# Silicon Valley forging partnerships with Middle Eastern sovereign wealth funds for AI ventures



In recent years, Silicon Valley has been increasingly engaging with Middle Eastern sovereign wealth funds, especially those from countries like the United Arab Emirates (UAE) and Saudi Arabia, in a bid to secure funding for advanced technology ventures, particularly in artificial intelligence (AI). This shift is driven by the need for massive capital infusions to support the resource-intensive development of AI technologies, with companies such as Microsoft and start-ups like Cerebras Systems securing substantial investments from the region.

The Biden administration has played a significant role in facilitating these ties, viewing them as strategic maneuvers to counterbalance China's influence in technology and regional politics. Notably, a meeting hosted by the White House with UAE’s security adviser highlighted efforts to replace Chinese technology with American innovations in the UAE.

While some in Silicon Valley previously avoided Middle Eastern funding due to concerns over human rights abuses and the potential misuse of technology in surveillance, the pressing demand for AI development funds has softened this stance. For instance, Microsoft recently made a significant $1.5 billion investment in UAE’s G42, and prominent venture capitalist firm Andreessen Horowitz is reported to be raising $40 billion from Saudi Arabia for a dedicated AI fund.

The partnerships between Gulf States and Silicon Valley are part of broader ambitions by these countries to transition their economies away from oil dependency and establish themselves as AI hubs. G42, in particular, is leveraging its ties to build advanced Arabic AI language models, aiming to serve the language needs of approximately 400 million Arabic speakers worldwide.

Despite the lucrative opportunities, there are concerns within the tech community about the implications of these collaborations, particularly in relation to human rights and the potential use of American-made technologies in surveillance activities by authoritarian regimes.