

Windows, Gates and a firewall: Microsoft's delicate castle in China

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Microsoft arrived in China in 1992 and now employs around 6,200 in the region

Microsoft, which is in talks to buy part of Chinese video app TikTok, is one of the few US tech titans that have managed to succeed in China.

The [software giant](#) has kept its business alive in the country by

complying with strict local laws, despite the communist nation's wide-reaching censorship.

Here are some key points about the technology and gaming group's operations in the world's second biggest economy.

A pioneer

Microsoft arrived in China in 1992 and opened its largest research and development centre outside the United States. It now employs around 6,200 people in China.

The ubiquitous Windows operating system is used in the vast majority of computers in China—despite Beijing promising in recent years to develop its own operating system. The company's success has a downside, however, as its software is widely pirated.

The important Chinese market, which is very restrictive for foreign firms, represents a drop in the ocean of Microsoft's business, accounting for barely 1.8 percent of its turnover, president Brad Smith said at the beginning of the year.

Microsoft's Bing is one of the few foreign search engines operating in China—although it is far behind its local competitors Baidu and Sogou, which dominate the market.



Microsoft founder Bill Gates is pictured with China's President Xi Jinping during a conference on the southern Chinese resort island of Hainan on April 8, 2013

Bill Gates

Microsoft founder Bill Gates has long embodied a model of success in the eyes of many Chinese people and his books are bestsellers in the country.

President Xi Jinping visited the company's headquarters on a state visit to the US in 2015, where he met with Gates and his wife.

Today, as the head of his humanitarian Bill & Melinda Gates

Foundation, the 64-year-old has the prestige of a head of state in Beijing.

In February Xi wrote Gates a letter thanking him for his support during the coronavirus epidemic.

Censorship and control

China censors all subjects considered politically sensitive in the name of stability, and internet giants are urged to block unwanted content online.

Refusing to comply with Beijing's strict demands, American giants Facebook, Twitter, Instagram and YouTube, as well as Wikipedia and several other foreign media, are blocked by China's "great firewall".

Microsoft, however, operates its professional LinkedIn network in the country by complying with the draconian censorship rules through a local joint venture.



After Beijing lifted its ban on console sales, Microsoft was the first foreign firm to break into the video games market in China with its Xbox One console in 2014

Skype and Teams, its other two big platforms, are also available in China.

It's not all smooth sailing though, with Bing temporarily taken offline last year, prompting speculation the search engine had been blocked by censors.

Smith told Fox Business News at the World Economic Forum in Davos that "there are times when there are difficult negotiations with the Chinese government."

The Greatfire.org website, which tracks online censorship in China, accused Bing a few years ago of redacting results containing [sensitive information](#).

Video games

In 2000 Beijing halted the sale of all consoles because of their alleged negative effects on the "mental health" of young users, although they remained available illegally.

After the ban was lifted, Microsoft in 2014 was the first foreign firm to break into the video games market in China with its Xbox One console.

Also in 2014, the Chinese competition authorities opened an anti-monopoly investigation against Microsoft and its Windows software.

Around 100 inspectors raided the group's offices in four Chinese cities, confiscating files and questioning employees.

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