3 BIG TAKEAWAYS FROM CONSENSUS 2023

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1. Fundraising in Full Swing:
Last week, I was down in Austin for Consensus, one of the world’s largest and longest running Web3 events. In contrast to the past two years, 2023 marked a return to normal after two years of no in-person meetings. The return to normal was evident in the fundraising landscape as many Web3 founders, investors, and companies were looking to raise capital.

Voyager, which has been seeking to raise funds through an asset sale to pay creditors after going into bankruptcy last year, is one example of this trend. The acquisition by Binance.US was beset by regulatory challenges, leading a federal judge to halt the deal last month temporarily. Voyager will now return cryptocurrency and cash to its customers in the U.S., having pulled back on endorsement deals in the wake of the FTX debacle. Still, despite the more modest fundraising climate, good projects still get funded and the view is many VCs are either nursing wounds from the last cycle or waiting for valuations to come to them.

According to some, the trend extended beyond these arranged meetings. As Andrew observed on this week’s DeFi Decoded, a lot of companies raise capital on a 2-3 year runway, so it is logical that anyone who funded in 2021 would be looking at a short runway before needing to launch another round. Given the fact that Web3 VCs raised tens of billions of dollars in 2021 and 2022, it is surprising that some companies see a paucity of willing investors, but good projects still get funded and the view is many VCs are either nursing wounds from the last cycle or waiting for valuations to come to them.

2. The Offshoring of Web3 Due to Regulatory Uncertainty:
From the last cycle or waiting for valuations to come to them.

From the perspective of companies looking to raise capital, the regulatory climate in the U.S. is challenging. The Biden administration has remained focused on enforcing actions as the primary policy tool, which may prove detrimental to its competitiveness.

However, this has led to a phenomenon of offshoring Web3 ventures. Many of the people I spoke to are entrepreneurs looking to raise capital outside the U.S. This is not surprising given the regulatory climate in the U.S., but the trend is also being driven by the desire to access new markets and capitalize on the growing interest in Web3 technologies.

Many Web3 founders, investors, and companies are exploring opportunities outside the U.S. to raise capital and continue their growth trajectories.

3. Enterprise Adoption Continues, But Regulatory Fog Clouds Outlook:
Enterprise Web3 adoption continues to gain momentum. Many companies are looking to integrate Web3 technologies into their business models to enhance trust and fuel innovation in NFTs, ticketing, enterprise, and other payment solutions.

Visa and Mastercard have launched initiatives aimed at helping Web3 startups and developers move fast and build the database. Visa is hiring experienced crypto developers to help drive the mainstream adoption of public blockchain networks and stablecoin payments. The company is focused on expanding its offerings in the space as it explores opportunities for the conversion of traditional payment methods to digital formats.

Mastercard has launched the Mastercard Crypto Credential to establish trusted interactions between companies and consumers using public blockchain networks. The platform aims to provide necessary infrastructure, technology, and other support to ensure compliance with public blockchain regulations and enable companies to leverage the power and potential of Web3.

Google has launched a very promising effort to bring more enterprise-ready blockchain and cryptocurrency solutions to market. The company has partnered with a number of Web3 projects and is working on developing solutions to help enterprises integrate blockchain technology into their operations and processes.

Web3 is a global industry emerging at a time when technology tools are more distributed than ever. The use enforcement actions as the primary policy tool, may prove detrimental to its competitiveness.

Attendees from Hong Kong, Dubai, and even Europe were quick to draw a stark contrast between the regulatory climate in their home countries and the more宽松 environment in the U.S. Many of the Web3 founders, investors, and companies I spoke to expressed a desire to offload regulatory risk and tap into the growing interest in Web3 technologies outside the U.S.

The Circular Economy and ReFi with Tian Zhao

Web 3 and Real Estate with Sanjay Raghavan

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Web3 Talks

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Navigate, connect, and lead the blockchain revolution!

The Blockchain Research Institute has global think tanks exploring the promise of Web3 and blockchain technologies. Our research is designed to help businesses, organizations, governments, and communities navigate the challenges and opportunities of Web3. We work with a growing network of partners across the world to bring the benefits of Web3 to businesses and communities around the world.

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