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Bitcoin Mining Is Back in China Despite Government Ban

Original:

 $\underline{https://www.btcc.com/en-US/academy/research-analysis/bitcoin-mining-is-back-in-china-despite-government-ban}$

- China accounted for about one-fifth of the hash rate of bitcoin mining as of the end of 2021, after data showed it dropped to zero in July.
- Data from the Cambridge Bitcoin Electricity Consumption Index shows thatminers use overseas proxies to cover their tracks until they think it's safe.

Despite the fact that bitcoin mining is technically illegal in China, the country returned as the second-largest mining hub in the world.

Little more than half a year ago, China banned crypto transactions and crypto mining.

But Bitcoin mining in the country is back with a roar, according to data by the University of Cambridge. The country is once again the second-biggest contributor to Bitcoin's global hash rate, only behind the United States.

China currently contributes 21.1% of the global BTC hash rate, second to the US with 34.7%. Kazakhstan is back in third place with 13.2%.

Only ten months ago, China's share of the global hash rate was falling even before mining was officially banned. For a brief period in the latter half of 2021, the Cambridge Bitcoin Electricity Consumption Index recorded no activity from Mainland China.

The latest data from January 2022 shows that Bitcoin mining in China really only was offline for two months (if at all). Countries like Kazakhstan, Russia and Canada, which were hoping to capitalize on the exodus of miners from China, are firmly behind in terms of hash rate.

Thus, the idea of no Bitcoin mining in China can be shelved once and for all. CBECI project lead Alexander Neumueller stated:

"Our data empirically confirms the claims of industry insiders that Bitcoin mining is still ongoing within the country. Although mining in China is far from its former heights, the country still seems to host about one-fifth of the total hash rate."

Within the US, Georgia (32%), Texas (11.2%) and Kentucky (10.9%) make up the biggest share of the hash rate.

The CBECI collects data from four major mining pools and has been analyzing between 32% and 38% of the total Bitcoin hash rate since the project's launch in 2019.

CDAP reported that it began working on a model to estimate the bitcoin network's greenhouse gas emissions after finding that last year's ban in China actually appeared to have exacerbated the environmental impact of mining.