

Cautious optimism at bitcoin summit despite uncertain future

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Promotion girls pose during the opening ceremony of the city's first bitcoin retail shop in Hong Kong on February 28, 2014

Some 200 virtual currency enthusiasts excitedly traded namecards and participated in panel discussions Saturday at China's first-ever Global Bitcoin Summit—but several expressed shock that the event was given the green light in the first place.

Bitcoin is a form of cryptography-based e-money that can be stored either virtually or on a user's hard drive, and offers a largely anonymous payment system.

Speculators drove China's Bitcoin prices into the financial stratosphere last year, peaking at 7,588.88 yuan (now \$1,224) in November, prompting the ruling Communist Party to take a series of steps that have triggered a tumble in the the [virtual currency](#) and cast doubt on its future.

"I'm a little bit worried," Eric Gu, the co-founder of the Shanghai-based Bit Angels Club, told AFP on the sidelines of the gathering at Beijing's National Convention Centre.

"This morning, when I woke up, I was concerned, 'Will I be able to get into this summit at all?'"

This week, China's five largest Bitcoin exchanges abruptly declared they were pulling out of the Global Bitcoin Summit. The announcement followed an order from China's central bank to the country's top banks to crack down on activity related to the virtual currency.

At least 11 banks have ceased providing services related to Bitcoin, according to separate announcements, including China's "Big Four"—ICBC, Bank of China, China Construction Bank and Agricultural Bank of China.

Despite government attempts to rein in the virtual currency and an order from Chinese authorities prohibiting domestic media from covering the event, the first day of the two-day summit was allowed to take place as planned on Saturday.

Several attendees told AFP that they were cautiously optimistic about the

future of Bitcoin, with some even voicing support for the Chinese government's stepped-up regulation of the currency, which is not backed by any government or central bank.

China 'let Bitcoin grow wild'

"I think the government was pretty good to the Bitcoiners in China—at the beginning," said Gu, whose company invests in Bitcoin startups. "It was kind of too good."

"China has the biggest exchanges in the whole world," he said. "The rest of the world's exchanges combined wouldn't compare to one exchange in China. So, the Chinese government let Bitcoin grow wild. Now they feel, 'Oh, let's slow down a little bit.'"

Loning, a Bitcoin user from the northeastern city of Tianjin who declined to give his last name, said that while rumours had swirled that the summit might be shut down, the conference was "mainly an academic one; we're not here to try to influence the government".

Chinese authorities may not ban the currency outright, he added, but "they may severely restrict it".

"What the Chinese government cares most about is stability—even if that's not exactly what we want," he said.

Uncertainty over Bitcoin's future in China did not appear to stop organisers from promoting its use at the summit.

One large sign erected near the centre of the hall announced that attendees who filled out a survey would have a chance to win an iPad mini, an iPod shuffle—or one-tenth of a Bitcoin.

'I'm surprised the conference was allowed to go on'

Among the international attendees was Bitcoin Alliance of Canada executive director Anthony Di Iorio, who flew to Beijing from Toronto to speak on a two-hour panel Saturday evening.

"In China, it's really weird right now," Di Iorio told AFP. "You've got the five exchanges that pulled out at the last minute, and they're not speaking, either. I'm surprised the conference was allowed to go on."

"I think some of them are scared," he added of Chinese Bitcoin enthusiasts. "But I mean, they're just passionate about this amazing technology. ... The space in general is growing rapidly. From what I'm hearing in China, I think there will be some breakthroughs."

China's recent regulatory steps have led to speculation that Bitcoin is all but dead in the country.

But for some participants on Saturday, merely having the opportunity to connect in person for the first time with fellow users overshadowed those doubts—at least for the time being.

"For many of the top Bitcoiners in China ... you wouldn't dream something like this would happen—everybody you know online, they're actually physically here," Gu said. "It's amazing."

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