

The goal of such an implementation is faster transaction speeds and significantly smaller gas prices. This in turn will act as an incentive to trade more.

For the Uniswap trader, the fee of trading on Uniswap is the Uniswap fee + the gas. This can hinder a lot of traders. For example if a trader wants to trade 100 DAI for X token, and wait until said token raises in price 10% to sell it back to DAI, depending on the gas price, that trader might actually lose money, even under the conditions of 10% gain of the token.

One of the biggest centralized exchanges right now, in terms of volume, Binance, has a very small transaction fee compared to other centralized exchanges, which is the main reason, in my opinion, why it managed to raise to such popularity.

If Uniswap manages to create a sidechain for itself (or another solution to lower gas prices, thus lower total fee that the trader incurs), it could be the launching pad to even greater highs than previously imagined.

One popular Ethereum game is currently developing and testing a Ethereum sidechain made specifically for it (AXS / Ronin sidechain).

How feasible would this be? I encourage anyone to pitch in their opinion on this. Thank you.