

Can Elon Musk really save TikTok?

Chinese officials are reportedly exploring a backup plan for TikTok after the Supreme Court appeared unlikely to save it from a US ban. With TikTok's legal options nearly exhausted, multiple news outlets are reporting that China is considering an option it previously said it wouldn't: letting ByteDance sell the app.

The kicker? China is reportedly mulling having President-elect Donald Trump's favorite tech billionaire, Elon Musk, act either as broker or buyer in the arrangement. Reports from the *Financial Times*, *Wall Street Journal* and *Bloomberg* – all citing unnamed sources – indicate that Chinese officials are at least discussing the option of a sale. TikTok spokesperson Michael Hughes has called the reports “pure fiction.” The Chinese embassy in the US and Musk's existing social media company, X, did not respond to requests for comment.

Plenty of people have expressed interest in buying TikTok at this point, from “Shark Tank” celebrity Kevin O’Leary to YouTuber Mr. Beast. The problem has not been a lack of buyers – though obvious ones like Meta and Google would likely be barred by antitrust authorities – but reluctant sellers. The new reporting suggests that the Chinese government, which has long stated it would refuse to approve a sale, could now be changing its mind. Musk's reported involvement makes some strategic sense based on his relationships with both China and Trump.

Musk is uniquely positioned to play a role in a potential deal. He has a direct line to Trump, has said he wants X to be more like TikTok since he bought it, and plenty of experience

dealing with Chinese authorities. (Sales from China account for a significant share of Tesla's business.) He could merge TikTok with X and xAI, his OpenAI competitor, to create a more influential platform. As the richest man in the world, he also has access to the money he'd need to do a deal.

Long Le, an international business professor at Santa Clara University, tells *The Verge* that China may be open to a joint venture arrangement, similar to what foreign companies operating in China often undergo. Under the text of the US law, an app can be considered to be controlled by a foreign adversary if a person from one of those countries owns at least a 20 percent stake.

"If they were going to do some type of joint adventure, Elon Musk would be ideal because he's also close to Trump," Le says, adding that the Chinese government may already feel comfortable with him. "Having someone like Musk would still allow the US and China to have some aspects of linkage to trade and foreign direct investment, even though, in general, the decoupling is occurring."

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China may hold off on a sale if it believes the US will let TikTok remain under ByteDance's ownership, especially given TikTok's influence around the world. ByteDance is a homegrown tech champion and source of national pride for China, so government may be unwilling to suffer the optics of handing TikTok over to the US. Plus, China may prefer to let the US take heat globally over the ban, even if it means the loss of a significant market for TikTok. Chinese foreign ministry spokesperson Wang Wenbin said last year that a forced sale or ban "will inevitably come back to bite the United States."

On the other hand, China is about to face a new protectionist administration when Trump is sworn in next week. He has

promised exorbitant tariffs on Chinese imports, which could damage its economy. If the Chinese government is looking for an effective bargaining chip with Trump and the US, it might have found one in TikTok, especially considering the President-elect's "warm spot" for the app. Chinese officials see a deal over TikTok being a possible area of collaboration with the US as they anticipate tense negotiations over other issues with the Trump administration, sources told *Bloomberg*.

If TikTok is banned, it's not clear how quickly users would feel the effects. Apple and Google would need to remove the app from their app stores and stop updating it. It would still remain on users' phones if they've already downloaded it but Oracle, which provides cloud infrastructure to TikTok in the US, would likely also be required to stop hosting the app's data.

Some could still access TikTok by using virtual private networks (VPNs) but that adds an extra layer of friction. Despite all this, progress toward a deal could continue after the ban takes effect on Sunday – which will happen unless the Supreme Court stops it. There's also the slim chance that Congress or President Joe Biden extend the deadline.

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