

How China is using blockchain and 5G adoption to win the ‘next stage of the internet’

Article

China is trying to set the global standards around blockchain as part of a larger strategy to lead the next generation of internet technology, [according to](#) The Wall Street Journal. One

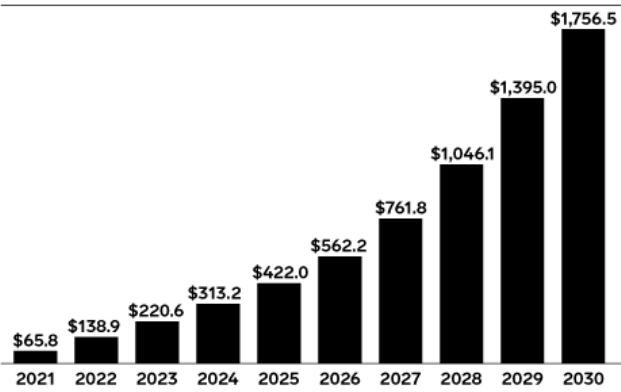
year after its **launch**, China's government-run Blockchain-based Service Network (BSN) has amassed 20,000 users and thousands of blockchain projects. Blockchain networks are largely fragmented, **according to** a 2020 World Economic Forum white paper, and increasingly in need of "common ground." Proponents of BSN believe its attempts to standardize interoperability and other technical aspects could help solve that problem while opening up the blockchain to more diverse applications beyond cryptocurrencies.

Blockchain applications are moving beyond cryptocurrencies and are expected to add trillions of dollars to the global economy in the next decade. Global net additional GDP created by blockchain applications is expected to swell from \$65.8 billion in 2021 to \$1.76 trillion by 2030, **per** a 2020 PwC report. To put that in context, that estimate is more than the **combined** GDPs of Belgium, Sweden, and Turkey. Those are very promising figures for China, which is actively trying to lure developers to its BSN network with cheap server space, programming tools to create blockchains, and templates to standardize basic functionality, per WSJ. BSN also presents an enticing opportunity for developers, with proponents **claiming** it could reduce the cost of doing blockchain-based business by 80%.

Along with blockchain, China's early attempts to set global 5G standards are part of a broader national strategy to dominate the next generation of the internet. China is reaping the benefits of its early investment in 5G: The country already has the world's **largest** 5G network, and estimates from ABI research **predict** China's 5G mobile connections will increase nearly tenfold between 2020 and 2025. Rival countries have responded to China's 5G success with strict trade **restrictions** and outright **bans** on Chinese vendors—a tit-for-tat trade melee some have **called** "the geopolitics of 5G." Though China is hoping to replicate its early domestic 5G success with blockchain standardization, it may quickly find itself in a similar political battle with rivals (like the **EU** and **India**) eager to set their own blockchain standards.

Economic Impact of Blockchain Worldwide,
2021-2030

billions



Note: net additional GDP created by blockchain applications; includes identity and credentials, provenance and traceability, securitization and payments, agreement thresholds and disputes, and loyalty and rewards
Source: PwC, "Time for Trust: The Trillion-Dollar Reasons to Rethink Blockchain," Oct 12, 2020