

Microsoft to invest \$1.5bn in AI firm in UAE, take board seat

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Microsoft is to invest \$1.5 billion in the United Arab Emirates artificial intelligence firm G42, taking a minority stake and a seat on the board, the companies said on Tuesday.

The [deal](#), in which G42 will run its applications and services on Microsoft's Azure platform, comes days after the US giant said it would plow \$2.9 billion into Japanese AI.

Microsoft has become a major player in the advancement of AI through its partnership with ChatGPT-maker OpenAI—propelling it past Apple as the world's biggest company by market capitalization.

According to the New York Times and Bloomberg, the strategic investment follows talks between the US and UAE governments where G42 agreed to drop Chinese partnerships in favor of American technology.

"The commercial partnership is backed by assurances to the US and UAE governments through a first-of-its-kind binding agreement to apply world-class [best practices](#) to ensure the secure, trusted and responsible development and deployment of AI," Judson Althoff, Microsoft executive vice-president and chief commercial officer, said in a statement.

Microsoft president Brad Smith, who will join the board of G42, told Bloomberg that his company "got strong encouragement from the US government to move forward in this process".

"That reflects a recognition by the US government of the importance of the relationship between the two countries and the importance of continuing to encourage responsible companies," he was quoted as saying.

The deal appears to mark the latest salvo in the battle between the US and China over technology, which includes Washington's sanctions on Huawei and centers on fears over intellectual property and data protection.

Abu Dhabi-based G42 is part of the reported \$1.5 trillion business empire of National Security Advisor Tahnoun bin Zayed, brother of UAE President Mohamed bin Zayed.

Under the new arrangement, G42 will offer AI services via Azure to public sector clients and large enterprises in various sectors, focusing on the Middle East, Central Asia and North Africa.

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