
The resurgence of digital currencies



The market for digital currencies is experiencing a rapid growth, which is evidenced by the continuous emergence of new cryptocurrencies and yet a lack of knowledge on the subject remains a big challenge. Of the many technological advancements that we experienced in Botswana from time to time, none is puzzling as digital currencies since we saw zeppelins at our doorstep in 2006.

The emergence of digital currencies has triggered both debate and fear. Some people have fallen victim to scams, others claim to understand it better and many have questioned their authenticity, mistakenly conflating them with ghosts. Ghosts are the remains of the dead who resemble those who have lived before us but remain in our presence. This phenomenon has continued to grow, even within western civilization. Digital currencies seem to follow the same pattern. Some argue that they do not exist, and are myths, much like ghosts.

Nevertheless, now, we are experiencing an increase in those who believe in and invest in digital currencies. They are generally referred to as cryptocurrencies. Here in Botswana, many would understand these to be bitcoins. However, bitcoins are just one of many digital currencies. There are several cryptocurrencies available in the digital market. The top 5 most valuable cryptocurrencies are Bitcoin, followed by Ethereum. Apart from these, others include Tether USD, BNB, and Solana, to name a few. All these currencies carry the same characteristics, such as having no physical form and or being private.

The digital currency market can be compared to a stock market where investors can buy and sell shares or bonds. However, the difference lies in the fact that a digital currency is simply a medium of exchange used in transactions conducted based on blockchain technology. This blockchain technology promises to improve business processes and radically reduce costs, therefore offering much higher returns compared to traditional investments.

BlackRock American multinational investment company is one of the largest asset managers with assets under management of almost \$10 trillion. Its CEO recently stated that they are still in crypto, and that they are convinced that the next generation for markets and securities will be tokenization of securities. Africa on the other hand is experiencing resistance, however there are positive stories. Countries like South Africa and Kenya are well ahead, in Senegal some businesses are incorporating digital currencies as part of their transactions. Digital currencies have been in our headlines for the past decade. This is a clear indication that this is where world is heading.

One thing we must accept however is that the price of these digital currencies can be extremely unstable, providing investors with the potential for high gains and losses in a short period. It is important to keep in mind that everything can go wrong too quickly with these investments. Therefore, it is advisable to anyone considering an investment in digital currencies to exercise caution.

In conclusion, technology will continue to disrupt how we do things, it will change how we behave and, to some extent, affect how we do business and the success we gain along the way. We must therefore acknowledge that digital currencies are part of us and embrace them.