

- Bitcoin mining operations could generate about \$1.5 billion in revenue over the next five years as estimated by Kazakhstan
- Kazakhstan's NABDC believes regulations are significant to combat illicit Bitcoin mining operations
- Kazakhstan's Department of Energy has proposed a draft order to impose limits on the amount of power being consumed by the Bitcoin mining industry

Bitcoin mining operations are shifting from China to other nations. China that used to dominate the industry with the majority of the global hash power, has lost its dominance due to crypto crack down. In the end of Q1 2021, the nation prohibited crypto-related operations in its region. Following such a scenario, the BTC miners began to shift their operations to other nations to work with regulatory support and less expenses. Kazakhstan, which is currently the second largest nation that has attracted several firms. Moreover, following miners entering the nation, Kazakhstan estimates at least \$1.5 billion from sole mining firms.

NABDC estimates \$1.5 billion from Bitcoin mining

NABDC, or the Data Center Industry & Blockchain Association of Kazakhstan has recently published a report. The report focused on how the country has become the second largest Bitcoin mining hub after migrations from China. According to the report, NABDC is also estimating at least \$1.5 billion worth revenue from cryptocurrency miners, over the next five years.

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Notably, corporate crypto assets mining activities generate about 98 billion tenge which is approximately \$230 million per year in the region. According to Alan Dordzhiev, the president of the NABDC, the figure of 98 billion tenge seems just an economic effect. If we take the figure into account the Gray miners, then such figures can easily be multiplied by two.

Regulations is necessary to combat illegal miners

In contrast, Gray Miners, the term is referred to the persons carrying forth their own digital assets mining operations. Often, such miners are always disputing some legal status. Indeed, the NABDC allied for more greater regulation to combat illegal Bitcoin mining. According to the report released by the organization, the regulation will help to prevent a possible electricity shortage, as the operation has heavy power consumption.

Limits on electricity consumption in Kazakhstan

Dordzhiev estimated that Gray area miners need approximately 500 Megawatts of electricity in Kazakhstan. Moreover, the national Department of Energy has also proposed a draft order to impose limits on the amount of power being consumed by the Bitcoin mining industry.

It is noteworthy that the University of Cambridge has shared some data that Kazakhstan contributes more than 18% of the global hash power. With such a figure of contribution the nation has become the world's second largest mining hub after the United States since the Chinese crypto slam down. Notably, Kazakhstan's share is just behind over 35% hash rate share for the US and above Russia's more than 11% contribution.

Source: [Kazakhstan expects such activities within 5 years](#)