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Cointelegraph Special Report: Coronavirus and Crypto in China

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Coronavirus has been dominating the news cycle last couple of months, as it continues to spread across the globe.

Cointelegraph has taken a closer look at how coronavirus is affecting the crypto industry in China, interviewing various professionals who work in this space in the country.

The consensus is that, although the crypto industry is not immune to the effects of the virus and the panic it elicits, the impact is mitigated by the fact that much of the work in this space does not require a lot of face-to-face interaction.

Many people working in the cryptocurrency industry already work remotely, so working from home is simply business as usual.

Locals get creative with ways to protect themselves

In Wuhan there are reports of people from the area using local coronavirus apps to conduct business from an apartment. In Wuhan, it is common for individuals to rent apartments in the city center as a second home. The apps are designed to help the city track the spread of the virus, and individuals are able to check their status as a way to avoid business travel. As such, some local residents have been using the apps to avoid work-related travel to other parts of China.

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“Somebody went out in an inflated full-body costume of a Christmas tree because they thought that was the best way to prevent them from getting the viruses is wear a full bodysuit. They don’t have hazmat suits.”

Digital yuan delayed

Yuanjie Zhang, the COO of Conflux, expects the release of China’s digital currency to be delayed three to six months as in his opinion, “most of the resources on the budget have been spent on containing the virus.”

Zhang stated that the effect of the coronavirus on the Chinese Bitcoin mining industry has been light:

“I don’t think it’s a big risk for the mining farms because mining farm doesn’t take a lot of employment. I think most of those private money farms, they continue to work and they don’t hire a lot of people. That’s not something that requires a lot of face to face contact in order to be managed.”

The COO said that Conflux is “very very worried about our employee’s health. It’s not just because I care, it’s also because if any one of them, in fact, have problems, the whole company will be quarantined.”

Crypto is not a safe heaven

Zhang notices that the “people expect the RMB” to depreciate as the economy will slow down in the aftershocks of the epidemic, adding, “A lot of people actually convert their savings to cryptos, they are saving to USDT or DAI.”

However, Campbell Harvey, a professor of international business at Duke University, disagrees. He believes that the recent events indicate that the cryptocurrencies are “not a safe haven.” Harvey noted that, as traditional markets were shedding value, the drop in crypto markets was even sharper.

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