

Bitcoin price plunges after billionaire Elon Musk's tweet

Billionaire Elon Musk has just announced on Twitter that his electric car company Tesla will stop accepting payments in digital currency Bitcoin due to environmental issues.

'We are concerned about the increasing use of fossil fuels for Bitcoin mining and transactions, especially coal, the largest emitter of all fuels,' Musk wrote on Twitter. 12/5.



The cryptocurrency with the largest market capitalization in the world, Bitcoin lost nearly 8% in value after Musk posted the tweet, according to data from digital currency exchange Coinbase.

'Digital currency is a good idea from many perspectives and we believe it has a promising future, but this should not come at a great cost to the environment,' Musk wrote.

Tesla and SpaceX boss and ardent supporter of digital currencies and has created great excitement for this market this year, especially with Bitcoin and Dogecoin.

Back in January, the price of Bitcoin skyrocketed when Musk named the coin in his tweet. The price continued to rise sharply after Tesla revealed that it bought \$1.5 billion in Bitcoin and that people can use the coin to buy Tesla cars.

As the price of Bitcoin continues to rise to new levels, environmental activists warn about the significant amount of fuel used to mine Bitcoin. The reason is that this operation requires the use of very powerful computers to

verify Bitcoin transactions.

Every year, Bitcoin mining uses as much electricity as the whole country of Argentina, according to estimates by the University of Cambridge. China accounts for 65% of global Bitcoin mining.

That carbon footprint goes against Musk's advocacy of clean energy. But he did not give up Bitcoin.

In a tweet posted on May 12, he said that Tesla will not sell any Bitcoin and that Tesla intends to keep this currency to use for transactions "when Bitcoin mining becomes more environmentally friendly".

Musk also said that Tesla is looking for low-energy digital currencies.

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