



## Could Ethereum Surpass Bitcoin in 2022?

### Description

2021 has undoubtedly been the year for [cryptocurrencies](#), with many top tokens seeing very impressive growth. For those looking ahead to 2022, picking which top tokens to buy isn't an easy task. Among the top discussions out there is the **Bitcoin** ([CRYPTO:BTC](#)) vs. **Ethereum** ([CRYPTO:ETH](#)) race. That is, can Ethereum surpass Bitcoin in terms of market capitalization in 2022?

Bitcoin's market capitalization of nearly \$900 billion is still roughly twice the size of that of Ethereum. Accordingly, Ethereum would need to see some pretty tremendous growth relative to Bitcoin to surpass the world's top cryptocurrency this year.

That said, Ethereum's growth rate has exceeded that of Bitcoin in recent years. Let's dive into what could push Ethereum to top spot in 2022.

### Ethereum 2.0 will be more energy efficient

One of the biggest catalysts underpinning Ethereum right now is this blockchain's current update. Expected to be finished sometime in mid-2022, Ethereum 2.0 is on its way. This updated network will result in a shift away from the network's existing proof-of-work (PoW) mining protocol toward a proof-of-stake protocol.

What this means in layman's terms is that traditional mining (the solving of complicated mathematical problems to validate and secure the Ethereum blockchain) could be over. Via staking tokens, individuals on the Ethereum network can become validators. This process is less proven but generally much more energy efficient than the existing model.

One of the biggest criticisms of Ethereum, Bitcoin, and other early blockchain networks is the power consumption involved in mining these cryptocurrencies. By shifting to a proof-of-stake model, Ethereum could become much more eco-friendly. For those looking for true innovative disruption without strain on the world's power grids, this is a good thing.

## The new Ethereum will be significantly faster

Another key aspect of this update is the speed and cost improvements involved. Via a proof-of-stake validation model, transaction speeds and costs should improve dramatically. This is another one of the biggest criticisms of Ethereum right now. It's not the fastest blockchain out there, and transaction fees are sky high.

By improving Ethereum's network speed, investors can expect to see more developer growth on this network. Developers are increasingly choosing the cheapest and fastest options out there when building applications.

Ethereum's massive network remains one of its biggest strengths. This update could widen that moat substantially.

## Bottom line

Both Ethereum and Bitcoin remain leading cryptocurrencies for a reason. That's not likely to change in 2022.

Indeed, for Ethereum to surpass Bitcoin in terms of valuation, many things need to go right. It's not a trivial projection to make, that Ethereum could eventually overtake Bitcoin for top spot. However, many experts think it's certainly possible.

Where these cryptocurrencies go from here remains to be seen. However, one thing is for certain: this year is shaping up to be an interesting one, to say the least.

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