

# TOPIC- BAN ON CHINESE APPS IN INDIA

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## ABSTRACT

Recently, the Indian government proclaimed it would block 59 widely used apps (such as TikTok, Shareit, Cam Scanner etc.), most allied to Chinese companies. The Ministry of Electronics and Information Technology (MeitY), appealed Information Technology (IT) Act, 2000 to cite the concerns regarding both data safety and national sovereignty related with these apps.

Though the government has planned this ban from the viewpoint of data security and privacy, the action seems to form a part of the reciprocal strategy against Chinese intrusions in Ladakh.

Given that India's digital economy is one of the largest markets in the world; such a move is likely to have an influence on the India-China border dispute.

**Keywords:** Ban on Chinese app, Chinese companies, Data safety & national sovereignty, India-China border dispute

## INTRODUCTION

On June 29, the Government of India banned 59 apps from China-based companies. This change comes among the border rigidities among India and China.

The IT Ministry appealed its power under Section 69A of the IT Act to put a ban on the apps. The Ministry said the mobile apps were used for thieving user files. It also said there were illegal transmissions of data to servers situated outside India.

The barred apps include those for e-commerce, gaming, social media, glancing, and instant messaging and file sharing. Prevalent Chinese apps such as TikTok, Shareit, WeChat, Club Factory and Cam Scanner are amongst them.

TikTok is one of the most downloaded apps in India and with over 100 million users. TikTok has said that it has been asked to meet the authorities worried and acquiesce explanation.

Chinese companies such as TikTok-owner ByteDance have been inquired by the Union government to response 77 questions about their apps that have been barred, including whether they bowdlerized content, worked on behalf of foreign governments or petitioned influencers.

Even though the app is still accessible on the phones of prevailing users, new users, are incapable to admittance it. Further, the Ministry of Information and Technology is in talks with the Department of Communications to operationalize the geo-block.

Central government's Information Technology Ministry has given the companies three weeks to answer to the questions, which has been understood by Reuters, and said unnamed follow-up action would be taken, two sources said.

The Union Government last month barred the apps following a border clatter among armed forces from the two countries, which left 20 Indian militias dead. It has said the apps pose a threat to its "dominion and honesty". China has criticised the prohibition.

The government also asked the app companies whether they had confronted any inquiry in the United States, European Union or somewhere else for secretly collecting handler data.

## **INDIA BANS 59 CHINESE APPS INCLUDING TikTOK, WeChat, Helo**

The Government of India has barred 59 Chinese mobile apps, including topmost social media platforms such as TikTok, WeChat, and Helo, to pledge the threat modeled by these apps to the country's "dominion and safety".

ShareIT, UC Browser and shopping app Clubfactory are amongst the other protruding applications that have been jammed among increasing tensions amid India and China following clatters at the border.

In a press release, the government said the apps are betrothed in activities "detrimental to dominion and honesty of India, defence of India, safety of state and public command."

The ban has been compulsory under Section 69A of the Information Technology Act read with pertinent provisions of the Information Technology ( Process and Protections for Blocking of Access of Information by Public ) Rules 2009, it said. The government also quoted criticisms about data on Indian users being transported overseas without approval.

The move could come as a setback to China's Digital Silk Route ambitions, corroding the assessment of the companies. It could also lead to more countries following India's prompt and acting in contradiction of these applications, sources told ET.

A top official said the government had measured all facets before enacting the decision. “These applications have been there for a extensive time, and there are some secrecy and safety issues with them including risks of data going out of the country.” said the person.

The declaration from the Ministry of Electronics and IT (MeitY) said it had established complaints from numerous sources, including many reports about the misapplication of some mobile applications for burglary and furtively conveying users’ data in an illegal way to servers outside India.

## IMPACT OF THE BAN

- As per the Indian government report, these applications are transferring the operator data to the locations outside India in an illegal way. This is a serious threat to the privacy of Indian citizens. So, this prohibition is a step to defending the confidentiality and safety of Indian citizen’s data. Other applications will also severely follow the rules dreading the prohibition.
- This step will also decrease India’s digital dependence. And Indian startups and the recognized companies will be significantly benefitted in gaining user base.
- Other countries may also take alike steps to defend the privacy of their citizens.
- This step will pawn China’s efforts to become a tech giant. The barred applications have a larger use base in India.
- The prohibition will add fuel to the Boycott China campaign, which is increasing due to the corona virus epidemic and also because of China’s violence at Galwan Valley.
- This move may bring more speculation to the data centres in India.
- Many Indians were demanding a ban on TikTok too from a long time due to its weak content restraint & the presence of bad-mannered content on the platform. As TikTok is viewed by children and teenagers too, many were demanding a prohibition. Even though the app was barred for a short time a year ago, the prohibition was raised later. So, the recent ban of TikTok application made many people happy.
- Some Indians are earning income from these apps and some others are working in their offices. This ban will influence them harmfully.

## BAN RECOMMENDED BY MHA

“The compiling of the data, its removal and summarizing by rudiments antagonistic to national security and defence of India, which eventually impinges upon the dominion and honesty of India, is a matter of very deep and prompt concern which needs emergency measures,” it said. “There have been intense concerns on facets relating to data safety and protection of the privacy of 130 crore Indians. It has been noted freshly that such concerns also stance a threat to power and safety of our country”.

The Indian Cyber Crime Coordination Centre, part of the Ministry of Home Affairs, has sent a “comprehensive reference for obstructive the spiteful applications,” the press release said.

The Internet Freedom Foundation said. “This is not a permissible order issued under Section 69A. Our first ask is transparency and revelation.” The activist group tweeted such cases desirable to be considered separately and not in the combined.

There is legality in concerns of data security and people’s privacy, it said. “This may be attained through supervisory procedures that arise from neutral, indication based measures. This safeguards reliable action that defends separate right, novelty and safety welfares”.

Spokespeople for ByteDance, the owners of TikTok and Helo, and Alibaba, which owns UC Browser, said they could not comment immediately.

## **“WELCOME MOVE”**

InMobi, the ad tech company that preserves Roposo, a video app that contests with TikTok, said the move would open up the market for its platform while ShareChat, the Indian social network, greeted the government’s move.

Bolo India, an opposite of TikTok, says it will benefit from the ban on its larger opposing. “We welcome the decision as we reverberate the concerns raised by the government. This is the chance for Bolo India and further Indian applications to bring value, keeping Indian philosophy and data safety at the uppermost importance”, said its co-founder and CEO Varun Saxena.

## **‘LEGALLY SOUND’**

Investigation said the move will influence the Chinese apps. “From a strategic viewpoint, it puts vast monetary burden because these applications were deeply dependent on Indian markets. From a legal viewpoint, it is sound because grounds like national security are problematic to challenge in a court of law,” said Santosh Pai, partner at Link Legal, who tracks Chinese investments in the country. “If this is going to be the new state of affairs, we need to see whether Indian applications will achieve the need or American applications will take market share”.

Investors in Indian social applications say that rivalry will come down due to the prohibition on Chinese applications.

“The modest threat will go down. But a lot of applications in India are enthused by the deft engineering of Chinese applications. Overall the ecosystem’s inventiveness will sluggish down.” Said Deepak Gupta, founding partner at WEH Ventures, which has capitalized in Indian video blogging platform Trell.

Here’s the complete list of the apps barred:

- TikTok
- Shareit
- Kwai
- UC Browser
- Baidu map
- Shein
- Clash of Kings
- DU battery saver
- Helo
- Likee
- YouCam makeup
- Mi Community
- CM Browsers
- Virus Cleaner
- APUS Browser
- ROMWE
- Club Factory
- Newsdog
- Beauty Plus
- WeChat
- UC News
- QQ Mail
- Weibo
- Xender
- QQ Music
- QQ Newsfeed
- Bigo Live
- SelfieCity
- Mail Master
- Parallel Space
- Mi Video Call- Xiaomi
- WeSync
- ES File Explorer
- Viva Video- QU Video Inc



- Meitu
- Vigo Video
- New Video Status
- DU Recorder
- Vault – Hide
- Cache Cleaner DU App Studio
- Wonder Camera
- Photo Wonder
- QQ Player
- We Meet
- Sweet Selfie
- Baidu Translate
- Vmate
- QQ International
- QQ Security Center
- QQ Launcher
- U Video
- V fly Status Video
- Mobile Legends
- DU Privacy



## IN DEPTH: WHAT WILL CHINESE APPS DO AFTER INDIA BAN?

An hour after the Indian government proclaimed a prohibition on 59 Chinese apps late last month, Chinese inhabitants in this South Asian country hurried to leave substitute contact information for friends on WeChat.

“You can find me through Alipay if India truly cuts off WeChat,” read one posting on the Chinese social media platform that was amongst the disqualified apps.

Days later, the Google Play Store and Apple Store separate all 59 of the applications in India, including short video platform TikTok with 200 million operators in India, Tencent’s WeChat, Sina’s Weibo, Baidu map and Alibaba’s UC Browser.

The act is not only compelling native users to ascent to change to substitutes but is also compelling Chinese tech companies to reconsider their plan in the country of 1.35 billion people, the world’s second largest populace after China’s 1.39 billion.



India and Indonesia, reflecting a demographic dividend of youthful populations, have become the most significant markets for Chinese tech companies in current years. With quick development in smartphone diffusion, the Indian market is predominantly tempting for mobile phone hardware as well as short video and game apps. ByteDance, owner of TikTok, projects a loss of more than \$6 billion over a vague period after three of its applications were disqualified.

## **POLICY SHIFT**

The unparalleled barring took place in contradiction of a backdrop of stressed relations among China and India and came days after a border clang in the Himalayas left 20 Indian militaries dead. Even before that conflict, India's policy toward Chinese internet companies was increasing antagonistic.

To control unscrupulous foreign attainments of Indian firms made susceptible during the COVID-19 epidemic, the Indian government in April reviewed its foreign direct investment policy to narrow the possibility of qualified investors. Under the new rules, companies from countries that share a land border with India will be allowable to invest only with government endorsement, slightly than routinely as formerly allowed.

Given the limited investment competence of India's other neighbors- Pakistan, Bangladesh, Nepal, Myanmar, Bhutan and Afghanistan the new rules evidently board Chinese stockholders.

This obligation has already overdue many projects by Chinese investors, rendering to Indian law firm Link Legal, which counsels numerous Chinese companies.

The Himalayan border disagreement worsened anti-China sentimentality between many Indian citizens. In May, an application called Remove China Applications, which allowed users to simply obliterate applications established by Chinese companies, was downloaded more than 5 million times in India before it was dragged from the Google Play Store.

## **FACEBOOK IS BIGGEST WINNER**

There are many forces behind India's prohibition on Chinese applications, and the border battle was just a cause, said Lin Minwang, deputy director of the Institute of South Asia Studies at Fudan University, situated in Shanghai. American applications such as Facebook and Indian local tech companies want to recruit their Chinese entrants out of the Indian market, he said.

With the Chinese applications jerked out, Facebook and Indian applications will become the biggest victors. Facebook's messaging app WhatsApp and photo and video-sharing platform Instagram entered the Indian market in 2010 and had long been amongst the most-downloaded nongame applications in the country before Chinese entrants entered.

According to mobile data and analytics platform App Annie, Facebook and its Messenger application graded as the top two most-downloaded nongame apps in India in 2018, whereas WhatsApp ranked fourth. TikTok was sixth.

Within a year, Chinese internet companies changed the Indian app landscape. Amongst the top 10 most-downloaded apps in India, five were Chinese. TikTok took over the top place from Facebook. Other Chinese applications that speedily expanded popularity comprised short video platform Likee, social media app Helo, web browser, UC Browser and video editing and sharing app Vmate. Even though these Chinese apps' monthly active users were no match for Facebook apps, their functions are very analogous.

Facebook is intense to clutch back market shares as it has expended billions of dollars on the marketplace. In April, the U.S. social media giant paid \$5.7 billion for a 9.99% stake in Jio platforms, the digital technology arm of Indian billionaire Mukesh Ambani's corporation Reliance Industries. It is also the parental company of top Indian mobile transporter Reliance Jio, which demanded 387.5 million mobile subscribers at the end of 2019.

## **SOME MAY EXIT**

Not all Chinese companies exaggerated by the prohibition are taking as much of a triumph as ByteDance, giving them a dissimilar viewpoint on the prohibition.

ByteDance, with its estimate at risk owing to the loss of its largest external market, is predictable to violently fight the prohibition. Other Chinese corporations may look to sell or recklessness the market because they see little optimism in exploiting on their market shares, according to Lin Meihan, partner of India Renaissance capital, a wage-earner of financial advisory services to Chinese internet companies in India.

Still, some have already taken actions to evade the prohibition. Xiaomi, for instance, is advertising its products as "Made in India" to take benefit of manufacturing or collecting locally many of the devices it sells in India.

Two applications by Xiaomi- Mi Community and Mi Video Call- are on the barred list, but its main video sharing application, Xiaomi Video, is not. An employee at Xiaomi's Indian office said the company is astonished that the two applications were included in the prohibition because they have nonentity to do with data safety and privacy.

"We are an Indian company, as more than 99% of our phones sold in India are made locally. And 65% of these devices are locally obtained or locally manufactured," said Xiaomi India Managing Director Manu Kumar Jain.

Even though applications developed by local companies with Chinese stockholders are not on the barred list, market predictions for investment environment to continue worsening.



In a televised address to the country on May 12, Indian Prime Minister Narendra Modi pushed for a self-sufficient India many see this call as a sign that the government is trying to substitute Chinese goods and services with locally made products to decrease the influence of the epidemic on business.

One option for Chinese companies is to form combined undertakings with local businesses. New Delhi has long acknowledged a carrot-and-stick method to Chinese investment, hoping Chinese investors would excavate ties with local businesses slightly than just doing business in the nation, according to Link Legal.

## **INDIA EVALUATING BAN ON 275 MORE CHINESE APPS INCLUDING PUBG, XIAOMI Zili: REPORT**

After striking a prohibition on 59 Chinese applications, the government is assessing another 275 applications for defilement of national security and citizen's privacy. The newest list allegedly includes Tencent-backed gaming app PUBG, AliExpress, ByteDance's Resso and ULike, another gaming app Ludo World and Xiaomi's Zili, media reports recommended.

Other applications from Meitu, LBT Tech, Perfect Corp, Sina Corp, Netease Games, Yoozoo Global, amongst others are also under the scanner, according to a News18 report.

The applications being studied are suspect of sharing data with Chinese activities, a source told News18.

Money control could not self-sufficiently confirm the reports. A spokesperson for the Union home ministry had not yet answered when communicated by The Economic Times. Tencent, Kuaishou, Xiaomi, ByteDance and Alibaba had also not yet responded to inquiries.

An authorized from the Ministry Of Electronics and Information technology ( MeitY ) said the centre will follow due process before striking such a prohibition.

“There is a procedure involved; there is a group in place for such prohibition orders. If there is such an order, then MeitY will act, “the official said.

India on June 29 barred 59 Chinese applications, including ByteDance's TikTok, citing intimidations to national safety.

The government's move came after a clatter among Indian and Chinese militaries at Ladakh's Galwan Valley, which additional increased border tensions along the Line of Actual Control.

## **CONCLUSION**

This ban will act as carefulness for all the tech companies to follow the guidelines and to store the data locally. And this is also a prodigious chance for the Indian companies to present and promote their applications as substitutes to the barred applications.