

Elon Musk says his AI startup xAI not raising capital

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Online Desk: Elon Musk said on Friday his artificial intelligence firm xAI was not in talks with investors to secure funding, following a media report earlier in the day on the startup's effort to raise up to \$6 billion.

"xAI is not raising capital and I have had no conversations with anyone in this regard," Musk said in a post on X.

A global media had reported that xAI was in talks to raise funding at a valuation of \$20 billion.

The startup is in talks with family offices in Hong Kong and is targeting sovereign wealth funds in the Middle East, according to the report, which cited multiple people familiar with the matter.

The AI race has been heating up with several investors signing big checks for start-ups looking to capitalize on what has captured Silicon Valley's attention over the past year.

Musk's office did not respond to a Reuters request for comment.

Last week, Musk denied a report that xAI had secured \$500 million in commitments from investors toward a \$1 billion funding goal.

The CEO of Tesla, opens new tab has been vocal about his plans to build safer AI. Musk co-founded OpenAI in 2015, but stepped down from its board in 2018.

Last year, xAI launched "Grok", a chatbot rivaling OpenAI's ChatGPT.

Musk also warned about developing AI and robotics outside Tesla, earlier this month, unless he gets more voting control at the electric-vehicle maker. He said he would be uncomfortable building Tesla into an AI leader unless he had 25 per cent voting control.

Thanks to the popularity of ChatGPT, the AI industry has been a rare bright spot in a subdued start-up funding environment.

Anthropic and Microsoft-backed Inflection AI have also raised funds in recent months.