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Bitcoin is at a Loss Because of the Difficulty of Mining!

In the case of declining value of cryptocurrency, the mining difficulty of [Bitcoin](#) has damaged the interests of investors. With the [cryptocurrency](#) market trying to regain its upward momentum, Bitcoin has fallen below \$30000. With the global cryptocurrency investors in turmoil, they are not only suppressed by the decline in the market value of cryptocurrency, but also due to some economic and financial changes in the global market, they will soon start to look for more concentrated and traditional forms of assets to support and store value.

As the broader market is in turmoil, the price of Bitcoin is challenged because its experts believe that after hitting a low of 20% in early May 2022, the value of cryptocurrency will decline further in the coming months. In this fluctuation of its value, Bitcoin price continues to witness the struggle of its dominance due to the greed of miners. It is reported that in April 2022, the mining difficulty of Bitcoin reached an all-time high, resulting in many failures in its network. It is clear that miners have become extremely greedy, and they have unfortunately destroyed themselves together with cryptocurrency investors.

Fierce Competition

It is reported that Bitcoin has reached nearly two-thirds of its 366th difficulty era. Even if the price of Bitcoin has fallen and its value has collapsed compared with the historical peak in November 2021, the competition among miners has become more and more fierce since the beginning of 2022, reaching the historical peak in April. To be more specific, the report shows that the difficulty of Bitcoin mining on March 28 is quite prominent, about 27 trillion, compared with 13 trillion at the end of 2021, indicating an increase of 13.6%. The more miners jump into the network, the more challenging and energy intensive, the more Bitcoin will be mined. Basically, mining difficulty is used by digital assets to keep the average time between blocks stable because the hashing power of the network is changing. But now, it has become a headache for both developers and miners.



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Rising Difficulty of Bitcoin Mining

With the increase of mining difficulty, the operation cost will increase exponentially. So in order to alleviate this problem, miners will try different methods. Some of these methods may make it more difficult for investors and developers to solve existing problems and further reduce its value. At present, the user base of Bitcoin has declined in a few months, and there is no evidence of strong growth or recovery. The trading volume is relatively lower than that in July last year.

Nevertheless, the market momentum is still far from July 2021, which makes investors more anxious about the future of Bitcoin. Around May 2021, BTC transaction fee hit a record low, indicating the lack of competition for block space among Bitcoin traders. However, since May 2022, the reputation of Bitcoin has been almost slaughtered by all parties. Competition among Bitcoin miners is on the rise, although they earn less per block.

Did Bitcoin Miners Destroy the Wealth and Profits of Investors?

Well, they did a little, but these events were unintentional. The adoption of Bitcoin has greatly increased in the past few years, so why everyone wants to grab their share of profits from this popular cryptocurrency is very considerable. Bitcoin mining is also quite profitable. This is a highly concentrated business that generates millions of dollars in profits.

But now, with the increasing difficulty of Bitcoin mining, some of these miners are leaving the network and turning to more profitable options, such as Ethereum. Although analysts speculate that this may reduce the popularity of the Bitcoin network, this cryptocurrency is unlikely to recover its past relevance soon.