

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 will close its career-oriented social network LinkedIn in China, is one of the few US tech titans that have managed some success in the country.

The [software giant](#) has kept its business alive in China largely 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 employs around 6,200 people in China.

The 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 last year.

Microsoft's Bing is one of the few foreign search engines operating in China—although it is far behind 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 Gates and his wife.

Today, as the head of his humanitarian Bill & Melinda Gates Foundation, the 65-year-old has the prestige of a head of state in Beijing.

In February 2020, 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".

It has not been all smooth sailing for the company, with Bing temporarily taken offline in 2019—prompting speculation the search engine had been blocked by censors.



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.

Microsoft operated its professional LinkedIn network in the country for years by complying with censorship rules through a local joint venture.

But on Thursday it announced it would close LinkedIn in China, citing an increasingly "challenging operating environment and greater compliance requirements".

In March the group already said it had halted new member sign-ups while reviewing compliance with local laws.

LinkedIn has been criticised in the country for pulling the professional accounts of dissidents—which it later said was in error—and scratching politically sensitive content from its pages.

Skype and Teams—Microsoft's two other big platforms—remain available.

Video games

In 2000 Beijing halted the sale of all games 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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