

CRYPTOCURRENCY MARKET IN 2021 AND 2022

Emilian M. DOBRESCU¹, Victoria Ramona SZEBENI²

Summary. *Digital/virtual currencies or cryptocurrencies are digital constructs that are not issued or guaranteed by a central bank or public authority and whose value is not backed up by the assets of a particular economy, but depends solely on supply and demand. Digital currencies are linked to a legally established currency and do not correspond to the legal status of currency or money; however, they are accepted by more and more people and companies, either for the ease of use, or for speculative reasons, because they are very volatile, either for illegal payments.*

In the years 2021 and 2022, cryptocurrencies proved to be digital assets with a pronounced economic potential, many cryptocurrencies saw rapid increases or falls, some countries banned cryptocurrencies, others allowed them to their citizens. Central banks - such as the American Reserve (Fed) and the European Central Bank (ECB) do not approve the activity of cryptocurrency trading platforms, and several countries, including India, Romania and Turkey, have banned the circulation of cryptocurrencies on their territory.

Keywords: digital assets, Bitcoin, cryptocurrency/digital currency.

DOI <https://doi.org/10.56082/annalsarscieco.2023.1.53>

Features of 2021

Bitcoin digital currency reached \$55,581 on February 20, 2021, and between October 20, 2020 and February 20, 2021, the total value of Bitcoin increased by 350%. Bitcoin Exceeds \$1 Trillion Market Cap On February 20, 2021: since the start of 2021 alone, bitcoin has grown by more than 90% after opening the year of 2021 at around \$28,900, as CoinDesk figures show. Elon Musk called bitcoin a "less stupid" version of money. On April 10, 2021, one bitcoin traded at \$60,556.

The huge amount of energy that Bitcoin transactions consume

The energy used for Bitcoin transactions has continued to grow lately, reaching the equivalent of the annual carbon footprint of Argentina; for example, according to the Cambridge Bitcoin Electricity Consumption Index, a tool that measures the cryptocurrency's energy consumption: the interest from major institutions on the Wall The Street, such as JPMorgan and Goldman Sachs, culminated in the rise in the value

¹ Full member of the Academy of Scientists
