

# Central banks look to quell crypto's influence over the money supply

## Article

**The news:** The **Bank of Mexico** intends to launch a **Central Bank Digital Currency (CBDC)** within the next two years, according to American Banker.

The central bank [confirmed](#) its plans last week via Twitter, signaling a strong commitment by noting that, "These new technologies and next-generation payment infrastructure are extremely important."

**The data:** Among adults who have discretion over their finances, awareness of cryptocurrencies is nearly ubiquitous, according to a Visa [study](#) completed in partnership with LRW, a Material Company.

- 81% of adults worldwide control their household's finances (their household income is >\$35,000 income and they're financial decision-makers). **Among this group, 94% were aware of cryptocurrency.**
- **57% of respondents were familiar with CBDCs. This number jumped to 70% among adults in emerging markets.** It was just 49% for those in developed economies.
- **46% of respondents around the globe were aware of stablecoins.** Similarly to CBDCs, developing countries showed greater awareness of stablecoins than more mature regions—61% versus 37%, respectively.

**The bigger picture:** Central banks worldwide have been ramping up interest in CBDCs as they look to maintain control over their country's money supply.

- **China's** central bank [released](#) a pilot of its digital yuan (e-CNY) ahead of the Beijing Winter Olympics. The number of people with e-CNY accounts increased to 140 million, according to November data from the Public Bank of China.
- **India** [plans](#) to pilot a CBDC early this year, and indicated it may connect the digital currency to its instant mobile bank-to-bank transfer system, which could help boost adoption.
- Elsewhere, CBDC ambitions are less developed, but **around 90% of central banks worldwide are exploring creating CBDCs**, according to Reuters. (And for those keeping score, there's also now a [Central Bank Digital Currency Tracker](#).)

**Looking ahead:** As digital currencies of all types gain traction globally, banks that don't prepare to meet the demand risk being left behind.

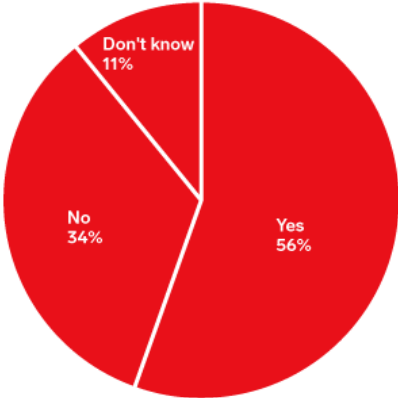
- **Banks could sell crypto directly to their customers.** 50% of consumers who are aware of crypto are interested in their bank offering cryptocurrency, according to Visa data. 39% of crypto owners from the study said they would be likely to switch to a bank that offers crypto products within the next 12 months.
- **Banks could offer CBDCs and stablecoins as alternative savings vehicles.** Interest in using CBDCs or stablecoins as a saving option remained below the level of overall awareness for

each digital currency. But Visa's data still displays their potential: 22% of respondents expressed interest in CBDCs as a savings option, while 27% said the same for stablecoins.

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**Likelihood of Central Bank Digital Currencies (CBDCs) to Replace Physical/Fiat National Currencies in Their Country According to Institutional Investors Worldwide, March 2021**  
% of respondents

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*Note: numbers may not add up to 100% due to rounding*  
Source: The Economist Intelligence Unit, "Digitality 2021: Digital Currency From Fear to Inflection," May 27, 2021

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