

## The TikTok Ban: Why does it matter?

### What is TikTok and why was it banned?



TikTok is the world's most popular short video sharing platform. Despite its peculiar niche, TikTok took the world by storm through the lockdown, reaching 800 million monthly users and 1.5 billion downloads worldwide, and a valuation of 50 billion dollars.<sup>[1]</sup> India comprised around 30% (over 200 million) of those users until the Indian government banned 59 Chinese apps a few weeks ago.

**Why were some Chinese apps banned in India?** Rising border tensions between the two countries prompted the Modi government to ban popular Chinese apps like TikTok, CamScanner and websites like Shein, but did they pose a threat to our national security? Chapter VI, Article 77 of the Chinese State Security Laws obligate Chinese companies to assist the Chinese government in matter of national security.<sup>[2]</sup> This means they can force companies like ByteDance (the owners of TikTok) to share the personal user data of Indian citizens.

**What do other countries think of TikTok?** India is not the only concerned country. Donald Trump has given ByteDance till the 15th of September to either sell TikTok USA (only the US app) to an American company or risked being banned. Microsoft has planned a record deal with ByteDance, the world's largest startup, to purchase TikTok in the USA, New Zealand, Australia and Canada for an estimated 15-40 billion dollars. ByteDance believes TikTok USA alone is worth 100 billion dollars.

## Why is this ban significant for Indian companies?

The ban on TikTok offers a unique opportunity for Indian startup companies. The Prime Minister's 'Atmanirbhar Bharat Abhiyan' or 'self-reliant India mission' is encouraging Indian companies to create an indigenous (home-grown) technology sector and to replace Chinese apps like TikTok with Indian apps. Mitron and Roposo, two Indian apps based on TikTok's model, are already capturing the ready market of 200 million users created by TikTok. Mere hours after TikTok was banned, Roposo launched an ad campaign with the slogan "India ka apna video app." The advertisements appeal to anti-China sentiments, encouraging Indians to use Indian apps. Mitron reported that its user base has grown by 11 times since TikTok's ban. Mitron's pledge to store data on Indian servers alone is a big selling point.

## How do these apps and their users make money?

TikTok's revenue came through advertisements and in-app purchases (buying coins on TikTok). It is estimated that TikTok earned close to 7 billion dollars in just 6 months of 2019.<sup>[3]</sup> Mitron has adopted the same model while Roposo focuses on advertising alone.

More importantly however, content creators or popular TikTok stars can use these apps to earn a living. TikTok stars are directly sponsored by brands like Nivea to advertise their products while other brands like Myntra, Zara and Snapdeal had their own TikTok accounts to launch ad campaigns. Mitron and Roposo are at the forefront of these new marketing avenues and are well-poised to profit from the ban on TikTok.

## What lies ahead?

India's technology startups can avail of this huge opportunity, but still face monumental challenges. India's smartphone users are predicted to reach 800 million by 2022 but the average revenue per user is one of the lowest in the world.<sup>[4]</sup> This means that average smartphone users in India are not likely to spend money on apps like TikTok, making it difficult for Indian companies to earn. However, the future looks promising for Indian apps which can compete on an international scale using the Indian market.

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Written by: Krish Munim (20 years old, undergraduate at King's College London, reading history)

References:

<sup>[1]</sup> <https://www.businessofapps.com/data/tik-tok-statistics/>, accessed 30 July, 2020

<https://www.reuters.com/article/us-bytedance-tiktok-exclusive>, accessed 30 July, 2020

<sup>[2]</sup> *Forbes India*, July 31, 2020

<sup>[3]</sup> <https://www.businessinsider.in/tech/news/tiktoks-parent-company-reportedly-saw-5-6-billion-in-revenue-during-the-first-three-months-of-2020/articleshow/76434254.cms> accessed 30 July, 2020

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*Forbes India, July 31, 2020*

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## **The Fair & Lovely brand will get a new name - what is the fuss about?**



Credit: feminism india.com

**This week, Hindustan Unilever announced that it will drop the 'Fair' from 'Fair & Lovely', the name of the largest skin care brand in India that is used by 1 in 3 households.**

**Colourism, which is discrimination based on skin colour, is something people experience across the world. Most recently with the brutal killing of George Floyd, the #BlackLivesMatter movement is back with renewed force as a voice against the racial prejudice black people face due to the colour of their skin in the United States.**

In India, being fair equals being beautiful. This deep ingrained bias of fair skin being more desirable is tied to the human aspiration for power and wealth. The genesis of this goes back many centuries. As per the norms of the caste system (described as 'varna' or 'colour' in the vedas), and its classification of work, people of higher castes did not physically toil in the sun and were naturally fairer. In Hindu mythology, Gods like Shiva, Rama and Krishna are depicted with blue-ish skin and not as completely dark, which is reserved for the evil asuras. Add to that our long history of being ruled by fair skinned invaders, the last of which were the Mughals and the British. All of this has perpetuated this deep seated notion of fair skin being superior. So aside from being a historical beauty ideal, fair skin also became aspirational as it connoted a higher place in the social hierarchy.

Bollywood which sets the standards and definitions for beauty in our country still celebrates and reinforces 'gora' or 'fair' as beautiful.

**Traditionally, brands have grown out of a consumer need.** In the 70's, matrimonial ads often said " Wanted fair & lovely girl as a bride". Fairness was an accepted beauty ideal and the biggest expectation that consumers had for their skin. This is how the brand Fair & Lovely was born! Since 1975, skin cream brands have built upon, reinforced and benefited from the consumers' need to look fairer by actively portraying the benefits of lighter skin.

In the last decade or so, a movement to change the conversation through campaigns like '**Dark is beautiful**' and **#unfairandlovely** have mushroomed in India and some celebrities have taken a stance that they will not endorse fairness. For this deep rooted belief to change, people have to look beyond the colour of a person's skin in defining who they are, and not let that come in the way of opportunities in their life. This needs widespread action from many facets of society to build awareness and education to drive impactful change, and the current generation can play a significant role.

**Brands have always played a role in changing the narrative.** However, removing 'fair' from the name of the cream alone will not remove the aspiration to be fair amongst the billion Indians. For a leading brand, this is indeed the first step in the right direction towards a more inclusive idea of beauty. Will Fair & Lovely and its ilk go as far as saying dark is beautiful? That remains to be seen. Let us hope it spurs a recalibration of beauty ideals by leading the change and neutralising the role that skin colour plays in all walks of life, paving the way for a more 'fair & equal' world!

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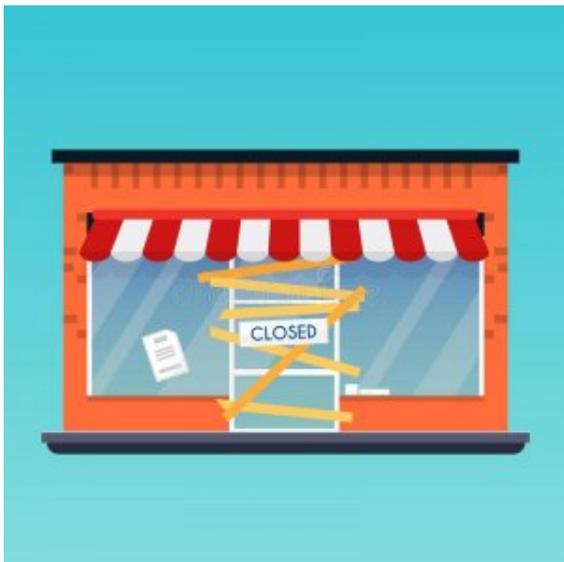


Written by: Shalini Raghavan, Brand Expert

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## India's economy will contract this

## year. What does this mean?



Credit: Dreamstime.com

**This week the International Monetary Fund noted that India’s economy will contract by almost 5 percent this year.** This means that we will produce 5 percent fewer goods and services compared to last year. This is the first time in 40 years that the economy is expected to contract. Normally it grows by 6-7 percent every year.

**Why is this happening?** Because of COVID, the economy was shut down for almost two months. That meant that people could not go out and buy goods and services (visit restaurants, go to shopping malls, travel on trains or planes). Even now, because of the fear of COVID, many people cannot or will not like to leave their homes. If people don’t go out and buy things, why will businesses produce those goods and services? That’s why economic activity is contracting.

In turn, because many businesses have temporarily — or permanently — shut down, many workers who come to the cities from the villages have lost their jobs. These “migrant workers” also wanted to return home because they were worried of catching COVID in the cities. They felt safer going back to the villages. But because there were no trains or buses plying, most of these migrant workers had to walk for hundreds of kilometres to reach home.

The whole world is waiting for a vaccine. It’s only when people feel completely safe from COVID will they resume normal activities and the economy will start growing again. But there are important economic lessons from COVID. We need to create more safety nets for the poor and migrant workers so they have food, income, shelter and better access to health and education if the economy were to ever shut down like this again. That must be the enduring lesson from this crisis.

## Facebook buys a stake in Jio. Why does that make sense?



Earlier this month, Facebook bought almost 10% of the Indian telecommunications company, Reliance Jio.

**Why does it make sense for a social media company to buy a stake in a telecommunications company?** Well, Facebook is looking for ways to grow its user base and for new markets to get into.

Reliance Jio wants to raise money to support all its digital expansion plans. This gives it some of the money it needs.

In addition, Reliance Jio had announced the start of an e-commerce platform called **JioMart**, a way for small physical stores (like your neighbourhood store) to get on one platform, and offer their wares to more people in neighbourhoods. Facebook owns Whatsapp. With this partnership, JioMart can use Whatsapp as a way for people to place and pay for their orders, for example. This can turbo charge JioMart.

Mark Zuckerberg, the Founder and CEO of Facebook, said that like this, there are many other ways in which the two companies can work together to create communities of users and to help them with more services. In addition, Facebook will be able to grow its user base in India.

Stay tuned to see how this pans out!

## An out of the box idea: A vending machine for face masks!



**Adrian Cheng** is a young business tycoon who runs a jewellery company and a property development company in Hong Kong. He is also an avid art collector.

He wants to help people during the coronavirus crisis, and so has done something pretty cool - he has built vending



**What does this mean?** This means that 3,000 metric tons of plastic will be phased out by McDonalds!

**What about other fast food chains?** Burger King has already started this process, as has Starbucks.

**What's the coolest part of this story?** 2 schoolgirls in the UK started this effort and got 400,000 people to sign it so McDonald's would sit up and take notice.

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Written by Sunaina Murthy

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## End of an Era

**News:** The world's second-richest man, Bill Gates, Founder of computer software giant Microsoft has stepped down from the Board of Directors of the Company at the age of 64.

**Background:** Bill Gates founded Microsoft in the late 1970's when he dropped out of college. The company, which he founded with his friend Paul Allen made it big when Gates signed a deal with IBM in 1980 to create the MS-DOS operating system (this operating system came before Microsoft Windows). When Microsoft became a public company in 1986, Bill Gates, who was just 31 at the time became the world's youngest self-made billionaire!

In 2000, Bill Gates stepped down as CEO of Microsoft and in 2014, he resigned as Chairman of the Board of Directors, appointing Satya Nadella as the company's new CEO.

**What is he busy with:** Bill Gates, along with his wife Melinda set up the Bill and Melinda Gates Foundation many years ago to devote a large part of their time and money to charitable activities around the world and the Foundation has been actively involved in many different social initiatives. In 2018, Bill and Melinda Gates became the biggest philanthropists (people who give a lot of money and time to charity) in the United States by giving nearly 5 billion dollars to their foundation.

Bill Gates has made his decision to leave the Board of Microsoft entirely in order to dedicate more of his time and resources to his foundation and to do more philanthropic work around the world. Bill Gates has also stepped down from the board of fellow billionaire Warren Buffet's company Berkshire Hathaway on which he has served since 2004.

**It truly is the end of an era, with Bill Gates stepping away from the company he founded over 40 years ago, but he will continue to remain involved with Microsoft and act in an advisory capacity for many years to come.**

**Currentkids highly recommends the Bill Gates story on Netflix - [Inside Bill's Brain: Decoding Bill Gates](#)**

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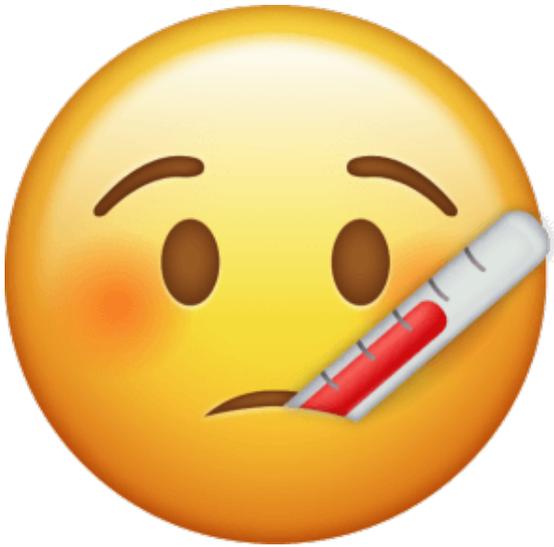
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Written by: Disha Mirchandani. Disha is a former lawyer turned freelance content writer. She is a fitness enthusiast and amateur aerialist with her own fitness photo-blog as well.

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## **Coronavirus Update! Here's more on the virus, what you can do about it, and how it is affecting the stock markets.**



Credit: emojiisland

**Coronavirus Update:** The illness caused by coronavirus has been spreading around the world. It seems like you can't go anywhere without people talking about it, vacation plans are up in the air, stores are running out of hand sanitiser (yes really!), and larger events are being cancelled. People are trying not to be at large parties where the chance of coming into contact with people who are sick are higher. Schools have asked parents to inform them about travel plans.

**Is this a lot of hype?** Well, this is what we know. It is a strong virus. It spreads through droplets released into the air by infected people when they cough or sneeze. A lot of those who are infected experience symptoms like the flu and do recover. Those infected and those who are suspected of being infected are being quarantined (kept apart from others) for two weeks so that they don't have a chance of spreading the virus to others.

**Why are immigration lines at airports empty?** People are preferring to cancel travel if they can, as they don't want to be on long plane rides with people who might be sick. People at airports are being screened for a fever when they land.

**Why is everyone so worried about this if it's like the flu?** That's because (1) not everyone who is infected with the virus has the symptoms, and so can unknowingly infect others, and (2) the infection can be quite severe in those whose immunity is not very strong. And some of these people have died from this infection. We do not currently have any specific medicine or a vaccine for this illness, although researchers are working very hard to test out different candidates in clinical trials.

**Should you be worried about this?** At CurrentKids, we firmly believe that there's nothing you can solve by worrying! Here's what you CAN do:

1. Wash your hands with soap and water.
2. Avoid touching your face (the virus gets into your respiratory system from there).

3. Avoid touching railings and elevator doors and things like that in public places.
4. Stay a safe distance (about 3 feet) away from people you know have a cold and cough.
5. People around the world are starting to avoid shaking hands - maybe a simple namaste will do!
6. Tell your parents if you don't feel well, and get checked by the doctor. The first symptoms? A dry cough and fever.

**The impact of the coronavirus on business.** Because governments have been trying to contain the spread of this illness, factories in China (where the virus is thought to have originated) were shut for weeks. China actually supplies materials to factories all around the world. Many companies also have manufacturing units in China. China has not been able to complete these orders. As a result, the companies who use them as suppliers will not be able to make the quantities of product they had planned for. Some companies manufacture in other countries, and as the virus has been spreading, it has been affecting business across the world.

**As a result, the global stock markets have been falling. Why is this?** The price of a stock (share of a company that people buy and sell or trade) is decided upon by a few factors, including what people think the company is capable of producing or providing.

**Manufacturing problems:** Let's do this through an example. Apple, Inc, the makers of the iPhone, iPad, MacBooks and other products and services, manufactures a lot of its devices in China. It has warned its investors that because factories in China were shut for so long they will not have enough iPhones to sell to meet the demand for iPhones. So people have calculated that Apple's potential to earn money was higher before the coronavirus hit than it is right now, and what they are willing to pay for each share of Apple, Inc, will also be less today than it was before the news hit. This has happened to a lot of companies across the world as many companies get parts from China and also manufacture in China. Therefore, stock markets across the world are falling in value. So people who have invested in shares of these companies are suffering because their investments are then losing value every day!



Starbucks Stock Price, Monday March 9, 2020, in \$

**Selling problems:** Those companies who sell products and services in China (e.g. Starbucks) are also suffering as they don't have that many customers anymore. And as the infection rate across the globe increases, their business will continue to suffer as people will start to avoid going out. This has started to happen and is being reflected in their stock price. See the Starbucks stock price chart above. The price that people are willing to pay for a share of Starbucks was \$87 on February 10, but on March 9, it is \$75.31.

**Travel restrictions:** Because of the strong effort by most governments to control the spread of the virus, people have started to avoid travelling unless it is absolutely necessary. They want to avoid being on the plane for long periods of time to reduce their chance of catching the virus. In addition they want to avoid waiting in long lines at the airport to be screened for a fever. As a result, airline companies and hotels are really suffering. They don't have many takers for their services!

**Oil:** In addition, Saudi Arabia, one of the largest oil producers, just announced that it is cutting the price of oil as there will be too much supply as reduced manufacturing and travel means less oil consumption. The fall in oil prices has negatively affected all the oil producing countries as suddenly they won't be able to generate as much revenue as they had anticipated. This reduction in prices will be positive for the countries buying oil from Saudi Arabia.

**So who can benefit from this?** Companies who are selling products and services that can help people against the virus - those selling hand sanitizer, flu medicines, masks, vitamins, diagnostic services. These are some of the products that people are buying and making sure they use! As a result, the sellers of these products have increased the price of these products!

Stay tuned for more on the impact of the coronavirus.

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Written by: Sunaina Murthy

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## Financial Literacy for kids: A video

## on Saving and Investing

This is Part 2 of the series that money managers DSP have put together to explain, very simply, some options for what you can do with your money – you can save it, or you can invest it, and they explain the difference between these options.

**Take a look and let us know what you think!**

[https://youtu.be/A\\_dPoma8yKA](https://youtu.be/A_dPoma8yKA)

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## What is Inflation?

Welcome to a new series that professional money managers, DSP, have put together for you and me. Check in here on **Thursdays** for a video that will explain tricky financial terms and the basics of investing. We can all be a little smarter about handling money!

Let us know what you think!

<https://www.youtube.com/watch?v=lj1gynjSM0Q&feature=youtu.be>