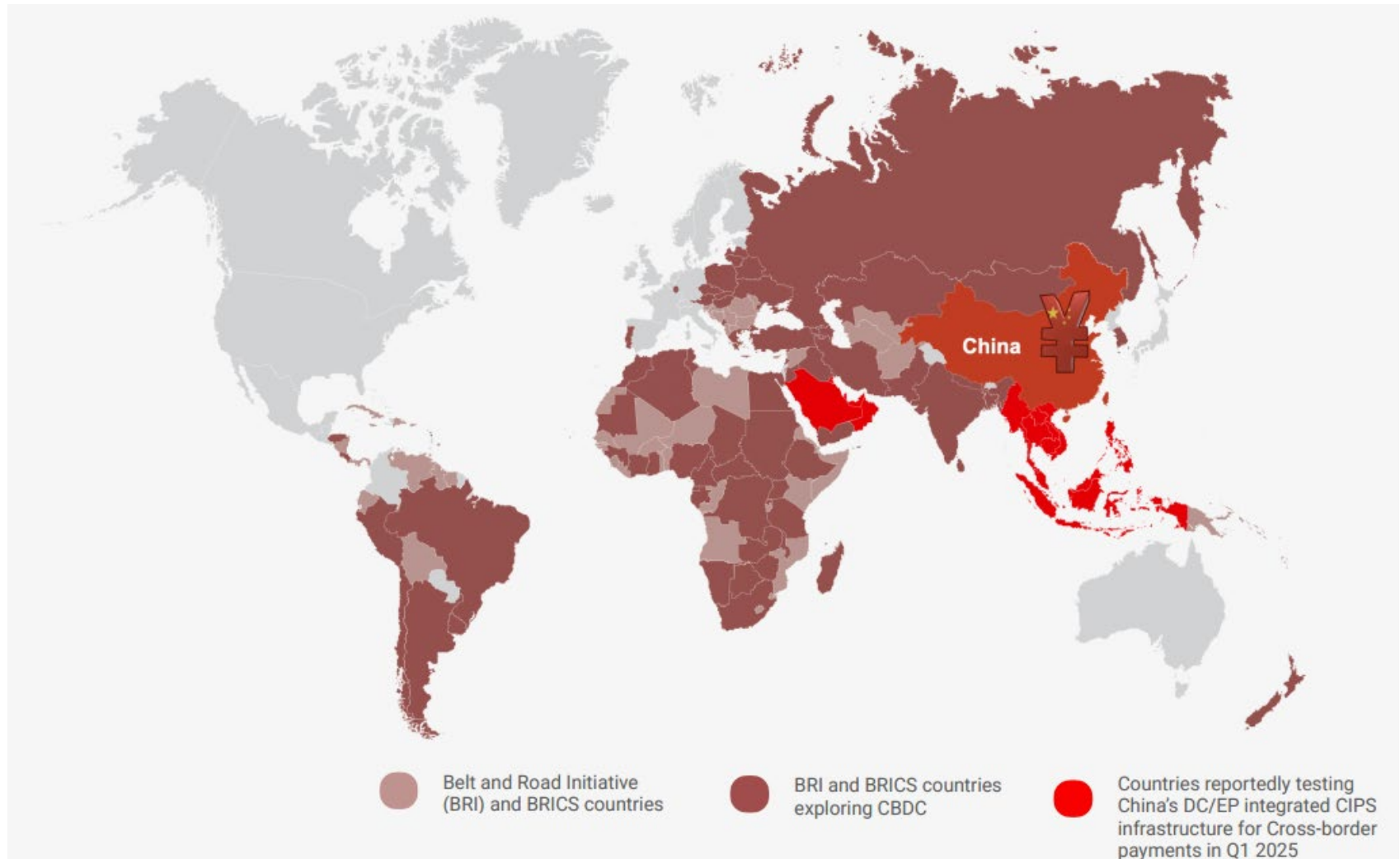
Brunello Rosa



Dubrovnik, 31 May 2026

Spheres of Influence in a Polarised World

BRI - BRICS - CBDCs



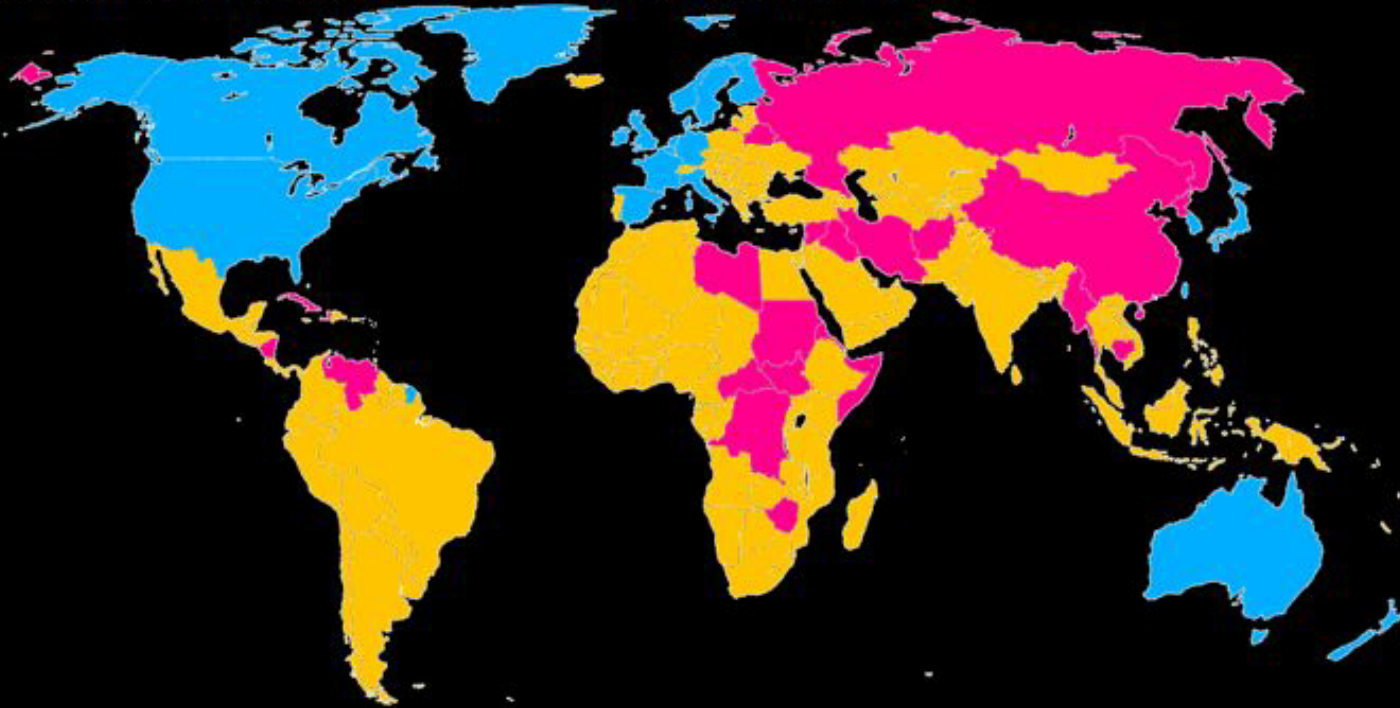
Source: DFMI - *NEURAL FINANCE & THE FUTURE OF MONEY: Building a Sovereign Digital Asset Economy for the UK*

US Chip Curbs

US Chip Curbs Now Cover Most of the World

Most markets face new data center restrictions under AI diffusion rule

■ Tier 1 (Most permissive) ■ Tier 2 ■ Tier 3 (Most restrictive)



Source: US Department of Commerce

Note: Mapped data show level of restrictions on chip shipments for distinct markets

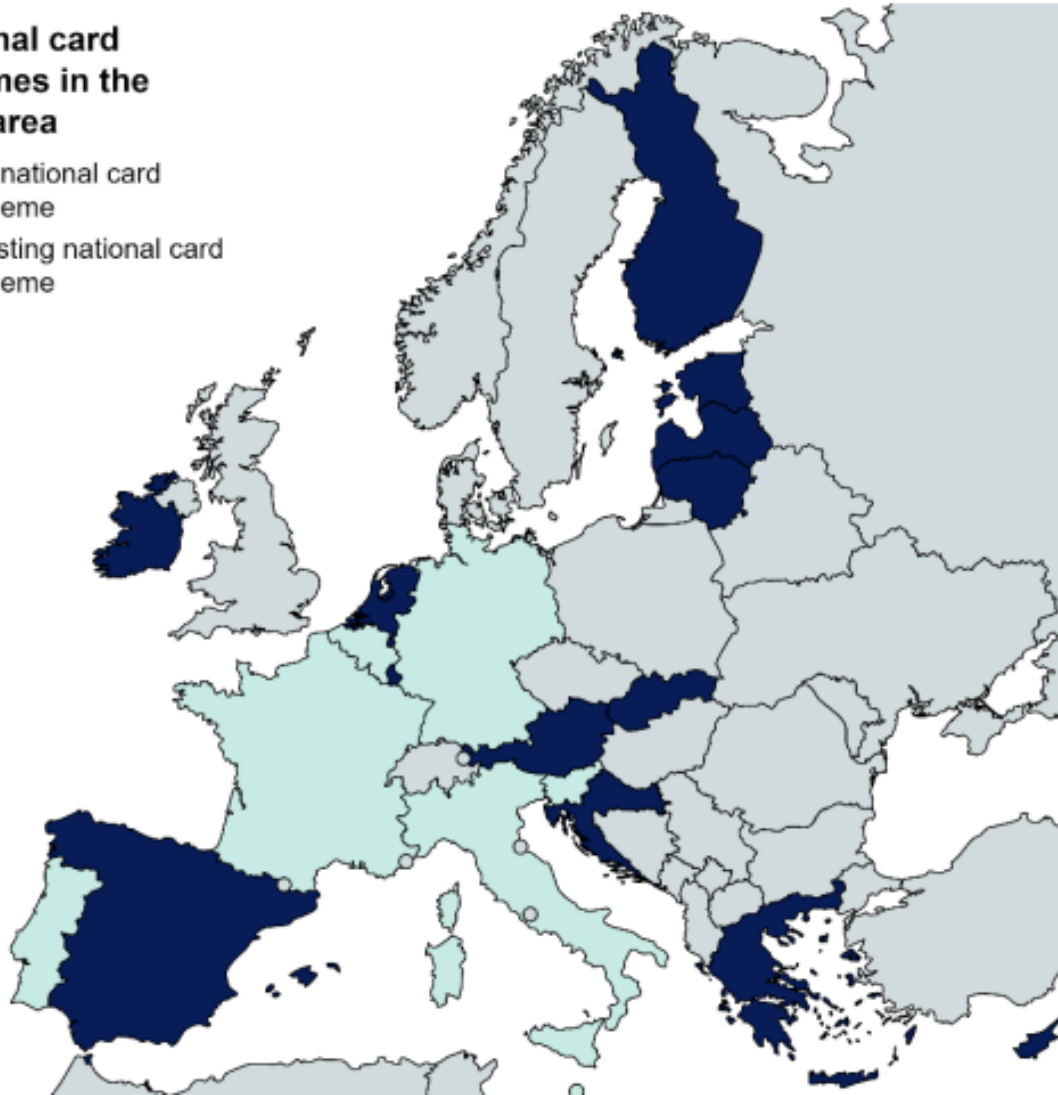
Bloomberg



European «Strategic Autonomy»

National card schemes in the euro area

- No national card scheme
- Existing national card scheme



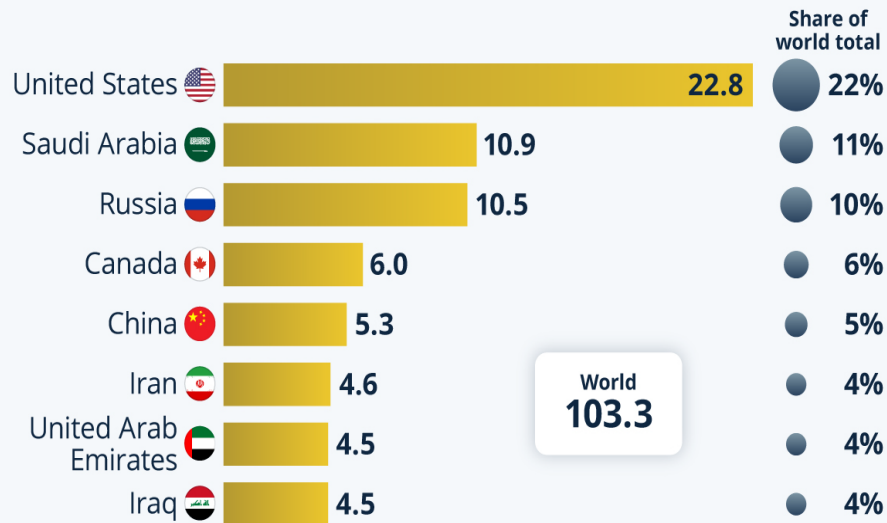
Sources: ECB

Energy Production

Oil Production and Reserves

The World's Largest Oil Producers

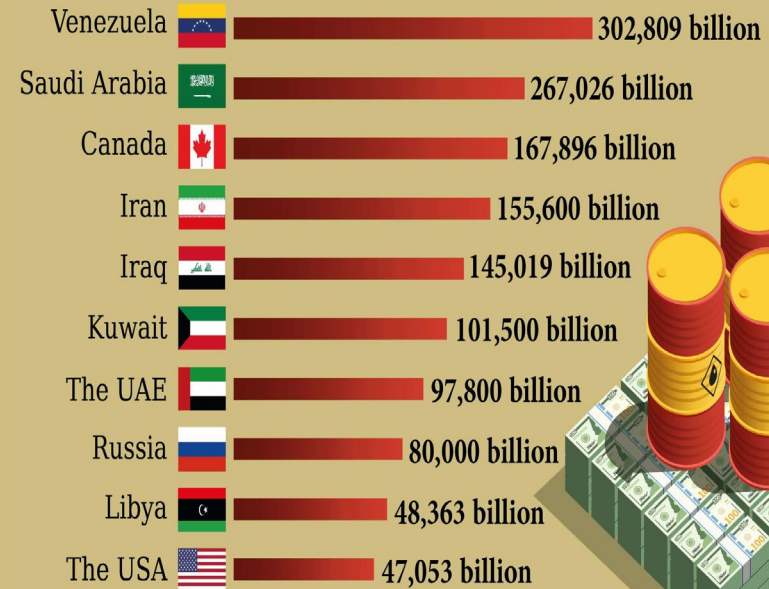
Production of petroleum and other liquids in 2024 (in million barrels per day)*



* Includes crude oil (incl. lease condensate), natural gas plant liquids and other liquids
Source: U.S. Energy Information Administration

Top 10 countries with the largest reserves of crude oil in the world

* Numbers by barrel



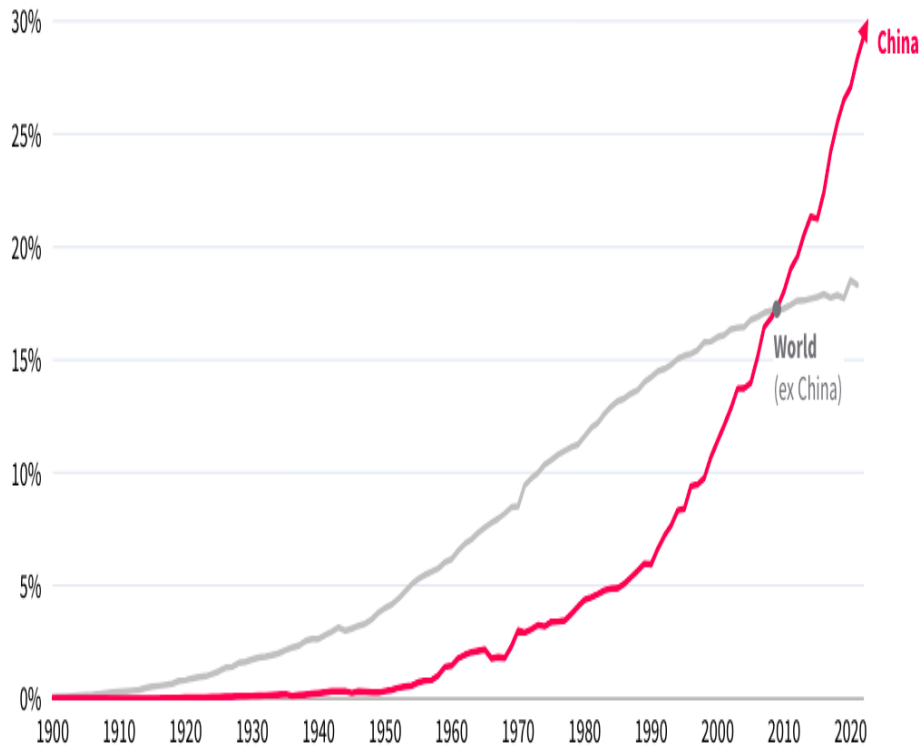
Source: <https://www.worldatlas.com/articles/the-world-s-largest-oil-reserves-by-country.html>



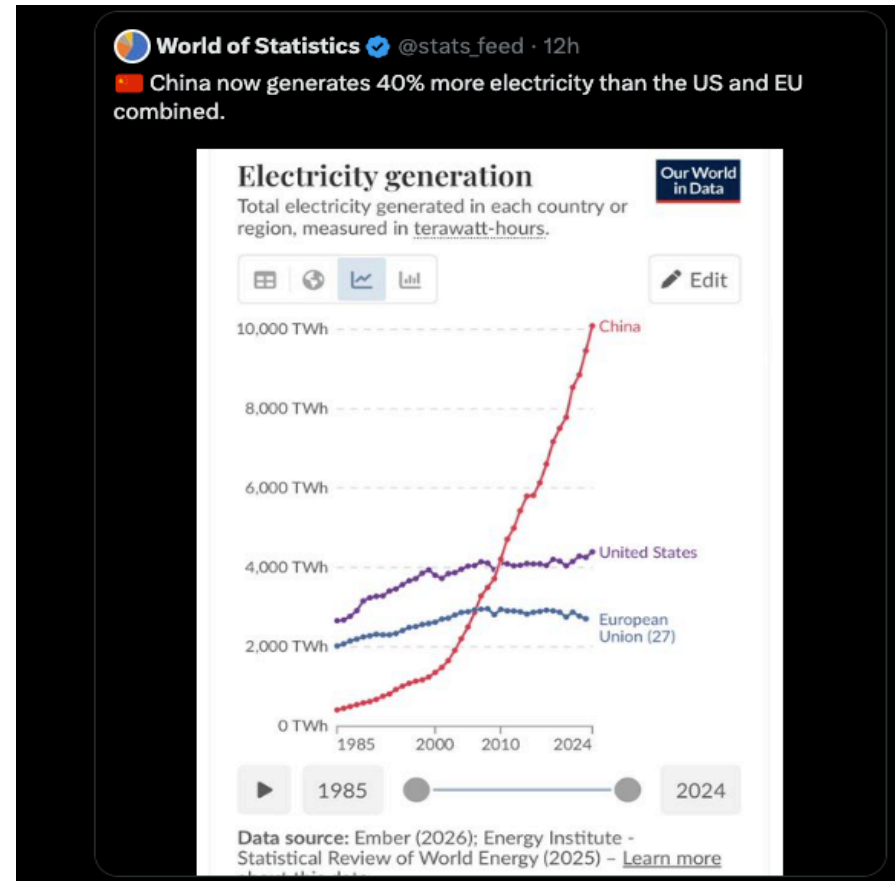
مركز البيدر للدراسات والتخطيط
Al-Baidar Center For Studies And Planning

China's Electro-State

China's Electricity Share of Final Energy



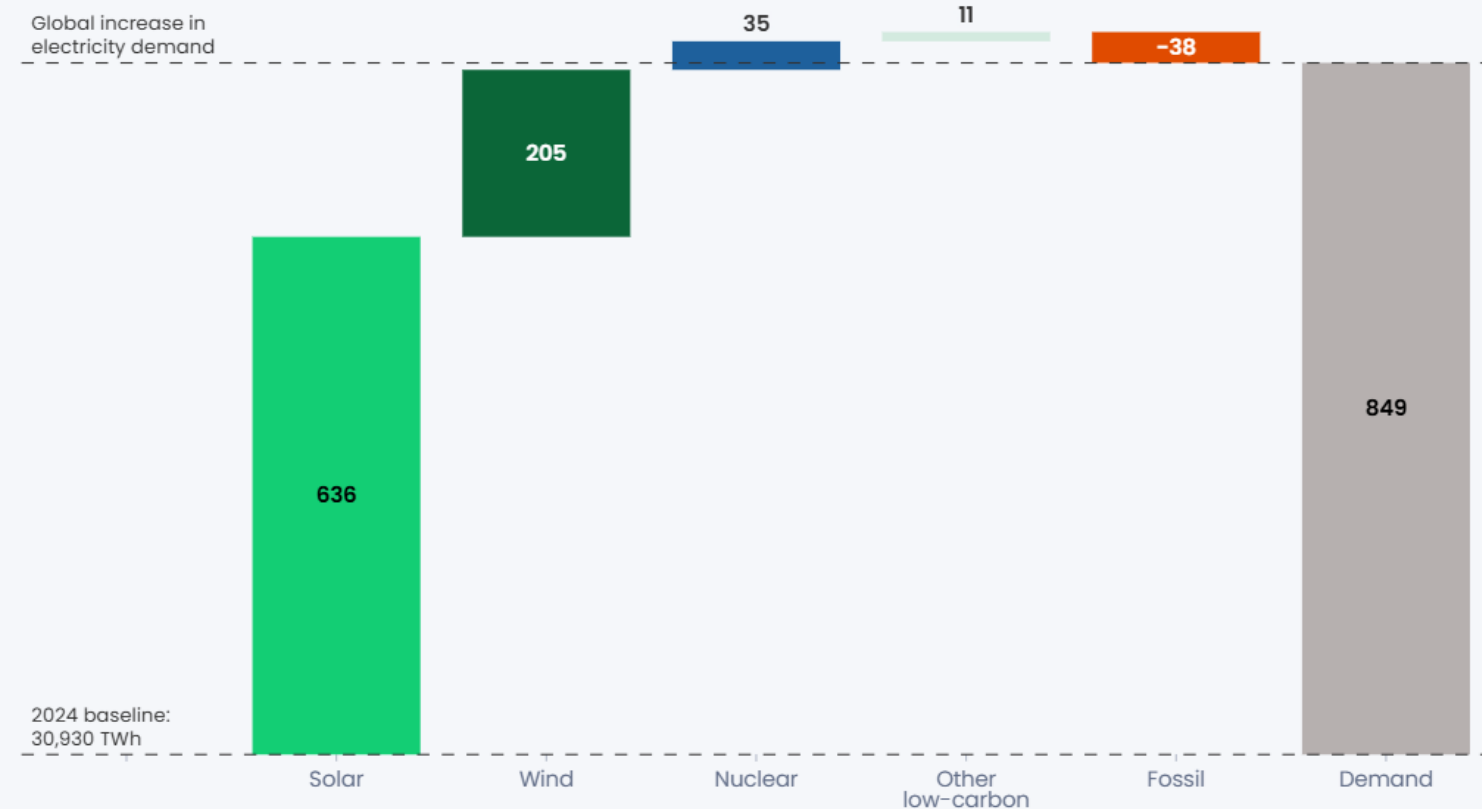
Source: [IIASA](#)



Solar and Wind Met all New Electricity Demand

Led by solar, clean power sources met all new electricity demand in 2025

Change in electricity generation in 2025 vs. 2024 (TWh)



Source: Yearly electricity data, Ember

'Other low-carbon' includes hydro, bioenergy and other renewables such as geothermal

Value labels show net change

EMBER

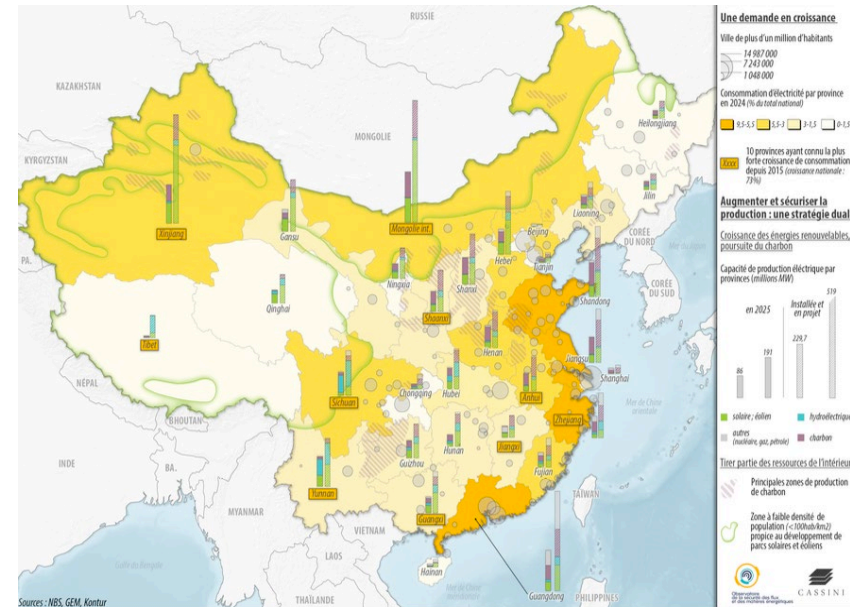
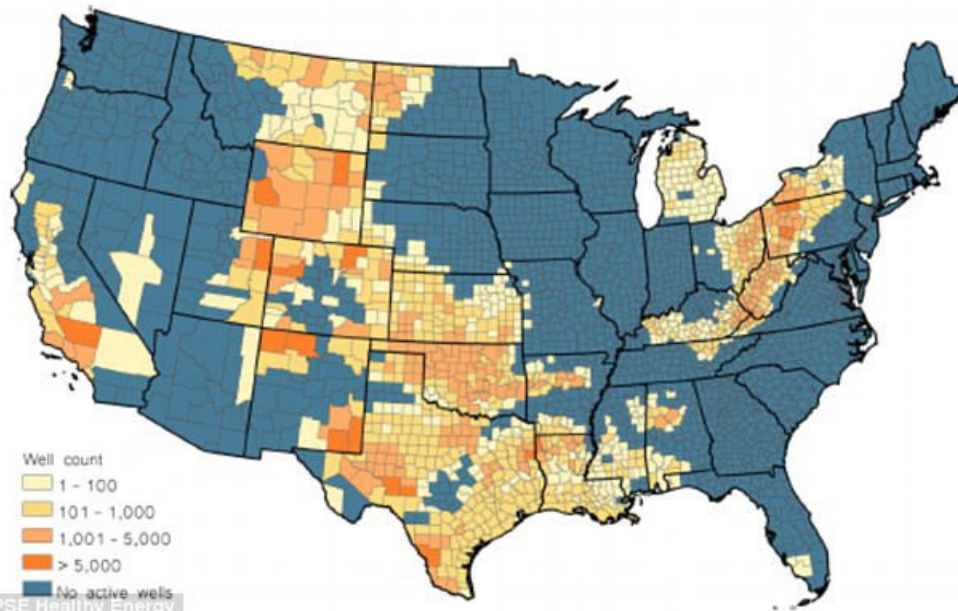


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<https://riccardopennisi.substack.com/p/il-sorpasso>

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USA's Petro-State vs China's Electro-State



USA's Petro-State vs China's Electro-State



[PLAY](#)

Industrial Production

China's Industrial Output

Elon Musk @elonmusk · 7h
Electricity output is the single best proxy for industrial capacity

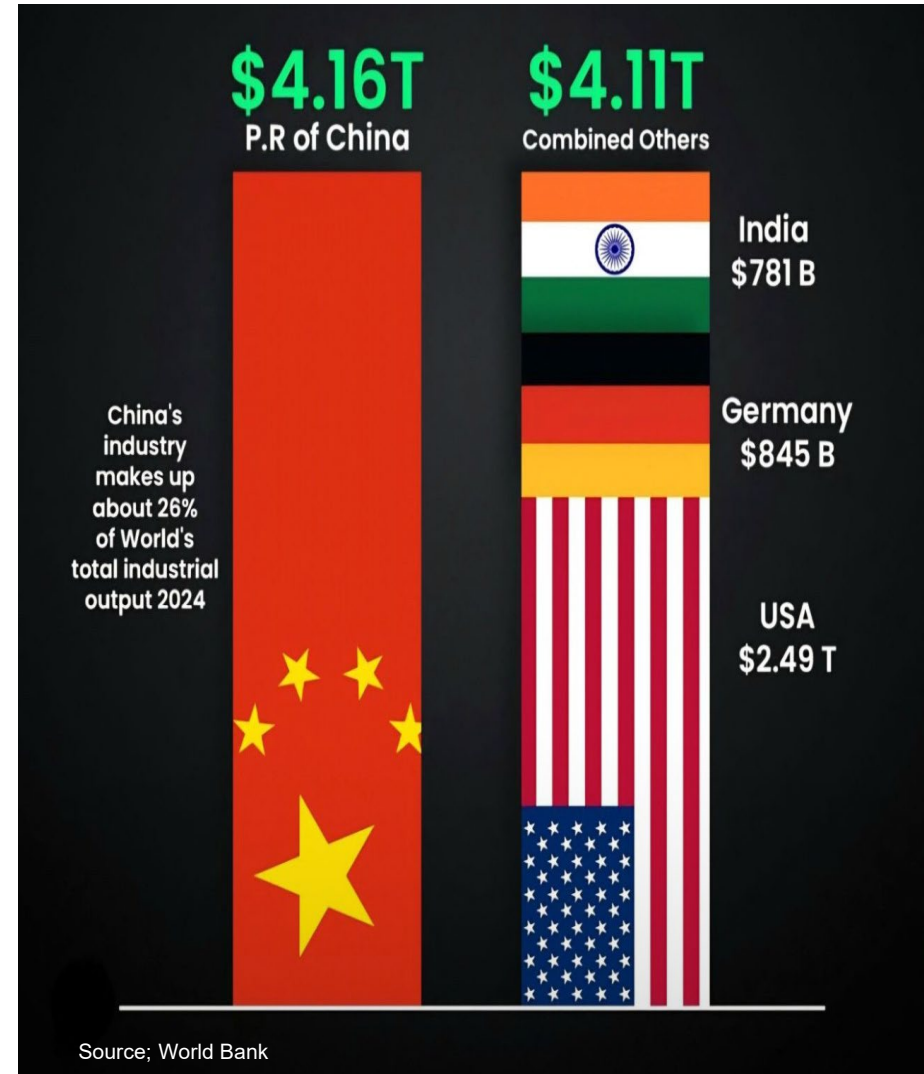
World of Statistics @stats_feed · 12h
China now generates 40% more electricity than the US and EU combined.

Electricity generation

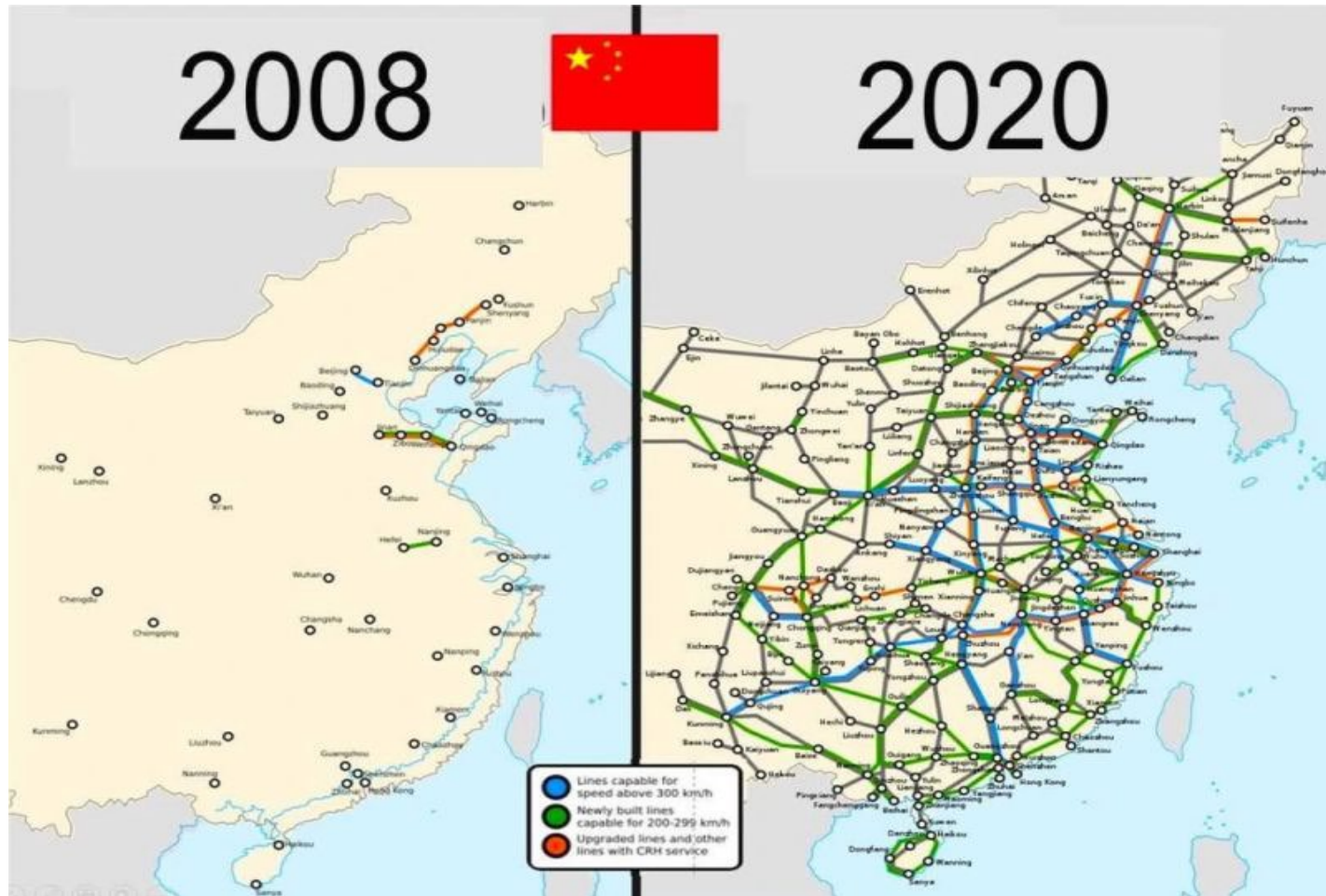
Total electricity generated in each country or region, measured in terawatt-hours.

Year	China	United States	European Union (27)
1985	~0.5	~2.5	~2.0
2000	~1.5	~3.5	~2.5
2010	~4.0	~4.0	~3.0
2024	~10.0	~4.5	~3.0

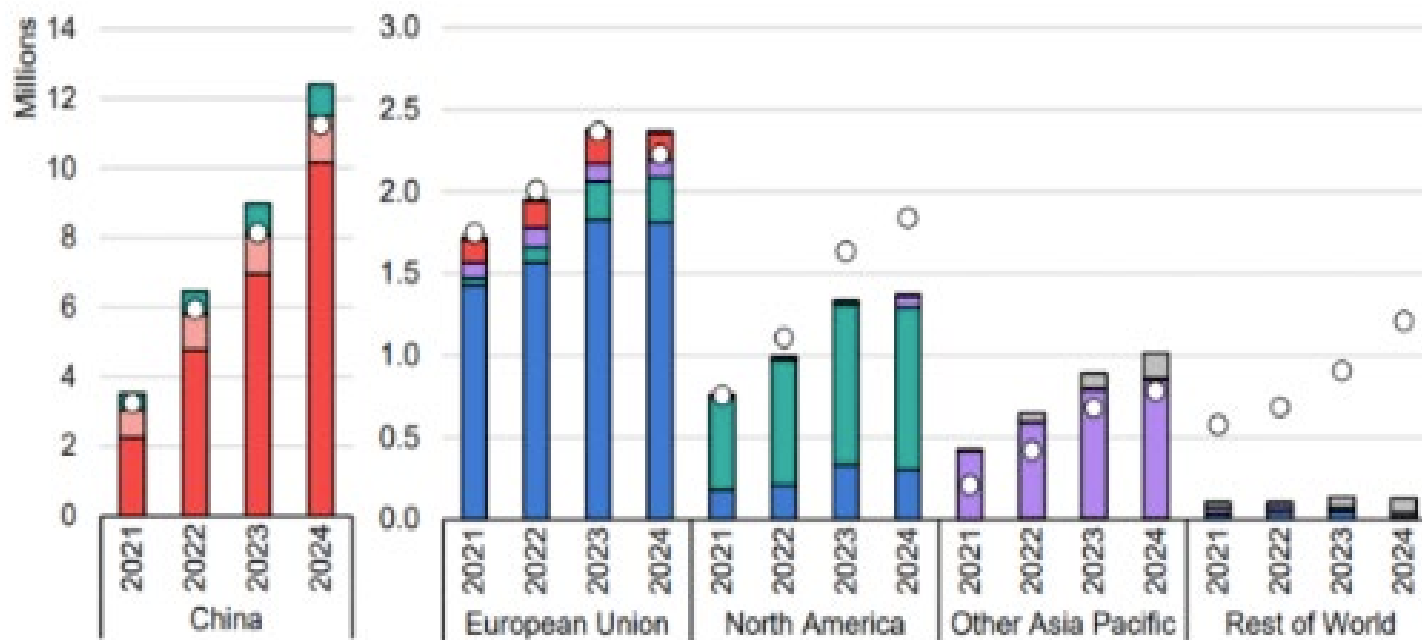
Data source: Ember (2026); Energy Institute - Statistical Review of World Energy (2025) - [Learn more](#)



China's High-Speed Railways



EV Production



OEM headquarters location:

■ European Union ■ United States ■ Japan/Korea ■ China ■ China (JV) ■ Rest of World ○ Domestic sales

Notes: OEM = original equipment manufacturer; JV = joint venture. Other Asia Pacific includes Australia, New Zealand, Japan, Korea, India and Southeast Asia. North America includes Canada, the United States and Mexico. Tesla is the only foreign OEM producing electric cars in China that is not part of a joint venture with a Chinese OEM.

Sources: IEA analysis based on EV Volumes.

Digital Currencies

From BRI to Digital Currencies

2012/2013



2013 (September/October)



2014

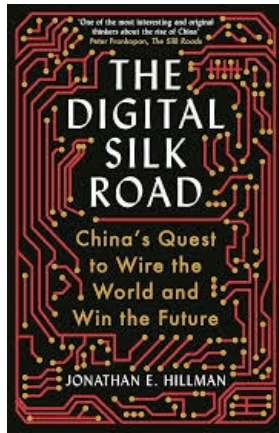


2015

2015

2015

Tech War



BRI as E-SaaS

The Belt and Road Is Electrostate as a Service

China's Belt and Road looks like failed debt diplomacy until you see the electrostate layer being built on top of it

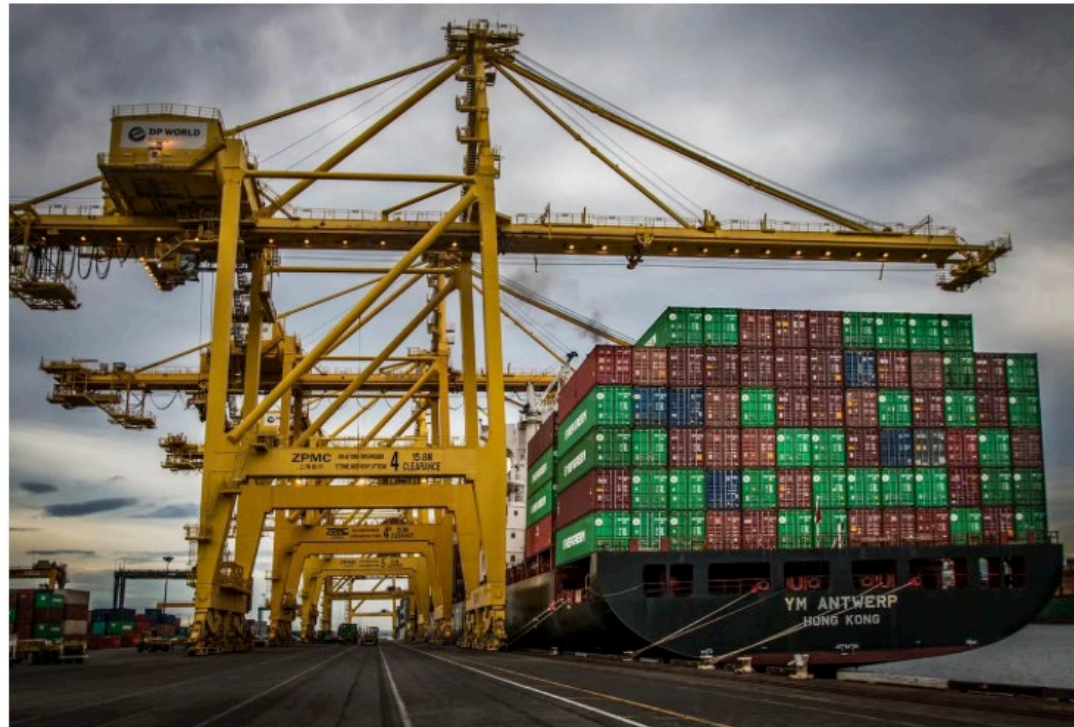


NICOLAS COLIN AND MARIEKE FLAMENT

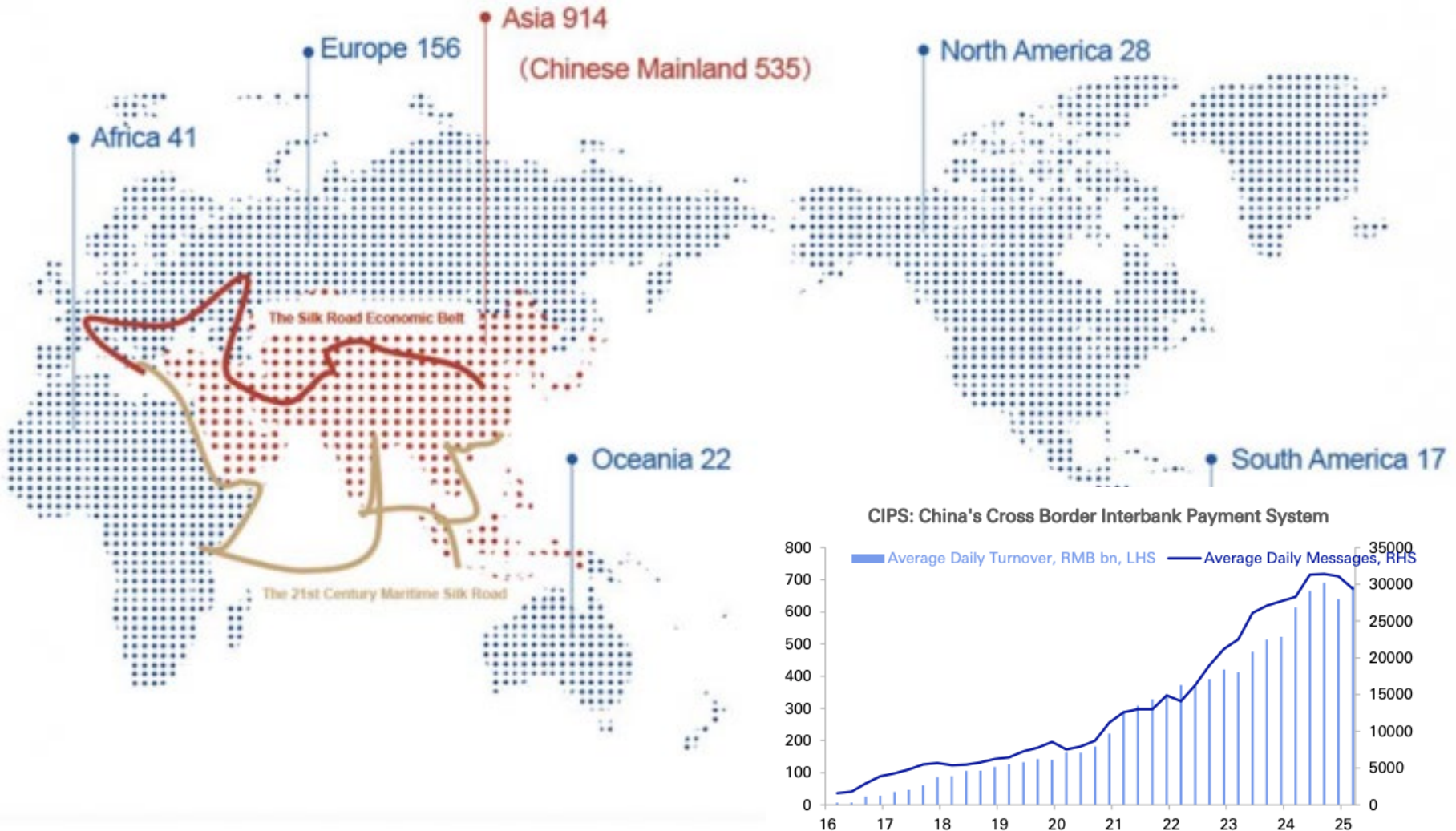
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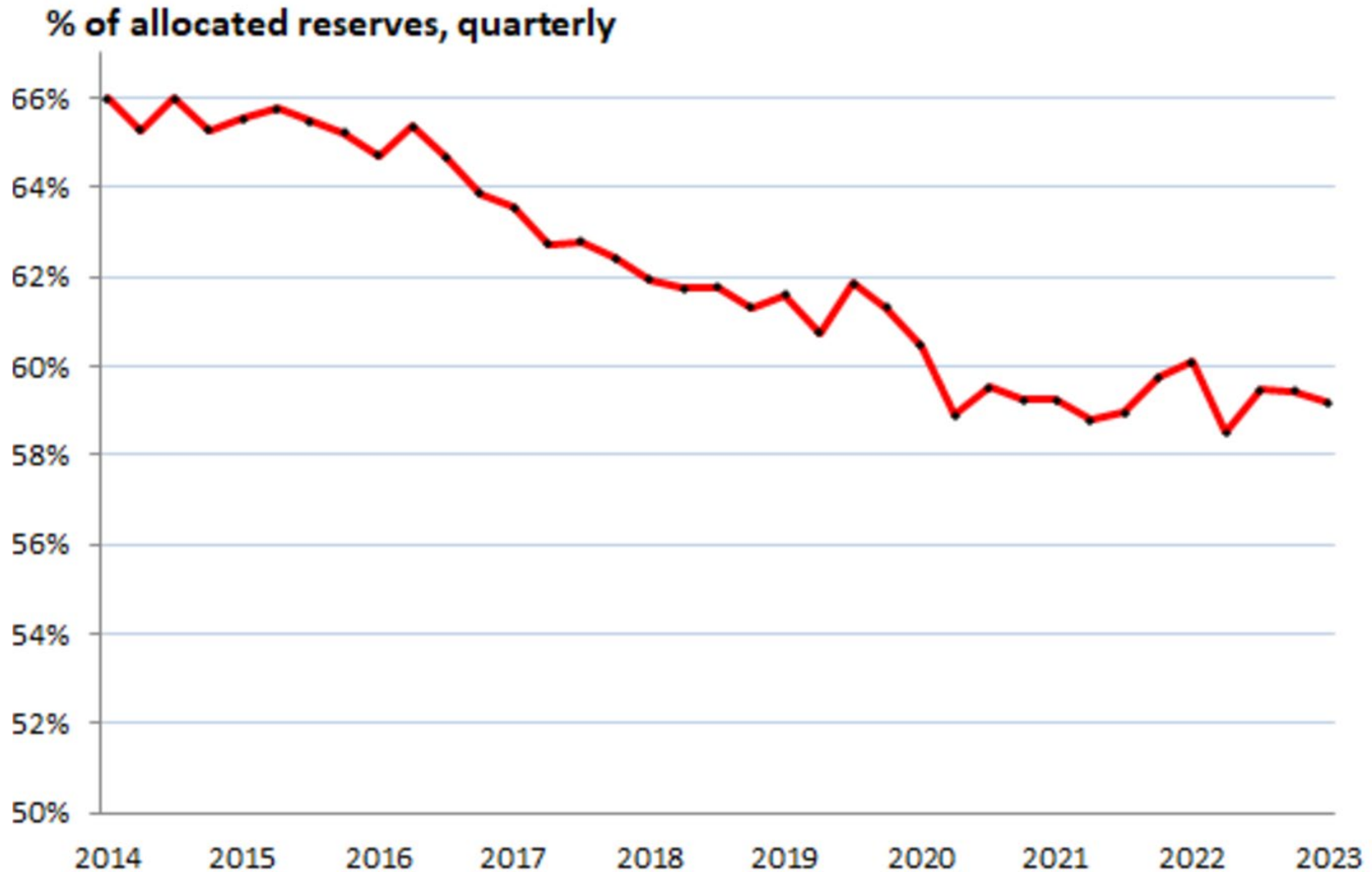


Cross-Border International Payment System (CIPS)



Source: [Asia Market](#) And [Deutsche Bank](#)

USD as a Reserve Currency



SOURCE: [IMF](#)



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De-Dollarisation ?

EN English ▼ Economics f t in e [comment] [bookmark]

Stablecoins Can Defend the Dollar's Global Status

Nov 5, 2024 **PAUL RYAN**

China is devoting significant resources to creating an alternative to the dollar payments system. To counter this push, American policymakers should support private firms issuing stablecoins, which can ensure demand for US government debt and boost the greenback's global standing and reach.

FEATURED

1 **Trump Won, but Trumpism Did No**
Nov 18, 2024 | **BRUCE ACKERMAN**

SOURCE: [Project Syndicate](#)

Re-Dollarisation - Tether is Strong Where SWIFT was Weak

SWIFT



Tether



[Swift Institute](#) and [Tether](#)

US Stablecoins vs China's CBDC



Petro-Dollars vs Toll-Yuan



THE CHOSUN Daily



entertainment+ Lifestyle **World** Opinion Sports

Iran Imposes Yuan Tolls on Strait of Hormuz Passage

IRGC escorts vessels through Iranian waters after yuan payments, bypassing U.S. sanctions, but shipping firms face legal risks

By Park Sun-min

Updated 2026.03.28. 07:01 ▾



On the 7th, the oil tanker 'Luo Zisan' anchors in Muscat, Oman, adjacent to the Strait of Hormuz. /Reuters-Yonhap

Toll to be Paid only in Digital Currencies

Ask FT

FINANCIAL TIMES

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Middle East war [+ Add to myFT](#)

Iran demands crypto fees for ships passing Hormuz during ceasefire

Country's oil exporters' union says toll to be paid in cryptocurrency and vessels monitored for weapons

Report: Iran Charges Crypto and Yuan Tolls for Strait of Hormuz Oil Tanker Passage

Iran's Islamic Revolutionary Guard Corps is reportedly collecting fees of up to \$2 million per vessel in Chinese yuan and stablecoins for safe passage through the Strait of Hormuz, the world's most critical oil chokepoint.



Tankers in the Gulf on Wednesday received a radio broadcast in English that they would be destroyed if they tried to transit without Iranian permission © Stringer/Reuters

USD: In Search for a New Anchor

Recent Dollar's Anchors

1944 – 1971: Gold

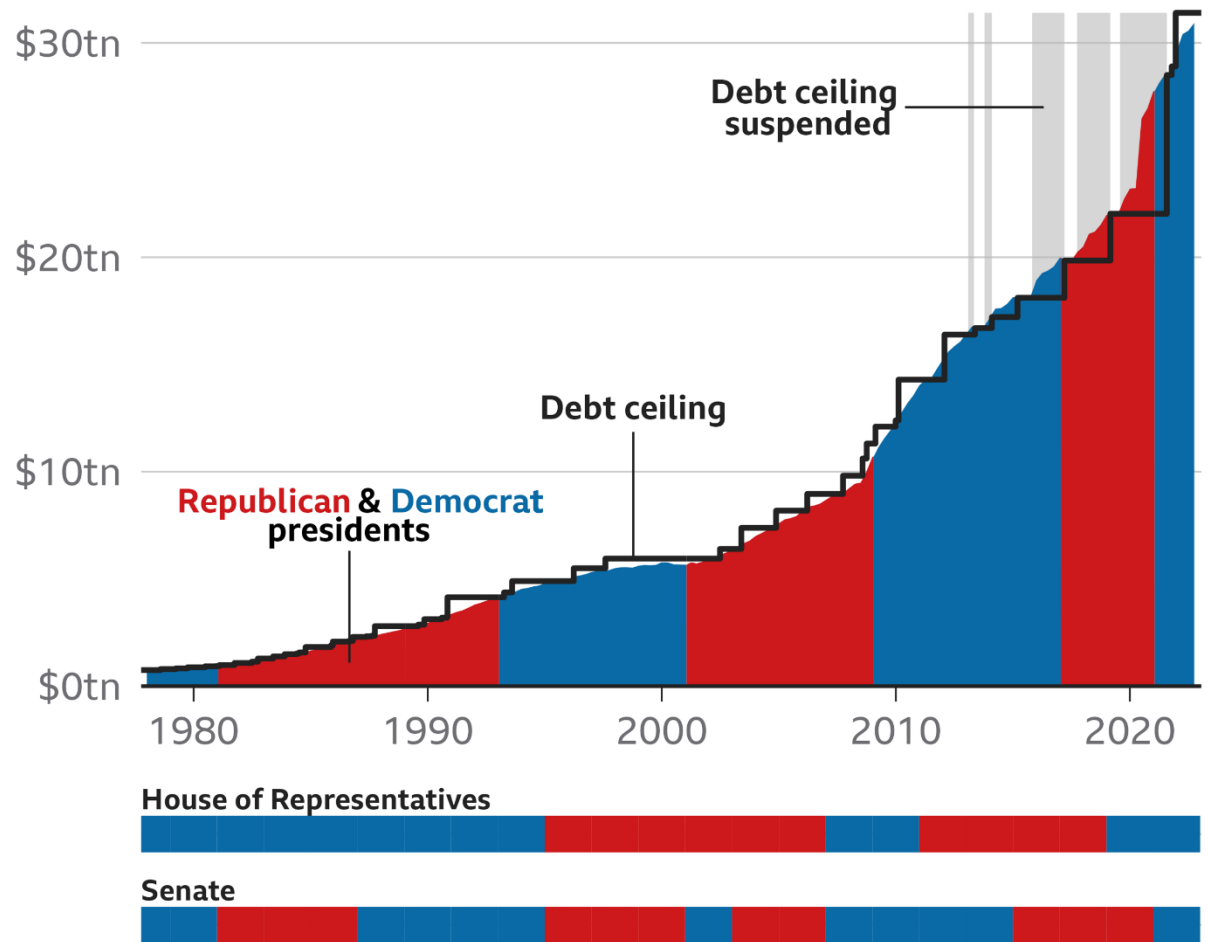
1971 – 1973: End of Bretton Woods (Vietnam), and First Oil Shock

1971 to date: Fiscal Anchor

1974 – 2024: Petro-Dollar (renewed for another 50 years)

US Debt – Is it Becoming Unsustainable?

US debt has risen regardless of administration



Sources: National Archives, Federal Reserve Economic Data, BBC research



USD: In Search for a New Anchor

In 2025: The BBB undermines the fiscal anchor

In 2026: The war in Iran (Hormuz) undermines the petro-dollar

So?

From 2026: Stablecoins AND Compute

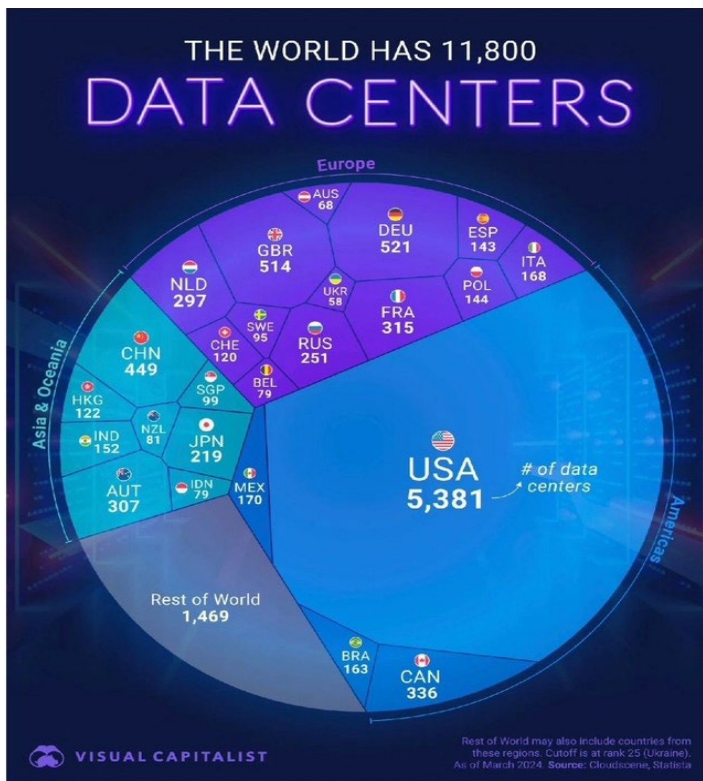
Data Centres – A Growing Business

Behind The \$215 Billion Data Center Boom: Here's Who Makes All The Key Components



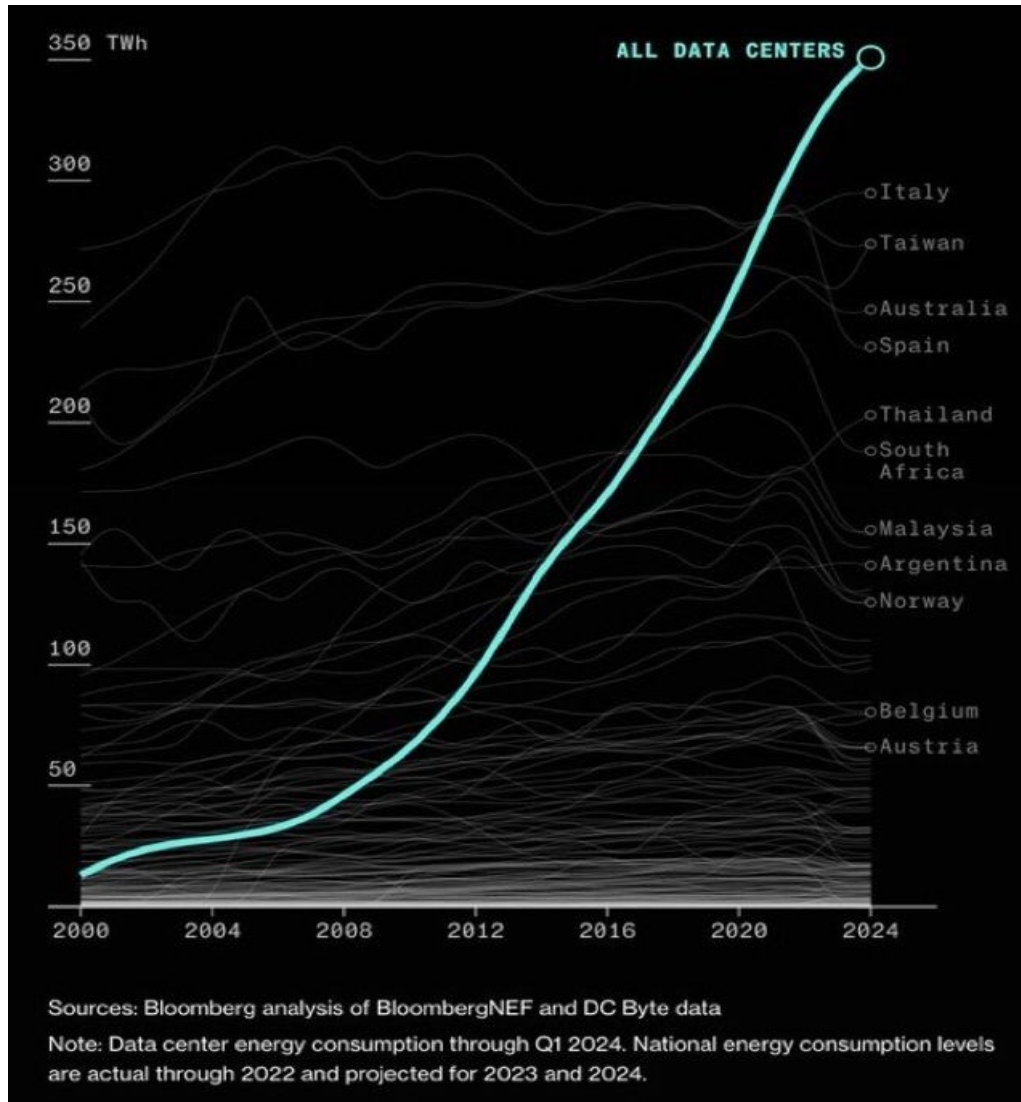
BY TYLER DURDEN

SATURDAY, SEP 21, 2024 - 04:05 PM



The U.S. holds 45.6% of global data centers, with energy demand set to hit 8% of U.S. electricity by 2030.

Data centres use more electricity than most countries



Source: <https://www.bloomberg.com/graphics/2024-ai-data-centers-power-grids/>

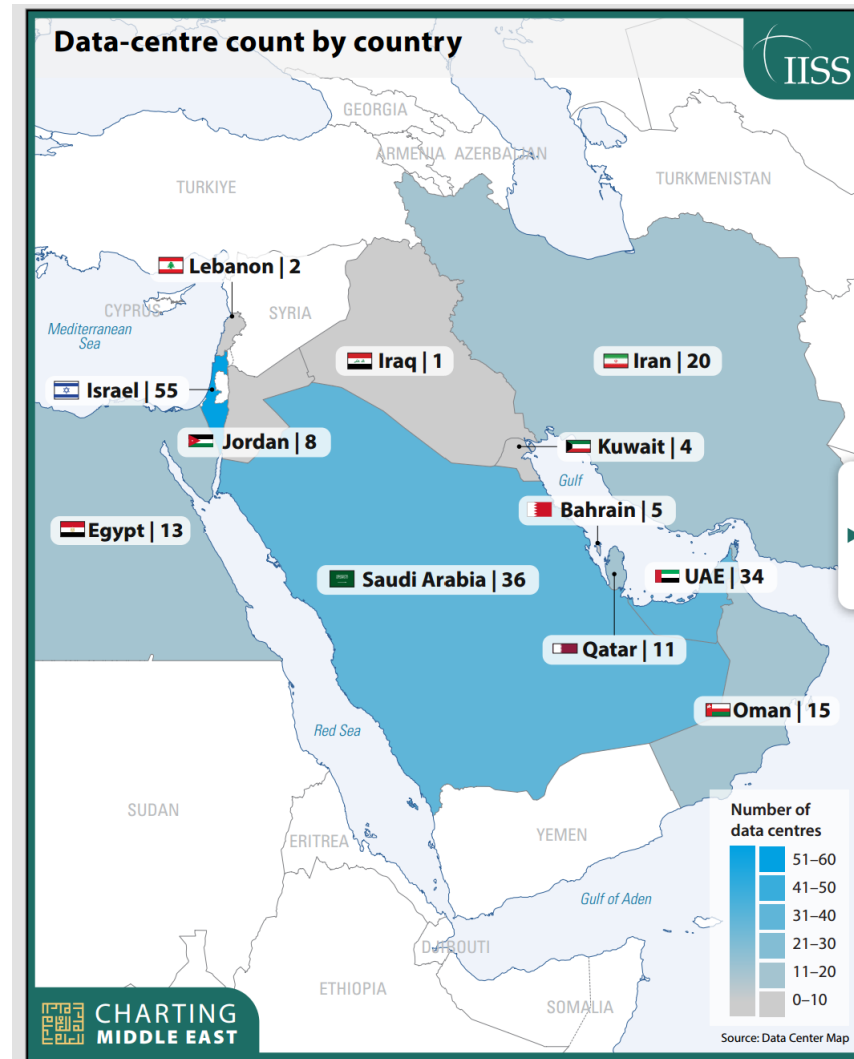
A Bloomberg data analysis of 1000s of data centres finds that **AI data centres are coming online so fast that electricity demand is straining global power grids** and threatening clean energy goals.

The total energy consumption of the data centres **has surpassed that of some developed counties**. And some are such large building structures that are similar to the size of 130 football fields.

What is more is that **Artificial intelligence workloads make extensive use of power-hungry graphics** processing units and AI training algorithms can require days of heavy processing, which generates massive amounts of heat.

Data centres use water cooling systems to reduce the massive heat they generate. To get this in perspective consider that a small 15-megawatt data centre can use up to 1.6 million litres of water a day!

Data Centre in the Middle East



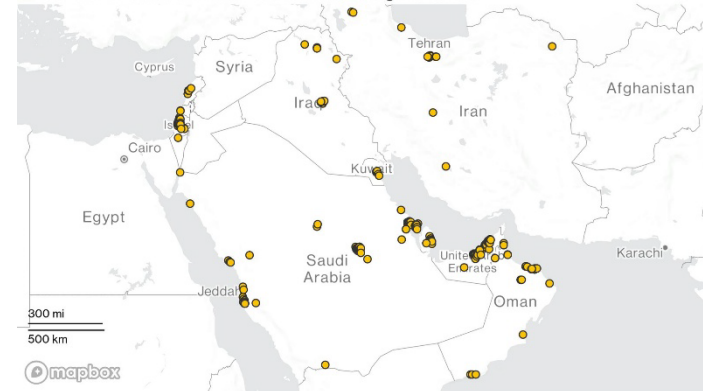
Data Centres Attacked by Iran



Data Centers Caught in Middle East Conflict

Drone strikes damaged three Amazon-operated data centers in Bahrain and UAE, and there are hundreds in the region

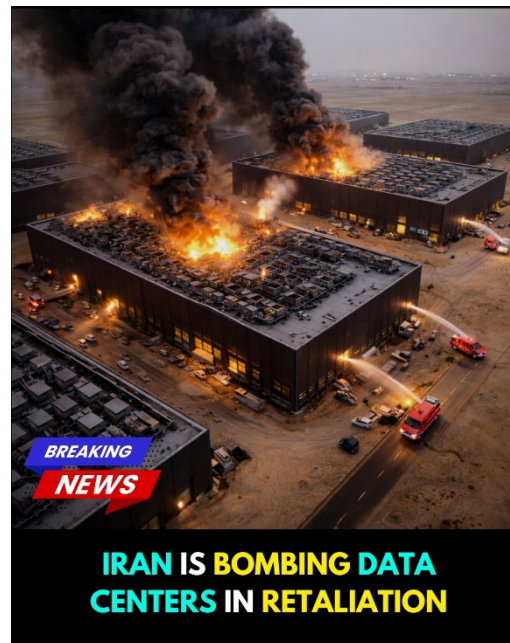
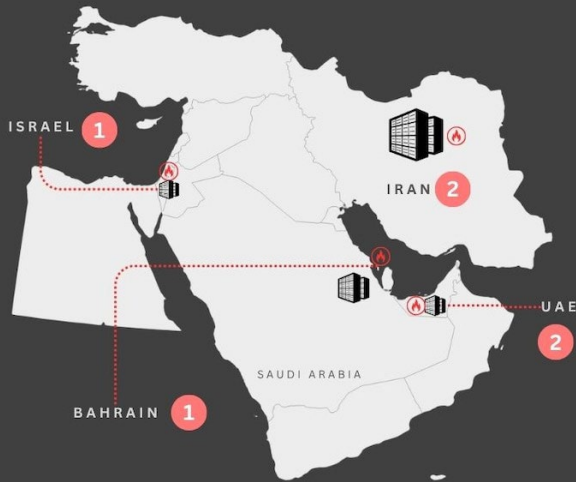
■ Data center locations in countries attacked during the conflict



Sources: Bloomberg, DC Byte

Bloomberg

Data Centers Attacked In The Middle East



Data Centres To Substitute Oil



- The real value of stablecoins would be guaranteed by “Compute”
- So “**Compute**” would be for Stablecoins what Oil was for the Dollars
- The new petro-dollar would be the **Compute-Stablecoin**
- **Compute** itself is just a more sophisticated version of energy

Petro-Dollar vs Electro-Yuan



Petrodollars vs. Electroyuans

How the war in Iran severs the financial architecture of American power—and what China is building in its place



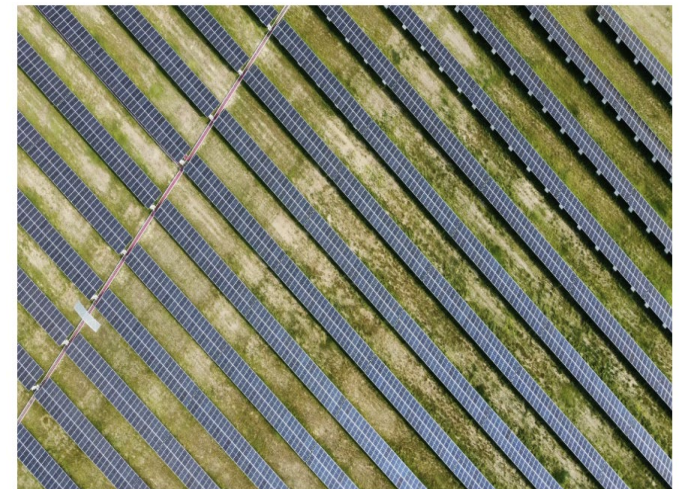
MARIEKE FLAMENT AND NICOLAS COLIN
MAR 22, 2026 · PAID

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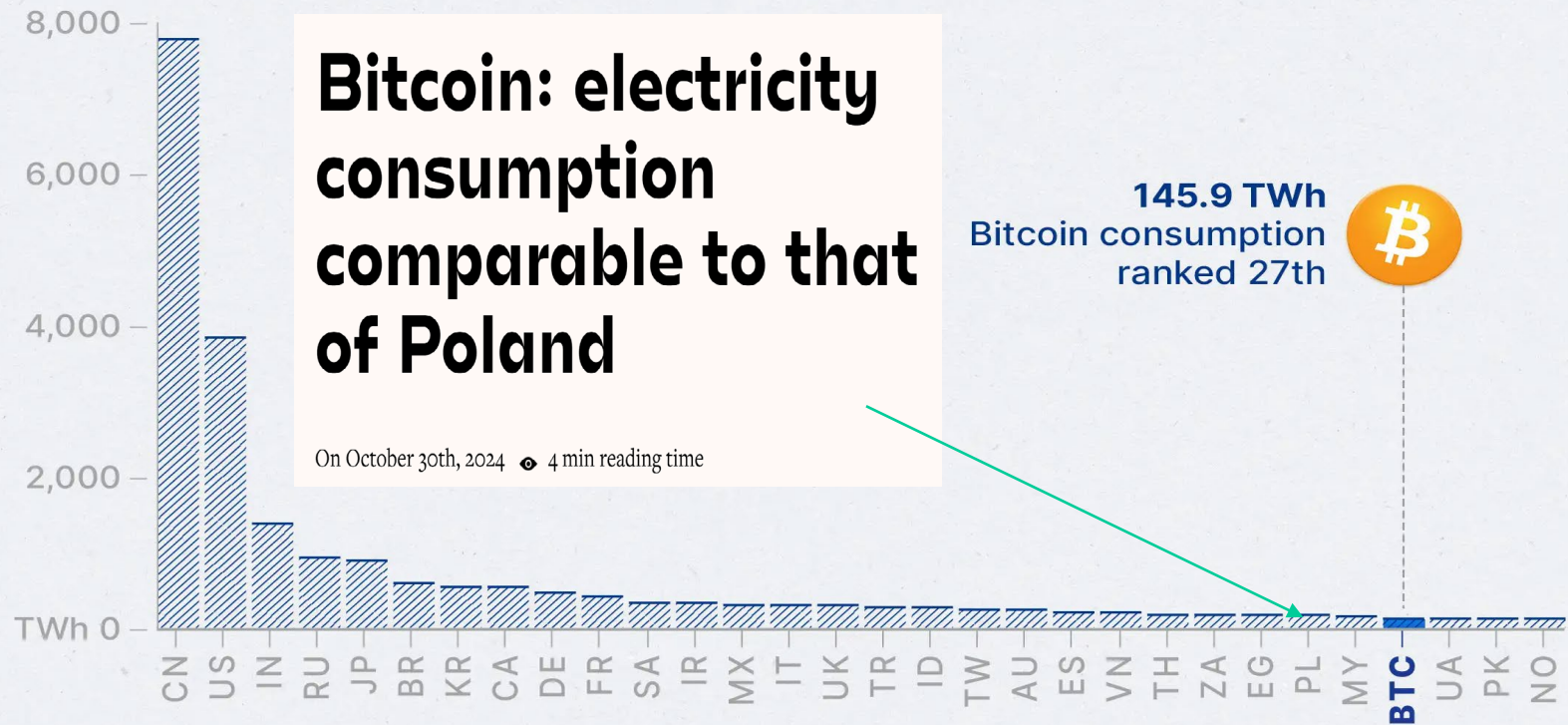
Credit: [Daniel Miksha](#) (Unsplash)

Petro-Dollar, Electro-Yuan or BTC?



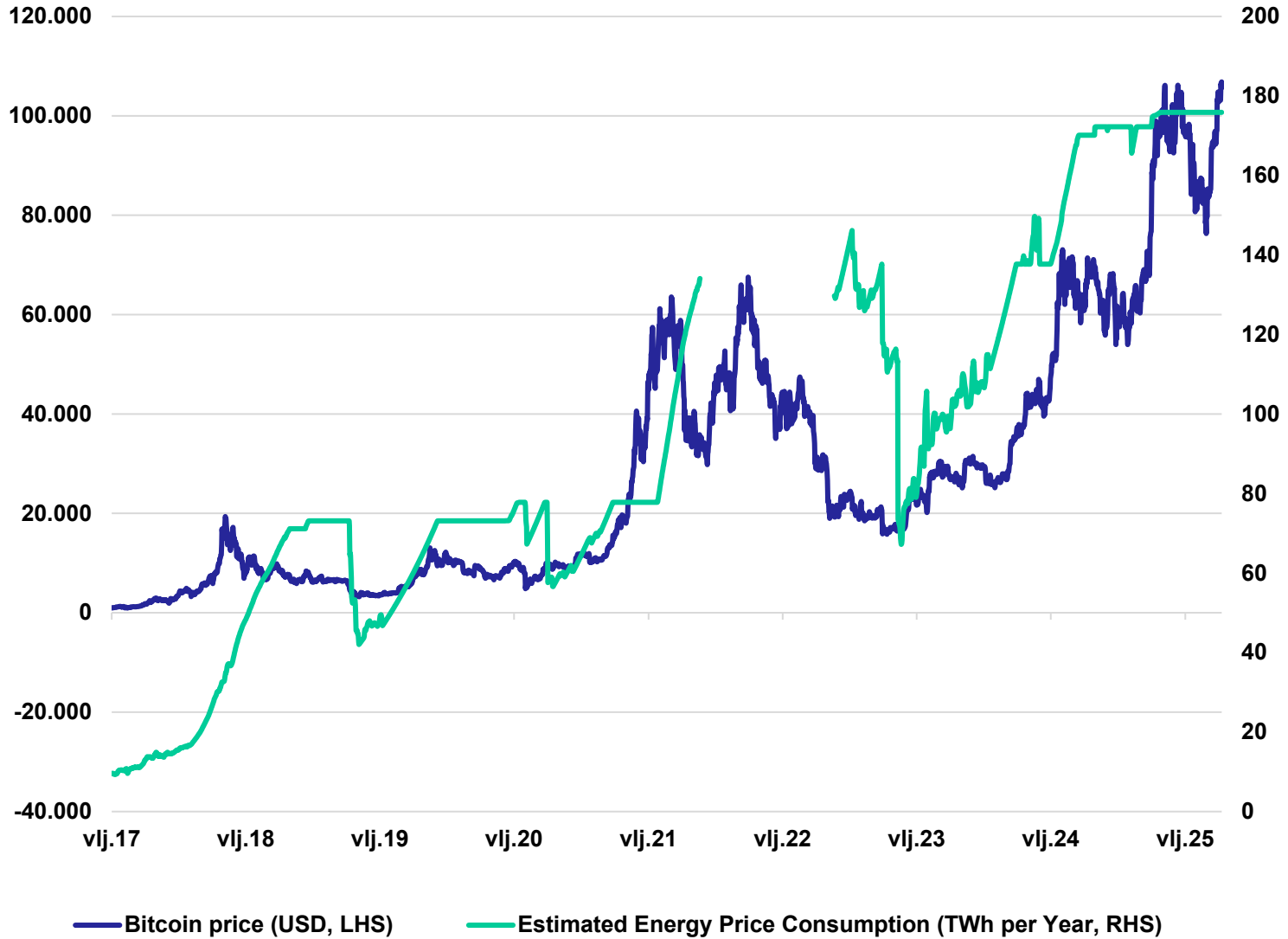
Annual Electricity Consumption by Country

In Watthour (TWh)



As of Nov 2023 Sources: Crypto.com Research, Cambridge Centre for Alternative Finance

BTC = TOKENISED ENERGY



Petro-Dollar, Electro-Yuan or BTC?



PETRO-DOLLAR

**USD-
Stablecoin**

Compute

Fossil Fuels



ELECTRO-YUAN

E-CNY

Electrical Grid

**Solar – Wind
– Hydro**



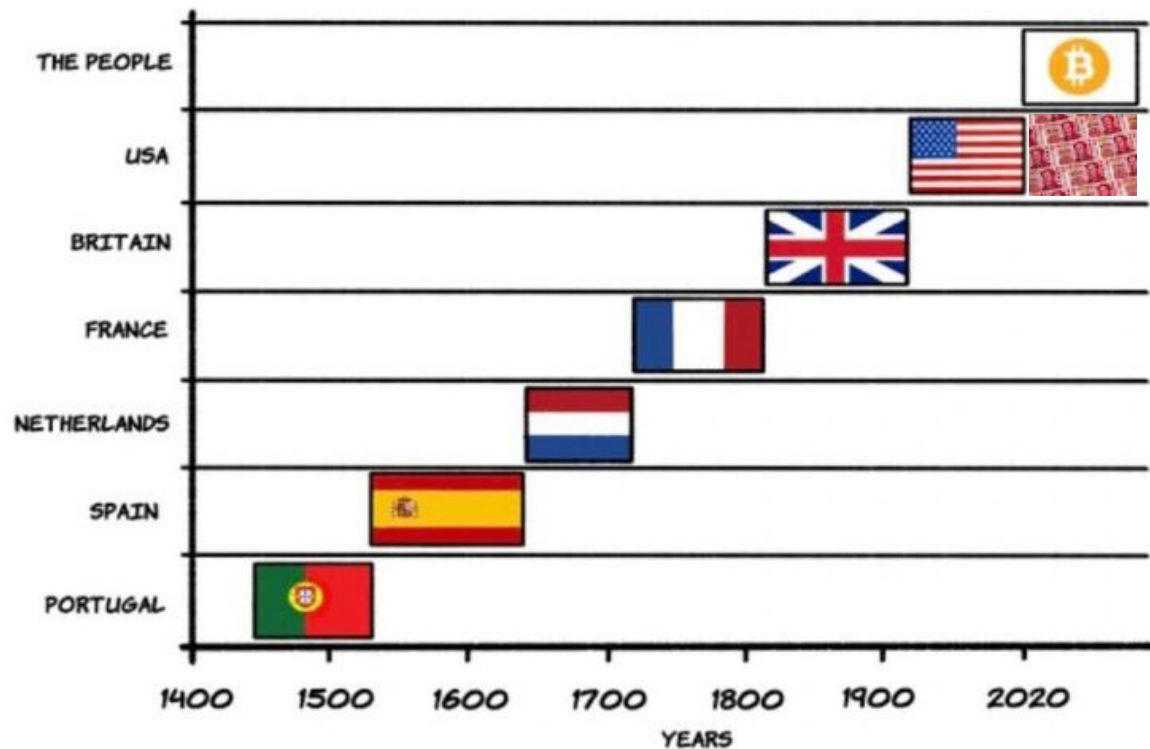
Bitcoin

Bitcoin

**Bitcoin
Blockchain
POW**

Energy

Global Reserve Currencies



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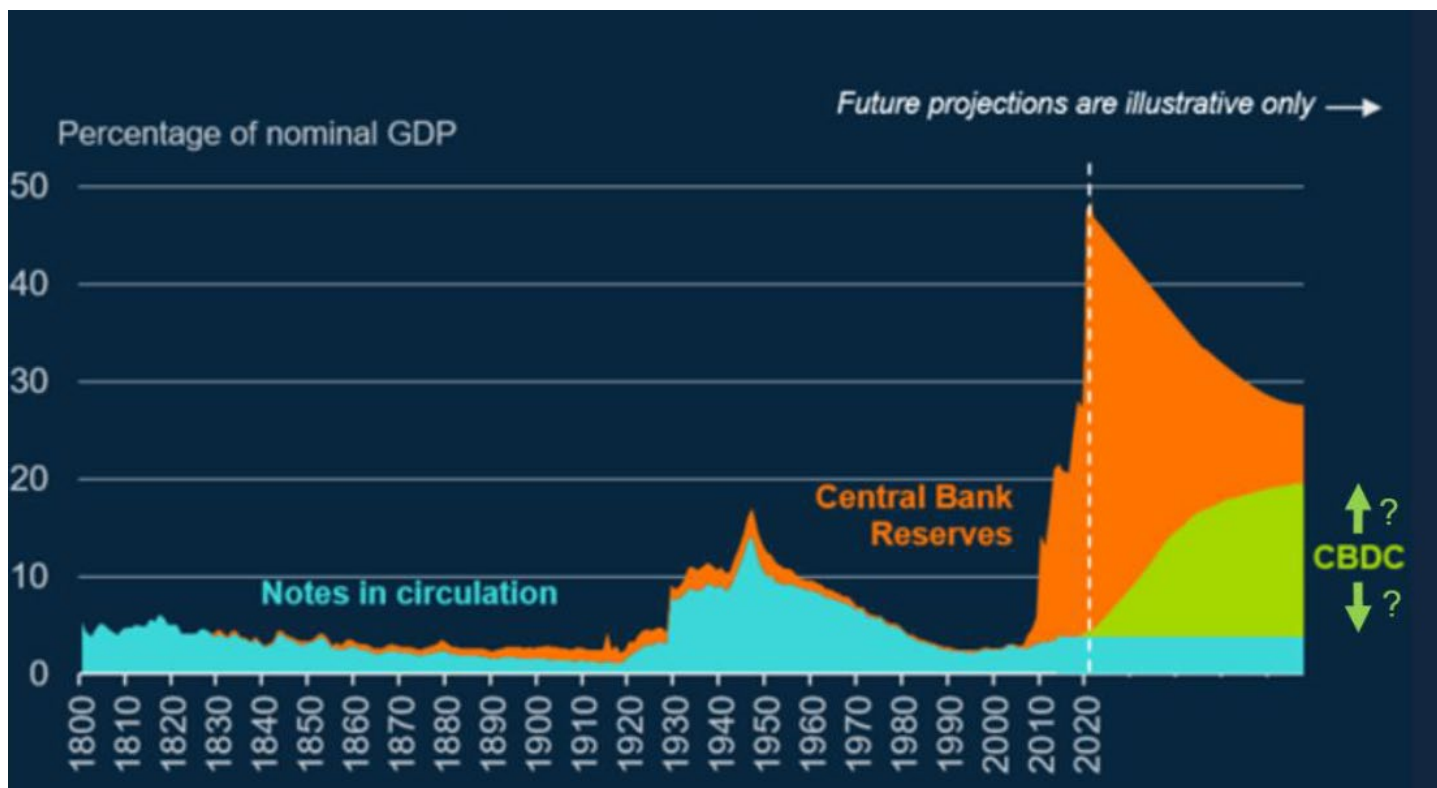
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CBDCs and Monetary Policy

The introduction of CBDCs would have an impact on three aspects of central bank's policy:

- Balance Sheet
- Monetary Policy (Interest Rates)
- Monetary Policy Implementation

Balance Sheet: CBDCs to Replace QE?



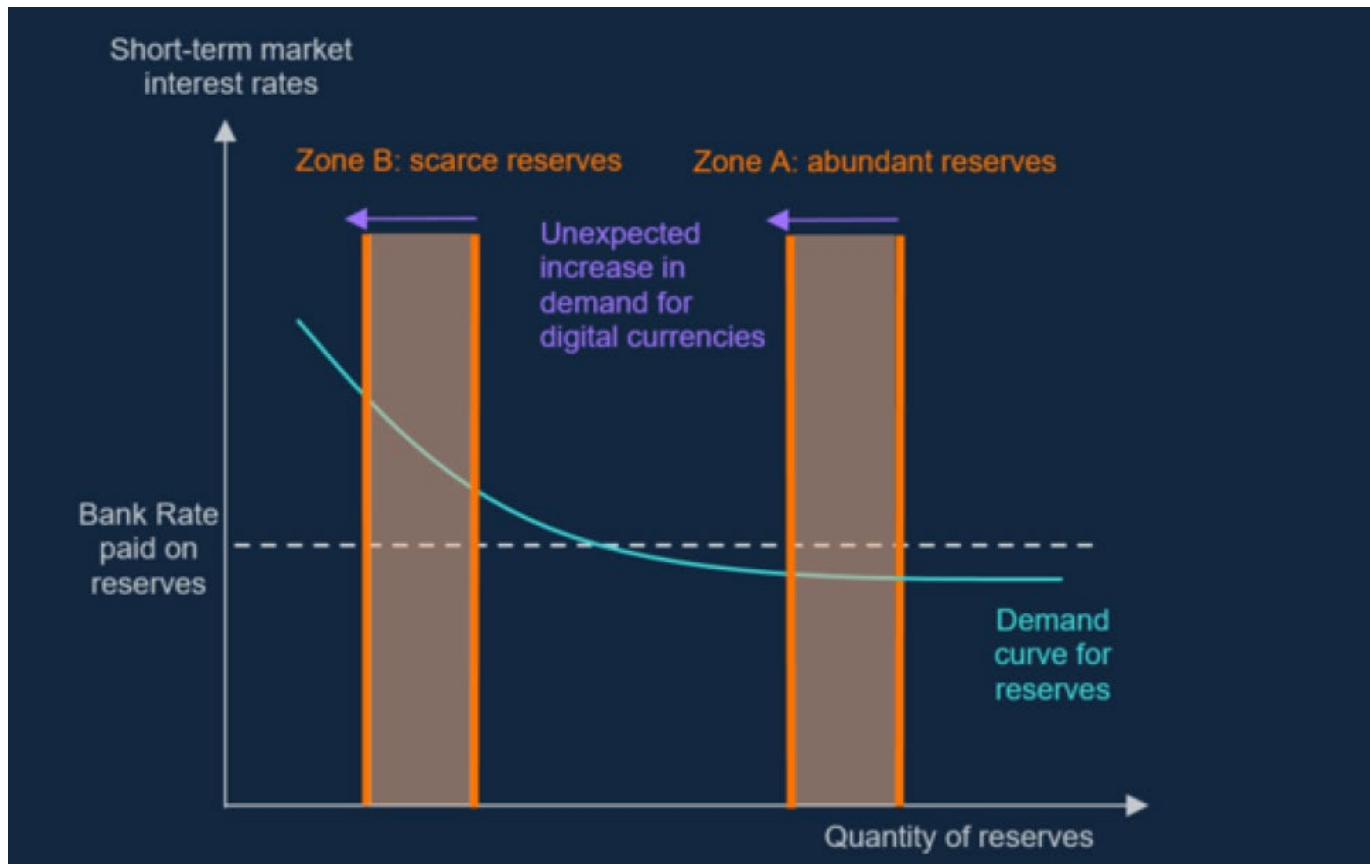
... Severely Negative Interest Rates Are Possible In Future

In case central banks were to cut rates in the future, if cash “disappears,” then money hoarding can be taxed severely:

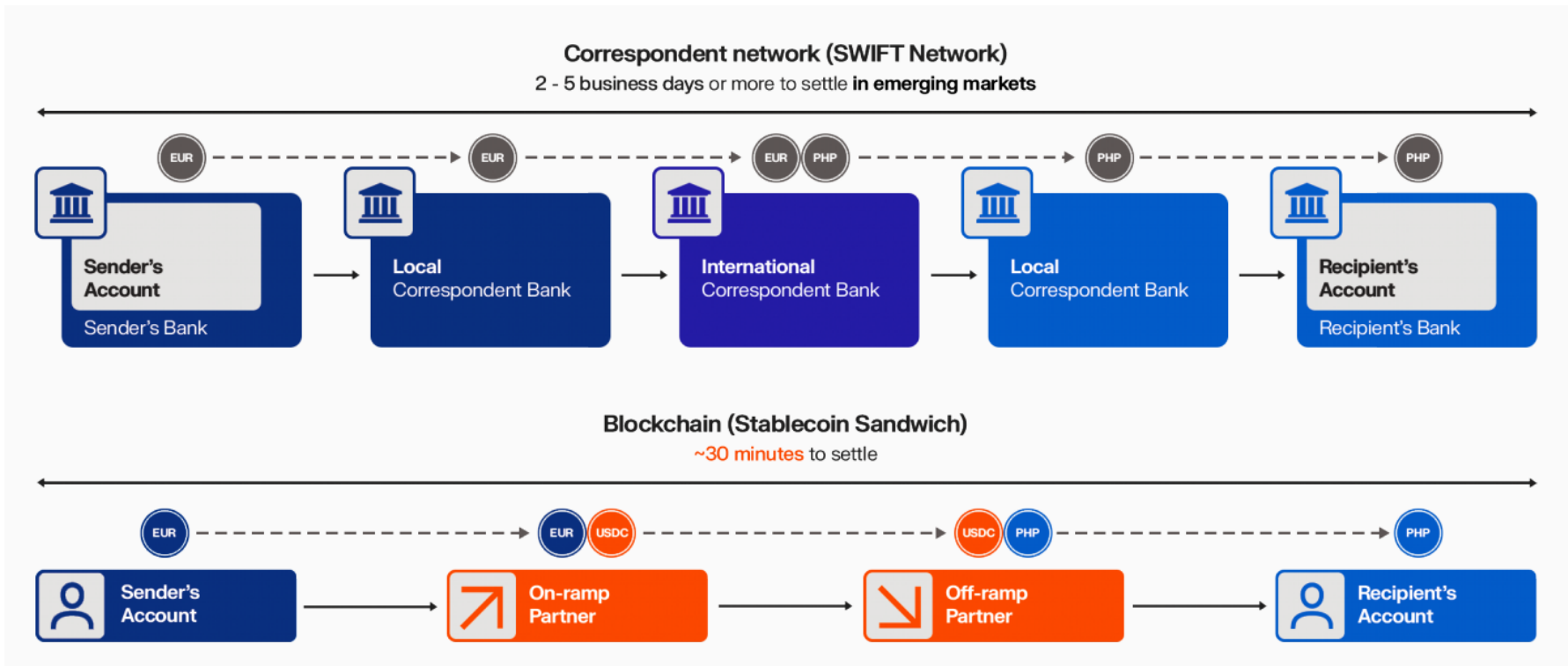
- Severely negative interest rate
- Disappearance of the Zero Lower Bound
- The Effective Lower Bound and Reversal Rate shift down

But severely negative policy rates may induce a steeper yield curve even when long-term rates are near zero

Monetary Policy Implementation (Floor System)



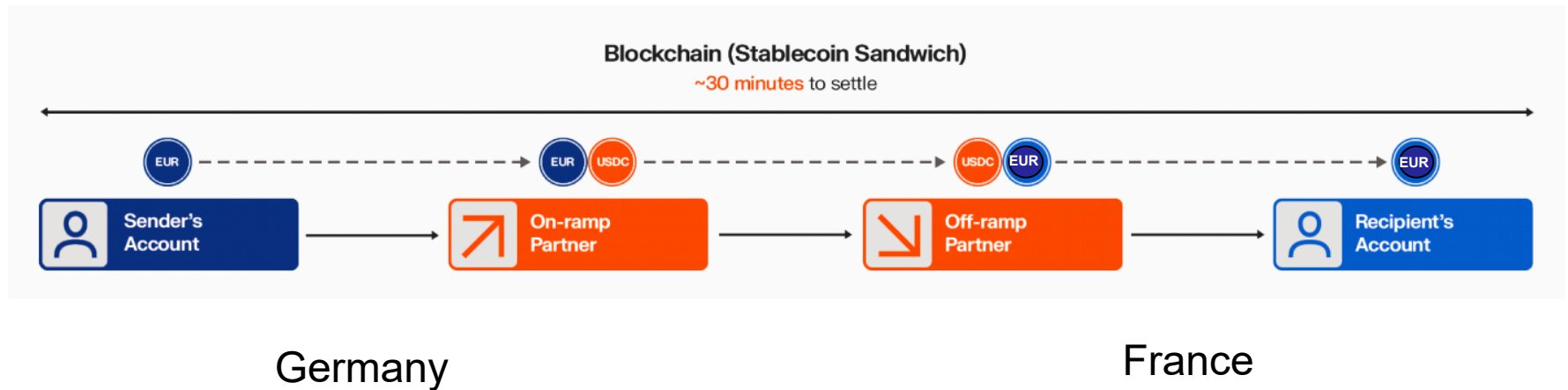
Cross-Border Payment: Traditional Swift, vs Stablecoin



The 'Stablecoin Sandwich' model streamlines cross-border payments through three layers: fiat currency on one side, stablecoins in the middle for transfer, and fiat currency on the other side. This replaces the middle layer of correspondent banks with a simple bridge.

1. **Onramp:** Sender converts their local fiat (e.g., EUR) into a stablecoin (e.g., USDC).
2. **Transfer:** The stablecoin is then transferred onchain to an address or "virtual account"
3. **Offramp:** The recipient's stablecoins are converted into their local fiat (e.g., PHP) for withdrawal or use

Dollarised Intra-Euro Transactions?



US vs UK vs EU

US: 100% US Treasury Bills

UK: Systemic (widely used) at least 40% at the BoE, unremunerated

EUR: Under the EU's Markets in Crypto-Assets (MiCA) regulation, stablecoin issuers are required to hold at least 30% of their reserve assets in commercial bank deposits. This requirement scales up to 60% or more for "significant" stablecoins (those exceeding €5 billion in reserves or 10 million users).

Transmission Channels

Deposit Stability: Banks rely heavily on deposits as a stable and low-cost source of funding to support lending to households and businesses. When deposits decline, banks may be forced to rely more on wholesale or market-based funding, which is typically more expensive and less stable.

Investment: If more payments and investments are made in stablecoins, demand for central bank money will decline. This will alter the dynamics of money markets and notably the mechanisms for setting interbank rates, with an easing of pressure on short-term rates. Consequently, interest rates will become less sensitive to changes in key rates.

Risk-free rates: If demand for these short-term US Treasury bills increases due to stablecoin issuance, pushing their prices up and their yields down, this could weaken their link with key rates and disrupt bank financing in the repo market where risk-free assets are widely used as collateral. However, if stablecoins are used as a substitute for money market funds, demand for risk-free assets will remain unchanged. The significance of this channel therefore needs to be put into perspective.

Transmission Channels

Policy Transmission through banks: In the euro area, banks play a central role in transmitting interest rate changes to households and firms. When deposits shift into stablecoins, this transmission mechanism changes. Stablecoin adoption may interfere with monetary policy transmission channels, potentially weakening the predictability of policy actions.

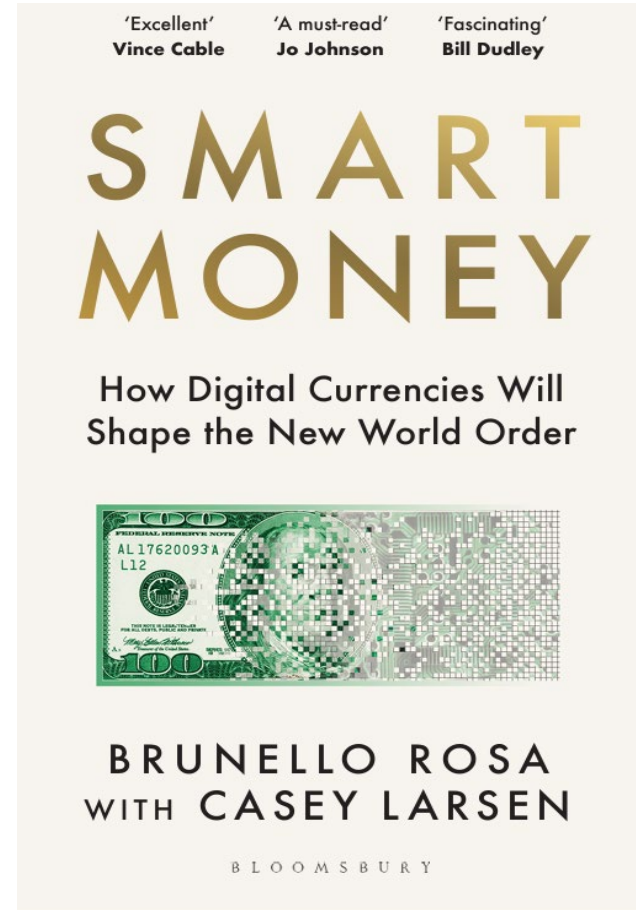
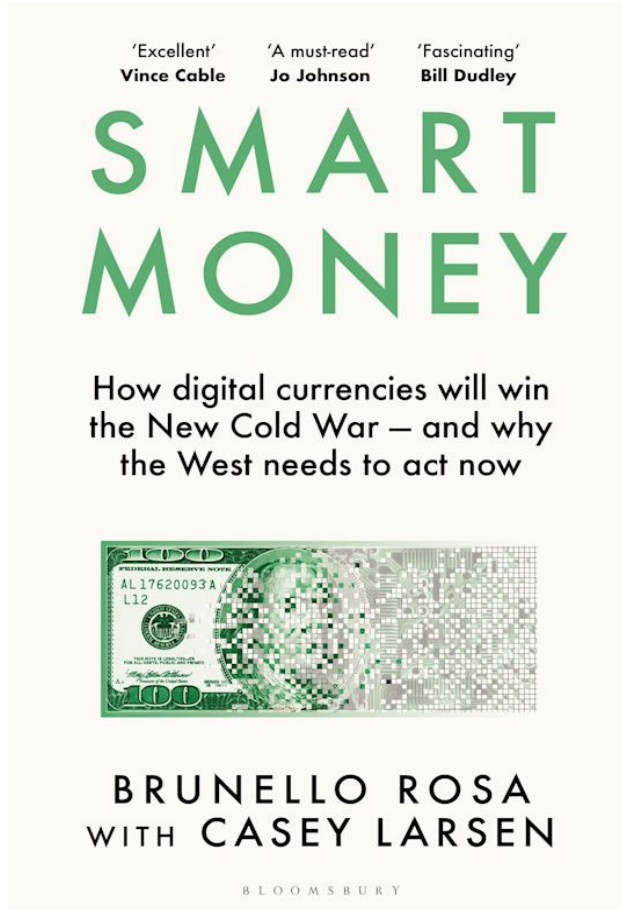
FX: Changes in global financial conditions, foreign monetary policy decisions, or shifts in investor confidence could directly affect liquidity and spending conditions in the euro area, regardless of domestic policy decisions. In simple terms, foreign monetary conditions could be “imported” into the euro area through stablecoins.

Affected Rates

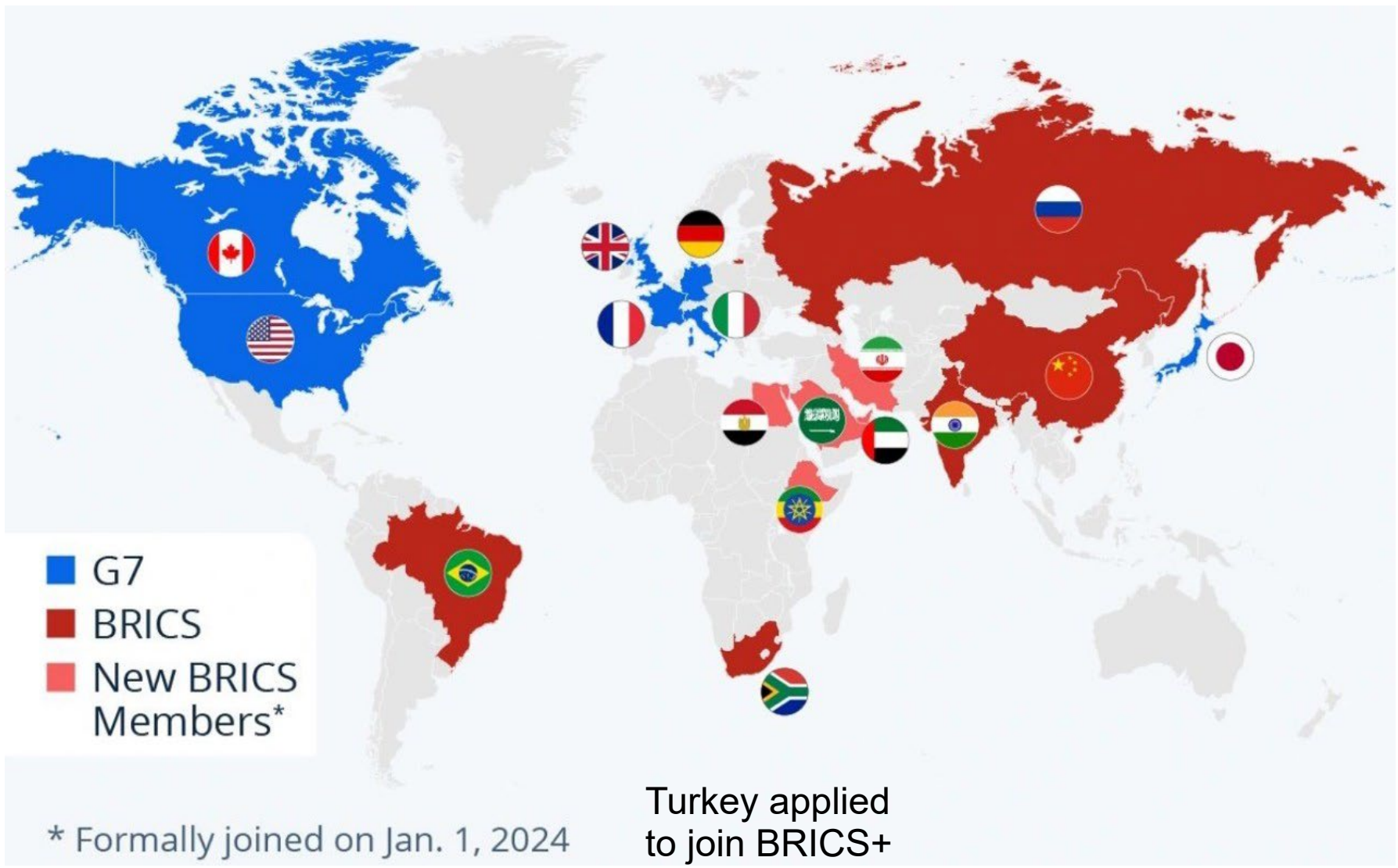
In the United States, the following rates could be disrupted by stablecoin issuance:

- **the Secured Overnight Financing Rate (SOFR)**, which measures the cost of very shortterm financing secured by US Treasuries (risk-free assets channel, deposit channel);
- **the Effective Federal Funds Rate (EFFR)**, which is the average rate at which US banks lend to each other in the wholesale overnight market (liquidity channel);
- **1-90 day bank commercial paper (CP) rates**, which are the rates on unsecured shortterm debt instruments (deposit channel);
- **Yields on US 1-3 month Treasury Bills** (risk-free assets channel).

The Book



G7 vs BRICS+



Shanghai Cooperation Organisation - Security

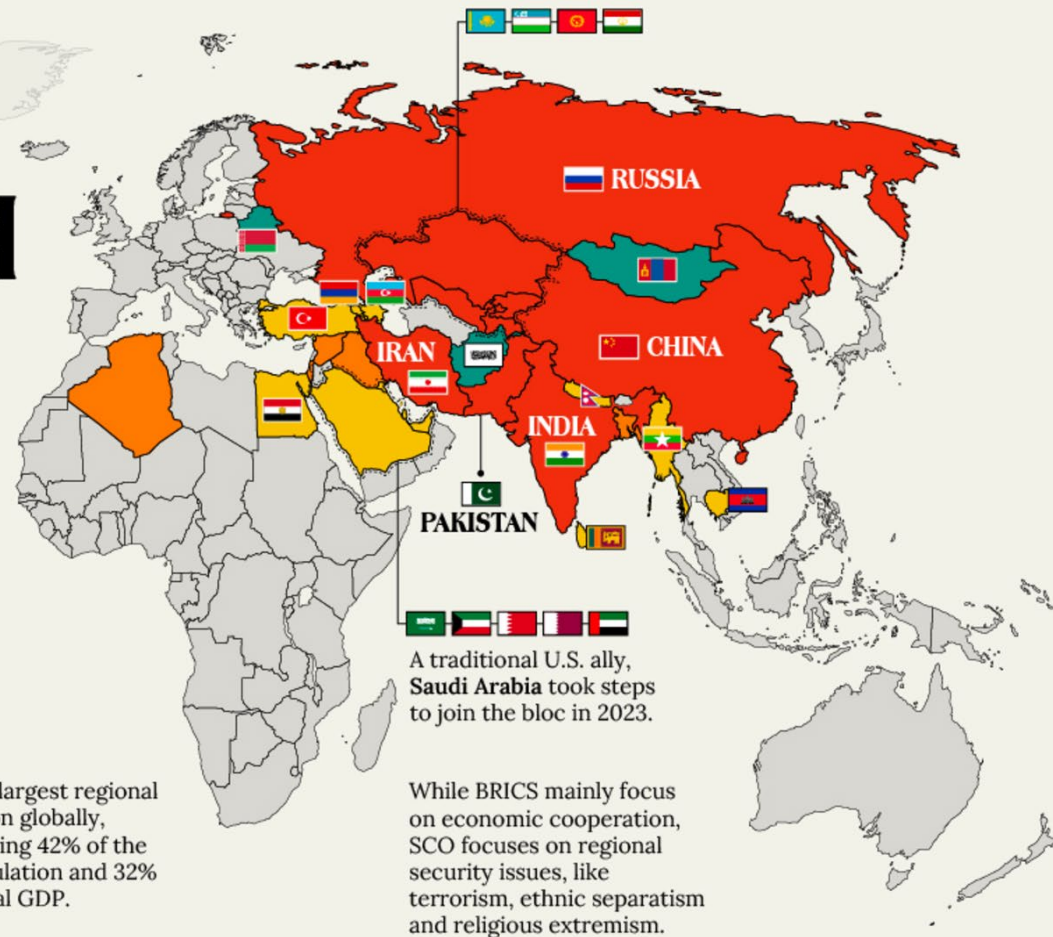
VISUALIZING THE EXPANSION OF THE

SHANGHAI COOPERATION ORGANIZATION

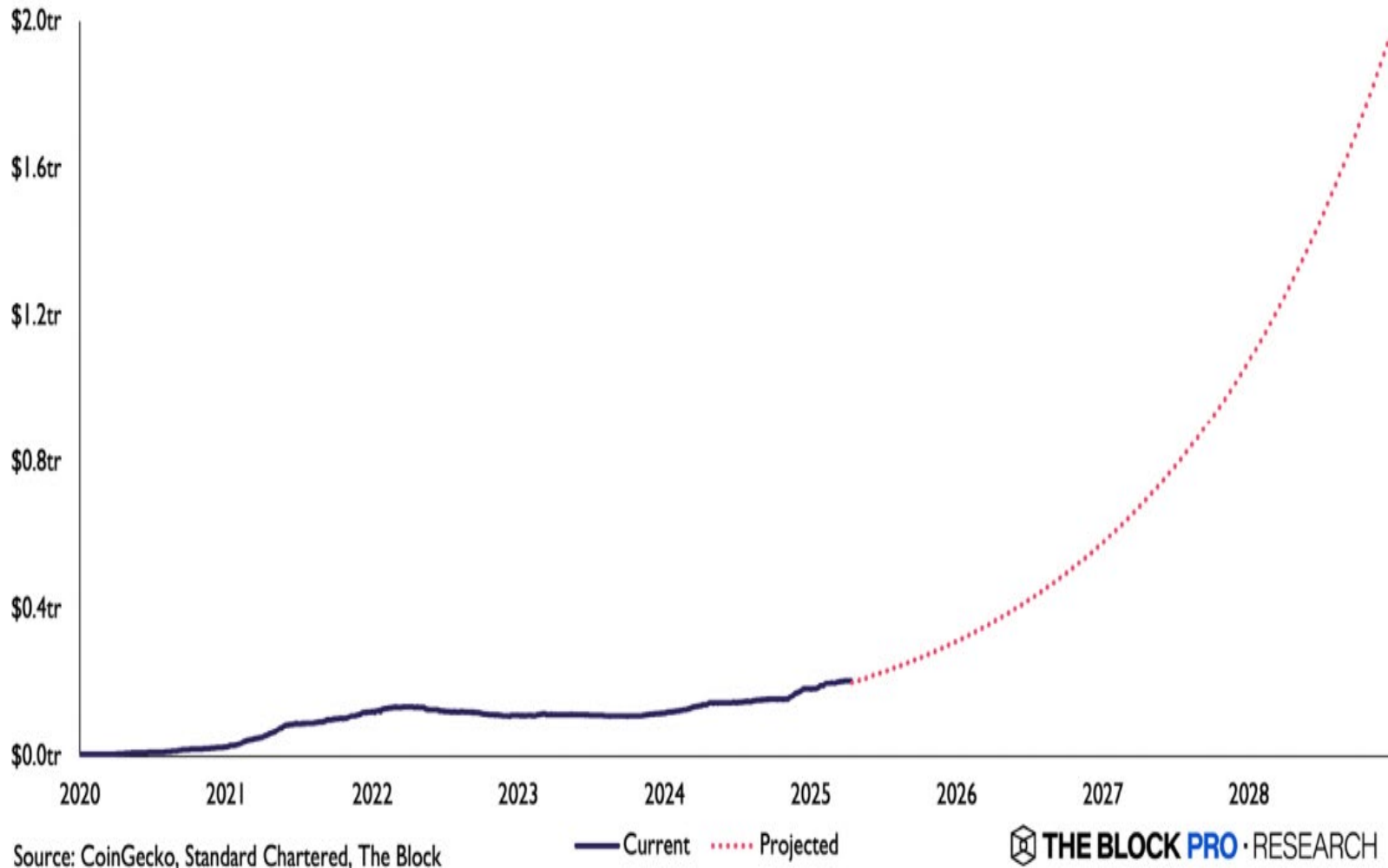
The Shanghai Cooperation Organization (SCO) is a Eurasian entity uniting political, economic, and security interests. It serves as a counterweight to Western influence in the region.

SCO is the largest regional organization globally, encompassing 42% of the global population and 32% of the global GDP.

▲ Members
 ▲ Observer States
 ▲ Dialogue States
 ▲ Interest in Joining



Projected Stablecoin Market Cap

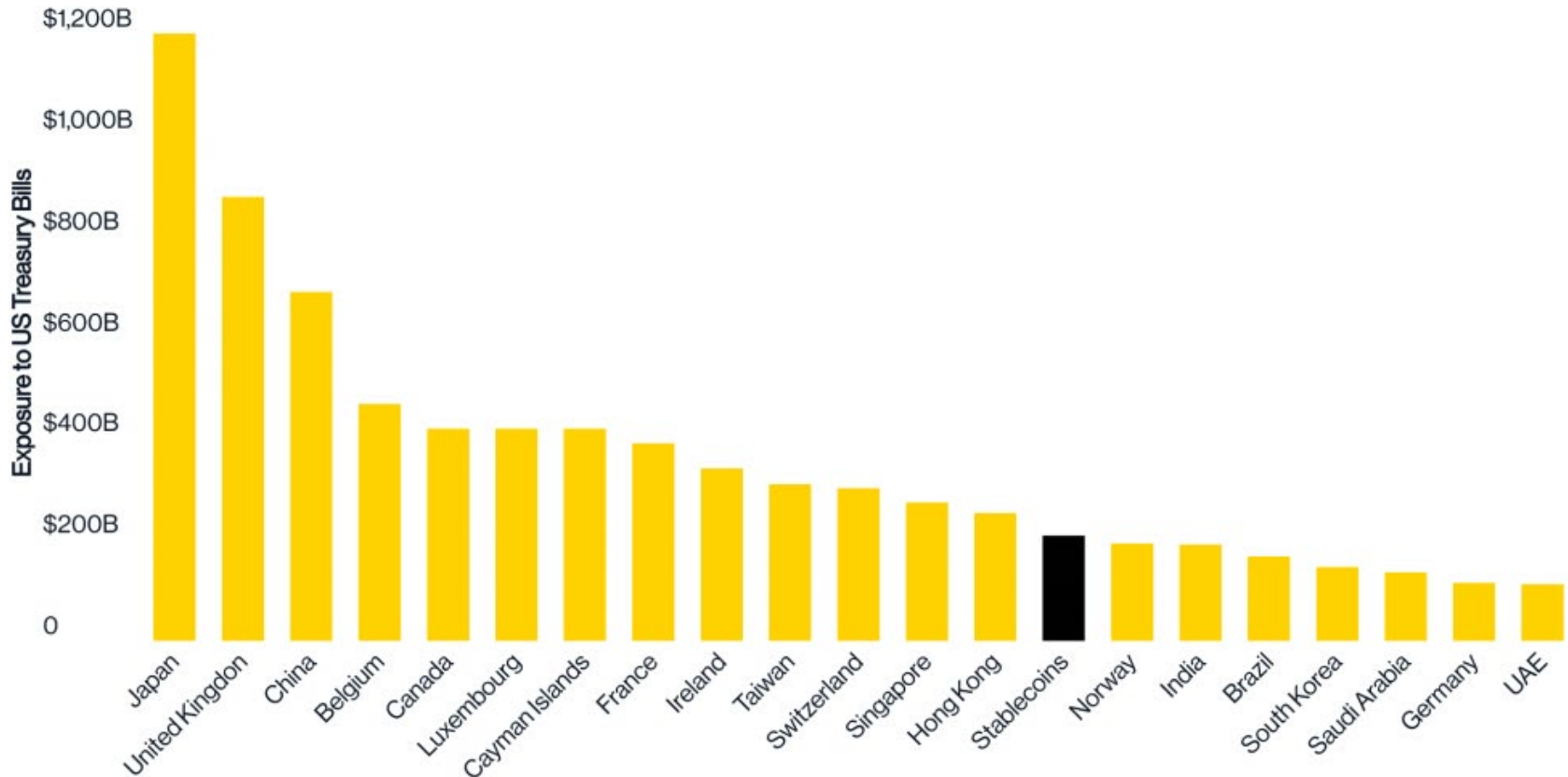


Sources: The Block Research, Billions to Trillions: Stablecoin use cases poised to expand the market

Stablecoins Among Major Buyers of US Debt

Exposure to US Treasury Bills: Foreign Countries vs Stablecoins

CoinDesk
Data



Note: Exposure to U.S. Treasury bills reflects the top 10 stablecoins only

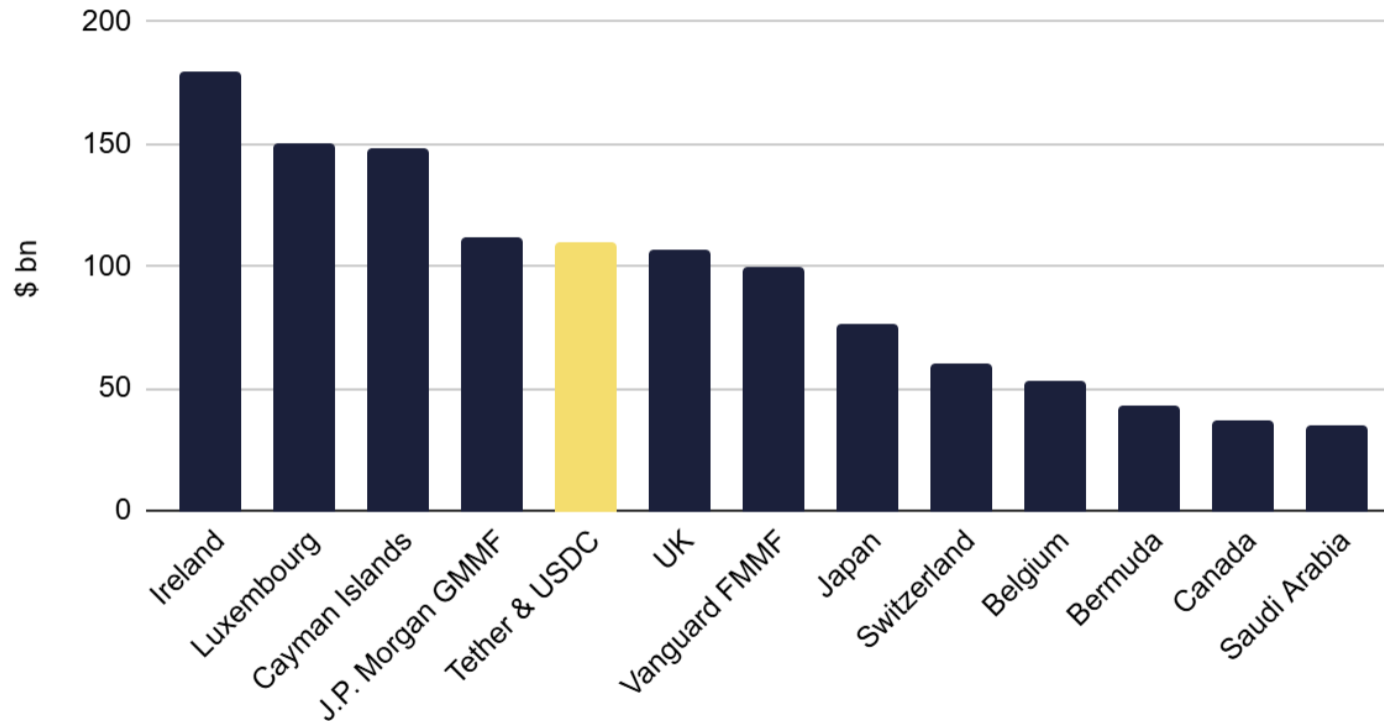


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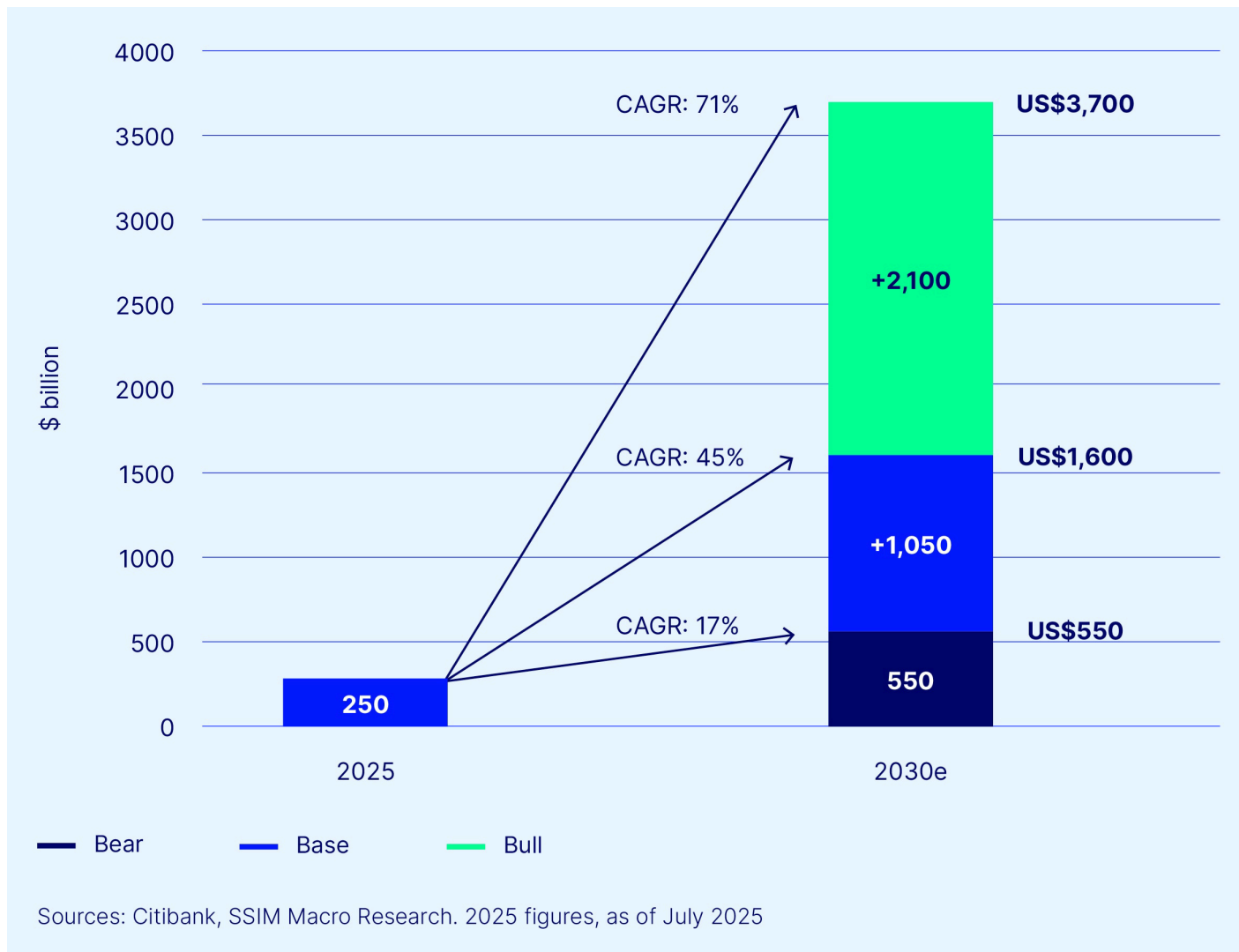
Stablecoins Among Major Buyers of US Debt

Major Holders of US Short-Term Debt in 2024



Note: Foreign Short-term debt holdings as of 30 June 2024; Tether and USDC holdings as of December 2024; J.P. Morgan GMMF Treasury holdings as of 31 May 2025, Vanguard Federal Money Market Fund T-Bills holdings as of 31 May 2025
 Source: Particula, Circle, JP Morgan, Tether, Vanguard, U.S. Treasury

Stablecoin Market Cap Forecast (USD bn)



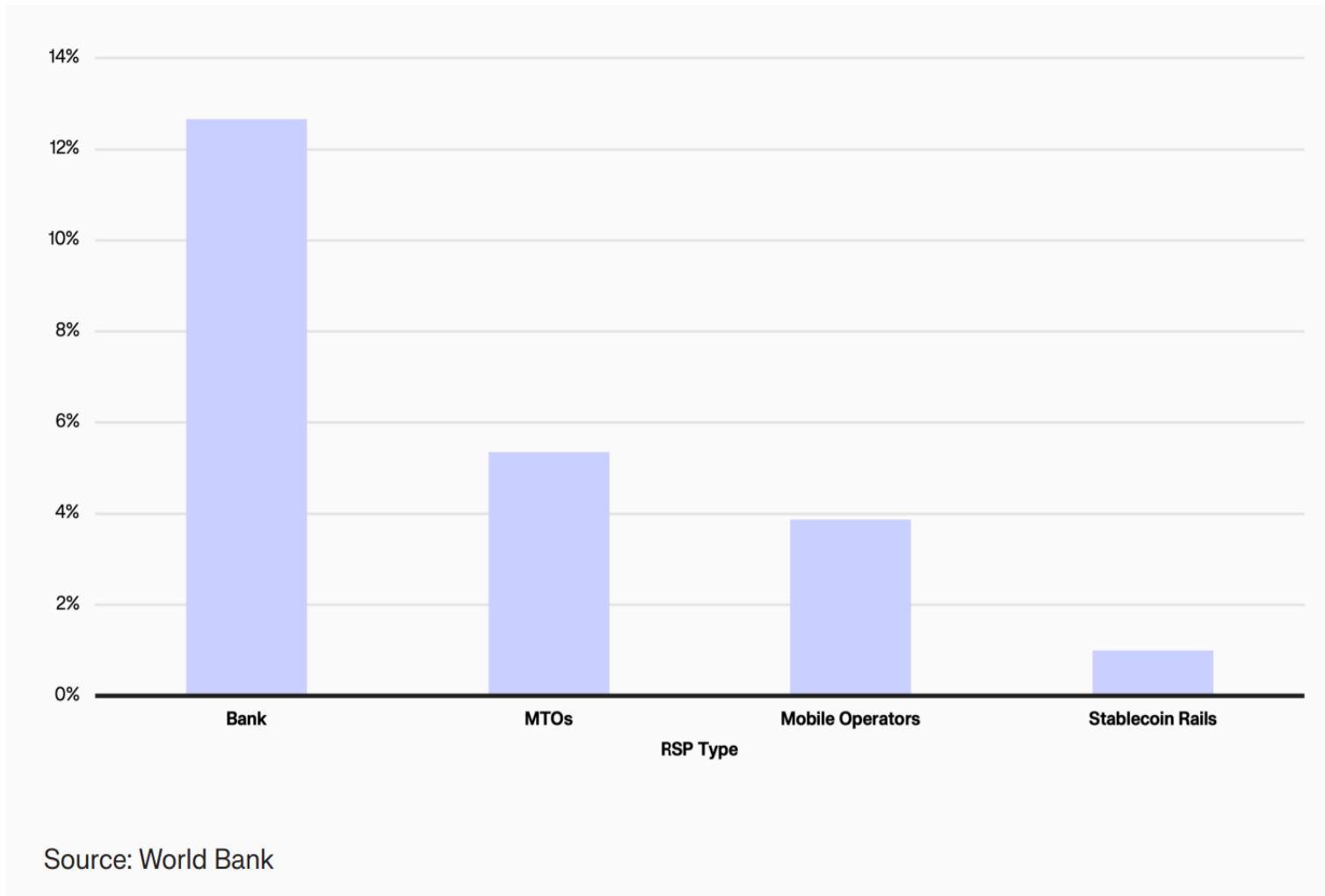
Source: [The stablecoin moment | State Street](#)



**ROSA &
ROUBINI**

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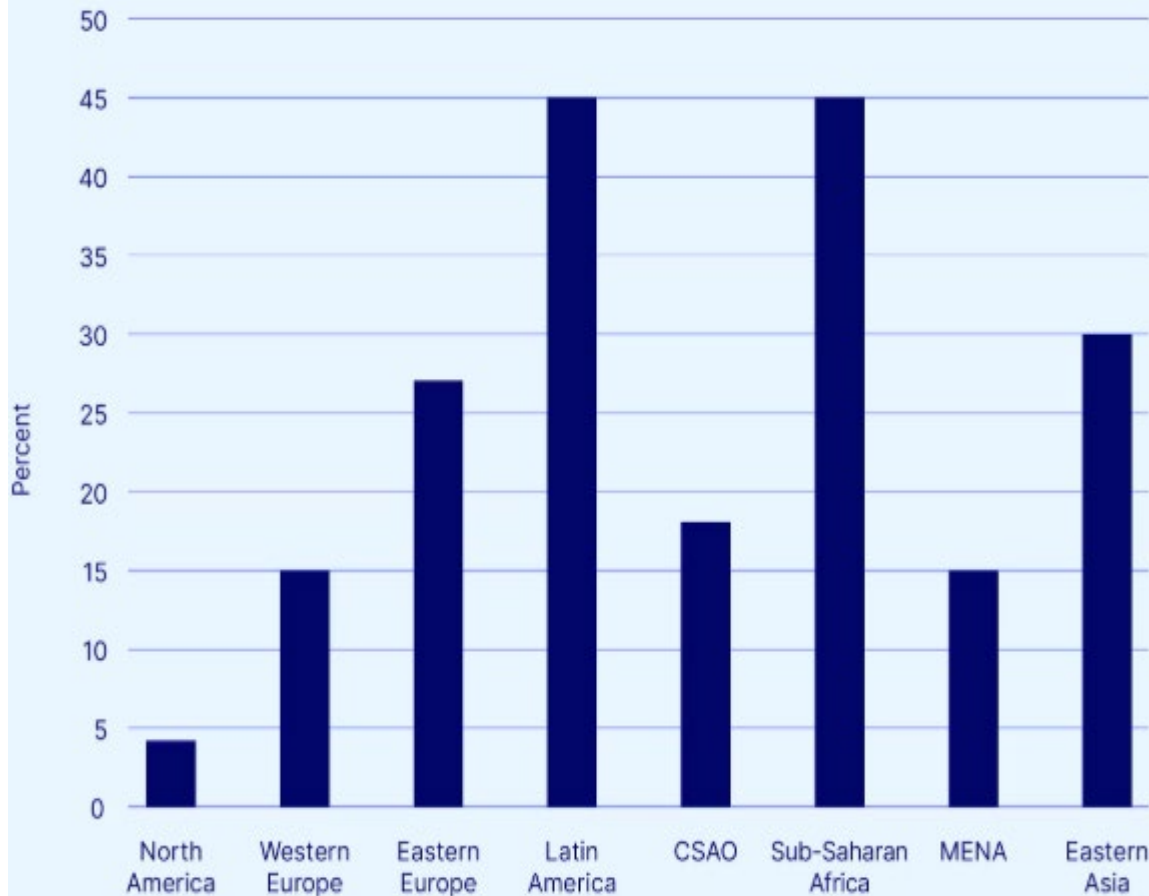
Stablecoins Can Reduce Remittance Costs by 92%



Sources: The Block Research, Billions to Trillions: Stablecoin use cases poised to expand the market

Rapid Adoption in EMs

Figure 3: Year-over-year growth in stablecoin transfers <US\$1M (%), 2023-24



Source: Chainalysis, SSIM Macro Research

- As 99 % of stablecoin AUM is USD-denominated, a comparable asset substitution dynamic could emerge in non-US jurisdictions.
- In these regions, deposits may flow out of the domestic banking system into USD-backed stablecoins, potentially exacerbating currency depreciation.
- This dynamic is particularly acute for emerging and frontier markets (EM/FM).
- While the exact market cap share of emerging markets in stablecoin AUM is unknown, the significant use cases in these regions suggest that a substantial portion of the overall market capitalization is either held or transacted within these economies, supporting rapid uptake.

Why Companies Issue Stablecoins?

Profit per Employee (USD) vs. Company

