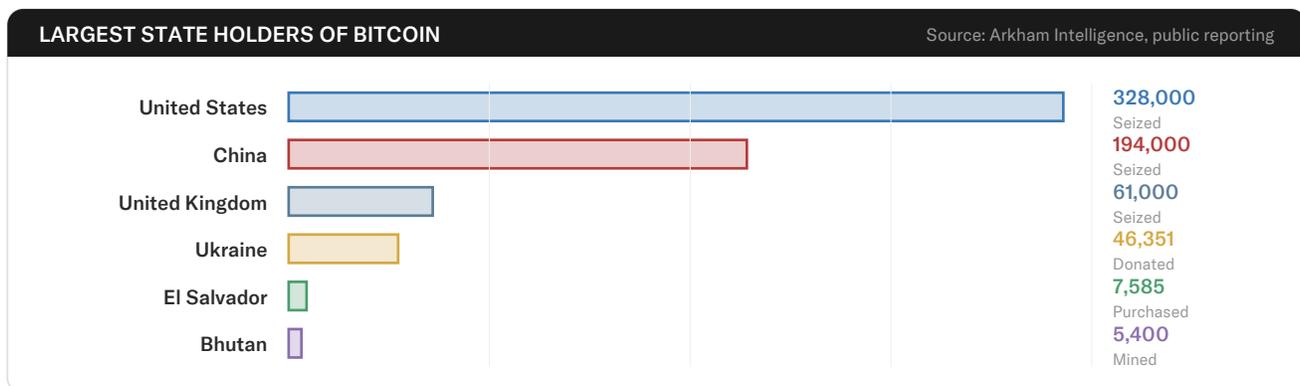


Bitcoin as a Strategic Resource in the Indo-Pacific

For most of bitcoin’s first decade, China was its industrial home. Chinese manufacturers built the specialized mining hardware. Chinese mining pools coordinated the majority of global hashrate. Chinese exchanges handled the bulk of trading volume. By the late 2010s, an estimated 65–75% of the network’s computing power operated on Chinese soil. Bitcoin had become a strategically significant asset under de facto Chinese control, and the CCP’s blanket ban on mining and trading in mid-2021 was a belated attempt to bring that significance to heel.

Instead of containing bitcoin, the ban triggered what the industry calls “the Great Mining Migration” – an exodus of hardware and expertise into the United States, Kazakhstan, and other jurisdictions. By 2024, American miners controlled roughly 35–40% of global hashrate, making the U.S. the world’s largest bitcoin mining nation.

Washington capitalized on this trend, welcoming bitcoin as both an economic opportunity and a strategic asset. In March 2025, President Trump signed an executive order establishing the Strategic Bitcoin Reserve and the U.S. Digital Asset Stockpile, making the United States among the first major nations to designate bitcoin as a strategic reserve asset. Over the past five years, the United States has become the world’s largest state holder of bitcoin: according to Arkham Intelligence, the federal government holds approximately **328,000 BTC** – roughly 1.6% of bitcoin’s total fixed supply – accumulated through law enforcement seizures over the past decade.



One year later, the administration’s March 2026 “American Cyber Strategy” listed **supporting the security of cryptocurrencies and blockchain technologies** as a priority under its critical-and-emerging-technologies pillar, alongside artificial intelligence and quantum computing. In Congress, the BITCOIN Act – introduced by Senator Lummis and Representative Begich – would codify the Strategic Bitcoin Reserve into law and establish clear protocols for how seized bitcoin is stored, returned to victims, and safeguarded.

Taken together, these policy moves reflect a coherent strategic direction: the United States increasingly treats bitcoin as a pillar of economic and national security strategy.

Beijing’s Revealed Preference

China’s official posture on bitcoin remains one of prohibition. Yet Beijing’s actions over the past year tell a different story – one in which the PRC continues to treat bitcoin accumulated before the 2021 crackdown as a strategic asset worth contesting at the sovereign level. Two recent episodes illustrate the divergence between stated policy and actual strategic calculus.

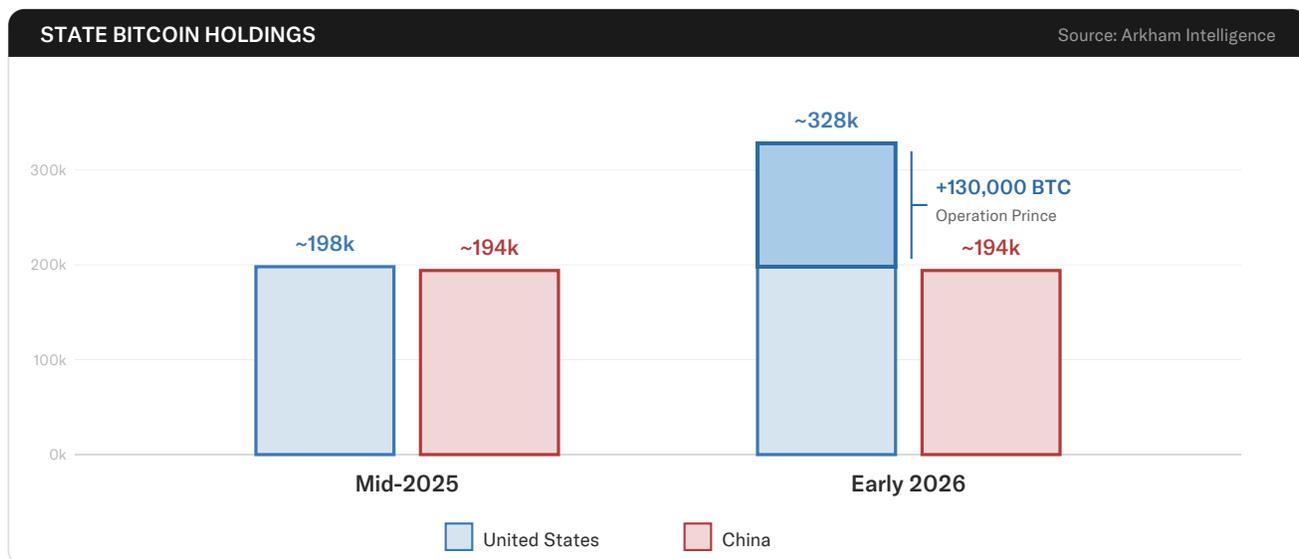
In May 2025, the International Monetary Institute (IMI) at Renmin University of China – one of the Party’s most important policy think tanks, housed within the CCP’s premier training ground for senior cadres and government economists – republished on its official channels an article by **BPI fellow Matthew Ferranti**, an economist for the U.S. government, arguing that bitcoin can serve as a hedge for central banks exposed to U.S. dollar weaponization. The IMI’s editorial note stated that bitcoin’s role as a reserve asset “deserves continued attention.” In China’s policy ecosystem, state-affiliated institutions do not float ideas like this casually.

The Operation Prince dispute offers a more direct signal. In October 2025, the Department of Justice announced the largest asset forfeiture in American history: 127,271 bitcoin – worth about \$15 billion at time of seizure – seized from Chen Zhi, the chairman of Cambodia’s Prince Group, charged with operating forced-labor scam compounds across Southeast Asia. Within weeks, China’s National Computer Virus Emergency Response Center (CVERC) published a technical report accusing U.S. intelligence of orchestrating the original theft of those coins from LuBian, a bitcoin mining business that had controlled nearly 6% of global hashrate before it was hacked in December 2020. Blockchain forensic firms, including Elliptic and Arkham Intelligence, have linked the seized bitcoin to the same coins taken from

LuBian. Chinese state media framed the U.S. seizure as an act of digital plunder.



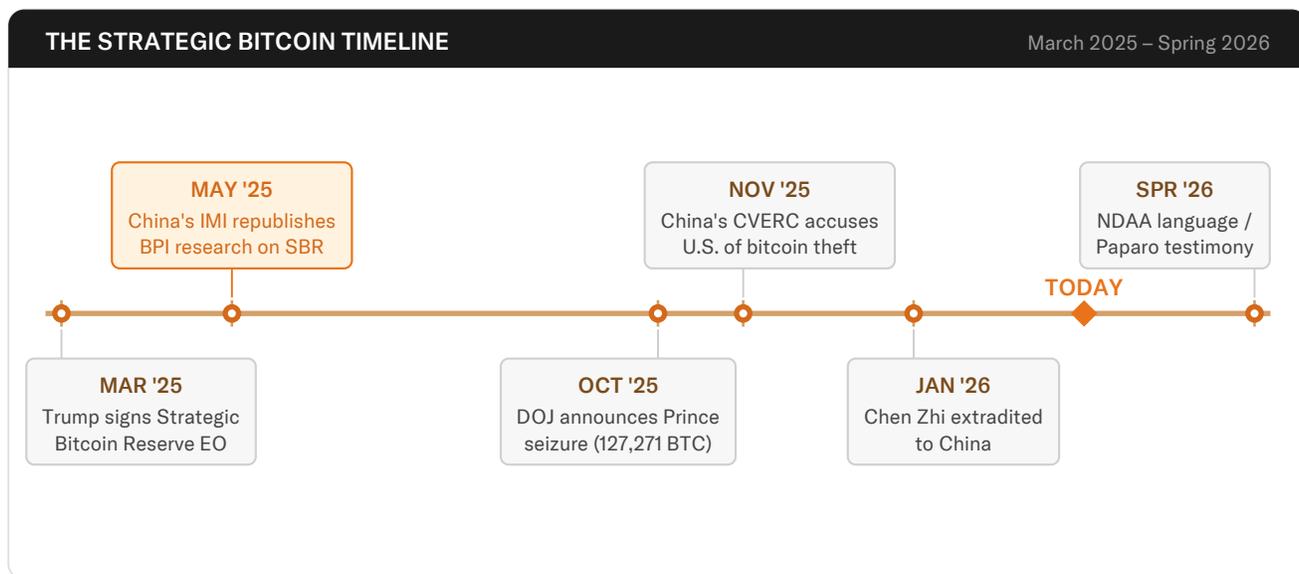
In January 2026, Cambodia arrested Chen Zhi and extradited him to China – which does not have an extradition treaty with the United States. His extradition complicates any U.S. effort to secure his presence while his lawyers challenge the forfeiture in federal court. China, despite its public ban, is estimated to hold approximately **194,000 BTC** from the 2019 PlusToken Ponzi confiscation. The Prince counterclaim and the IMI republication converge on the same conclusion: **Beijing’s official prohibition and its actual strategic interest in bitcoin are two very different things.**



BPI’s Role

BPI’s published work laid critical groundwork for this moment. “Digital Gold: Evaluating a Strategic Bitcoin Reserve for the United States” helped inform the administration’s March 2025 executive order. “A Global Economic Reordering: US-China Competition and Bitcoin as a Tool of US Statecraft” framed the very dynamic that the Prince dispute now illustrates. And BPI fellow Matthew Ferranti’s research on bitcoin as a central bank reserve asset was republished by one of China’s most influential state-affiliated policy institutes – a striking confirmation that BPI’s analysis is shaping the conversation on both sides of the Pacific.

Over the past year, BPI has briefed **more than 20 congressional offices** across both chambers and both parties, including members on the **Senate Armed Services Committee**, the **House Armed Services Committee**, the **Senate Banking Committee**, the **House Financial Services Committee**, and the **Senate and House Intelligence Committees**. BPI has also engaged directly with the **White House** and the **defense and national security community** to ensure that policymakers and senior officials understand what is at stake.



What to Watch

The FY2027 National Defense Authorization Act will be a critical vehicle. BPI is tracking whether NDAA language reflects the growing recognition that bitcoin and digital assets carry national security implications in the Indo-Pacific. Upcoming testimony from Admiral Samuel Paparo, Commander of U.S. Indo-Pacific Command, will be an important signal of how senior military leadership incorporates digital asset dynamics into its strategic assessment. The question is no longer whether bitcoin matters to national security – the question is whether American policy will keep pace.

The Bitcoin Policy Institute (BPI) is a non-profit, non-partisan think tank advancing sound Bitcoin policy through research, education, and direct engagement with policymakers. Support our mission at btcpolicy.org/donate.