

FEATURE

China crypto national currency 'inevitable'

Digital currency will eventually replace coins and notes, says PBOC governor Zhou



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As most of the world scrambles to regulate and restrict crypto-currencies, China it seems, is going the other way. Sort of.

Economist Zhou Xiaochuan who as governor of the People's Bank of China (PBOC) is in charge of the country's monetary policy, [says](#) a national digital currency is "inevitable."

Speaking at the National People's Congress, Zhou said digital currency will eventually replace coins and notes but, intriguingly, this might not be in the form of crypto-currency and could utilize another form of technological innovation

There have been all sorts of rumors about various different national cryptos but to date, Venezuela is the only country to push ahead. The "Petro" is backed by the country's oil reserves and pre-sales have, according to President Nicolas Maduro, raised \$5 billion in just a few weeks. But its launch has certainly been [controversial](#), with Maduro saying the Petro will help bypass American financial sanctions, the US Treasury warning that it may violate sanctions

and the Venezuela opposition arguing the coin is actually illegal. China, of course, wants no such drama. Zhou says Beijing will move cautiously in its search for a coin that is efficient, cost-effective and secure.

After reportedly running successful [trials](#) in 2017, China looked set to be the first country to deploy a digital currency but news of the program disappeared amid a range of widespread crypto crackdowns. Zhou confirmed that the tests will continue this year but so too will the clampdowns. Nothing, said Zhou, can be allowed to "conflict with the current financial order."

Few would doubt his words.