MAR 25
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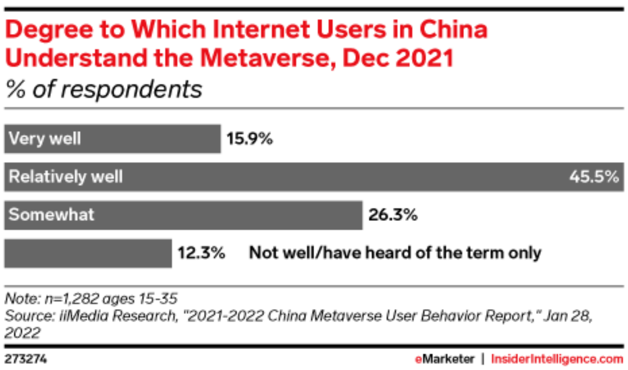
NFT interest is strong in China, but government regulation differentiates the market

Article

The trend: Interest in **nonfungible tokens**, or **NFTs**, is catching on in China, but the country's regulatory restrictions, which differ from the West, could complicate efforts to engage with them.

- NFT transaction values in China will rise from **RMB 0.30 billion ($46.5 million) in 2020 to RMB 29.52 billion ($4.57 billion) in 2026**, according to researcher Lead Leo.
- Major Chinese companies, including app developer **Tencent**, gaming giant **NetEase**, and payment processor **Ant Group,** are creating platforms for publishing and distributing NFTs.
- The development of the metaverse will likely fuel NFT popularity.



No crypto: Our recently published report found that Chinese firms are moving cautiously on NFTs in wake of the country's ban on cryptocurrencies and restrictions on digital asset transfers.

- NFTs are called "digital collectibles" in China and can be bought only with fiat money, unlike in the West, where most NFT transactions are made with crypto.

The opportunity: In China, NFTs are typically marketed as unique collectibles that can be held forever. In the US, by contrast, brands see virtual goods not just as experimental marketing tools, but also as potential revenue streams.

- Still, brands eyeing China's market can use NFTs to boost engagement, build trust and product loyalty, and drive new consumer experiences.

Go further: You can read our full Spotlight on NFTs in China here.