

TikTok ban signed by President Biden, giving ByteDance 9 months to sell

Article

The news: President Joe Biden signed a bill on Wednesday starting a countdown for ByteDance's US business; it must sell TikTok to a US company within 270 days, or the app

will be banned outright.

- The deadline could be extended by 90 days if ByteDance makes significant progress toward a sale. The Chinese company **responded to the US move by saying it won't sell TikTok.**

Showtime: The potential for a TikTok ban had been circulated for months, but the sell-off measure got new life when it was wrapped into a military aid bill for Israel and Ukraine. Now, ByteDance will have to seek a buyer, remove the app from the US, or undertake a lengthy legal battle disputing the ban as a violation of the First Amendment.

Who would buy TikTok? The incredibly popular short-form video app has no shortage of competitors or prospective buyers, but simply purchasing the app is more complicated than it may seem.

- **Google** and **Meta** run their own short-form video platforms that compete with TikTok and have deep coffers for an acquisition, but antitrust concerns could make it difficult for either company to absorb the app.
- Another potential buyer could be a company without straightforward ties to social media, like **Oracle**. When the possibility of a ban was floated years earlier, its name surfaced, and Oracle ended up [striking a data agreement with TikTok.](#)

Though there's likely no shortage of companies with interest, the core aspect of what makes TikTok so valuable may not be on offer.

- “The algorithm is a big part of what makes TikTok tick,” said EMARKETER principal analyst [Jasmine Enberg](#). “China has indicated that it doesn't intend to sell the algorithm, which would lower the dollar valuation and expand the list of potential buyers. But it also devalues the app, and the question is whether or not TikTok is TikTok without the algorithm.”

Spillover: If TikTok gets banned, **Reels** and **YouTube Shorts** will likely absorb a meaningful portion of its audience and advertising spending—but not all of it.

- “Even if a company can replicate the tech, they can't just replicate the culture,” Enberg said. “TikTok has a stronghold on US culture, and while many users would migrate to Instagram Reels and YouTube Shorts should TikTok be banned, they're not exact replacements.”
- Shorts lags far behind TikTok and Reels in key areas like viewership and affiliate link engagement, and spillover from a TikTok ban would be a boon to that platform. But

Instagram, with its vast reach and attachment to Meta’s ad ecosystem, would likely be a larger beneficiary.

Our take: Advertisers will stick with TikTok as long as they can due to its broad appeal and marketing capabilities. Despite a 270-day deadline, the process of banning TikTok or forcing a sale may not be so simple: TikTok is likely to pursue a legal battle that could take much longer to resolve, leaving the app’s fate just as uncertain as ever.

Weekly Usage of TikTok, YouTube, and Instagram by US Teens, 2022 & 2023

% of respondents

	2022	2023
TikTok	69%	68%
YouTube	69%	66%
Instagram Reels	19%	30%
YouTube Shorts	9%	15%

Note: ages 12-17

Source: Forrester Research, "Youth Survey, 2023," Nov 2, 2023

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