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## Crypto Cold War Escalates as Nations Weaponize Blockchain

July 13, 2025

— Categories: *Crypto*



*A new report has uncovered growing geopolitical tensions surrounding blockchain technology, with countries like Pakistan, Bhutan, and the United States ramping up efforts to leverage digital assets for strategic advantage. As the global “crypto cold war” intensifies, questions loom over India’s position in this high-stakes digital arms race.*

A new global trend is emerging where blockchain technology is no longer just a tool for innovation in finance, it’s becoming a strategic weapon. A recent report sheds light on how

countries like Pakistan, Bhutan, and the United States are actively using blockchain in ways that reflect growing geopolitical tensions, often described as a “crypto cold war.” These nations are investing heavily in digital currencies and blockchain infrastructure, turning digital assets into instruments of national power. India, however, remains on the sidelines, adopting a more cautious stance that may cost it future influence.

Pakistan has been steadily moving toward adopting central bank digital currencies (CBDCs) as part of its broader efforts to modernize its financial system and reduce dependency on foreign payment networks. Bhutan, in partnership with the U.S.-based blockchain firm Ripple, is piloting a sovereign digital currency using Ripple’s CBDC platform, aiming to improve financial inclusion and establish greater economic independence.

Meanwhile, the United States is taking a different but equally aggressive route. The U.S. is strengthening its position through regulatory reforms, strategic investments, and supporting blockchain innovation via private tech companies. By securing dominance in digital infrastructure and setting global regulatory standards, the United States aims to maintain its leadership in the evolving financial landscape.

These moves mark a global shift where blockchain is no longer viewed purely through a commercial lens. Nations are using the technology to protect data sovereignty, strengthen cross-border payment systems, and ensure economic resilience against cyber threats or sanctions. The blockchain race is quickly becoming a new dimension of international competition.

India, despite being home to a large and skilled technology workforce and a rapidly growing crypto user base, has chosen a more restrained approach. The Indian government has focused more on regulation and enforcement, including heavy taxation on crypto trades and bans on private cryptocurrencies in past proposals. While there have been discussions around a digital rupee, progress remains slow and limited compared to other players.

Experts warn that this cautious stance could backfire. As other countries leverage blockchain to secure a foothold in the future digital economy, India risks falling behind. The report suggests that a balanced approach encouraging innovation while ensuring security and compliance could allow India to participate more actively in shaping the global blockchain landscape. The crypto cold war is not just about currency. It’s about power, sovereignty, and who leads in the digital age. As nations continue to weaponize blockchain

for strategic advantage, the choices made today will shape the global balance of influence for years to come.