

US bans on TikTok and WeChat stoke tension with Beijing

CE Noticias Financieras English

August 7, 2020 Friday

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Length: 631 words

Body

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WASHINGTON, 7 Ago (Reuters) - U.S. President Donald Trump on Thursday introduced a series of bans on U.S. transactions with Chinese companies ByteDance, which owns the TikTok short video app, and Tencent, operator of the WeChat messaging app, in a major escalation of tensions with Beijing.

Executive orders, which take effect in 45 days, come after the Trump administration said this week that it was stepping up efforts to purge Chinese applications from US digital networks for being "unreliable" and called TikTok and WeChat "significant threats."

The popular TikTok has been criticized by parliamentarians and the US administration about concerns about national security and data collection, while mistrust between Washington and Beijing has grown in parallel.

On Wednesday, US Secretary of State Mike Pompeo expanded the objectives in a program called "Clean Network" to prevent several Chinese applications, as well as Asian-country telecommunications companies, from accessing sensitive information about U.S. citizens and businesses.

According to James Lewis, a technology expert at the Washington-based Center for Strategic and International Studies, executive orders seemed coordinated with Pompeo's announcement.

"This is the break between the US and China in the digital world," he said. "China will no doubt retaliate." "As far as TikTok is, Trump is clearly pressuring ByteDance to close the deal," Lewis said. TikTok has 100 million users in the United States. Although WeChat is not popular in the country, the app, which has more than 1 billion users, is widespread in China. It is also widely used by expat Chinese as the main platform for communications with family and friends, as well as a means for other services, such as games and e-commerce. WeChat and TikTok were among the 59 mostly Chinese applications that were banned in India in June for threatening the "sovereignty and integrity of the country". The operator Tencent is China's second most valuable company after Alibaba, with \$686 billion. It is also the largest video game company in China and earlier this summer opened a studio in California. His shares fell by nearly 10% in Hong Kong after Trump's announcement. The yuan, sensitive to Chinese-American relations, lost 0.4%. Tencent and ByteDance declined to comment.

BROAD POWERS

Trump issued the orders under the International Emergency Economic Powers Act, a law that grants the Administration broad powers to prohibit U.S. businesses or citizens from trading or conducting financial transactions with sanctioned parties.

U.S. Commerce Secretary Wilbur Ross will identify transactions covered by the ban after orders take effect in mid-September.

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As Trump said on one of the executive orders, the app can be used for disinformation campaigns that benefit the Chinese Communist Party, and the United States "must take aggressive action against TikTok owners to protect our national security."

In the other, Trump said WeChat "automatically captures large amounts of information from its users." This data collection threatens to allow the Chinese Communist Party access to American-owned and personal information."

By the end of Thursday, some analysts in China in Washington were already questioning the logic of the orders.

The order "considers TikTok a threat to national security," said Derek Scissors, an expert in Chinese-American economic relations at the American Enterprise Institute. "Either we've overlooked the threat for three years or it's suddenly become a threat and we're still waiting 45 days."

(Additional information by Mohammad Zargham, Echo Wang, Nandita Bose and David Shepardson; edited by Muralikumar Anantharaman and Christopher Cushing; translated by Andrea Ariet in Gdansk)

Load-Date: August 8, 2020

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