

Business / Tech

Microsoft asks some employees in China to move to other countries

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2 minute read · Updated 11:26 PM EDT, Thu May 16, 2024







Microsoft's offices in Beijing Bloomberg/Getty Images

Editor's Note: Sign up for <u>CNN's Meanwhile in China newsletter</u>, which explores what you need to know about the country's rise and how it impacts the world.

(CNN) — Microsoft has asked at least 100 of its employees in China to consider moving to other countries, according to Chinese state media reports.

The reports come as relations between Beijing and Washington deteriorate over technologies like artificial intelligence (AI) and clean energy.

Microsoft employees, mostly involved with cloud computing, were recently offered the opportunity to work in the United States, Australia or Ireland, among other countries, state-run outlet The Paper said in a report Wednesday, citing an unnamed source.

"Providing internal opportunities is a regular part of managing our global business. As part of this process, we shared an optional internal transfer opportunity with a subset of employees," a Microsoft spokesperson told CNN on Thursday. It did not specify the number of workers who had received the offer.

The <u>Wall Street Journal</u> reported Thursday that Microsoft asked as many as 800 employees, mostly engineers with Chinese nationality working on cloud computing and AI, to consider relocating. The Journal, which cited unnamed sources, reported last year that the Biden administration was preparing to restrict Chinese firms' access to US cloud services.

The company entered China in 1992 and for decades has counted on its well-known Beijing-based

research lab, Microsoft Research Lab Asia, to help it build influence.

"Everyone is confused," an employee told the Paper, as the affected staff has been given less than a month to decide.

Yicai, a Chinese state-owned financial media outlet, <u>wrote that</u> more than 100 employees were affected. It added that people had the option not to move.

The reports come in the same week <u>President Joe Biden</u> announced tariffs on \$18 billion worth of imports of Chinese electric vehicles and an array of other products. Biden said he was trying to prevent unfair competition from China decimating US industries.

The tech war between the two economic superpowers has been intensifying for years. In <u>October</u>, the Biden administration limited the types of semiconductors that American companies can sell to China.

In recent months, the United States has also enlisted its allies in <u>Europe</u> and <u>Asia</u> in restricting sales of advanced chipmaking equipment to China.

Beijing has hit back by imposing its own curbs on exports of germanium and gallium, two elements essential for making semiconductors.

Hassan Tayir and Juliana Liu contributed to this report.

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