

Microsoft/G42 AI Partnership EXPLAINED - Potential Benefits & Risks for U.S. Technological Security

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In April, Microsoft announced a \$1.5 billion partnership with G42.

While the deal could benefit American business & relations with the United Arab Emirates, it could also open a backdoor for U.S. technology & dollars to flow to the Chinese Communist Party's (CCP) surveillance state & military research.

Chairman John Moolenaar (R-MI) of the House Select Committee on the Chinese Communist Party and Chairman Michael McCaul (R-TX) of the House Committee on Foreign Affairs requested a classified briefing from the Biden administration as the chairmen remain concerned that without robust protections, sensitive U.S.-origin technology transferred as part of the Microsoft-G42 partnership could end up the CCP's hands.

Chairmen Moolenaar and McCaul write, "It is vital we do all we can to limit the PRC's [People's Republic of China] malign influence around the world, including in the Middle East... we support your efforts to work hand in glove with U.S. companies like Microsoft to strengthen our dominance in AI; however, we must also be clear-eyed about the risks posed by transferring our most critical AI technology particularly when it comes to countries where the PRC is active."

The lawmakers continue, "Given the ties between the PRC and G42 as well as PRC's continued interests in the UAE, we ask that the National Intelligence Council prepare an official Intelligence Community assessment on the ties between G42, including its subsidiaries and affiliates, to the Chinese Communist Party, the People's Liberation Army, or any part of the PRC's apparatus."

Background:

In January, the Select Committee outlined some of G42's most problematic connections with Chinese military companies, state-owned enterprises, and Chinese intelligence services. According to documents reviewed by the Committee, G42's CEO Peng Xiao operates and is affiliated with an expansive network of UAE and People's Republic of China-based companies that develop dual-use technologies and materially support PRC military-civil fusion and human rights abuses. Following the Select Committee's inquiry, G42 announced that it severed its relationships with some problematic Chinese entities. Then in April, Microsoft announced a \$1.5 billion partnership with G42, furthering the UAE's aspirations to be a global AI leader.

However, last month, UAE President Sheikh Mohamed bin Zayed Al Nahyan traveled to China and described AI as an area of deeper PRC – UAE collaboration. As a result, lawmakers remain concerned that key American technology could end up the CCP's hands, originating from Microsoft's partnership with G42.