

CENTRAL BANK DIGITAL CURRENCY IN EAST ASIA



China's Massive Mobile Payment Ecosystem



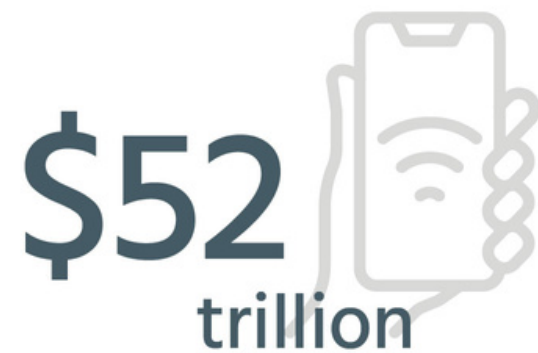
Number of smartphone owners
in China



86 percent of Chinese consumers use
mobile devices to make payments



Combined market share of Alibaba
and Tencent in China's mobile
payment market



Total value of all mobile transactions
in a single year in China

Note: All figures are for 2019

Sources: Newzoo, PricewaterhouseCoopers, People's Bank of China, South China Morning Post

 **ChinaPower**

BACKGROUND

2014: Research Begins

2017: Research Institute Established

Apr 2020: DCEP Pilot Launches-- Chengdu, Shenzhen, Suzhou, and Xiong'an

22 Apr 2020: Foreign Firms Test DCEP-- McDonalds, Starbucks, Subway

8 Jul 2020: DIDI CHUXING Partnership

20 Jan 2016: Experts Meet

26 May 2019: DCEP Design Completed

4 Feb 2022: Beijing Olympics Showcase

POTENTIAL GAIN

- Reduce Cost of Securing and Maintaining Physical Cash (.05 % of China GDP)
- Greater Financial Inclusion... No Need for Internet or Bank Account
 - 2017: 20% of Chinese Adults didn't have a Bank Account
- Attract newcomers to E-commerce market (\$2.1 Trillion)
- Government Control... Reduce Corruption
- Internationalization of the Renminbi

WECHAT & ALIPAY



JAPAN???

- Bank of Japan to liaise with other countries
- Japanese ruling party lawmakers urge Tokyo to catch up with China
- Government and BOJ cautious because Japan is the most cash-loving population
- Pandemic adds momentum

RESOURCES

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