

Trade Network Centrality and Invoicing Currency

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Abstract

This paper studies how global trade network structure shapes countries' invoicing currency choices. Using panel data on trade invoicing and network centrality, we show that countries use more of their home currency for import invoicing as their structural centrality increases. In contrast, home-currency usage in export invoicing exhibits a non-linear relationship with network position, emerging only at very high levels of structural centrality. These findings highlight the role of asymmetric trade networks in sustaining dominant currencies and show that invoicing responds to long-run structural network position rather than short-run trade intensity fluctuations.