# Chinese apps remain hugely popular in the U.S. despite efforts to ban TikTok

For several years now, ByteDance's TikTok has been the focus of lawmakers and intelligence officials who fear it could be used to spy on Americans. Those concerns took center stage during a five-hour grilling of TikTok's CEO back in March.

But while TikTok has been the one in the spotlight, other Chinese apps that present similar issues are also experiencing massive popularity in the U.S.

Concerns about ByteDance stem in large part from a national security law that gives the Chinese government power to access broad swaths of business information if it claims to be for a national security purpose. U.S. intelligence officials and lawmakers fear that the Chinese government could effectively access any information that China-based app companies have collected from American users, from email addresses to user interests to driver's licenses.

But that doesn't seem to have swayed many consumers, as several China-based apps are still booming in the U.S.

For example, the shopping app Temu, owned by China-based PDD Holdings, has the number two spot on the Apple App Store among free apps as of late May. It also held the number 12 spot among digital retailers in the 2022 holiday season for unique visitors to its site, topping stores like Kohl's, Wayfair and Nordstrom, according to Insider Intelligence, which also credits visibility on TikTok for its rise.

Meanwhile, ByteDance-owned apps CapCut and TikTok hold the fourth and fifth spots on the App Store rankings. Chinese fast fashion brand Shein holds fourteenth.

And between late March and early April, after the TikTok CEO hearing before Congress, ByteDance's Lemon8, saw nearly 1 million downloads in the U.S., Insider Intelligence reported based on data from Apptopia. It's an app with similarities to Pinterest and Meta's Instagram.

These apps share some of the features that have worried the U.S. government about TikTok, including about whether some of these firms adequately protect U.S. user data when operating out of China (TikTok has stressed that U.S. user information is only stored on servers outside of China). Like TikTok, these apps collect user information, can analyze trends in their interests and use algorithms to target consumers with products or information that is likely to keep them engaged with the service.

But experts on China and social media say there are important differences between these apps and TikTok which might explain the relative lack of attention on them. Among the most important of those features is the scale of their presence in the U.S.

**TikTok vs. other Chinese apps**

Even as they grow, the U.S. userbase of many popular Chinese apps is still dwarfed by TikTok's massive U.S. audience of 150 million monthly active users.

TikTok sister app Lemon8, for instance, has an estimated 1.8 million monthly active users in the U.S., according to Apptopia.

While TikTok has had 415 million downloads in the U.S. since its launch here, CapCut has had 99 million, Temu 67 million and Lemon8 1.2 million, according to Apptopia.

Only Shein surpasses TikTok in downloads among this group of apps, though it launched far earlier in the U.S. in 2014. Shein's app has 855 million downloads in the U.S. since its debut, though Apptopia estimates it has about 22 million monthly active users.

"An app with a thousand, or even a million users in the U.S. does not present the same widespread cybersecurity threat that an app with 100 million users has," said Lindsay Gorman, senior fellow for emerging technologies at the German Marshall Fund's Alliance for Securing Democracy.

Gorman said as the U.S. considers the threat posed by TikTok, it will also need to develop a framework for how to evaluate the relative risk of Chinese apps. The scale should be one factor, she said, and the type of app, including its ability to spread propaganda, should be another.

"The ability for a Chinese technology platform to represent critical information infrastructure in a democracy has to be part of that calculus when assessing risk," Gorman said. "That's where I think the analogies with power grids or energy infrastructure are applicable. We we would not allow the authoritarian regime to build significant components of our energy infrastructure and rely on an authoritarian regime for that."

That means that an app like ByteDance's CapCut may present a lower risk, both because of its smaller user base and because it's meant to edit videos, rather than distribute them.

"We're really at the beginning stages of even recognizing that a broader characterization and categorization is actually needed," Gorman said, adding that rather than playing whack-a-mole with Chinese technology that poses a threat to U.S. national security, the country should develop a more systematic framework.

But in the meantime, U.S. consumers continue to turn to Chinese apps.

"Among the most downloaded apps consistently are Chinese-based ones like Temu and CapCut," said Jasmine Enberg, principal analyst covering social media at Insider Intelligence. "And then of course, there's the early growth of Lemon8, which suggests that the appetite for Chinese apps in the U.S. is still growing."

For e-commerce apps, the risk of spreading harmful misinformation may not be as high as on a social media service. An e-commerce platform like Temu or Shein is likely a less viable platform to spread propaganda than a video app like TikTok.

"People just aren't really spending the same amount of time on commerce apps and they're not exposed necessarily to the same kind of content that could potentially have a negative impact on young people," Enberg said. "I also don't necessarily think that the connection to China for some of these apps is as clear to the average consumer and I also don't think that consumers are really going around thinking about where the apps that they're using originate from."

Still, the U.S. could find a reason for concern. A recent CNN report that found Temu sister company Pinduoduo, a shopping app popular in China, contained malware. The parent company of both apps, PDD Holdings, did not respond to a request for comment. Research staff at the U.S.-China Economic and

Security Review Commission [pointed](#) to that report in assessing Temu's data risks, though [an analyst recently told CNBC](#) that Temu has not been as "aggressive" in requesting access to consumers' data as Pinduoduo.

At least one group has viewed the pressure on TikTok as an optimal time to raise concerns with another Chinese company popular in the U.S.: Shein. The group Shut Down Shein, which is a "coalition of individuals, American brands and human rights organizations," according to executive director Chapin Fay, [launched](#) the day that TikTok's CEO was hauled before Congress.

"We were sort of agnostic on the timing, but we wanted to make sure that while people are talking about TikTok, there's this other nefarious actor, Shein, who's also collecting data and doing it all under the radar and also doing these other even worse things like slave labor," said Fay, managing director of Actum consulting firm.

The group specifically takes issue with Shein's alleged use of forced labor, as [Bloomberg](#) reported last year that tests revealed that cotton in clothes shipped to the U.S. were linked to a region in China where the [U.S. government has said forced labor is deployed](#). China has denied the use of forced labor.

Shut Down Shein also rails against the company's alleged use of an [import loophole to avoid tariffs](#). Through the de minimis trade tax exemption, the group says, individual customers become the importer of their fast fashion goods, a practice that came up at a recent [hearing](#) by the House Select Committee on Strategic Competition between the United States and the Chinese Communist Party.

A Shein spokesperson said in a statement that it "complies with the domestic tax legislations of the countries in which it operates." The spokesperson also said that Shein has "zero tolerance for forced labor," takes seriously visibility across its supply chain and requires suppliers to follow a "strict code of conduct."

Fay said it's important to recognize that the way Shein has been able to grow its brand and gain new customers, in large part via so-called influencer hauls, is through TikTok.

Fear of a 'slippery slope' ban

Faced with national security worries over TikTok, lawmakers have considered several proposals that could lead to a ban. But critics fear some proposed solutions could create a slippery slope of unintended consequences. And some say the most effective long-term solution for curbing the use of Chinese apps may be fostering an environment for robust alternatives to grow.

Perhaps the most prominent of the bills that could lead to TikTok's ban in the U.S., the RESTRICT Act, would give the Commerce Secretary the power to recommend barring technology that comes from a select group of foreign adversary countries if they determine the risks cannot be sufficiently mitigated otherwise.

Though the proposal quickly garnered serious attention for its heavy-hitting group of sponsors, including Senate Intelligence Committee Chair Mark Warner, D-Va., and Commerce subcommittee on communications ranking member John Thune, R-S.D., it's since appeared to lose the early momentum. That's due in part to concerns raised by the tech industry and others that the bill could give the executive branch broad power to seek a ban on certain technology.

"While I understand that Americans enjoy the convenience of Chinese e-commerce and the creative tools of many Chinese communications apps, we have to reckon with the fact that these companies ultimately are beholden to the demands of the Chinese government," Warner said in a statement. "We've had an important and overdue conversation about the predatory and invasive practices of U.S. tech firms in recent years; those same concerns are valid with the growing sway of these foreign apps – and then exacerbated by the manner in which these PRC-based companies serve as instruments of PRC power."

One of those critics of the bill's current scope is Andy Yen, CEO of Proton, which makes an encrypted email service and VPN. While Yen believes that TikTok should be banned in the U.S., he fears the RESTRICT Act is currently too broad to effectively do so without additional consequences.

In a recent blog post, Yen argued that the bill would give the Commerce Secretary overly-broad power to designate additional governments as foreign adversaries and feared that ambiguous language in the bill could be used to penalize individuals who use VPNs to access apps that are banned in the U.S.

In the post, Yen suggested these issues could be resolved with changes to the bill's language to make it more targeted and limited in scope.

Speaking on the "Pivot" podcast recently, Warner stressed the need for a rules-based approach that could be legally upheld to deal with tech from foreign adversaries. He said he believes criticism of the bill, including that it would target individual VPN users or that U.S. companies that do business in China could be swept up in enforcement action, is not valid, though he said he is open to amending the bill to make that more clear.

"There is a very legitimate national security concern here," Yen said. "So I think it is something that regulators do need to tackle and this is why Congress is trying do something. But I think we need to do it in a way that doesn't undermine the values of freedom and democracy that make America different from China."

Still, a TikTok ban would have other effects in the U.S., like yielding more market share to existing tech giants in the U.S. like Meta's Facebook and Instagram. Proton has been an active proponent of antitrust reform to create what some companies see as a more level playing field for tech developers in the U.S.

Yen said the solution to creating more competitive digital markets in the U.S. is not to allow risky Chinese companies to run rampant, but rather "to have a level playing field that can allow other American companies or European companies to compete in the U.S. fairly."

That's a goal shared by Jonathan Ward, an expert on China who founded the Atlas Organization consulting firm.

"The best way that we can do this is to create alternatives," Ward said. "Because even if these companies don't take root in our own market, even if we're able to successfully deny them access here, as we did with Huawei, they can flourish in other parts of the world," he added, referring to the Chinese telecom company that's been placed on a U.S. entity list over national security concerns.

"We're also going to have to stand up American and free world alternatives to these companies because you can't let them take over industries that matter or create apps that become integral to the fabric of our societies," Ward said. "And that's going to require an effort that goes beyond the Congress and into the sort of entire system of democracies worldwide."