

Big Tech could use its cloud computing dominance to influence Big Oil

Google has agreed a Saudi Arabian cloud services deal with a division of state-run oil producer Aramco, risking a staff backlash over potential fossil fuel links and accusations of human rights abuses, Bloomberg has reported.

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In 2018, the same year Crown Prince Mohammed bin Salman was linked to the murder of journalist Jamal Khashoggi, Google issued a set of public principles that included banning AI systems that contravened "international law and human rights". The tech firm's systems in Saudi Arabia could be used to spy on people or prevent freedom of expression, said former Google researcher Jack Poulson.

Why does this matter?

A growing demand for climate action is forcing both Big Tech and the oil sector to reconsider how business is conducted. Activists are placing pressure on the former to wash their hands of fossil fuels – a Greenpeace report, for example, recently detailed how Big Tech partnerships are assisting in obtaining oil and gas profits.

Following this report, Google announced it would no longer supply oil and gas firms with AI services. It maintained, however, these companies would still have access to its cloud computing platform.

Aramco is currently the largest oil producer in the world. Though it's unveiled a \$500mM fund to promote renewable technologies, CEO Amin Nasser predicts a recovery in demand for oil in the second half of 2021 and has suggested hydrocarbons will maintain a comfortable position alongside alternative energy options.

While Google is facing criticism for working with Aramco, the reality is there are few other options when it comes to securing cloud computing services. Reports suggest only a handful of companies - Google among them - have the resources to maintain the infrastructure required to provide such offerings. The likes of Amazon, Microsoft and Google spend up to \$15B each year on cloud operations.

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Big Tech could, of course, turn its back on energy majors, by refusing to provide critical technologies, but in doing so may impact the energy supply for many globally - at least until 100% renewable power is a possibility. Perhaps it could use its dominance of areas like cloud computing, however, to put pressure on Big Oil to decarbonise at a faster rate?

Additionally, some Big Tech firms are justifying their work with energy majors by claiming their technology is being used as part of the mission towards decarbonisation. Microsoft, for example, has recently faced criticism for supplying Petrobras with cloud computing services. Both companies, however, claim the technology is being used to reduce Petrobras' carbon footprint.



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