CENTRAL BANK DIGITAL CURRENCY IN EAST ASIA
China's Massive Mobile Payment Ecosystem

851 million
Number of smartphone owners in China

86 percent
86 percent of Chinese consumers use mobile devices to make payments

94%
Combined market share of Alibaba and Tencent in China's mobile payment market

$52 trillion
Total value of all mobile transactions in a single year in China

Note: All figures are for 2019

Sources: Newszoo, PricewaterhouseCoopers, People's Bank of China, South China Morning Post
# BACKGROUND

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Research Begins</td>
</tr>
<tr>
<td>2016</td>
<td>Experts Meet</td>
</tr>
<tr>
<td>2017</td>
<td>Research Institute Established</td>
</tr>
<tr>
<td>2019</td>
<td>DCEP Design Completed</td>
</tr>
<tr>
<td>Apr 2020</td>
<td>DCEP Pilot Launches-- Chengdu, Shenzhen, Suzhou, and Xiong'an</td>
</tr>
<tr>
<td>22 Apr 2020</td>
<td>Foreign Firms Test DCEP-- McDonalds, Starbucks, Subway</td>
</tr>
<tr>
<td>8 Jul 2020</td>
<td>DIDI CHUXING Partnership</td>
</tr>
<tr>
<td>4 Feb 2022</td>
<td>Beijing Olympics Showcase</td>
</tr>
</tbody>
</table>
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
• 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